

YREKA CITY COUNCIL

AGENDA

December 19, 2013 – 6:30 P.M.

Yreka City Council Chamber 701 Fourth Street, Yreka, CA

The full agenda packet can be found on the City's website www.ci.yreka.ca.us/council

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS: This is an opportunity for members of the public to address the Council on subjects within its jurisdiction, whether or not on the agenda for this meeting. The Council has the right to reasonably limit the length of individual comments. Pursuant to Yreka Municipal Code Section 1.24.170 those addressing the Council shall limit their remarks to five minutes. For items, which are on this agenda, speakers may request that their comments be heard instead at the time the item is to be acted upon by the Council. The Council may ask questions, but may take no action during the Public Comment portion of the meeting, except to direct staff to prepare a report, or to place an item on a future agenda.

SPEAKERS: Please speak from the podium. State your name and mailing address so that City Staff can respond to you in regard to your comments, or provide you with information, if appropriate. You are not required to state your name and address if you do not desire to do so.

1. Discussion/Possible Action - Consent Calendar: All matters listed under the consent calendar are considered routine and will be enacted by one motion unless any member of the Council wishes to remove an item for discussion or a member of the audience wishes to comment on an item. The City Manager recommends approval of the following consent calendar items:
 - a. Approval of Minutes of the meeting held December 5, 2013
 - b. Approval/ratification of payments issued from December 6, 2013 through December 19, 2013.
 - c. Adopt Resolution No. 3045 approving the destruction of certain City Records identified by the Finance Director.
2. Discussion/Possible Action – Approval of Yreka Volunteer Fire Department Elected Officers for the 2014-2015 term.
3. Discussion/Possible Action – Acceptance of Audited Financial Report Fiscal Year 2012-2013.
4. City of Yreka Community Development Block Grant (CDBG) Program:
 - PUBLIC HEARING – To discuss the accomplishments of Community Development Block Grant No. 11-PTEC-7648 and to give citizens an opportunity to make their comments known.
 - Discussion/Possible Action Adopt Resolution No. 3041 accepting as complete a report to develop a Tourism Marketing Strategy and evaluate the potential for long-term funding.
5. Discussion/Possible Action – Wastewater System Improvement Project:
 - a. Adopt Resolution #3042 relating to the Certificates of Participation (Wastewater System Improvement Project) and approving the forms of and authorizing the execution and delivery where applicable of a Purchase Agreement, an Installment Sale Agreement, a Trust Agreement and an Assignment Agreement in connection therewith, and authorizing certain other related actions.

- b. Adopt Resolution #3043 authorizing and providing for the incurrence of indebtedness for the purpose of providing a portion of the cost of acquiring, construction, enlarging, improving, and or extending its Sewer Wastewater and Treatment to serve an area lawfully within its jurisdiction to serve.
6. Discussion/Possible Action – Adopt Res #3044 to authorize the City Manager to award a construction contract to RTA Construction in the amount of \$2,153,110 for Schedule A- Base Bid and Additive Alternative A5-Miner Street Storm Drain, a construction contract to T&S Construction, Inc. in the amount of \$ 2,365,337 for Schedule B, and to execute related documents for the Wastewater System Improvements.
7. Discussion/Possible Action Adopt Resolution No. 3046 approving execution of Memorandum of Understanding signed by the Confidential Unit.
8. Discussion/Possible Action - Adopt Resolution No. 3047 accepting Deed from Peter LaFortune and Stephanie Zack for a public utility easement.
9. Discussion/Possible Action – Approve the MS4 Implementation Plan for submittal to the North Coast Regional Water Quality Control Board.
10. Discussion/Possible Action - Approval of Treasurer’s Report and Operating Budget of Revenue and Expenditures with Actual for the Month of November 2013.

City Manager Report:

Council Statements and Requests: Members of the Council may make brief announcements or reports or request staff to report to Council on any matter at a subsequent meeting.

CLOSED SESSION:

1. Conference with Labor Negotiator Government Code Section 54957.6 (a)
Agency Negotiators: Steven Baker
Employee Organizations: Yreka Management Team Association and
Yreka City Employees Association.
2. Conference with Legal Counsel - Anticipated Litigation
Initiation of litigation pursuant to Subdivision (c) of Section 54956.9 of the Government Code:
(Number of cases to be discussed – 2 - The names of the parties are not disclosed as it is believed that that to do so would jeopardize the City's ability to serve process or to conclude existing settlement negotiations to the City's advantage).

RETURN TO OPEN SESSION: Announcement of any action taken by the City Council in Closed Session required by the Ralph M. Brown Act. (Government Code Section 54950 et. seq.)

Adjournment.

In compliance with the requirements of the Brown Act, notice of this meeting has been posted in a public accessible place, 72 hours in advance of the meeting.

All documents produced by the City which are related to an open session agenda item and distributed to the City Council are made available for public inspection in the City Clerk's Office during normal business hours.

In compliance with the Americans with Disabilities Act, those requiring accommodations for this meeting should notify the City Clerk 48 hours prior to the meeting at (530) 841-2324 or by notifying the Clerk at casson@ci.yreka.ca.us.

MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF
YREKA HELD IN SAID CITY ON DECEMBER 5, 2013

On the 5TH day of December 2013, the City Council of the City of Yreka met in the City Council Chambers of said City in regular session, and upon roll call, the following were present: Robert Bicego, Bryan Foster, Rory McNeil, John Mercier and David Simmen. Absent – None.

Mayor Simmen announced that the items on the Closed Session portion of the agenda have been pulled from the agenda.

Consent Calendar: Mayor Simmen announced that all matters listed under the consent calendar are considered routine and will be enacted by one motion unless any member of the Council wishes to remove an item for discussion or a member of the audience wishes to comment on an item:

- a. Approval of Minutes of the meeting held November 21, 2013
- b. Approval/ratification of payments issued from November 22, 2013 through December 5, 2013.
- c. Adopt Resolution No. 3040 adopting the 2014 meeting Calendar for the Yreka City Council.
- d. Approve proposal to join the National Joint Powers Alliance purchasing consortium and authorize the City Manager to execute the necessary consortium membership agreements.

Following Council discussion, Councilmember McNeil moved to approve the items on the consent calendar as submitted.

Councilmember Bicego seconded the motion, and upon roll call, the following voted YEA: Bicego, Foster, McNeil, Mercier and Simmen.

Mayor Simmen thereupon declared the motion carried.

Adopt Resolution No. 3039 approving requests associated with Special Event of Yreka Rotary known as the Humbug Hurry Up to be held on June 20 & 21, 2014.

Following Council discussion, Councilmember Mercier moved to adopt Resolution No. 3039 as submitted.

Councilmember Bicego seconded the motion, and upon roll call, the following voted YEA: Bicego, McNeil, Mercier and Simmen. Abstain – Foster.

Mayor Simmen thereupon declared the motion carried.

Appropriate \$50,000 for Community Theater Siding Improvements from the Crandall (or Capital Projects) account for matching dollars to the Red Scarf Society's Theater Siding Project in the 2013-2014 operating budget.

City Manager Steve Baker reported that in response to the request made by Joan Favero on behalf of the Red Scarf Society on November 21, 2013, for an appropriation of \$50,000 from the City for the Community Theater Siding Improvements Project, staff has prepared a report and is recommending either of two different funding options for the City Council to consider for the pledge of match funds for the community theater siding project grant application.

Funding Option 1:

In the 2013-2014 Adopted Budget the City set aside funds of \$93,025 for unallocated capital projects, to be determined and prioritized by the City Council in the future. Project considerations at the time of budget preparation included improvements and repairs at the community theater and Ringe pool, with no values determined. Subsequently, the Firehall sewer lateral replacement project, expanded into a larger wall stabilization effort, and is expected to utilize approximately \$50,000 of those funds. However, other allocated capital projects may not be completed in this fiscal year, and could be used for the theater project, and/or more funds from reserves can be appropriated. Funding for these capital projects comes from one-time money the City receives from various sources, [e.g. the SCORE JPA annual dividends, mandated cost claim reimbursements as released by the state, and other one-time sources of funds].

Funding Option 2:

The Crandall account has a cash balance of \$1,865,694 as of 11/22/2013, which can be used for capital projects. That could include repair and improvements to the City's community theater. A budget appropriation of these funds for the society's theater siding repair project for \$50,000 would assist the society in meeting their competitive match requirements for the FFF grant.

Fiscal Impact: Appropriation or designation of City Capital Project funds or appropriation of Crandall Trust funds for the theater siding repair project in the amount of \$50,000. Staff is recommending use of the most restrictive funds, from the Crandall account as they satisfy the narrower requirements of eligible use and are in the spirit of the original endowment from Karl Russell Crandall.

Following Council discussion, Councilmember McNeil moved to appropriate \$50,000 for Community Theater Siding Improvements from the Crandall fund for matching dollars to the Red Scarf Society's Theater Siding Project in the 2013-2014 operating budget.

Councilmember Bicego seconded the motion, and upon roll call, the following voted YEA: Bicego, Foster, McNeil, Mercier and Simmen.

Mayor Simmen thereupon declared the motion carried.

Review and discuss the MS4 Implementation Plan for the North Coast Regional Water Quality Control Board.

Steve Neill, Director of Public Works, addressed the Council reporting that in April 2013, the Public Works Department advised Council that the City was subject to new storm water regulations adopted by the State Water Resources Control Board for compliance with the National Pollutant Discharge Elimination System Permit for Small Municipal Separate Storm

Sewer Systems. This program is a federal mandate of the Clean Water Act and Yreka's inclusion results from water quality impairments that negatively impact the Klamath and Shasta Rivers.

Director Neill presented the Council with a draft implementation plan for review, stating that the final plan will be presented to Council at its meeting on December 19, 2013 for formal action.

ADJOURNMENT There being no further business before the Council the meeting was adjourned.

Attest:

David Simmen, Mayor
Minutes approved by Council
Motion 12/19/2013

Elizabeth E. Casson, City Clerk

Accounts Payable
Manual Check Proof List

User: lysandra
Printed: 12/12/2013 - 8:33AM



Invoice No	Amount	Payment Date	Description	Check Number	Date	Acct Number	reference
Vendor: 1354	USDA						
				473	12/03/2013		
12/03/13	793,000.00	12/03/2013	LOAN PRINCIPAL - FINAL PAYOFF			82-550-3016-961-000	
12/03/13	9,092.37	12/03/2013	LOAN INTEREST - FINAL PAYOFF			82-550-3016-745-000	
Total for Check	802,092.37						
Total for 1354	802,092.37						
Total Checks:							
	802,092.37						

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Accounts Payable

Computer Check Proof List by Vendor

User: lysandra
 Printed: 12/11/2013 - 9:07AM
 Batch: 00005.12.2013



Invoice No	Description	Amount	Payment Date	Acct Number	Reference
Vendor: 1135 RFND PERMIT	BRUCE'S TOWING RFND PERMIT #2578	38.25	12/11/2013	Check Sequence: 1 01-220-0000-870-006	ACH Enabled: False
	Check Total:	38.25			
Vendor: 3050 39878231	CHEVRON & TEXACO CARD SERVICES INV 39878231	379.61	12/11/2013	Check Sequence: 2 01-200-0000-520-310	ACH Enabled: False
	Check Total:	379.61			
Vendor: 2198 12/11/13	CITY OF WEED PROP 30 FUNDS	3,299.43	12/11/2013	Check Sequence: 3 60-200-6507-560-000	ACH Enabled: False
	Check Total:	3,299.43			
Vendor: 3065 12/11/13 12/11/13 12/11/13 12/11/13	CITY OF YREKA - PETTY CASH REIMBURSE PETTY CASH REIMBURSE PETTY CASH REIMBURSE PETTY CASH REIMBURSE PETTY CASH	14.17 32.98 20.40 8.00	12/11/2013 12/11/2013 12/11/2013 12/11/2013	Check Sequence: 4 70-510-0000-416-000 70-510-0000-420-000 01-470-0000-520-000 01-060-0000-543-009	ACH Enabled: False
	Check Total:	75.55			
Vendor: 1103 38884 13-16	DEPT OF PUBLIC HEALTH 38884 13-16 PENALTY	50.00	12/11/2013	Check Sequence: 5 70-500-0000-535-002	ACH Enabled: False
	Check Total:	50.00			
Vendor: 2202 12/11/13	ETNA POLICE DEPT PROP 30 FUNDS	3,299.43	12/11/2013	Check Sequence: 6 60-200-6507-560-000	ACH Enabled: False
	Check Total:	3,299.43			
Vendor: 1141	KARL GREINER			Check Sequence: 7	ACH Enabled: False

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Invoice No	Description	Amount	Payment Date	Acct Number	Reference
10031	INV 10031	500.00	12/11/2013	01-090-0000-525-000	
	Check Total:	500.00			
Vendor: 2200 12/11/13	LAKE SHASTINA CSD PROP 30 FUNDS	3,299.43	12/11/2013	60-200-6507-560-000	ACH Enabled: False
	Check Total:	3,299.43			
Vendor: 1621 RFND 02/08/14 RFND 02/08/14	MINER POWER RFND 02/08/14 EVENT CANCELLED RFND 02/08/14 EVENT CANCELLED	470.00 -50.00	12/11/2013 12/11/2013	01-480-0000-870-000 01-480-0000-870-000	ACH Enabled: False
	Check Total:	420.00			
Vendor: 2201 12/11/13	MT SHASTA POLICE DEPT PROP 30 FUNDS	3,299.43	12/11/2013	60-200-6507-560-000	ACH Enabled: False
	Check Total:	3,299.43			
Vendor: 1506 12/11/13	SC SHERIFF PROP 30 FUNDS	3,299.43	12/11/2013	60-200-6507-560-000	ACH Enabled: False
	Check Total:	3,299.43			
Vendor: 1653 RFND PIANO	SEVENTH DAY ADVENTIST RFND PIANO TUNING - DEC 2013	125.00	12/11/2013	01-470-0000-525-001	ACH Enabled: False
	Check Total:	125.00			
Vendor: 2199 12/11/13	TULELAKE POLICE DEPT PROP 30 FUNDS	3,299.43	12/11/2013	60-200-6507-560-000	ACH Enabled: False
	Check Total:	3,299.43			
Vendor: 1379 12/11/13 12/11/13	YREKA POLICE DEPT PROP 30 FUNDS PROP 30 FUNDS	6,999.99 3,299.43	12/11/2013 12/11/2013	60-200-6507-560-000 60-200-6507-560-000	ACH Enabled: False
	Check Total:	10,299.42			

Invoice No	Description	Amount	Payment Date	Acct Number	Reference
	Total for Check Run:	31,684.41			
	Total of Number of Checks:	14			

Accounts Payable

Computer Check Proof List by Vendor

User: lysandra
Printed: 12/05/2013 - 4:15PM
Batch: 00002.12.2013



Invoice No	Description	Amount	Payment Date	Acct Number	Reference
Vendor: 2054	MATT BRAY			Check Sequence: 1	ACH Enabled: False
TRNG 12/8-13	TRNG 12/8-13 SACRAMENTO	180.00	12/05/2013	70-500-0000-513-000	
	Check Total:	180.00			
	Total for Check Run:	180.00			
	Total of Number of Checks:	1			

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Accounts Payable

Computer Check Proof List by Vendor

User: lysandra
 Printed: 12/12/2013 - 12:06PM
 Batch: 00007.12.2013



Invoice No	Description	Amount	Payment Date	Acct Number	Reference
Vendor: 1005 73298	AIELLO, GOODRICH & TEUSCHER INV 73298	5,800.00	12/20/2013	01-030-0000-525-000	ACH Enabled: False
	Check Total:	5,800.00			
Vendor: 1009 44177	ALPINE BUSINESS EQUIPMENT INV 44177	53.67	12/20/2013	01-350-0000-515-000	ACH Enabled: False
	Check Total:	53.67			
Vendor: 1011 LMED898435	AMERICAN LINEN INV LMED898435	45.70	12/20/2013	01-200-0000-526-000	ACH Enabled: False
	Check Total:	45.70			
Vendor: 3007 801453143	AMERIGAS INV 801453143	204.30	12/20/2013	70-510-0000-518-002	ACH Enabled: False
	Check Total:	204.30			
Vendor: 1014 7001234486 7001234498 7001239795	APPLIED INDUSTRIAL INV 7001234486 INV 7001234498 INV 7001239795	761.49 1,692.74 157.13	12/20/2013 12/20/2013 12/20/2013	70-510-0000-420-004 70-510-0000-420-004 70-510-0000-420-004	ACH Enabled: False
	Check Total:	2,611.36			
Vendor: 1080 506-2613659 506-2628427 506-2643286 506-2658929	ARAMARK UNIFORM SERVICES INC INV 506-2613659 INV 506-2628427 INV 506-2643286 INV 506-2658929	25.58 25.59 25.58 24.26	12/20/2013 12/20/2013 12/20/2013 12/20/2013	01-350-0000-510-000 01-350-0000-510-000 01-350-0000-510-000 01-350-0000-510-000	ACH Enabled: False
	Check Total:	101.01			

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Invoice No	Description	Amount	Payment Date	Acct Number	Reference
Vendor: 1420	TIMOTHY ASELTINE			Check Sequence: 7	ACH Enabled: False
1158	INV 1158	187.97	12/20/2013	01-350-0000-520-000	
	Check Total:	187.97			
Vendor: 2217	TIMOTHY ASELTINE			Check Sequence: 8	ACH Enabled: False
1036	INV 1036	105.00	12/20/2013	01-200-0000-520-001	
	Check Total:	105.00			
Vendor: 1591	AT&T			Check Sequence: 9	ACH Enabled: False
9117828 11/13	ACCT 530 911-7828 615 4 11/13	199.56	12/20/2013	01-200-0000-517-000	
	Check Total:	199.56			
Vendor: 4301	AT&T CALNET 2			Check Sequence: 10	ACH Enabled: False
4892667	INV 4892667	14.81	12/20/2013	70-510-0000-517-000	
4892668	INV 4892668	45.74	12/20/2013	70-510-0000-517-000	
4892671	INV 4892671	16.35	12/20/2013	70-510-0000-517-000	
4911426	INV 4911426	178.97	12/20/2013	01-200-0000-517-000	
	Check Total:	255.87			
Vendor: 6021	BASIC LABORATORY INC			Check Sequence: 11	ACH Enabled: False
1310889	INV 1310889	121.00	12/20/2013	80-560-0000-416-001	
1310942	INV 1310942	233.00	12/20/2013	80-560-0000-416-001	
1310943	INV 1310943	932.00	12/20/2013	80-560-0000-416-001	
1310944	INV 1310944	699.00	12/20/2013	80-560-0000-416-001	
1311112	INV 1311112	121.00	12/20/2013	80-560-0000-416-001	
1311461	INV 1311461	121.00	12/20/2013	80-560-0000-416-001	
	Check Total:	2,227.00			
Vendor: 1023	BAXTER AUTO PARTS			Check Sequence: 12	ACH Enabled: False
3011215 11/13	ACCT 3011215 11/13	313.04	12/20/2013	01-350-0000-520-000	
3011217 11/13	ACCT 3011217 11/13	18.34	12/20/2013	20-310-0000-416-001	
	Check Total:	331.38			
Vendor: 1423	ALICE BRANDON			Check Sequence: 13	ACH Enabled: False
1688	INV 1688	55.00	12/20/2013	80-560-0000-416-001	
	Check Total:	55.00			
Vendor: 1043	BUDGE-MCHUGH			Check Sequence: 14	ACH Enabled: False

Invoice No	Description	Amount	Payment Date	Acct Number	Reference
129522	INV 129522	3,805.50	12/20/2013	70-500-0000-420-005	
	Check Total:	3,805.50			
Vendor: 1027	CENTRAL VALLEY TOXICOLOGY INC			Check Sequence: 15	ACH Enabled: False
215789	INV 215789	65.00	12/20/2013	01-200-0000-526-000	
216070	INV 216070	36.00	12/20/2013	01-200-0000-526-000	
	Check Total:	101.00			
Vendor: 1068	CL POPE CO			Check Sequence: 16	ACH Enabled: False
22270	INV 22270	43.00	12/20/2013	01-400-0000-416-000	
	Check Total:	43.00			
Vendor: 1077	COMPUTER LOGISTICS CORPORATION			Check Sequence: 17	ACH Enabled: False
61521	INV 61521	96.00	12/20/2013	01-200-0000-525-000	
61579	INV 61579	3,045.13	12/20/2013	01-200-0000-525-001	
	Check Total:	3,141.13			
Vendor: 1094	CPOA			Check Sequence: 18	ACH Enabled: False
2681372	INV 2681372	360.00	12/20/2013	01-200-0000-511-000	
	Check Total:	360.00			
Vendor: 1093	DATA TICKET INC			Check Sequence: 19	ACH Enabled: False
50404	INV 50404	-17.50	12/20/2013	24-000-0000-825-000	
50404	INV 50404	150.00	12/20/2013	24-200-0000-526-000	
	Check Total:	132.50			
Vendor: 1109	DOBBY'S LOCK & KEY SHOP			Check Sequence: 20	ACH Enabled: False
7707	INV 7707	17.20	12/20/2013	70-500-0000-416-000	
	Check Total:	17.20			
Vendor: 1116	DRY CREEK LANDFILL INC			Check Sequence: 21	ACH Enabled: False
1942327	INV 1942327	2,624.04	12/20/2013	80-560-0000-420-006	
1945842	INV 1945842	2,630.16	12/20/2013	80-560-0000-420-006	
	Check Total:	5,254.20			
Vendor: 1124	FERGUSON ENTERPRISES INC			Check Sequence: 22	ACH Enabled: False
947821	INV 947821	477.89	12/20/2013	70-500-0000-420-010	

Invoice No	Description	Amount	Payment Date	Acct Number	Reference
	Check Total:	477.89			
Vendor: 1128	FLOYD A BOYD CO			Check Sequence: 23	ACH Enabled: False
0251364	INV 0251364	688.15	12/20/2013	01-350-0000-520-000	
	Check Total:	688.15			
Vendor: 1912	G & G HARDWARE (FALL CREEK)			Check Sequence: 24	ACH Enabled: False
161415	INV 161415	18.26	12/20/2013	70-510-0000-420-000	
161827	INV 161827	39.70	12/20/2013	70-510-0000-420-000	
162076	INV 162076	37.38	12/20/2013	70-510-0000-422-000	
162159	INV 162159	25.78	12/20/2013	70-510-0000-420-000	
162218	INV 162218	6.21	12/20/2013	70-510-0000-420-000	
162292	INV 162292	25.92	12/20/2013	70-510-0000-420-000	
	Check Total:	153.25			
Vendor: 1910	G & G HARDWARE (PARKS)			Check Sequence: 25	ACH Enabled: False
161388	INV 161388	42.23	12/20/2013	01-370-0000-516-000	
161690	INV 161690	5.36	12/20/2013	01-370-0000-516-000	
	Check Total:	47.59			
Vendor: 1911	G & G HARDWARE (PUBLIC WORKS)			Check Sequence: 26	ACH Enabled: False
161231	INV 161231	9.13	12/20/2013	01-400-0000-422-000	
161272	INV 161272	4.83	12/20/2013	01-400-0000-422-000	
161293	INV 161293	17.73	12/20/2013	01-210-0000-421-000	
161296	CM 161296	-2.15	12/20/2013	01-210-0000-421-000	
161301	INV 161301	16.11	12/20/2013	01-080-0000-521-000	
161349	INV 161349	5.16	12/20/2013	01-080-0000-522-000	
161349	INV 161349	25.77	12/20/2013	01-370-0000-521-000	
161349	INV 161349	16.11	12/20/2013	20-312-0000-420-000	
161472	INV 161472	151.24	12/20/2013	20-390-1026-516-000	
161475	INV 161475	3.54	12/20/2013	20-390-1026-516-000	
161501	INV 161501	107.49	12/20/2013	20-390-1026-516-000	
161568	INV 161568	40.07	12/20/2013	01-370-0000-521-000	
161585	INV 161585	32.58	12/20/2013	01-370-0000-521-000	
161631	INV 161631	5.76	12/20/2013	01-370-0000-521-000	
161643	INV 161643	18.79	12/20/2013	01-370-0000-521-000	
161658	INV 161658	0.84	12/20/2013	01-400-0000-421-000	
161678	INV 161678	6.44	12/20/2013	70-500-0000-416-000	
161687	INV 161687	47.16	12/20/2013	01-370-0000-521-000	
161697	INV 161697	30.08	12/20/2013	01-370-0000-516-000	

Invoice No	Description	Amount	Payment Date	Acct Number	Reference
161815	INV 161815	9.13	12/20/2013	01-400-0000-416-000	
161844	INV 161844	33.84	12/20/2013	70-500-0000-422-000	
161848	INV 161848	18.24	12/20/2013	70-500-0000-422-000	
161864	INV 161864	61.23	12/20/2013	70-500-0000-416-000	
161867	INV 161867	92.88	12/20/2013	70-500-0000-416-000	
161874	INV 161874	66.73	12/20/2013	70-500-0000-416-000	
161887	INV 161887	42.41	12/20/2013	70-500-0000-416-000	
161890	INV 161890	40.84	12/20/2013	71-500-0000-450-001	
161893	INV 161893	12.87	12/20/2013	70-500-0000-416-000	
161903	INV 161903	71.12	12/20/2013	70-500-0000-416-000	
161941	INV 161941	8.58	12/20/2013	70-500-0000-416-000	
161941	INV 161941	14.81	12/20/2013	01-400-0000-421-000	
161941	INV 161941	8.58	12/20/2013	01-080-0000-521-000	
161951	INV 161951	7.55	12/20/2013	01-400-0000-421-000	
162047	INV 162047	156.87	12/20/2013	20-390-1026-516-000	
162121	INV 162121	3.00	12/20/2013	80-550-0000-416-010	
162291	INV 162291	41.89	12/20/2013	80-550-0000-521-000	
162352	INV 162352	12.88	12/20/2013	01-090-0000-561-006	
162367	INV 162367	19.32	12/20/2013	01-090-0000-561-006	
162384	INV 162384	5.38	12/20/2013	01-400-0000-416-000	
162412	INV 162412	4.92	12/20/2013	80-550-0000-521-000	
	Check Total:	1,269.75			
Vendor: 1902	G & G HARDWARE (WWTP)			Check Sequence: 27	ACH Enabled: False
161174	INV 161174	25.79	12/20/2013	80-560-0000-420-003	
162217	INV 162217	8.58	12/20/2013	80-560-0000-420-003	
162357	INV 162357	90.83	12/20/2013	80-560-0000-420-003	
	Check Total:	125.20			
Vendor: 2024	GERARD PELLETIER TRANSFER (FLEET)			Check Sequence: 28	ACH Enabled: False
3111	INV 3111 ACCT 45	36.00	12/20/2013	01-350-0000-416-001	
3556	INV 3556 ACCT 45	12.00	12/20/2013	01-350-0000-416-001	
	Check Total:	48.00			
Vendor: 2149	HEWLETT PACKARD			Check Sequence: 29	ACH Enabled: False
53607778	INV 53607778	3,710.39	12/20/2013	01-030-0000-516-000	
	Check Total:	3,710.39			
Vendor: 1938	IMPRINTS SCREEN PRINTING			Check Sequence: 30	ACH Enabled: False
13-4652	INV 13-4652	58.44	12/20/2013	01-200-0000-510-000	

Invoice No	Description	Amount	Payment Date	Acct Number	Reference
	Check Total:	58.44			
Vendor: 1168 12/20/13	JANENE KINCADE REIMBURSE SUPPLIES	17.18	12/20/2013	Check Sequence: 31 01-200-0000-521-000	ACH Enabled: False
	Check Total:	17.18			
Vendor: 1010 10/30/13	KLAMATH MOTOR LODGE 1 HOTEL VOUCHER 10/30/13	66.00	12/20/2013	Check Sequence: 32 02-200-1007-561-020	ACH Enabled: False
	Check Total:	66.00			
Vendor: 1406 3681	KUBWATER RESOURCES INV 3681	5,365.62	12/20/2013	Check Sequence: 33 80-560-0000-416-004	ACH Enabled: False
	Check Total:	5,365.62			
Vendor: 1184 01091190	LEHR AUTO ELECTRIC INC INV 01091190	98.96	12/20/2013	Check Sequence: 34 01-350-0000-520-000	ACH Enabled: False
	Check Total:	98.96			
Vendor: 1566 10001	LEXIPOL LLC INV 10001	2,450.00	12/20/2013	Check Sequence: 35 01-200-0000-511-000	ACH Enabled: False
	Check Total:	2,450.00			
Vendor: 1526 1320	MAGIC RAIN CAR WASH INV 1320	72.00	12/20/2013	Check Sequence: 36 01-200-0000-520-001	ACH Enabled: False
	Check Total:	72.00			
Vendor: 2192 3793325	MALLORY SAFETY & SUPPLY LLC INV 3793325	258.00	12/20/2013	Check Sequence: 37 01-200-0000-520-000	ACH Enabled: False
	Check Total:	258.00			
Vendor: 1203 67004147	MCMaster-CARR INV 67004147	40.87	12/20/2013	Check Sequence: 38 70-510-0000-420-000	ACH Enabled: False
	Check Total:	40.87			
Vendor: 13Y6401 720407	MEEK'S (FALL CREEK) INV 720407	143.25	12/20/2013	Check Sequence: 39 70-510-0000-420-000	ACH Enabled: False

Invoice No	Description	Amount	Payment Date	Acct Number	Reference
	Check Total:	143.25			
Vendor: 13Y6403	MEEK'S (PUBLIC WORKS)			Check Sequence: 40	ACH Enabled: False
719165	INV 719165	21.07	12/20/2013	70-500-0000-416-000	
721007	INV 721007	12.76	12/20/2013	70-500-0000-416-001	
	Check Total:	33.83			
Vendor: 1215	MUNNELL & SHERRILL			Check Sequence: 41	ACH Enabled: False
75852	INV 75852	75.20	12/20/2013	01-350-0000-520-000	
	Check Total:	75.20			
Vendor: 1223	NORTH COAST ELECTRIC COMPANY			Check Sequence: 42	ACH Enabled: False
S5446746.001	INV S5446746-001	59.72	12/20/2013	20-312-0000-650-000	
	Check Total:	59.72			
Vendor: 22019	OFFICE DEPOT			Check Sequence: 43	ACH Enabled: False
684596140001	INV 684596140001	33.94	12/20/2013	01-300-0000-515-000	
684596140001	INV 684596140001	532.11	12/20/2013	01-030-0000-515-000	
684596140001	INV 684596140001	24.18	12/20/2013	01-010-0000-515-000	
684596140001	INV 684596140001	22.19	12/20/2013	01-020-0000-515-000	
	Check Total:	612.42			
Vendor: 1237	OLIN CORP - CHLOR ALKALI			Check Sequence: 44	ACH Enabled: False
1748672	INV 1748672	5,172.53	12/20/2013	80-560-0000-416-002	
	Check Total:	5,172.53			
Vendor: 16030	PACIFIC POWER			Check Sequence: 45	ACH Enabled: False
56810019 11/13	62665681-001 9 11/13	88.26	12/20/2013	70-520-0000-518-001	
56810027 11/13	62665681-002 7 11/13	333.18	12/20/2013	01-400-0000-518-001	
56810043 11/13	62665681-004 3 11/13	24.32	12/20/2013	01-090-0000-518-001	
56810050 11/13	62665681-005 0 11/13	584.30	12/20/2013	01-370-0000-518-001	
56810068 11/13	62665681-006 8 11/13	838.13	12/20/2013	70-510-0000-518-001	
56810076 11/13	62665681-007 6 11/13	6,308.65	12/20/2013	20-312-0000-418-001	
56810100 11/13	62665681-010 0 11/13	696.12	12/20/2013	70-510-0000-518-001	
56810118 11/13	62665681-011 8 11/13	1,196.51	12/20/2013	01-210-0000-518-001	
56810142 11/13	62665681-014 2 11/13	9.97	12/20/2013	01-400-0000-518-001	
56810217 11/13	62665681-021 7 11/13	529.39	12/20/2013	01-230-0000-518-001	
56810233 11/13	62665681-023 3 11/13	590.78	12/20/2013	01-350-0000-518-001	

Invoice No	Description	Amount	Payment Date	Acct Number	Reference
56810258 11/13	62665681-025 8 11/13	10,068.74	12/20/2013	80-560-0000-518-001	
56810274 11/13	62665681-027 4 11/13	467.80	12/20/2013	01-200-0000-518-001	
56810274 11/13	62665681-027 4 11/13	886.76	12/20/2013	01-200-0000-518-001	
56810324 11/13	62665681-032 4 11/13	968.33	12/20/2013	01-470-0000-518-001	
56810332 11/13	62665681-033 2 11/13	743.97	12/20/2013	01-480-0000-518-001	
56810340 11/13	62665681-034 0 11/13	22.00	12/20/2013	80-560-0000-518-001	
56810415 11/13	62665681-041 5 11/13	1,169.34	12/20/2013	01-020-0000-518-001	
56810506 11/13	62665681-050 6 11/13	213.89	12/20/2013	80-550-0000-518-001	
56810515 11/13	62665681-051 5 11/13	40.03	12/20/2013	20-312-0000-418-001	
56810654 11/13	62665681-065 4 11/13	159.51	12/20/2013	01-400-0000-518-001	
	Check Total:	25,939.98			
Vendor: 2012	PROFORCE			Check Sequence: 46	ACH Enabled: False
190110	INV 190110	60.47	12/20/2013	01-200-0000-416-000	
	Check Total:	60.47			
Vendor: 2216	RAY MORGAN COMPANY			Check Sequence: 47	ACH Enabled: False
543206	INV 543206	44.00	12/20/2013	01-200-0000-515-000	
	Check Total:	44.00			
Vendor: 2213	RECORD SEARCHLIGHT			Check Sequence: 48	ACH Enabled: False
1421061	INV 1421061	366.20	12/20/2013	80-560-0000-516-000	
	Check Total:	366.20			
Vendor: 1270	RELIABLE			Check Sequence: 49	ACH Enabled: False
DZW28400	INV DZW28400	124.77	12/20/2013	80-560-0000-515-000	
	Check Total:	124.77			
Vendor: 1295	SCHWABB INC			Check Sequence: 50	ACH Enabled: False
591088	INV 591088	168.26	12/20/2013	01-200-0000-515-000	
	Check Total:	168.26			
Vendor: 1304	SHASTA VALLEY CHAINSAW			Check Sequence: 51	ACH Enabled: False
1384	INV 1384	25.50	12/20/2013	01-400-0000-416-000	
	Check Total:	25.50			
Vendor: 1572	SHOP SMART			Check Sequence: 52	ACH Enabled: False
1551248	INV 1551248 ACCT 46872	65.92	12/20/2013	01-200-0000-516-000	

Invoice No	Description	Amount	Payment Date	Acct Number	Reference
	Check Total:	65.92			
Vendor: 1557 3922062	SHOPKEY INV 3922062	1,608.00	12/20/2013	Check Sequence: 53 01-350-0000-416-004	ACH Enabled: False
	Check Total:	1,608.00			
Vendor: 1650 SLS10001029	SIERRA CHEMICAL CO INV SLS10001029	5,005.14	12/20/2013	Check Sequence: 54 70-510-0000-420-002	ACH Enabled: False
	Check Total:	5,005.14			
Vendor: 1569 144599-IN	SIRCHIE INV 144599-IN	674.67	12/20/2013	Check Sequence: 55 01-200-0000-416-000	ACH Enabled: False
	Check Total:	674.67			
Vendor: 19100 7001 7024	SISKIYOU DAILY NEWS NEWS #7001 NEWS #7024	165.75 73.00	12/20/2013 12/20/2013	Check Sequence: 56 01-020-0000-519-000 01-060-0000-525-006	ACH Enabled: False
	Check Total:	238.75			
Vendor: 19102 323158 323158	SISKIYOU DISTRIBUTING INV 323158 INV 323158	146.61 14.41	12/20/2013 12/20/2013	Check Sequence: 57 01-400-0000-416-000 01-400-0000-416-002	ACH Enabled: False
	Check Total:	161.02			
Vendor: 1314 11417	SISKIYOU OPPORTUNITY CENTER INV 11417	280.32	12/20/2013	Check Sequence: 58 70-030-0000-526-000	ACH Enabled: False
	Check Total:	280.32			
Vendor: 2214 503818	SOUTHERN OREGON MEDIA GROUP INV 503818	186.02	12/20/2013	Check Sequence: 59 80-560-0000-516-000	ACH Enabled: False
	Check Total:	186.02			
Vendor: 1333 027139	STEINHOFF HEAVY EQUIPMENT & REPAIR INV 027139	19.03	12/20/2013	Check Sequence: 60 01-350-0000-520-000	ACH Enabled: False
	Check Total:	19.03			

Invoice No	Description	Amount	Payment Date	Acct Number	Reference
Vendor: 1334	TRAVIS STRINGER			Check Sequence: 61	ACH Enabled: False
1211138937	INV 1211138937	225.75	12/20/2013	70-510-0000-420-000	
	Check Total:	225.75			
Vendor: 1353	USA BLUE BOOK			Check Sequence: 62	ACH Enabled: False
210025	INV 210025	945.89	12/20/2013	80-560-0000-420-003	
	Check Total:	945.89			
Vendor: 4185	VERIZON WIRELESS			Check Sequence: 63	ACH Enabled: False
9715157202	INV 9715157202	353.30	12/20/2013	01-200-0000-517-000	
	Check Total:	353.30			
Vendor: 23008	WAL-MART COMMUNITY			Check Sequence: 64	ACH Enabled: False
004208	INV 004208	26.65	12/20/2013	01-200-0000-516-000	
005591	INV 005591	41.93	12/20/2013	01-200-0000-516-000	
005775	INV 005775	10.21	12/20/2013	01-400-0000-416-000	
006298	INV 006298	47.76	12/20/2013	01-230-0000-416-000	
006915	INV 006915	89.45	12/20/2013	70-510-0000-420-000	
008021	INV 008021	675.10	12/20/2013	70-510-0000-416-000	
008573	INV 008573	43.77	12/20/2013	01-230-0000-416-000	
009767	INV 009767	62.63	12/20/2013	70-510-0000-420-000	
009947	INV 009947	74.11	12/20/2013	01-230-0000-416-000	
	Check Total:	1,071.61			
Vendor: 23040	WELDON'S TIRE SERVICE			Check Sequence: 65	ACH Enabled: False
37428	INV 37428	855.35	12/20/2013	01-350-0000-520-200	
	Check Total:	855.35			
Vendor: 25005	YREKA AUTO PARTS			Check Sequence: 66	ACH Enabled: False
1395 11/13	ACCT 1395 11/13	100.61	12/20/2013	01-350-0000-520-000	
1415 11/13	ACCT 1415 11/13	121.54	12/20/2013	70-510-0000-420-004	
	Check Total:	222.15			
Vendor: 25040	YREKA HARDWARE			Check Sequence: 67	ACH Enabled: False
103094	INV 103094	5.32	12/20/2013	01-210-0000-521-000	
103116	INV 103116	6.45	12/20/2013	70-510-0000-420-000	
103166	INV 103166	16.99	12/20/2013	80-560-0000-420-003	
103173	INV 103173	55.79	12/20/2013	01-400-0000-416-000	

Invoice No	Description	Amount	Payment Date	Acct Number	Reference
	Check Total:	84.55			
Vendor: 1770 004431	YREKA MACHINE WORKS INC INV 004431	21.89	12/20/2013	Check Sequence: 68 80-560-0000-420-003	ACH Enabled: False
	Check Total:	21.89			
Vendor: 25120 176408	YREKA TRANSFER INV 176408 ACCT 47811	5,956.22	12/20/2013	Check Sequence: 69 80-560-0000-420-006	ACH Enabled: False
	Check Total:	5,956.22			
Vendor: 1390 056076 056077 056087 056147	YREKA TRANSIT MIX INV 056076 INV 056077 INV 056087 INV 056147	420.86 420.86 209.16 243.50	12/20/2013 12/20/2013 12/20/2013 12/20/2013	Check Sequence: 70 70-500-0000-416-001 70-500-0000-416-001 20-310-0000-420-001 20-390-0000-420-011	ACH Enabled: False
	Check Total:	1,294.38			
	Total for Check Run:	92,075.73			
	Total of Number of Checks:	70			



CITY OF YREKA
CITY COUNCIL AGENDA MEMORANDUM

To: Yreka City Council
Prepared by: Rhetta Hogan
Agenda title: Resolution 3045, Approving the Destruction of Certain City Records Identified by the Finance Director
Meeting date: December 19, 2013

Discussion:

Itemized below are records that the Finance Director has identified for destruction. Records containing confidential data, such as payroll information, will be shredded by an appropriate vendor or organization. The California Secretary of State has issued guidelines for records destruction, and the City is generally more conservative in its records retention destruction. I have included excerpts from the Local Government Records Management Guidelines as an attachment for reference.

Identified records, where the Finance Director is requesting destruction:

- Accounts Payable: records older than July 1, 2006, includes copies of invoices, checks and AP batch reports
- Cash Receipts: Cash receipt daily batches older than July 1, 2006, includes copies of daily detail and summary ledger reports, and cash receipt advices for utility billing (water, sewer and landfill), building permits, animal and business licenses, and all other cash receipts received by the City.
- Payroll records: payroll timecards, payroll bi-weekly cycle reports, registers and other payroll related and timecard processing information older than July 1, 2006.
- Payroll annual and quarterly registers: quarterly summary reports older than December 31, 2003, includes quarterly tax and gross wages summaries.
- General ledger reports: Detail ledger listing of transactions, includes various sorts, periods and aggregations, older than July 1, 2006. Ledger data active and retained electronically on database server through 1998. Does not include summary trial balances.

Please note, that the trial balance, the permanent records of City's total transactions for a fiscal year are being retained, however detail transaction records that arrive at those balances are being identified for destruction.

- General ledger journal entries: Journal entry posting of adjustments to the general ledger older than July 1, 2006, does not include subledger interface posting from payroll, accounts payable, accounts receivable, cash receipts, utility billing, animal and business licensing.

Approved by:

A handwritten signature in black ink, appearing to read "Steven Baker".

Steven Baker, City Manager

- Electronic backup media: Historical backup tapes and diskettes data from (ACS, BRMS) financial systems, and or restoration tape drives are no longer in place, or active, and where software updates have made the data obsolete to restore. Note, both Springbrook and ACS are currently have full backups each night, with a three week rotation of tapes, in the event a restoration is needed of the live and historic data.
- Bank reconciliation: bank statements, detail reconciliation work papers, cancelled checks and treasurer's monthly and quarterly reports older than July 1, 2006
- Dog license: Dog license records older than July 1, 2006, includes receipts, registration tickets, subledger registers list, billing and adjustments batches pertaining to dog licensing
- Water Accounts: Billing registers, customer correspondences, and other collection related information older than July 1, 2006
- Accounts Receivable: Invoice registers, collection receipts, aging lists and customer correspondences older than July 1, 2006; receivable collections includes landfill invoicing records and TOT tax records.
- Parking ticket collections: Citations, collections and customer correspondences relating to parking ticket citations older than July 1, 2006. (Note the City ceased collections of parking tickets in 1998, however some correspondences are dated after that time.)
- Park and recreation correspondences: Miscellaneous desk correspondences, notes, and memorandums of park and recreation manager, records older than July 1, 2006.
- Senior Program: All records for menu plans, meals served, participant registers, transportation routes and appointments, desk memorandums and notes, relating to the operations of the senior programs. Final program monitoring for the grant program was performed July 2009. Note, PSA 2 Area Agency on Housing (grant administrative agency), was notified and approved records destruction. Fiscal reports filed for the Title III grant program, from July 1, 2006 are being retained.

Fiscal Impact:

Estimated \$500-\$1,000 for destruction of confidential information, in departmental budget.

Recommendation and Requested Action:

Approval of Resolution 3045 Authorizing the Destruction of Certain City Records Identified by the Finance Director

RESOLUTION NO. 3045

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YREKA
APPROVING THE DESTRUCTION OF CERTAIN CITY RECORDS IDENTIFIED BY
THE FINANCE DIRECTOR**

WHEREAS, the Finance Director has requested destruction of certain City documents and records, as hereinafter set forth; and

WHEREAS, the destruction of said records is consented to by the City Attorney;

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Yreka as follows:

SECTION 1: The Finance Director is hereby authorized to destroy the following records:

Accounts Payable: Records older than July 1, 2006, includes copies of invoices, checks and AP batch reports

Cash Receipts: Cash receipt daily batches older than July 1, 2006, includes copies of daily detail and summary ledger reports, and cash receipt advices for utility billing (water, sewer and landfill), building permits, animal and business licenses, and all other cash receipts received by the City.

Payroll records: Payroll timecards, payroll bi-weekly cycle reports, registers and other payroll related and timecard processing information older than July 1, 2006.

Payroll annual and quarterly registers: Quarterly summary reports older than December 31, 2003, includes quarterly tax and gross wages summaries.

General ledger reports: Detail ledger listing of transactions, includes various sorts, periods and aggregations, older than July 1, 2006. Ledger data active and retained electronically on database server through 1998.

General ledger journal entries: Journal entry posting of adjustments to the general ledger older than July 1, 2006, does not include subledger interface posting from payroll, accounts payable, accounts receivable, cash receipts, utility billing, animal and business licensing.

Electronic backup media: Historical backup tapes and diskettes data from (ACS, BRMS) financial systems, and or restoration tape drives are no longer in place, or active, and where software updates have made the data obsolete to restore. Note, both Springbrook and ACS are currently have full backups each night, with a three week rotation of tapes, in the event a restoration is needed of the live and historic data.

Bank reconciliation: Bank statements, detail reconciliation work papers, cancelled checks and treasurer's monthly and quarterly reports older than July 1, 2006.

Dog license: Dog license records older than July 1, 2006, includes receipts, registration tickets, sub-ledger registers list, billing and adjustments batches pertaining to dog licensing.

Water Accounts: Billing registers, customer correspondences, and other collection related information older than July 1, 2006.

Accounts Receivable: Invoice registers, collection receipts, aging lists and customer correspondences older than July 1, 2006; receivable collections includes landfill invoicing records and TOT tax records.

Parking ticket collections: Citations, collections and customer correspondences relating to parking ticket citations older than July 1, 2006. (Note the City ceased collections of parking tickets in 1998, however some correspondences are dated after that time.)

Park and recreation correspondences: Miscellaneous desk correspondences, notes, and memorandums of park and recreation manager, records older than July 1, 2006.

Senior Program: All records for menu plans, meals served, participant registers, transportation routes and appointments, desk memorandums and notes, relating to the operations of the senior programs. Final program monitoring for the grant program was performed July 2009. Note, PSA 2 Area Agency on Housing (grant administrative agency), was notified and approved records destruction. Fiscal reports filed for the Title III grant program, from July 1, 2006 are being retained.

SECTION 2: The City Council hereby expressly determines that said records are no longer required and that the same have no historical value.

PASSED AND ADOPTED 19th day of December 2013 by the following vote:

AYES:

NOES:

ABSENT:

David Simmen, Mayor

ATTEST:

Liz Casson, City Clerk



SECRETARY OF STATE

LOCAL GOVERNMENT

RECORDS MANAGEMENT GUIDELINES

SECRETARY OF STATE DEBRA BOWEN

ARCHIVES DIVISION
RECORDS MANAGEMENT

(916) 653-3834

FEBRUARY 2006

LEGEND**Records Retention**

AC = Active
AU = Audit
CU = Current Year
E = Election
P = Permanent
T = Termination

AD = Adoption
CL = Closed/Completion
DOB = Date of Birth
L = Life
S = Supersede

CITATIONS

B&P – Business and Professions

H&S – Health & Safety

CAC – California Administrative Code

HUD – Housing and Urban
Development

CCP – Code of Civil Procedure

OSHA – Occupational Safety & Health
Act

CCR – Code of California Regulations

PC – Penal Code

CEQA – California Environmental
Quality Act

POST – Police Officers Standards
Training

CFR – Code of Federal Regulations

UFC – Uniform Fire Code

EC – Election Code

USC – United States Code

FMLA – Family & Medical Leave Act,
1993

WIC – Welfare & Institutions Code

GC – Government Code

FINANCE

Record Series	Retention	Citation	Descriptor
ACCOUNTING			
Accounts Payable	AU + 4	GC34090	Invoices, check copies, supporting documents
Accounts Receivable	AU + 4	GC 34090	
Applications	CL + 2	GC34090	Utility connections, disconnects, registers, service
Assessment Districts	P	GC 34090	Collection information; Original documentation files with municipal clerk
Bank Reconciliation	AU + 5	GC34090; 26 CFR 16001-1	Statements, summaries for receipts, disbursements & reconciliation
Billing Records	AU + 2	GC34090	Customer name, service address, meter reading, usage, payments, applications/cancellations
Budget	AU + 2	GC 34090	
Budget adjustments, journal entries	AU + 2	GC34090	Account transfers
Checks	AU + 5	GC34090; CCP 337	Includes payroll, canceled & voided checks
Deposits, Receipts	AU + 4	GC 34090; CCP 337	Checks, coins, currency
Invoices	AU + 2	GC34090	Copies sent for fees owed, billing, related documents
Journals			
Utility Billing	CU + 2	GC34090	Billing including monthly activity
Ledger, General	P	GC34090; *	* CCP 337
Voucher	AU + 4	GC34090; CCP 337	Account postings with supporting documents
Taxes, Receivable	AU + 3	CCP338	
Warrant Register	AU + 2	GC 34090.7	
ADMINISTRATIVE SERVICES			
Budget Operating (copies)	S	GC34090	Departmental Reference
Budget, Proposed	CU + 2	GC34090	Presented to Council
Adopted	P	GC 34090	
FIXED ASSETS			
Inventory	AU + 4	GC34090; 26 CFR 301 65-1(F)	Reflects purchase date, cost, account number
Surplus Property			
Auction	AU + 2	GC34090	Listing of property
Disposal	AU + 4	GC34090; CCP 337	Sealed bid sales of equipment
Vehicle Ownership & Title	L	VC 9900 et seq.	Title transfers when vehicle sold
LICENSE			
Business	T + 4	GC34090; CCP 337	Paid & reports

FINANCE (CONTINUED)

Record Series	Retention	Citation	Descriptor
PAYROLL			
Adjustments	AU + 4	GC 34090 29 CFR 516.5 – 516.6	Audit purposes
Employee Time Sheets	AU + 6	GC34090; 29 CFR 516.2*	Signed by employee for audit & FEMA Reports *20 CFR 516.6(1); IRS Reg. 31.6001-1(e)(z); R&T 19530; LC 1174(d)
PERS Employee Deduction Reports	T + 4	GC34090; CAC 22- 1085-2	Record of deductions (<i>PERS Public Employee Retirement System</i>) *26CFR 31.6001-1;29 CFR 516.5, 516.6, LC 1174(d)
Register	P	GC34090; GC37207	Labor costs by employee & program
Salary Records	T + 3	GC34090; 29 CFR 516.2	Deduction authorization, beneficiary designations, unemployment claims, garnishments
PURCHASING			
Bids, RFQ's, RFP's Successful Unsuccessful	AU + 4 AU + 5 CU + 2	GC34090; CCP 337; *	Requests for Qualifications; Requests for Proposals regarding goods and services * GC 25105-1; GC 34090
Requisitions			
Purchase Orders	AU + 4	GC34090; CCP 337	Original documents
Stores	CU + 2	GC34090	Completed forms for ordering
Vendor Register	P	GC34090	Alpha vendor listing of purchase orders, invoices, account numbers and check date
REPORTS			
Audits	P	GC 34090	
Deferred Compensation	T + 5	GC34090; 26 CFR 16001- 1*	Records of employee contributions and city payments *29 CFR 1627.3(2)
Federal and State Tax	AU + 4	GC34090; 29USC 436 *	Forms 1096, 1099, W-4's and W-2's *26 CFR 31.6001.1-4; IRS REG 31.6001-1(e)(2);R&T 19530;29 CFR 516.5-516.6
Financial, Annual	AU + 7	GC 34090.7	
Investment Transactions	P	GC34090; CCP 337; GC 53607	Summary of transactions, inventory & earnings report
Labor Distribution	AU + 2	GC34090	Costs by employee & program
Meter Reading	CU + 2	GC34090	
State Controller	P	GC34090	Controller may destroy after 5 years
Utility Rebates	CU + 2	GC34090	
TREASURER			
Bank Statements	AU + 2	FC 3368, 30210; GC 43900 et seq.	Financing authority

FINANCE (CONTINUED)

Record Series	Retention	Citation	Descriptor
Bonds			
Account Statements	CL + 10	GC34090; CCP 337.5	Monthly statement of transactions.
Administration	CL + 10	GC34090; CCP 337.5	Supporting documents
Bonds and Coupons	CL + 2	GC34090; 53921	Paid/canceled



**CITY OF YREKA
CITY COUNCIL AGENDA MEMORANDUM**

To: Yreka City Council
Prepared by: Steve Baker, City Manager
Agenda title: Approval of Yreka Volunteer Fire Department Fire Officers for 2014-2015
Meeting date: December 19, 2013

Discussion:

The Yreka Volunteer Fire Department has elected officers for the following two year period, subject to approval by the City Council. The Department is requesting such approval and the results of the election are attached. Under City Code, the City Council approves the Chief, First Assistant Chief and Secretary-Treasurer.

No one submitted their name for nomination of the First Assistant Chief, so there is a vacancy. The current Chief and incoming Chief have nominated Robert Goyneche for this position. Staff would recommend that the Council approve the appointment of Mr. Goyneche to the First Assistant Chief

Recommendation and Requested Action:

That the City Council approve William (BJ) Laustalot for Chief, Robert Goyneche for First Assistant Chief and Michael Mallory as Secretary –Treasurer.

Approved by: _____

Steven Baker, City Manager



YREKA VOLUNTEER FIRE DEPARTMENT

Allan Jones, Chief
Mike Mallory, Sec./ Treasurer
401 W. Miner Street
P.O. Box 1726
Yreka, CA 96097-1726
(530) 841-2383 841-0901 (Fax)

December 9, 2013

MEMORANDUM

TO: Liz Casson, City Clerk

FROM: Mike Mallory, Secretary-Treasurer 

SUBJECT: CERTIFICATION OF ELECTION FOR 2014-2015 TERM

The following Officers and Executive Committee Members were elected at tonight's Bi-annual Business Meeting:

Chief Officer	William Laustalot
First Assistant Chief	Position Open
Secretary-Treasurer	Mike Mallory
Second Assistant Chief	Jason Suter
Captain	Position Open
First Lieutenant	Mike Anderson
Second Lieutenant	Rusty Bigler
Executive Committee	Rob Bicego
	Jerry Lemos
	David Vanover
	Phil White

The first three officer positions noted above are subject to Council approval pursuant to YVFD Constitution, Article IV, Section 6. Those listed respectfully request the Council's consideration at their December 19, 2013 meeting.

MM:



CITY OF YREKA
CITY COUNCIL AGENDA MEMORANDUM

To: Yreka City Council
Prepared by: Rhetta Hogan ⁽²⁾
Agenda title: Acceptance of the Audited Financial Report Fiscal Year 2012-13
Meeting date: December 19, 2013

Discussion:

Oral presentation of the City's 2012-2013 audited financial report by Aiello, Goodrich and Teuscher and Rhetta Hogan, Finance Director.

Highlights from the report state no significant audit findings, and the City did not have any findings pursuant to compliance with the federal single audit act report, commonly referred to as OMB Circular 133A for federal grant awards as the City has less than \$500,000 in federal award expenditures in 2012-2013.

The November 18, 2013, governance letter from Aiello Goodrich and Teuscher recaps:

- Qualitative aspects of Accounting Practices
 - no new accounting policies were adopted
 - no transactions were entered into by the city for which there is a lack of authoritative guidance or consensus
 - all significant transactions were recognized in the financial statements in the proper period
- Difficulties encountered in performing the audit
 - there were none
- Corrected and Uncorrected Misstatements
 - there was a capital asset with a net book value of \$198,530 not previously capitalized in the financial statements, that was recorded as a prior period adjustment in the current year financial statements
- Disagreements with management, management representations
 - no such disagreements arose during the course of the audit
- Management Representations
 - the City's management representation letter to Aiello Goodrich and Teuscher is attachment to this staff report
- Management Consultations with Other Independent Accountants
 - there were none
- Other Audit Findings or Issues
 - there were none

Approved by: 
Steven Baker, City Manager

Fiscal Impact:

Required compliance reporting

Recommendation and Requested Action:

Acceptance of Audited Financial Report Fiscal Year 2012-2013

November 18, 2013

To the City Council
City of Yreka, California

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of City of Yreka, California for the year ended June 30, 2013. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 30, 2013. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management has the responsibility for the selection and use of appropriate accounting policies. The significant accounting policies used by City of Yreka, California are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2013. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was the allowance for doubtful accounts for loans receivable.

Management's estimate of the allowance for doubtful accounts is based on the future likelihood of not being able to collect on certain accounts receivable balances. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material misstatements detected as a result of audit procedures were corrected by management: Capital assets with a net book value of \$198,530 were not previously capitalized in the financial statements, and were recorded as a prior period adjustment in the current year financial statements.

Disagreements with Management

For the purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 18, 2013.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves the application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of City of Yreka, California's management and City Council, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



Aiello, Goodrich & Teuscher
An Accountancy Corporation



City of Yreka

701 Fourth Street • Yreka, CA 96097
(530) 841-2386 • FAX (530) 842-4836



November 18, 2013

Aiello, Goodrich & Teuscher
An Accountancy Corporation
PO Box 158
Mt. Shasta, CA 96067

This representation letter is provided in connection with your audit of the financial statements of City of Yreka, which comprise the respective financial position of the governmental activities, the business-type activities, and each major fund as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of November 18, 2013, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated July 30, 2013, including our responsibility for the preparation and fair presentation of the financial statements and for the preparation of the supplementary information in accordance with the applicable criteria
- 2) The financial statements referred to above are fairly presented in conformity with U.S. generally accepted accounting principles and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates are reasonable.
- 6) Related party transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- 7) All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed. No events, including instances of noncompliance, have occurred

subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements or in the schedule of findings and questioned costs.

- 8) The effects of all known actual and possible litigation, claims and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 9) Guarantees, whether written or oral, under the City is contingently liable, if any, have been properly recorded and disclosed.

Information Provided

- 10) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the City Council, or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 11) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 12) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 13) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 14) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, analysts, regulators, or others.
- 15) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 16) We have disclosed to you all known or actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 17) We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

Government-specific

- 18) We have made available to you all financial records and related data.
- 19) There have been no communication from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 20) We have identified to you any previous financial audits, attestation engagements, performance audits, or other studies related to the objectives and whether related recommendations have been implemented.
- 21) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- 22) The City has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- 23) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts, or other financial data

significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.

- 24) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 25) As part of your audit, you assisted with preparation of the financial statements and related notes and schedule of expenditures of federal awards. We have designated an individual with suitable skill, knowledge, or experience to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
- 26) The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral, except as made known to you.
- 27) The City has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 28) We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
- 29) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 30) The financial statements properly classify all funds and activities.
- 31) All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 32) Components of Net assets (invested in capital assets, net of related debt; restricted; and unrestricted) and fund balance reserves and designations are properly classified and, if applicable, approved.
- 33) Provisions for uncollectible receivables have been properly identified and recorded.
- 34) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 35) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 36) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 37) Deposits and investment securities are properly classified as to risk, and investments are properly valued.
- 38) Capital assets, including infrastructure assets, are properly capitalized, reported, and, if applicable, depreciated.
- 39) We have appropriately disclosed the City's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 40) We acknowledge our responsibility for presenting the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 41) With respect to the management's discussion and analysis and budgetary comparison information:
 - a) We acknowledge our responsibility for presenting the management's discussion and analysis and budgetary comparison information (supplementary information) in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

- b) If the management's discussion and analysis and budgetary comparison information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

42) With respect to federal award programs:

- a) We are responsible for understanding and complying and have complied with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, including requirements relating to the preparation of the schedule of expenditures of federal awards.
- b) We acknowledge our responsibility for presenting the schedule of expenditures of federal awards (SEFA) in accordance with the requirements of OMB Circular A-133 section 310.b, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Circular. The methods of measurement and presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the SEFA.
- c) If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.
- d) We have identified and disclosed to you all of our government programs and related activities subject to OMB Circular A-133 and included in the SEFA made during the audit period for all awards provided federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
- e) We are responsible for understanding and complying with, and have complied with, the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major program.
- f) We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance requirements applicable to federal programs that provides reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.
- g) We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relating to major federal programs.
- h) We have received no requests from a federal agency to audit one or more specific programs as a major program.
- i) We have complied with the direct and material compliance requirements, including when applicable, those set forth in the *OMB Circular A-133 Compliance Supplement*, relating to federal awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the requirements of federal awards.
- j) We have disclosed any communications from grantor and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditors' report.
- k) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- l) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB Circular A-87, *Cost Principles for State, Local, and Tribal Governments*, and OMB's *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*.

- m) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- n) We have made available to you all documentation related to compliance with the direct material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- o) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- p) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- q) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies over compliance (including material weaknesses in internal control over compliance), have occurred subsequent to the date as of which compliance was audited.
- r) Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
- s) The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- t) We have charged costs to federal awards in accordance with applicable cost principles.
- u) We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by OMB Circular A-133 and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- v) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by OMB Circular A-133.
- w) We are responsible for preparing and implementing a corrective action plan for each audit finding.

Signed: Shella Shella Hy
Title: Finance Director

Signed: [Signature]
Title: City Manager



**CITY OF YREKA
CITY COUNCIL AGENDA MEMORANDUM**

To: Yreka City Council

Prepared by: Jeannette Hook, Administrative Assistant

Agenda title: CONDUCT A PUBLIC HEARING TO CONSIDER THE ACCOMPLISHMENTS OF PLANNING AND TECHNICAL ASSISTANCE GRANT NO. 11-PTEC-7648 (TOURISM) AND ADOPT RESOLUTION NO. 3041 ACCEPTING AS COMPLETE A REPORT TO DEVELOP A TOURISM MARKETING STRATEGY AND EVALUATE THE POTENTIAL FOR LONG-TERM FUNDING.

Meeting date: December 19, 2013

Discussion:

The City of Yreka received a Planning and Technical Assistance (PTA) Community Development Block Grant (CDBG) in 2011 to help the community develop a strategy for tourism marketing and to consider long-term funding strategies that the business community would be willing to support. This project has been completed in several coordinated, but stand-alone, parts. The City of Yreka's report focuses on a strategic Tourism Marketing Plan which incorporates the following:

- Identification and mutual agreement amongst key tourism stakeholders about tourism success and anticipated outcomes
- Evaluate the opportunity, need and level of support for a collaborative tourism effort
- Assessment of alternative funding mechanisms such as a Tourism Business Improvement District
- Situational analysis of markets, customer bases, and public outreach methods
- Targeted Action Plan that provides recommendations on key provisions of the marketing plan that will be cost-effective and conducive to the needs of the City of Yreka

After conducting a consultant solicitation, the City selected the Siskiyou County Economic Development Council (SCEDC) to prepare a report summarizing the results of this project. This project resulted in the preparation of a strategic marketing plan, targeted action plan, and a funding evaluation. The SCEDC will continue the groundwork resulting from this project to help interested businesses identify a suitable legal structure for a long term, collaborative funding mechanism.

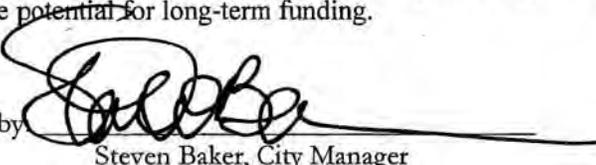
Program regulations require that prior to grant closeout, the City Council conduct a public hearing to report on the accomplishments of the project, receive public input, and accept the final products resulting from CDBG grants. If there are any comments received to be addressed, Council can provide direction to staff for inclusion in the final report(s).

Fiscal Impact: The City will be reimbursed for expenditures up to \$35,000.

Recommendation and Requested Action: That the Council:

- 1) Conduct a Public Hearing to consider the accomplishments of Planning and Technical Assistance grant No. 11-PTEC-7648 (Tourism).
- 2) Adopt Resolution No. 3041 accepting as complete a report to develop a tourism marketing strategy and evaluate the potential for long-term funding.

Approved by



Steven Baker, City Manager

RESOLUTION NO. 3041

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YREKA ACCEPTING AS COMPLETE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PLANNING AND TECHNICAL ASSISTANCE GRANT # 11-PTEC-7648 (TOURISM) ACCEPTING AS COMPLETE A REPORT TO DEVELOP A TOURISM MARKETING STRATEGY AND EVALUATE THE POTENTIAL FOR LONG-TERM FUNDING

WHEREAS, a public notice was issued to notify the public that the study known as Yreka Tourism Strategic Marketing Strategy shown below and funded by the Community Development Block Grant Program were completed, and

WHEREAS, information regarding the study was provided to the City Council at a public meeting; and

WHEREAS, a public hearing was held on December 19, 2013 for the purpose of receiving public comments regarding the accomplishments of the Grant; and

WHEREAS, Staff reviewed the final product and recommends that the City Council accept the final products for this Grant as complete.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Yreka that it does hereby accept as complete the reports for CDBG Planning and Technical Assistance Grant # 11-PTEC-7648 (Tourism) known as:

1. Yreka Tourism Strategic Marketing Strategy

PASSED AND ADOPTED at a regular meeting of the Yreka City Council held on December 19, 2013, by the following vote:

AYES:

NOES:

ABSENT:

David Simmen, Mayor

ATTEST:

BY _____
Elizabeth E. Casson, City Clerk

I hereby certify that the above and foregoing is a full and true copy of Resolution No. 3041 as adopted by the Yreka City Council at the meeting of December 19, 2013.

Elizabeth E. Casson, City Clerk



CITY OF YREKA
CITY COUNCIL AGENDA MEMORANDUM

To: Yreka City Council

Prepared by: Rhetta Hogan, Finance Director 

Agenda title: Approval of Resolution 3042 A Resolution of the City Council of the City of Yreka Relating to the Certificates of Participation (Wastewater System Improvement Project) and Approving the Forms of and Authorizing the Execution and Delivery where applicable of a Purchase Agreement, an Installment Sale Agreement, a Trust Agreement and an Assignment Agreement in Connection Therewith, and Authorizing Certain Other Related Actions.

and

Approval of Resolution 3043, A Resolution of the City Council of the City of Yreka Authorizing and Providing for the Incurrence of Indebtedness for the Purpose of Providing Portion of the Cost of Acquiring, Constructing, Enlarging, Improving, and or Extending its Sewer and Wastewater Facility to Serve an Area Lawfully with its Jurisdiction to serve.

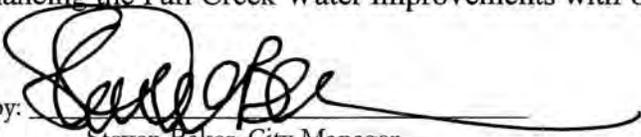
Meeting date: December 19, 2013

Discussion

On December 1, 2011, the City Council authorized the City staff to make a final application submission to the USDA Rural Development for funding the wastewater treatment and collection system improvements, Resolution No. 2944. The application referenced improvements that include remedial improvements to the wastewater treatment facility and replacing and upgrading existing sewer mains throughout the City.

On August 30, 2012 the City received a \$5,000,000, 2.75%, 40 year loan commitment offer letter from the USDA. The offer letter included special conditions from the USDA for the City to meet, including preliminary engineering design, environmental reviews and City match requirement of \$762,000 towards the project. The City has submitted to the USDA information required to clear the conditions to be satisfied prior to loan closing or before construction begins, whichever occurs first. Before the City Council tonight are several related actions for this project, including the consideration of construction bid awards for the project.

These Resolutions are presented to authorize the financing for the project. Two resolutions are necessary; one to make appropriate findings, approve a series of necessary financing agreements (further detailed below), and designate signatories, related to effecting these transactions and the second authorizing the incurrence of debt to finance this project. It should be noted that Resolution 3043 is in the format required by USDA Rural Development. These documents are similar to those used in financing the Fall Creek Water Improvements with USDA Rural Development.

Approved by: 
Steven Baker, City Manager

The loan is made, through a structured financing agreement, known as Certificates of Participation (COP). The City has issued several COPs over the years and the Fall Creek Water System Improvement Project from 2010 is currently the only outstanding COP.

What is a COP Financing Agreement:

A Certificate of Participation is a typical California public financing instrument for public facilities or equipment. It creates a financing agreement structured as a lease purchase agreement that requires a third party, the Siskiyou Jobs Council (SJC), for the lease transaction.

Purchase agreement:

Under the Purchase Agreement, SJC agrees to acquire the existing wastewater system, hereafter system, and to undertake the project improvements to the wastewater system, using the City as its agency appointment. SJC will then sell (see installation sale agreement) the improved system back to the City. The sale of the existing system is necessary and proper for City uses and purposes under the terms of applicable law and is for the common benefit of the City. The system sale is a part of the program to finance the improvement project.

Installation Sale Agreement:

Under the Installment Sale Agreement, SJC agrees to implement the system improvement project (Project) as an improvement to the existing system and to sell the improved system back to the City. The City agrees (a) to accept appointment as the agent of SJC to actually implement the Project, (b) to make Installment Payments on account of the agreed purchase price (which is matched up to the USDA-RD loan) from the system revenues, and (c) to maintain wastewater system utility rates and charges at a level which assures the City's ability to (i) maintain the system and (ii) make timely payment of the Installment Payments and any other payment obligations secured by and payable from the wastewater system revenues.

Below, I have referenced some call out sections that you may want to review:

- Section 2.02 The SJC is under no liability of any kind or character whatsoever for the payment of any costs or expense incurred by the City (whether as agent for the Corporation or otherwise) for the acquisition and construction of the Project and that all such costs and expenses will be paid by the City, regardless of whether the funds deposited in the loan payment account are sufficient to cover all such costs.
- Section 3.02(b) and (c) The City is required to have on deposit on the installment dates of December 25, and June 25, the amount of each installments. In addition, the City is to establish reserves sufficient to cover one year of principal and interest payments, and fund a special operating and capital replacement reserve contributing \$83,833 annually to allow for timely replacement of short lived assets.
- Section 4.14 Collection of Rates, Fees and Charges. The City will have in effect at all times rules and regulations requiring each customer connected with the wastewater system to pay the rates, fees and charges applicable to the service to such premises.
- Section 4.17(a) and (b) The installment Sale Agreement is parity debt to the existing State of California Water Resource Revolving. Any subsequent debt may not be superior to this debt, and parity debt would require written approval for such debt by the USDA-RD.
- Section 7.04: Waiver of Personal Liability, no City Council member and no officer or employee of the City shall be individually or personally liable for the payment of the Installment Payment, but nothing contained herein shall relieve nay City Council member or any officer or employee of the City from the performance of any official duty provided by any applicable provisions of law or hereby.

Trust Agreement:

The Trust Agreement defines the terms of the installation sale and compliance with terms of issuance of the COPS. Under the Trust Agreement, the Finance Director of the City of Yreka is appointed as the initial Trustee. The Trustee agrees to (a) provide for the execution and delivery of the COP to USDA as purchaser of the COP, in exchange for the loan proceeds, (b) to receive and administer the loan proceeds to pay the authorized costs and expenses of the Project and the incidental expenses of the COP financing program, and (c) to receive the Installment Payments and apply the moneys to repayment of the principal and interest on the USDA loan.

Assignment Agreement

Under the Assignment Agreement, the SJC irrevocably sells, assigns and transfers to the Trustee all rights and interests in the Purchase Agreement, Installment Sale Agreement, and Installment Payments. The Finance Director as Trustee, accepts the assignments for the purpose of securing installment payments and rights to the owners of the certifications, according to the provisions of the Trust Agreement.

Investors:

The Certificate Holder, the USDA, invests in the COP debt instrument and does not resell the certificates on the secondary market.

Pledge of Wastewater system Revenues

Payment of principal of and interest on the COP's will be secured by a lien and pledge of wastewater system revenues, as provided in the Installment Sale Agreement.

Fiscal Impact:

COP financing agreement calls for \$5,000,000 in principal payment and approximately \$3,246,000 in interest payments over the 40-year life of the loan. Average annual debt servicing of principal and interest is \$206,000. The City may at any time exercise its right for prepayment of all or any of the COP without incurring any prepayment penalty. Repayment of principal is annually, where as interest installments are semi-annual. The terms of repayment are defined by the USDA.

Recommendations:

Approval of Resolution 3042 - A Resolution of the City Council of the City of Yreka Relating to the Certificates of Participation (Wastewater System Improvement Project) and Approving the Forms of and Authorizing the Execution and Delivery where applicable of a Purchase Agreement, an Installment Sale Agreement, a Trust Agreement and an Assignment Agreement in Connection Therewith, and Authorizing Certain Other Related Actions.

Approval of Resolution 3043 - A Resolution of the City Council of the City of Yreka Authorizing and Providing for the Incurrence of Indebtedness for the Purpose of Providing Portion of the Cost of Acquiring, Constructing, Enlarging, Improving, and or Extending its Sewer and Wastewater Facility to Serve an Area Lawfully with its Jurisdiction to serve.

RESOLUTION NO. 3042

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YREKA
RELATING TO THE CERTIFICATES OF PARTICIPATION
(WASTEWATER SYSTEM IMPROVEMENT PROJECT) AND APPROVING
THE FORMS OF AND AUTHORIZING THE EXECUTION AND DELIVERY
WHERE APPLICABLE OF A PURCHASE AGREEMENT, AN
INSTALLMENT SALE AGREEMENT, A TRUST AGREEMENT AND AN
ASSIGNMENT AGREEMENT IN CONNECTION THEREWITH, AND
AUTHORIZING CERTAIN OTHER RELATED ACTIONS**

WHEREAS, the City of Yreka (the "**City**"), a municipal corporation of the State of California (the "**State**") duly organized and existing under the Constitution and laws of the State, proposes to enter into a loan financing program with the United States Department of Agriculture, acting through its agency the USDA Rural Development ("**USDA-RD**"), to finance certain capital improvements (the "**Project**") to the Wastewater System (the "**Wastewater System**"), and in connection with the loan financing program, the City intends to cause the execution and delivery to USDA-RD of certificates of participation (the "**Certificates of Participation**") secured by a pledge of and payable from the net operating revenues of the Wastewater System; and

WHEREAS, in support of the proposed Certificates of Participation, the City proposes to enter into a financing program with the Siskiyou County Jobs Council, a California nonprofit public benefit corporation duly organized and existing under and by virtue of the laws of the State (the "**Corporation**"), for the purchase and sale of the Wastewater System, as improved by the Project; and

WHEREAS, to implement the foregoing, the City proposes to convey the Wastewater System to the Corporation by entering into a Purchase Agreement (the "**Purchase Agreement**"), dated as of January 1, 2014, whereby the Corporation will purchase the Wastewater System from the City for a nominal cash consideration; and

WHEREAS, to further implement the foregoing, the Corporation and the City propose to execute and enter into an Installment Sale Agreement (the "**Installment Sale Agreement**"), dated as of January 1, 2014, whereby the Corporation will agree to undertake the Project and to sell the Wastewater System, as improved by the Project, to the City, and the City will purchase the Wastewater System, as improved by the Project, from the Corporation by the payment of a prescribed schedule of installment payments (the "**Installment Payments**"), and whereby the City will agree to implement the Project as agent for the Corporation; and

WHEREAS, to further implement the foregoing, the Corporation and the Finance Director of the City (the "**Finance Director**"), as Trustee (the "**Trustee**," as further defined in the next succeeding recital paragraph below) propose to execute and enter into an Assignment Agreement (the "**Assignment Agreement**"), dated as of January 1, 2014, whereby the Corporation will assign to the Trustee all of its rights and entitlements under the Installment Sale

Agreement, including but not limited to the entitlement to receive the Installment Payments from the City; and

WHEREAS, to further implement the foregoing, the City, as agent for the Corporation for implementation of the Project, will finance a portion of the costs of the Project from the proceeds of the Certificates of Participation, to be executed and delivered by the Trustee under and pursuant to that certain Trust Agreement (the “**Trust Agreement**”), dated as of January 1, 2014, by and among the Trustee, the Corporation and the City; and

WHEREAS, all acts, conditions and things required by the Constitution and laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of such financing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the City is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such financing for the Project in the manner and upon the terms herein provided;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Yreka as follows:

Section 1. This City Council (this “**City Council**”) hereby specifically finds and declares that the actions authorized hereby constitute and are with respect to public affairs of the City and that the statements, findings and determinations of the City set forth above and in the preambles of the documents approved herein are true and correct.

Section 2. The form of the Purchase Agreement, presented to this meeting and on file with the Clerk of this City Council (the “**Clerk**”), is hereby approved, and the City Manager of the City or the designee of the City Manager (the “**City Manager**,” which shall be deemed to include any designee of the City Manager) is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver to the Corporation the Purchase Agreement in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. The form of the Installment Sale Agreement, presented to this meeting and on file with the Clerk, is hereby approved, and the City Manager is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver to the Corporation the Installment Sale Agreement in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, that the schedule of the principal and interest components of the Installment Payments contained in the Installment Sale Agreement and to be attached as Exhibit B to the Installment Sale Agreement shall be determined by the City Manager upon the sale and delivery of the Certificates of Participation to USDA-RD.

Section 4. The form of the Trust Agreement, presented to this meeting and on file with the Clerk, is hereby approved, and the City Manager is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver to the Trustee and the Corporation the Trust Agreement in substantially said form, with such changes therein as such

officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. Furthermore, the Finance Director, as Trustee, is hereby authorized and directed to execute and deliver to the City and the Corporation the Trust Agreement in substantially said form, with such changes therein as the Finance Director, as Trustee, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. While the City is not a party to the Assignment Agreement, the form of the Assignment Agreement, presented to this meeting and on file with the Clerk, is hereby approved, and upon execution and delivery thereof by the respective parties thereto, the City will honor the Assignment Agreement and submit the Installment Payments in accordance with instructions from the Trustee pursuant to the Assignment Agreement and the Trust Agreement. Furthermore, the Finance Director, as Trustee, is hereby authorized and directed, for and in the name of the Finance Director, as Trustee, to execute and deliver to the Corporation the Assignment Agreement in substantially said form, with such changes therein as the Finance Director, as Trustee, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. The City, and the Finance Director, as Trustee, shall participate with the Corporation in such financing whereby the City, will (a) undertake the implementation of the Project as the agent of the Corporation, utilizing the proceeds of sale of the Certificates of Participation for such purpose, and (b) purchase the Wastewater System, as improved by the Project, from the Corporation by payment of the scheduled Installment Payments.

Section 7. Sale of the Certificates of Participation to the USDA-RD is hereby approved, and upon receipt of the formal offer of USDA-RD to purchase the Certificates of Participation, the City Manager (or such other representative of the City to whom the offer may be addressed if other than the City Manager) is hereby authorized and directed to communicate acceptance of said offer in writing.

Section 8. The officers of the City are hereby authorized and directed, jointly and severally to do any and all things and to execute and deliver any and all documents which they may deem necessary or desirable in order to consummate the sale, execution and delivery of the Certificates of Participation to USDA-RD, including the completion and submission to USDA-RD of documents customarily required by USDA-RD in connection with the subject loan and grant financing, and otherwise to carry out, give effect to and comply with the terms and intent of this resolution, the Certificates of Participation, the Purchase Agreement, the Installment Sale Agreement, the Trust Agreement and the Assignment Agreement. All such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

Section 9. This resolution shall take effect immediately upon its passage.

* * *

I HEREBY CERTIFY that the foregoing Resolution No. 3042 was duly introduced, passed and adopted at a regular meeting of the City Council of the City of Yreka, held on December 19, 2013, by the following vote:

AYES: City Council Members

NOES: City Council Members

ABSENT: City Council Members

ABSTAINING: City Council Members

David Simmen
Mayor

ATTEST:

Elizabeth E. Casson, City Clerk

2206447.1

ASSIGNMENT AGREEMENT

**by and between the
SISKIYOU COUNTY JOBS COUNCIL
and the
FINANCE DIRECTOR OF THE
CITY OF YREKA,
as Trustee**

Dated as of January 1, 2014

**relating to the
Wastewater System Improvement Project**

ASSIGNMENT AGREEMENT

(Wastewater System Improvement Project)

This Assignment Agreement is entered into as of January 1, 2014, by and between the Siskiyou County Jobs Council, a California nonprofit public benefit corporation (the "**Corporation**"), and the Finance Director of The City of Yreka, as trustee (the "**Trustee**") pursuant to the Trust Agreement (as hereinafter defined).

WITNESSETH:

In the joint and mutual exercise of their powers, in consideration of the mutual covenants herein contained and for other valuable consideration, the parties hereto recite and agree as follows:

Section 1. Recitals.

(a) The City of Yreka (the "**City**") and the Corporation have entered into a Purchase Agreement, dated as of January 1, 2014 (the "**Purchase Agreement**"), whereby the City has agreed to sell the existing water system (the "**Existing System**") to the Corporation.

(b) The Corporation and the City have entered into an Installment Sale Agreement, dated as of January 1, 2014 (the "**Installment Sale Agreement**"), whereby the Corporation has agreed to implement or cause the implementation of an improvement project (the "**Project**") to the Existing System and to sell to the City and the City has agreed to purchase from the Corporation the Existing System as improved by the Project (as more particularly described in Exhibit A to the Installment Sale Agreement, the "**Wastewater System**"), in the manner and on the terms set forth in the Installment Sale Agreement.

(c) The City, the Corporation and the Trustee have entered into a Trust Agreement, dated as of January 1, 2014 (the "**Trust Agreement**"), whereby the Trustee has agreed to act as such for purposes of receiving Installment Payments (as defined in the Installment Sale Agreement) and for purposes of issuing, administering and making payments (from such Installment Payments) on the Certificates of Participation to be executed and delivered under the Trust Agreement (the "**Certificates**").

(d) Under the Installment Sale Agreement, and upon the execution and delivery thereof, there is required to be deposited with the City and the Trustee certain sums of money to be credited, held and applied in accordance with the Trust Agreement.

(e) Upon delivery of the Installment Sale Agreement and the deposit of said moneys, the City is obligated to pay in accordance with the terms of the Installment Sale Agreement, certain Installment Payments to the Corporation or its assignee.

(f) For the purpose of obtaining the moneys required to be deposited with the City as described in paragraph 1(d) above, the Corporation is willing to assign and transfer to the Trustee all of its rights and interests under the Installment Sale Agreement for the benefit of the Owners of the Certificates, and in consideration of such assignment, the Trustee is executing and

delivering such Certificates to the purchaser or purchasers thereof, which shall provide the moneys required to be deposited with the City and the Trustee pursuant to the Trust Agreement.

(g) Each of the respective parties hereto has authority to enter into this Assignment Agreement, and has taken all actions necessary to authorize its officers to enter into such agreement.

(h) The terms capitalized in the Assignment Agreement but not defined herein shall have the meanings given to them in the Installment Sale Agreement or in the Trust Agreement.

Section 2. Assignment.

(a) The Corporation, for good and valuable consideration in hand received, does hereby irrevocably sell, assign and transfer to the Trustee, for the benefit of Owners from time to time of the Certificates, all of its rights and interests in Purchase Agreement and the Installment Sale Agreement, including, but not limited to, its rights to receive Installment Payments from the City under the Installment Sale Agreement, and the right to exercise such rights and remedies as are conferred on the Corporation by the Installment Sale Agreement as may be necessary to enforce payment of such Installment Payments when due or otherwise to protect its interests upon an Event of Default thereunder by the City.

(b) The Installment Payments shall be applied, and the rights assigned herein shall be exercised, by the Trustee as provided in the Trust Agreement.

Section 3. Acceptance. The Trustee hereby accepts the assignment set forth in Section 2 hereof for the purpose of securing such payments and rights to the Owners of the Certificates, subject to the provisions of the Trust Agreement.

Section 4. Retention of Indemnification Rights. With regard to the indemnification rights contained in Section 7.10 of the Installment Sale Agreement, each of which, by its terms, extends both to the Corporation and to its assigns, the Corporation is hereby assigning to the Trustee and its successors and assigns those rights in full insofar as they pertain to the Corporation's assigns.

Section 5. Sale of Certificates. The Corporation does hereby authorize, direct and consent to the execution and delivery of the Certificates by the Trustee, the receipt by the Trustee of payment for the Certificates when the same shall be sold to the original purchaser or purchasers thereof, and the transfer and deposit by the Trustee of such proceeds into the funds and accounts created by the Trust Agreement, all in accordance with the terms of the Trust Agreement.

Section 6. Conditions. This Assignment Agreement shall confer no rights and impose no duties upon the Trustee beyond those expressly provided in the Trust Agreement. The recitals herein contained are not those of the Trustee.

Section 7. Execution in Counterparts. This Assignment Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Assignment Agreement by their duly authorized officers as of the date first written above.

SISKIYOU COUNTY JOBS COUNCIL a
California nonprofit corporation

By _____

ATTEST:

Secretary

FINANCE DIRECTOR OF THE CITY OF
YREKA, as Trustee

By _____

Shella Rhetta Hogan
Finance Director

INSTALLMENT SALE AGREEMENT

by and between the

**SISKIYOU COUNTY JOBS COUNCIL
as Seller**

and the

**CITY OF YREKA,
as Purchaser**

Dated as of January 1, 2014

relating to the

Wastewater System Improvement Project

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INSTALLMENT SALE AGREEMENT

(Wastewater System Improvement Project)

This Installment Sale Agreement is entered into as of January 1, 2014, by and between Siskiyou County Jobs Council, a California nonprofit public benefit corporation (the "**Corporation**"), and the City of Yreka (the "**City**"), a municipal corporation. The City and the Corporation are collectively referred to herein as the "**Parties**."

WITNESSETH:

WHEREAS, the City has determined that the acquisition and construction of certain additions, betterments, extensions and improvements (the "**Project**") to the City's Wastewater System (the "**Wastewater System**") are necessary and proper for public purposes and uses under the terms of applicable law and are for the common benefit of the inhabitants of the City; and

WHEREAS, the Corporation has determined to acquire the Wastewater System, including the site on which the existing facilities are situated and with all existing improvements constituting the Wastewater System, from the City and to then acquire and construct the Project and sell the Wastewater System, as improved by the Project, to the City; and

WHEREAS, the City has determined to make installment sale payments as hereinafter described to the Corporation for the repayment of the costs of the acquisition and construction of the Project and the incidental costs and expenses related thereto paid by the Corporation; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery of this Installment Sale Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Parties hereto are now duly authorized to execute and enter into the Installment Sale Agreement.

NOW, THEREFORE, in consideration of the premises and of the mutual agreements and covenants contained herein and for other valuable consideration, the Parties hereto do hereby agree as follows:

ARTICLE I DEFINITIONS

Section 1.01. Definitions. Unless the context otherwise requires, the terms defined in this section for all purposes hereof and of any amendment hereof or supplement hereto and of any opinion or report or other document mentioned herein or therein, have the meanings defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein. Unless the context otherwise requires, capitalized terms used in this Installment Sale Agreement and not otherwise defined have the meanings ascribed to them in the Trust Agreement (as hereafter defined).

"**Accountant's Report**" means a report signed by an Independent Certified Public Accountant.

“Acquisition and Construction Account” means the fund by that name established pursuant to Section 5.03 of the Trust Agreement.

“Certificate” means the certificates of participation executed and delivered pursuant to the Trust Agreement, evidencing a proportionate interest of the Owners thereof in Installment Payments to be made by the City pursuant to this Installment Sale Agreement.

“City” means the City of Yreka.

“City Council” means the legislative body of the City.

“City Manager” means the person who is the duly appointed and acting City Manager of the City.

“Code” means the Internal Revenue Code of 1986 and the regulations issued thereunder.

“Corporation” means Siskiyou County Jobs Council, a nonprofit corporation duly organized and existing by virtue of the laws of the State.

“Event of Default” means an event described in Section 5.01 hereof.

“Finance Director” means the person who is the duly appointed and acting Finance Director of the City.

“Fiscal Year” means the period beginning on July 1 of each calendar year and ending on June 30 of the following calendar year.

“Generally Accepted Accounting Principles” means the uniform accounting and reporting procedures set forth in publications of the Financial Accounting Standards Board or its successor, or by any other generally accepted Corporation on such procedures, and includes, as applicable, the standards set forth by the Governmental Accounting Standards Board or its successor.

“Governmental Loan” means a loan from the State of California or the United States of America, acting through any of its agencies, to finance improvements to the Wastewater System, and the obligation of the City to make payments to the State or the United States of America under loan agreements, installment sale agreements, certificates of participation or any other debt obligation, all of which must memorializing said debt obligation on a parity basis with the payment of the Installment Payments.

“Independent Certified Public Accountant” means any firm of certified public accountants appointed by the City which is independent pursuant to the Statement on Auditing Standards No. 1 of the American Institute of Certified Public Accountants.

“Independent Engineer” means any registered engineer or firm of registered engineers of national reputation generally recognized to be well qualified in engineering matters relating to Wastewater Systems, appointed and paid by the City, and who or each of whom (1) is in fact independent and not under the domination of the City, (2) does not have a substantial financial

interest, direct or indirect, in the operations of the City, and (3) is not connected with the City as a City Council member, officer or employee of the City, but may be regularly retained to make reports to the City.

“Installment Payments” means the Installment Payments scheduled to be paid by the City under and pursuant to this Installment Sale Agreement, as set forth in Exhibit B hereto.

“Installment Payment Date” means any date on which Installment Payments are scheduled to be paid by the City under this Installment Sale Agreement.

“Installment Payment Year” means the twelve-month period ending on January 1 of each year, commencing with January 2, 2015; provided that the first Installment Payment Year shall be deemed to commence on the date of delivery of the Certificates to the original purchaser thereof and end on January 1, 2015.

“Installment Sale Agreement” means this Installment Sale Agreement by and between the City and the Corporation, dated as of January 1, 2014, as originally executed and as it may from time to time be amended or supplemented in accordance herewith and with the terms of the Trust Agreement.

“Insurance Consultant” means (a) the risk manager for the City or (b) any insurance consultant or firm of insurance consultants generally recognized to be well qualified in insurance consulting matters relating to wastewater and other municipal systems, appointed and paid by the City, and who or each of whom (1) is in fact independent and not under the domination of the City, (2) does not have a substantial financial interest, direct or indirect, in the operations of the City, and (3) is not connected with the City as a City Council member or as an officer or employee of the City, but may be regularly retained to make reports to the City.

“Interest Payment Date” means a date on which an interest installment of the Installment Payment is due and payable, being July 1 and January 1 of each year to which reference is made, commencing on July 1, 2014.

“Maintenance and Operation Costs” means the reasonable and necessary costs paid or incurred by the City for maintaining and operating the Wastewater System, determined in accordance with Generally Accepted Accounting Principles, including all reasonable expenses of management and repair and other expenses necessary to maintain and preserve the Wastewater System in good repair and working order, and including all administrative costs of the City that are charged directly or apportioned to the operation of the Wastewater System, such as salaries and wages of employees, overhead, taxes (if any) and insurance premiums, and including all other reasonable and necessary costs of the City or charges required to be paid by it to comply with the terms hereof, such as fees and expenses of Independent Certified Public Accountants, Independent Engineers and Insurance Consultants, but excluding in all cases depreciation, replacement and obsolescence charges or reserves therefor, amortization of intangibles and intergovernmental transfers by the City that are not reimbursements or payments for overhead or other administrative expenses incurred by the City.

“Net Proceeds” means, when used with respect to any condemnation award or with respect to any insurance proceeds relating to the Wastewater System, the amount of such

condemnation award or such insurance proceeds remaining after payment of all expenses (including attorneys' fees) incurred in the collection of such award or such proceeds.

"Net Wastewater System Revenue" means, for any Fiscal Year, the Wastewater System Revenue during such Fiscal Year less the Maintenance and Operation Costs during such Fiscal Year and less debt service on any Prior Obligation or Prior Obligations, if any, during such Fiscal Year.

"Opinion of Counsel" means a written opinion of counsel of national representation generally recognized to be well qualified in the field of law relating to municipal bonds, retained by the City and satisfactory to the Trustee (who shall be under no liability by reason of such approval).

"Parity Obligation" means (i) the loan from the State of California Water Resources Revolving Fund in the original amount of \$1,165,000, and (ii) any payment obligation of the City established after January 1, 2014, if any, which is payable from and secured by a pledge of the Wastewater System Revenue on a parity with the pledge contained hereunder.

"Prior Obligation" means any previous payment obligation of the City, if any, that is payable from and secured by a pledge of Wastewater System Revenue senior to the pledge contained hereunder, which previous payment obligation predates January 1, 2014. The City is representing and warranting herein that there are no Prior Obligations.

"Project" or **"Wastewater Improvement Project"** means the set of additions, betterments and improvements to the Wastewater System, as more fully described in Exhibit A attached to this Installment Sale Agreement.

"Purchase Price" means the principal amount plus the interest thereon owed by the City to the Corporation under the conditions and terms hereof for the repayment of the costs of the acquisition and construction of the Project and the incidental costs and expenses related thereto paid by the Corporation.

"Reserve Fund" means the fund by that name established pursuant to Section 5.04 of the Trust Agreement.

"Reserve Requirement," or **"Reserve Fund Requirement"** have the same meaning as set forth in the Trust Agreement.

"USDA-RD" means the United States Department of Agriculture-Rural Development, an agency of the United States Department of Agriculture.

"Wastewater Service" means the wastewater collection, transmission, treatment and disposal service furnished, made available or provided by the Wastewater System.

"Wastewater System Enterprise Fund" means the Wastewater System enterprise fund of the City, as described in Section 3.02 hereof.

“Wastewater System Revenue” means all gross income and revenue received or receivable by the Wastewater System from the ownership or operation of the Wastewater System, determined in accordance with Generally Accepted Accounting Principles, including all rates, fees and charges (including connection fees and charges) received by the City for the Wastewater Service and the other services of the Wastewater System and all other income and revenue howsoever derived by the City, from the ownership or operation of the Wastewater System or arising from the Wastewater System, and also including all income from the deposit or investment of any money in the Wastewater System Enterprise Fund but excluding in all cases any proceeds of taxes and any refundable deposits made to establish credit and advances or contributions in aid of construction.

“Wastewater System” means all facilities for the collection, transmission, treatment and disposal of wastewater now owned by the City and administered as the system of the City, together with all other properties, structures or works hereafter acquired and constructed by the City and determined to be a part of the Wastewater System, together with all additions, betterments, extensions or improvements to such facilities, properties, structures or works or any part thereof hereafter acquired and constructed, including but not limited to the Project.

ARTICLE II THE PROJECT

Section 2.01. Acquisition and Construction of the Project. The Corporation hereby agrees to acquire and construct the Project for, and to sell the Wastewater System, as improved by the Project, to the City. In order to implement this provision, the Corporation hereby appoints the City as its agent to carry out all phases of the design, acquisition and construction of the Project, and the City has agreed to enter into such agreements, contracts and purchase orders as may be necessary, as agent for the Corporation, to provide for the design, acquisition and construction of the Project.

Section 2.02. Sale of the Wastewater System. The Corporation hereby agrees to sell, and hereby sells, the Wastewater System, as improved by the Project, to the City. The City hereby agrees to purchase, and hereby purchases, the Wastewater System, as improved by the Project, from the Corporation. Notwithstanding the foregoing, it is hereby expressly understood and agreed that the Corporation is under no liability of any kind or character whatsoever for the payment of any costs or expenses incurred by the City (whether as agent for the Corporation or otherwise) for the acquisition and construction of the Project and that all such costs and expenses will be paid by the City, regardless of whether the funds deposited in the Acquisition and Construction Account are sufficient to cover all such costs.

ARTICLE III INSTALLMENT PAYMENTS

Section 3.01. Section 3.01 Purchase Price.

(a) The Purchase Price to be paid by the City to the Corporation hereunder is the sum of the principal amount of the City’s obligation hereunder plus the interest to accrue on the

unpaid balance of such principal amount from the date hereof over the term hereof, subject to prepayment as provided in Section 3.03 hereof.

(b) The principal amount of the Purchase Price to be paid by the City to the Corporation hereunder is the aggregate principal amount of proceeds received from the United States of America on account of the purchase of the Certificates in the amount of not to exceed Five Million Dollars (\$5,000,000).

(c) The interest to accrue on the unpaid balance of such principal amount will be paid by the City and will constitute interest paid on the principal amount of the City's Purchase Price obligation hereunder.

Section 3.02. Payment of Installment Payments. The City shall, subject to prepayment as provided in Section 3.03, pay the Corporation the Purchase Price, without offset or deduction of any kind, by paying the principal installments of the Installment Payments annually on January 1, commencing on January 1, 2015, in each of the years and in the amounts set forth in Exhibit B attached hereto and incorporated herein, together with interest installments of the Installment Payments, which interest installments shall be paid semiannually on July 1 and January 1, commencing on July 1, 2014, in the amounts and on the Interest Payment Dates in accordance with Exhibit B; provided that the amount of the respective Installment Payments shall remain subject to modification to reflect the facts that (a) the corresponding proceeds received from the United States of America on account of the purchase of the Certificates will be received in installments, with the result that interest installments of the Installment Payments will be less than shown in Exhibit B for the period during which such proceeds are being received from the United States of America, and (b) the aggregate principal amount of the proceeds received from the United States of America may ultimately be less than \$5,000,000, in which case both the principal installments and the interest installments shown in Exhibit B will be modified to correspond to the actual aggregate principal amount received.

The obligation of the City to pay the Purchase Price by paying the Installment Payments is, subject to Section 7.01 hereof, absolute and unconditional, and until such time as the Installment Payments has been paid in full (or provision for the payment thereof has been made pursuant to Section 6.01), the City will not discontinue or suspend any Installment Payments required to be paid by it under this Section when due, whether or not the Wastewater System or any part thereof is operating or operable, or its use is suspended, interfered with, reduced, curtailed or terminated in whole or in part, and such payments are not subject to reduction whether by offset or otherwise and are not conditioned upon the performance or nonperformance by any party to any agreement for any cause whatsoever.

In order to carry out and effectuate the obligation of the City contained herein to pay the Purchase Price by paying the Installment Payments, the City agrees and covenants that all Wastewater System Revenue received will be deposited when and as received in the City's Wastewater System Enterprise Fund, which fund the City has heretofore established and holds, and which fund the City agrees and covenants to maintain so long as any Installment Payments remain unpaid. All money on deposit in the Wastewater System Enterprise Fund will be applied and used only as provided herein. The City shall first pay all Maintenance and Operation Costs (including amounts reasonably required to be set aside in contingency reserves for Maintenance

and Operation Costs the payment of which is not then immediately required) and debt service on all Prior Obligations, if any, from the Wastewater System Enterprise Fund as they become due and payable, and all remaining money on deposit in the Wastewater System Enterprise Fund shall be set aside and deposited by the City at the following times in the following order of priority:

(a) Installment Payment Account Deposit. On or before the twenty-fifth (25th) day of each June and December, beginning with June 25, 2014, the City shall, from the money in the Wastewater System Enterprise Fund, transfer to the Trustee for deposit in the Installment Payment Account established under the Trust Agreement, a sum equal to the amount of interest becoming due and payable hereunder on the next succeeding July 1 or January 1, as the case may be, plus, beginning with December 25, 2014, the amount of principal becoming due and payable hereunder on the next succeeding January 1, except that no such deposit need be made if the Trustee then holds money in the Installment Payment Account equal to the amount of interest becoming due and payable hereunder on the next succeeding July 1 or January 1, as the case may be, plus the amount of principal becoming due and payable hereunder on the next succeeding January 1. All money on deposit in the Installment Payment Account on each Installment Payment Date must be used to make and satisfy the Installment Payment due on such date and such payments will be deposited or used by the Trustee in accordance with the terms of the Trust Agreement.

Notwithstanding the foregoing requirements of this subsection (a), for the period that the Certificates are registered to the United States of America, the City shall make the semiannual Installment Payments, whether on account of interest or on account of principal or both, as the case may be, directly to the party and in accordance with the pre-authorized debit procedure on the July 1 and January 1 payment dates, respectively, as specified in writing by the USDA Rural Development, an agency of the United States Department of Agriculture, or its successor agency.

(b) Reserve Fund Deposit. On or before the twenty-fifth (25th) day of each December, beginning on December 25, 2014, and continuing until the Reserve Requirement is satisfied, the City shall, in accordance with and subject to the terms of Section 5.04 of the Trust Agreement, transfer to the Trustee, from the money in the Wastewater System Enterprise Fund, for deposit in the Reserve Fund, an amount equal to the Annual Reserve Contribution (as defined in the Trust Agreement). After the City has satisfied the Reserve Requirement, on or before the twenty-fifth (25th) day of each December, the City shall, from the remaining money on deposit in the Wastewater System Enterprise Fund, transfer to the Trustee for deposit in the Reserve Fund that sum, if any, necessary to restore the Reserve Fund to an amount equal to the Reserve Fund Requirement. All money in the Reserve Fund shall be used and withdrawn by the Trustee for the purposes specified in Section 5.04 of the Trust Agreement.

As provided in the foregoing subsection (a) with respect to the Installment Payments, the deposit to the Reserve Fund required by this subsection (b) may be made on January 1 of each year for the period in which the Certificates are registered to the United States of America.

(c) Operating and Capital Replacement Reserve Deposit. On or before the twenty-fifth (25th) day of each December, beginning on December 25, 2014, and continuing to and including December 25, 2054, the City shall, in accordance with and subject to the terms of

Section 5.05 of the Trust Agreement, transfer to the Trustee, from the money in the Wastewater System Enterprise Fund, for deposit in the Operating and Capital Replacement Reserve Fund, an amount of \$83,833 annually. This amount will be evaluated each year and budgeted for based on the need to provide for timely replacement of short-lived assets. This transfer must continue until all Installment Payments have been made to the Trustee. All money in the Operating and Capital Replacement Reserve Fund shall be used and withdrawn by the Trustee for the purposes specified in Section 5.05 of the Trust Agreement.

As provided in the foregoing subsection (b) with respect to the Reserve Fund, the deposit to the Operating and Capital Replacement Reserve required by this subsection (c) may be made on January 1 of each year for the period in which the Certificates are registered to the United States of America.

After making the deposits to the Installment Payment Account, the Reserve Fund and the Operating and Capital Replacement Reserve Fund hereinabove required to be made in each Installment Payment Year, the City may expend in such Installment Payment Year any remaining money in the Wastewater System Enterprise Fund for any lawful purpose of the City.

It is expressly provided and acknowledged by the Parties hereto that payment of debt service on all Prior Obligations, if any, will be provided for and made before any moneys in the Wastewater System Enterprise Fund are applied to payments in accordance with paragraphs (a) and (b) above, it being the express intention of the Parties hereto that the obligations of the City represented by this Installment Sale Agreement shall be subordinate and junior to the Prior Obligations, if any.

It is further expressly provided and acknowledged by the Parties hereto that payment of debt service on all Parity Obligations shall be provided for and made concurrently to and on a parity with the application of any moneys in the Wastewater System Enterprise Fund to payments in accordance with paragraphs (a) and (b) above, it being the express intention of the Parties hereto that the obligations of the City represented by this Installment Sale Agreement is on a parity with the Parity Obligations.

Section 3.03. Prepayment of Installment Payments.

(a) The City may prepay from any source of available funds, including the Net Proceeds, on any date all or any part of the principal amount of the unpaid Installment Payments within each principal payment date in integral multiples of one thousand dollars (\$1,000) so that the aggregate annual amounts of principal which shall be payable hereunder after such prepayment date shall be as nearly proportional as practicable to the aggregate annual amounts of the principal then payable hereunder, at a prepayment price equal to the sum of the principal amount prepaid plus accrued interest thereon to the date of prepayment, without premium.

(b) Before making any prepayment pursuant to this Section, the City shall give written notice to the Corporation and the Trustee describing such event and specifying the date on which the prepayment will be paid and the order thereof, which date shall be not less than thirty (30) days nor more than sixty (60) days from the date such notice is given; provided, that notwithstanding any such prepayment, the City shall not be relieved of its obligations hereunder,

including specifically its obligations under this Article, until the Purchase Price shall have been fully paid (or provision for payment thereof shall have been made pursuant to Article VI).

ARTICLE IV COVENANTS OF THE CITY

Section 4.01. Compliance with Installment Sale Agreement and Trust Agreement. The City will punctually pay the Installment Payments in strict conformity with the terms hereof, and will faithfully observe and perform all the agreements, conditions, covenants and terms contained herein required to be observed and performed by it, and will not terminate the Installment Sale Agreement for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Project or the Wastewater System, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State of California or any political subdivision of either or any failure of the Corporation to observe or perform any agreement, condition, covenant or term contained herein required to be observed and performed by it, whether express or implied, or any duty, liability or obligation arising out of or connected herewith or the insolvency, or deemed insolvency, or bankruptcy or liquidation of the Corporation or any force majeure, including Acts of God, tempest, storm, earthquake, war, rebellion, riot, civil disorder, acts of public enemies, blockade or embargo, strikes, industrial disputes, lockouts, lack of transportation facilities, fire, explosion, or acts or regulations of governmental authorities.

The Corporation will faithfully observe and perform all the agreements, conditions, covenants and terms contained in the Trust Agreement required to be observed and performed by it, and it is expressly understood and agreed by and among the Parties to the Installment Sale Agreement and the Trust Agreement that each of the agreements, conditions, covenants and terms contained in each such agreement is an essential and material term of the obligation of the City to repay the costs of the acquisition and construction of the Project and the costs and expenses incidental thereto paid by the Corporation pursuant to, and in accordance with, and as authorized under law and the Installment Sale Agreement.

Section 4.02. Use of Proceeds of the Certificates. The Corporation and the City agree that the proceeds of the Certificates will be used by the City, as agent for the Corporation, to pay the costs of the acquisition and construction of the Project and to pay the incidental costs and expenses related thereto as provided herein and in the Trust Agreement.

Section 4.03. Against Encumbrances. The City will pay or cause to be paid when due all sums of money that may become due or purporting to be due for any labor, services, materials, supplies or equipment furnished, or alleged to have been furnished, to or for the City in, upon, about or relating to the Wastewater System. Except as provided in Section 4.17, the City will keep the Wastewater System free of any and all liens against any portion of the Wastewater System. In the event any such lien attaches to or is filed against any portion of the Wastewater System, the City will cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due, except that if the City desires to contest any such lien it may do so. If any such lien shall be reduced to final judgment and such judgment or any process as may be issued for the enforcement thereof is

not promptly stayed, or if so stayed and such stay thereafter expires, the City will forthwith pay and discharge or cause to be paid and discharged such judgment. The City will, to the maximum extent permitted by law, indemnify and hold the Corporation and the Trustee harmless from, and defend each of them against, any claim, demand, loss, damage, liability or expense (including attorneys' fees) as a result of any such lien or claim of lien against any portion of the Wastewater System.

Section 4.04. Against Sale or Other Disposition of Property. The City will not sell, lease or otherwise dispose of the Wastewater System or any part thereof essential to the proper operation of the Wastewater System or to the maintenance of the Net Wastewater System Revenue, and will not enter into any agreement or lease which would impair the operation of the Wastewater System or any part thereof necessary to secure adequate Net Wastewater System Revenue for the payment of the Installment Payments, or which would otherwise impair the rights of the Corporation with respect to the Net Wastewater System Revenue or the operation of the Wastewater System; provided, that any real or personal property which has become inoperative or which is not needed for the efficient and proper operation of the Wastewater System, or any material or equipment which has become worn out, may be sold if such sale will not reduce the Net below the requirements to be maintained under Section 4.13.

Section 4.05. Tax Covenants. The City shall not take any action, or fail to take any action, if such action or failure to take action would adversely affect the exclusion from gross income, for federal income tax purposes under Section 103 of the Code, of the interest component payable with respect to Certificates. This covenant survives payment in full or defeasance of the Installment Payments and the Certificates.

Section 4.06. Maintenance and Operation of the Wastewater System; Budgets. The City will maintain and preserve the Wastewater System in good repair and working order at all times and will operate the Wastewater System in an efficient and economical manner and will pay all Maintenance and Operation Costs as they become due and payable.

Not later than September 10 of each year, the City will adopt and, if requested, make available to the Corporation and the Trustee, a budget approved by the City Council setting forth the estimated Maintenance and Operation Costs and the estimated Installment Payments for the then current Fiscal Year; provided, that any such budget may be amended at any time during any Fiscal Year and, if requested, such amended budget shall be made available to the Corporation and the Trustee; and provided further that, for the period during which the Finance Director is serving as Trustee, this requirement does not apply.

Section 4.07. Compliance with Contracts. The City will comply with, keep, observe and perform all agreements, conditions, covenants and terms, express or implied, required to be performed by it contained in all contracts for the use of the Wastewater System and all other contracts affecting or involving the Wastewater System to the extent that the City is a party thereto.

Section 4.08. Payment of Claims. The City will pay and discharge any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien on the Net Wastewater System Revenue or any part thereof prior or superior to the obligation to make the

Installment Payments as provided herein or which might impair the security of the Installment Payments.

Section 4.09. Insurance. The City will procure and maintain such insurance relating to the Wastewater System which it deems advisable or necessary to protect its interests and the interests of the Corporation and the Trustee, which insurance will afford protection in such amounts and against such risks as are usually covered in connection with municipal wastewater systems similar to the Wastewater System; provided, that any such insurance may be maintained under a self-insurance program so long as such self-insurance is maintained in the amounts and manner usually maintained in connection with municipal wastewater systems similar to the Wastewater System and is, in the opinion of an Insurance Consultant, financially sound. All policies of insurance required to be maintained herein must provide that the Corporation and the Trustee be given thirty (30) days written notice of any intended cancellation thereof or reduction of coverage provided thereby.

The City shall promptly advise the Corporation and the Trustee, in writing, if any change in the insurance coverage occurs and, no later than July 31 of each year beginning July 31, 2014, provide to the Corporation and the Trustee a report as to all insurance policies maintained and self-insurance programs maintained by the City with respect to the Wastewater System, including the names of the insurers which have issued the policies and the amounts thereof and the property or risks covered thereby; provided that, for the period during which the Finance Director is serving as Trustee, this requirement shall not apply.

Section 4.10. Accounting Records and Financial Statements.

(a) The City will keep appropriate accounting records in which complete and correct entries shall be made of all transactions relating to the Wastewater System, which records shall be available for inspection by the Corporation and the Trustee at reasonable hours and under reasonable conditions.

(b) The City will prepare and file with the Trustee annually within two hundred seventy (270) days after the close of each Fiscal Year (commencing with the Fiscal Year ending June 30, 2014) financial statements of the City for the preceding Fiscal Year prepared in accordance with Generally Accepted Accounting Principles, together with an Accountant's Report thereon; provided that, for the period during which the Finance Director is serving as Trustee, this requirement does not apply.

Section 4.11. Protection of Security and Rights of the Corporation and the Trustee. The City will preserve and protect the security hereof and the rights of the Corporation and the Trustee to the Installment Payments hereunder and will warrant and defend such rights against all claims and demands of all persons.

Section 4.12. Payment of Taxes and Compliance with Governmental Regulations. The City will pay and discharge all taxes, assessments and other governmental charges which may hereafter be lawfully imposed upon the Wastewater System or any part thereof when the same shall become due. The City will duly observe and conform with all valid regulations and requirements of any governmental Corporation relative to the operation of the Wastewater

System or any part thereof, but the City shall not be required to comply with any regulations or requirements so long as the validity or application thereof shall be contested in good faith.

Section 4.13. Amount of Rates, Fees and Charges. The City will at all times fix, prescribe and collect rates, fees and charges for the Wastewater Service which are reasonably fair and nondiscriminatory and which will be at least sufficient to yield Net Wastewater System Revenue during the next succeeding Fiscal Year of the City equal to at least 1.20 times the combined debt service during such Fiscal Year on the Parity Obligations and the Installment Payments (the “**Debt Service Coverage Requirement**”) established by this Installment Sale Agreement for such Fiscal Year. The City may make adjustments from time to time in such rates, fees and charges and may make such classification thereof as it deems necessary, but shall not reduce the rates, fees and charges then in effect unless the Net Wastewater System Revenue from such reduced rates, fees and charges will at all times be sufficient to meet the Debt Service Coverage Requirement.

Section 4.14. Collection of Rates, Fees and Charges. The City will have in effect at all times rules and regulations requiring each consumer or customer located on any premises connected with the Wastewater System to pay the rates, fees and charges applicable to the Wastewater Service to such premises and providing for the billing thereof and for a due date and a delinquency date for each bill. The City will not permit any part of the Wastewater System or any facility thereof to be used or taken advantage of free of charge by any corporation, firm or person, or by any public agency (including the United States of America, the State and any city, district, political subdivision, public corporation or agency of any thereof); provided, that the City may without charge use the Wastewater Service if it chooses. As of the date of this Agreement, the City pays the rates, fees and charges applicable to the Wastewater System.

Section 4.15. Eminent Domain and Insurance Proceeds. If all or any part of the Wastewater System is taken by eminent domain proceedings, or if the City receives any insurance proceeds resulting from a casualty loss to the Wastewater System, the Net Proceeds thereof, at the option of the City, will be applied either to the prepayment of the Installment Payments as provided in Section 3.03 hereof or will be used to substitute other components for the condemned or destroyed components of the Wastewater System.

Section 4.16. Further Assurances. The City will adopt, deliver, execute and make any and all further assurances, instruments and resolutions as may be reasonably necessary or proper to carry out the intention or to facilitate the performance hereof and for the better assuring and confirming unto the Corporation of the rights and benefits provided to it herein.

Section 4.17 Limitations on Future Obligations Secured by Net Wastewater Revenues.

(a) No Obligations Superior to Installment Payments. In order to protect further the availability of the Net Wastewater Revenues and the security for the Installment Payments and any Parity Obligations, City hereby agrees that City shall not, so long as any Certificates are outstanding, issue or incur any obligations payable from Wastewater Revenues or Net Wastewater Revenues superior to the Installment Payments or the Parity Obligations. City may issue or incur Subordinate Debt as provided herein.

(b) Parity Obligations. City further covenants that, except for financing obligations issued to fully or partially refund the Certificates or Parity Obligations, City shall not issue or incur any Parity Obligations unless:

(i) City is not in default under the terms of this Installment Sale Agreement;

(ii) Net Wastewater Revenues, calculated on sound accounting principles, as shown by the books of City for the latest Fiscal Year or any more recent twelve (12) month period selected by City ending not more than sixty (60) days prior to the adoption of the resolution pursuant to which instrument such Parity Obligation is issued or incurred, as shown by the books of City plus, at the option of City the additional allowance described below, shall have amounted to at least 1.20 times the sum of the Installment Payments coming due and payable in any future Fiscal Year and the annual debt service for such Fiscal Year on all Parity Obligations outstanding immediately subsequent to the incurring of such additional obligations in the Fiscal Year in which such sum is the greatest; and

(iii) Except with respect to Governmental Loans, there shall be established from the proceeds of such Parity Obligations a reserve fund for the security of such Parity Obligations, in an amount equal to the lesser of (i) the maximum amount of debt service required to be paid by City with respect to such Parity Obligations during any Fiscal Year, or (ii) the maximum amount then permitted under the Code, in either event as certified in writing by City. With respect to Governmental Loans, City may, in its sole discretion, establish a reserve fund in an amount not to exceed the limits set forth herein.

(iv) City has obtained written consent from Owner, if Owner is the United States of America, acting through any one of its agencies.

Either or both of the following items may be added to such Net Wastewater Revenues for the purpose of applying the restriction contained in this subsection (b)(ii):

(A) an allowance for Net Wastewater Revenues from any additions to or improvements or extensions of the Wastewater System to be constructed or acquired with the proceeds of such additional obligations, and also for Net Wastewater Revenues from any such additions, improvements or extensions which have been constructed or acquired from moneys from any source but which, during all or any part of such Fiscal Year or twelve (12) month period, were not in service, all in an amount equal to the estimated additional annual Net Wastewater Revenues to be derived from such additions, improvements and extensions during the first full Fiscal Year following the completion thereof, all as shown by a certificate of City may be added to such Net Wastewater Revenues for the purpose of applying the restriction contained in this subsection (b)(ii);

(B) an allowance for earnings arising from any increase in the charges made for service from the Wastewater System which has become effective prior to the incurring of such additional obligations but which, during all or any part of such Fiscal Year or twelve (12) month period, was not in effect, in an amount equal to 100% of the amount by which the Net Wastewater Revenues would have been increased if such increase in charges had been in effect

during the whole of such Fiscal Year or twelve (12) month period, as shown by a certificate of City.

The provisions of subsection (b)(ii) of this Section shall not apply to any Parity Obligations if all of the proceeds of which (other than proceeds applied to pay costs of issuing such Parity Obligations and to make the reserve fund deposit required pursuant to subsection (b)(iii) of this Section) shall be deposited in an irrevocable escrow held in cash or invested in Federal Securities for the purpose of paying the principal of and interest and premium (if any) on any Outstanding Certificates or on any outstanding Parity Obligations, if (x) at the time of the incurring of such Parity Obligations, City certifies in writing that maximum annual debt service on such Parity Obligations will not exceed Maximum Annual Debt Service on the Outstanding Certificates or Parity Obligations to be refunded, and (y) the final maturity of such Parity Obligations is not later than the final maturity of the refunded Certificates or Parity Obligations.

In order to maintain the parity relationship of the Installment Payments to all Parity Obligations permitted hereunder, City covenants that all payments in the nature of principal and interest or reserve account replenishment with respect to any Parity Obligations, except with respect to Governmental Loans, will be structured to occur semi-annually on the Due Dates and in each year as such payments are due with respect to the Installment Payments, and reserve account replenishment with respect to any Parity Obligations, except with respect to Governmental Loans, will be structured to occur monthly, and to otherwise structure the terms of such Parity Obligations to ensure that they are in all respects payable on a parity with the Installment Payments and not prior thereto; provided that City shall not make a payment on such Governmental Loan to the extent it would have the effect of causing City to fail to pay Installment Payments on a timely basis. In such event, City shall make Installment Payments and payments on such Governmental Loan on a pro rata basis.

(c) Treatment or Reimbursements. If interest on any Parity Obligation is reasonably anticipated to be reimbursed to or on behalf of City by the United States of America, then interest payments with respect to such Parity Obligations shall be excluded by the amount of such interest reasonably anticipated to be paid or reimbursed by the United States of America, and such reimbursements will not be included as Wastewater Revenues for purposes of the coverage calculations required in subsection (b)(ii) above.

(d) Subordinate Obligations. City may issue bonds or other obligations secured by a lien on Wastewater Revenues or Net Wastewater Revenues which is subordinate to the lien established under this Installment Sale Agreement, upon such terms and in such principal amounts as City may determine.

ARTICLE V EVENTS OF DEFAULT AND REMEDIES

Section 5.01. Events of Default and Acceleration of Principal.

(a) The occurrence of any of the following is an "Event of Default":

(i) City's failure to make any Installment Payment when such Installment Payment becomes due and payable;

(ii) if the City is in default of the performance of any of the agreements or covenants contained herein required to be performed by it, and such default has continued for a period of sixty (60) days after the City shall have been given notice in writing of such default by the Corporation or the Trustee; or

(iii) if the City files a petition or answer seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if a court of competent jurisdiction approves a petition filed with or without the consent of the City seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction shall assume custody or control of the City or of the whole or any substantial part of its property.

(b) In each and every such case during the continuance of such Event of Default specified in clause (a) above, the Trustee shall, and for any other such Event of Default the Trustee may, by notice in writing to the City, declare the entire principal amount of the unpaid Installment Payments and the accrued interest thereon to be due and payable immediately, and upon any such declaration said unpaid Installment Payment becomes immediately due and payable, anything contained herein to the contrary notwithstanding. This Section is subject to the condition, however, that if at any time after the entire principal amount of the unpaid Installment Payments and the accrued interest thereon have been so declared due and payable, and before any judgment or decree for the payment of the money due has been obtained or entered, the City shall deposit with the Trustee a sum sufficient to pay the unpaid principal amount of the Installment Payments due and payable prior to such declaration and the accrued interest thereon, with interest on such overdue installments at the rate or rates applicable to such unpaid principal amounts of the Installment Payments if paid in accordance with their terms, and the reasonable expenses of the Trustee, and any and all other defaults known to the Trustee (other than in the payment of the entire principal amount of the unpaid Installment Payments and the accrued interest thereon due and payable solely by reason of such declaration) have been cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate has been made therefor, then and in every such case the Trustee, by written notice to the City, may rescind and annul such declaration and its consequences; but no such rescission and annulment extends to or affects any subsequent default or shall impair or exhaust any right or power consequent thereon.

Section 5.02. Application of Net Wastewater System Revenue Upon Acceleration. All Net Wastewater System Revenue upon the date of the declaration of acceleration by the Trustee as provided in Section 5.01 and all Net Wastewater System Revenue thereafter received will be applied in the following order:

First, to the payment of the costs and expenses of the Trustee, if any, in carrying out the provisions of this Article, including reasonable compensation to its agents, accountants and counsel and including any indemnification expenses;

Second, to the payment of the interest then due and payable on the entire principal amount of the unpaid Installment Payments, and, if the amount available is not sufficient to pay

in full all such interest then due and payable, then to the payment thereof ratably, according to the amounts due thereon without any discrimination or preference; and

Third, to the payment of the unpaid principal amount of the Installment Payments which has become due and payable, whether on the original due date or upon acceleration, with interest on the overdue principal and interest amounts of the unpaid Installment Payments at the rate or rates of interest then applicable to such Installment Payments if paid in accordance with their terms, and, if the amount available shall not be sufficient to pay in full all the amounts due with respect to the Installment Payments on any date, together with such interest, then to the payment thereof ratably, according to the principal amount due on such date, without any discrimination or preference.

Section 5.03. Other Remedies. The Trustee has the right:

(a) by mandamus or other action or proceeding or suit at law or in equity to enforce its rights against the City or any City Council member, officer or employee thereof, and to compel the City or any such City Council member, officer or employee to perform and carry out its or his duties under law and the agreements and covenants required to be performed by it or him contained herein;

(b) by suit in equity to enjoin any acts or things which are unlawful or violate the rights of the Corporation or the Trustee; or

(c) by suit in equity upon the happening of an Event of Default to require the City and its City Council members, officers and employees to account as the trustee of an express trust.

Section 5.04. Non-Waiver. Nothing in this Article or in any other provision hereof shall affect or impair the obligation of the City, which is absolute and unconditional, to pay the Installment Payments from the Net Wastewater System Revenue to the Trustee at the respective due dates or upon prepayment, or shall affect or impair the right of the Trustee, which is also absolute and unconditional, to institute suit to enforce such payment by virtue of the contract embodied herein.

A waiver of any default or breach of duty or contract by the Trustee does not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by the Trustee to exercise any right or remedy accruing upon any default or breach of duty or contract impairs any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy conferred upon the Trustee by law or by this Article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Trustee.

If any action, proceeding or suit to enforce any right or exercise any remedy is abandoned or determined adversely to the Trustee, the Corporation and the City and the Trustee shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

Section 5.05. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee is intended to be exclusive of any other remedy, and each such remedy is cumulative and in addition to every other remedy given hereunder or now or hereafter existing in law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by law.

ARTICLE VI DISCHARGE OF OBLIGATIONS

Section 6.01. Discharge of Obligations.

(a) If the City pays or cause to be paid all the Installment Payments at the times and in the manner provided herein, the right, title and interest of the Corporation herein and the obligations of the City hereunder will thereupon cease, terminate, become void and be completely discharged and satisfied.

(b) Any unpaid principal installment of the Installment Payments will on its payment date or date of prepayment, be deemed to have been paid within the meaning of and with the effect expressed in subsection (a) of this Section if the City makes payment of such Installment Payments and the prepayment premium, if applicable, in the manner provided herein.

(c) All or any portion of unpaid principal installments of the Installment Payments shall, prior to their payment dates or dates of prepayment, be deemed to have been paid within the meaning of and with the effect expressed in subsection (a) of this Section if (i) notice is provided by the City to the Trustee as required by the Trust Agreement, (ii) an amount has been deposited with the Trustee in sufficient monies, or Permitted Investments (as that term is defined in the Trust Agreement) of the type described in clause (1) of the definition of Permitted Investments that are not subject to redemption prior to maturity (including any such Permitted Investments issued or held in book entry form on the books of the Treasury of the United States of America) or tax-exempt obligations of a state or a political subdivision thereof which have been defeased under irrevocable escrow instructions by the deposit of such money or Permitted Investments and which are then rated in the highest rating category by the Rating Agencies, the interest on and principal of which when paid will provide money which, together with money, if any, deposited with the Trustee, shall be sufficient to pay when due the principal installments of such Installment Payments or such portions thereof on and prior to their payment dates or their dates of prepayment, as the case may be, the accrued interest thereon and the prepayment premiums, if any, applicable thereto, (iii) an Opinion of Counsel is filed with the Trustee to the effect that the action taken pursuant to this subsection will not cause the interest on the Certificates to be includable in gross income under the Code for federal income tax purposes, and (iv) a report of a qualified firm selected by the Corporation to the effect that such moneys or Permitted Investments and the interest thereon will be sufficient to pay all such interest, principal and prepayment premiums when due.

(d) After the payment of all Installment Payments and prepayment premiums, if any, as provided in this Section, and payment of all fees and expenses of the Trustee, the Trustee, upon request of the City, shall cause an accounting for such period or periods as may be requested by the City to be prepared and filed with the City and the Corporation and shall

execute and deliver to the City and the Corporation all such instruments as may be necessary or desirable to evidence such total discharge and satisfaction of the Installment Sale Agreement, and the Trustee shall pay over and deliver to the City, as an overpayment of Installment Payments, all such money or investments held by it pursuant hereto other than such money and such investments as are required for the payment or prepayment of the Installment Payments, which money and investments shall continue to be held uninvested by the Trustee in trust for the payment of the Installment Payments and shall be applied by the Trustee pursuant to the Trust Agreement.

ARTICLE VII MISCELLANEOUS

Section 7.01. Liability of City Limited to Net Wastewater System Revenue. Notwithstanding anything contained herein, the City shall not be required to advance any moneys derived from any source of income other than the Net Wastewater System Revenue for the payment of the Installment Payments or for the performance of any agreements or covenants required to be performed by it contained herein. The City may, however, advance moneys for any such purpose so long as such moneys are derived from a source legally available for such purpose and may be legally used by the City for such purpose.

The obligation of the City to make the Installment Payments is a special obligation of the City payable solely from the Net Wastewater System Revenue as provided herein, and does not constitute a debt of the City or of the State of California or of any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction.

Section 7.02. Benefits of Installment Sale Agreement. Nothing contained herein, expressed or implied, is intended to give to any person other than the Corporation or the City or the Trustee any right, remedy or claim under or pursuant hereto, and any agreement or covenant required herein to be performed by or on behalf of the Corporation or the City or the Trustee shall be for the sole and exclusive benefit of the other party.

Section 7.03. Waiver of Personal Liability. No City Council member and no officer or employee of the City shall be individually or personally liable for the payment of the Installment Payment, but nothing contained herein shall relieve any City Council member or any officer or employee of the City from the performance of any official duty provided by any applicable provisions of law or hereby.

Section 7.04. Successor Is Deemed Included in all References to Predecessor. Whenever either the Corporation or the City or the Trustee is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in the Corporation or the City or the Trustee, and all agreements and covenants required hereby to be performed by or on behalf of the Corporation or the City or the Trustee shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Section 7.05. Article and Section Headings, Gender and References. The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be

solely for convenience of reference and shall not affect the meaning, construction or effect hereof, and words of any gender shall be deemed and construed to include all genders. All references herein to "Articles," "Sections," "Exhibits" and other subdivisions or clauses are to the corresponding articles, sections, exhibits, subdivisions or clauses hereof; and the words "hereby," "herein," "hereof," "hereto," "herewith" and other words of similar import refer to the Installment Sale Agreement as a whole and not to any particular article, section, exhibit, subdivision or clause hereof.

Section 7.06. Partial Invalidity. If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the Corporation or the City shall be contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof. The Corporation and the City hereby declare that they would have executed the Installment Sale Agreement, and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Section 7.07. Assignment. The Installment Sale Agreement and any rights hereunder shall be assigned by the Corporation to the Trustee as provided in the Assignment Agreement; to which assignment the City hereby expressly acknowledges and consents.

Section 7.08. Net Contract. The Installment Sale Agreement shall be deemed and construed to be a net contract, and the City shall pay absolutely net during the term hereof the Installment Payments and all other payments required hereunder, free of any deductions and without abatement, diminution or set-off whatsoever.

Section 7.09. California Law. The Installment Sale Agreement shall be construed and governed in accordance with the laws of the State of California.

Section 7.10. Indemnification. The City shall, to the full extent then permitted by law, indemnify, protect, hold harmless, save and keep harmless the Corporation and its directors, officers and employees and the Trustee and its directors, officers and employees from and against any and all liability, obligations, losses, claims and damages whatsoever, regardless of the cause thereof, and expenses in connection therewith, including, without limitation, counsel fees and expenses, penalties and interest arising out of or as the result of the entering into of the Installment Sale Agreement, the acquisition, construction, installation and use of the Wastewater System and each portion thereof or any accident in connection with the operation, use, condition or possession of the Wastewater System or any portion thereof resulting in damage to property or injury to or death to any person including, without limitation, any claim alleging latent and other defects, whether or not discoverable by the City or the Corporation; any claim for patent, trademark or copyright infringement; and any claim arising out of strict liability in tort. The indemnification arising under this Section shall continue in full force and effect notwithstanding the full payment of all obligations hereunder or the termination hereof for any reason. The City agrees not to withhold or abate any portion of the payments required pursuant hereto by reason of any defects, malfunctions, breakdowns or infirmities of the Project. The City and the

Corporation mutually agree to promptly give notice to each other of any claim or liability hereby indemnified against following either's learning thereof.

Section 7.11. Funds. Any fund required to be established and maintained herein by the City may be established and maintained in the accounting records of the City either as an account or a fund, and may, for the purpose of such accounting records, any audits thereof and any reports or statements with respect thereto, be treated either as an account or a fund; but all such records with respect to any such fund shall at all times be maintained in accordance with sound accounting practice and with due regard for the protection of the security of the Certificates and the rights of the owners of such Certificates.

Section 7.12. Notices. All written notices to be given hereunder shall be given by mail to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other party in writing from time to time, namely:

If to the City:

City of Yreka
701 4th Street
Yreka, CA 96097
Attention: City Manager

If to the Corporation:

Siskiyou County Jobs Council
1512 S. Oregon Street
Yreka, CA 96097
Attention: President

If to the Trustee:

Finance Director
City of Yreka
701 4th Street
Yreka, CA 93408

Section 7.13. Effective Date. The Installment Sale Agreement shall become effective upon its execution and delivery, and shall terminate when the Purchase Price shall have been fully paid (or provision for the payment thereof shall have been made pursuant to Article VI).

Section 7.14. Execution in Counterparts. The Installment Sale Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

SIGNATURES ON FOLLOWING PAGE

IN WITNESS WHEREOF, the Parties hereto have executed this Installment Sale Agreement by their duly authorized officers as of the date first written above.

SISKIYOU COUNTY JOBS COUNCIL,
a California nonprofit corporation

By: _____

President

ATTEST:

Secretary

CITY OF YREKA,
a municipal corporation

By: _____
Steven W. Baker
City Manager

ATTEST:

Liz Casson
City Clerk

EXHIBIT A

Description of the Project

Description of Project – Wastewater System Improvement Project

EXHIBIT B

Installment Payments Schedule

<u>Period</u> <u>Ending</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>(%)</u>
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**Period
Ending**

**Principal
Amount**

**Interest
(%)**

2120404.2

1260953.2

PURCHASE AGREEMENT

by and between the

CITY OF YREKA

and the

SISKIYOU COUNTY JOBS COUNCIL

Dated as of January 1, 2014

relating to the

Wastewater System Improvement Project

PURCHASE AGREEMENT

(Wastewater System Improvement Project)

This Purchase Agreement is entered into as of January 1, 2014, by and between the City Of Yreka (the “City”), a municipal corporation, duly organized and existing under the laws of the State, Siskiyou County Jobs Council (the “Corporation”), a California nonprofit corporation.

WITNESSETH:

In joint and mutual exercise of their powers, in consideration of the mutual covenants herein contained, and for other valuable consideration, the parties hereto recite and agree as follows:

ARTICLE I RECITALS

The Corporation proposes to acquire the real property and wastewater system facilities comprising the existing wastewater system (the “Existing System”) and to undertake improvements (the “Project”) to the Existing System, and upon completion of the Project, to sell the Existing System, as improved by the Project (the “Wastewater System”), back to the City.

Section 1.01. The sale of the Existing System by the City, is necessary and proper for City uses and purposes under the terms of applicable law and is for the common benefit of the City.

Section 1.02. The City is authorized to sell the Existing System and any interest therein for the common benefit of the City as a part of the program to finance the Project.

Section 1.03. The Corporation proposes to construct the Project and to sell the Wastewater System, as improved by the Project, to the City, and the City, desires to purchase the Wastewater System from the Corporation upon the terms and conditions set forth in an installment sale agreement, dated as of the date hereof, between the City and the Corporation (the “Installment Sale Agreement”).

Section 1.04. The City is authorized to purchase the Wastewater System and any interest therein for the common benefit of the City.

Section 1.05. The City and the Corporation, respectively, have duly authorized the execution of this Agreement by proper corporate action.

Section 1.06. Unless the context otherwise requires, capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Installment Sale Agreement.

ARTICLE II REPRESENTATIONS

Section 2.01. Representations of the City. The City makes the following representations:

(a) The City is a public body, corporate and politic, duly organized and existing under and by virtue of the laws of the State of California.

(b) The City has full legal right, power and authority to enter into this Agreement and carry out its obligations hereunder, to carry out and consummate all other transactions contemplated by this Agreement.

(c) By proper action, the City has duly authorized the execution, delivery and due performance of this Agreement.

(d) The City, will not take or permit any action to be taken which results in the interest paid for the installment sale of the Wastewater System under the terms of the Installment Sale Agreement being included in the gross income of the Corporation or its assigns for purposes of federal or State income taxation.

(e) The City has determined that it is for the common benefit of the City and is necessary and proper for City uses and purposes that the City finance the Project in the manner provided for in this Agreement and the Installment Sale Agreement, in order to provide essential services and facilities to persons residing in the City.

(f) The City has full right, interest and legal title to the Existing System, and the City, agrees to defend said title against all challenges. If it is finally determined by a court of competent jurisdiction that the City does not hold said title, or that a defect to said title exists which would materially adversely affect the interests of the Corporation hereunder or under the Installment Sale Agreement, the City agrees, to the extent permitted by law, to cure such defect or obtain said title through purchase or the exercise of its powers of eminent domain.

Section 2.02. Representations and Warranties by the Corporation. The Corporation makes the following representations and warranties:

(a) The Corporation is a nonprofit corporation duly organized and in good standing under the laws of the State, has full legal right, power and authority to enter into this Agreement and to carry out and consummate all transactions contemplated by this Agreement and by proper corporate action has duly authorized the execution and delivery and due performance of this Agreement.

(b) The execution and delivery of this Agreement and the consummation of the transactions herein contemplated will not violate any provision of law, any order of any court or other agency of government, the Articles of Incorporation of the Corporation or any indenture, material agreement or other instrument to which the Corporation is now a party or by which it or any of its properties or assets is bound, or be in conflict with, result in a breach of or constitute a default (with due notice or the passage of time or both) under any such indenture, agreement or

other instrument, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets of the Corporation.

(c) The Corporation will not take or permit any action to be taken which results in interest paid for the installment sale of the Wastewater System under the terms of the Installment Sale Agreement being included in the gross income of the Corporation or its assigns for purposes of federal or State income taxation.

ARTICLE III PURCHASE AND SALE OF THE EXISTING SYSTEM

Section 3.01. Purchase and Sale of the Existing System. The City agrees to sell, and hereby sells to the Corporation, and the Corporation agrees to purchase, and hereby purchases, from the City, the Existing System for a purchase price, receipt of which is hereby acknowledged by the City, in the amount of one dollar (\$1.00). The Corporation and the City, agree that title to the Existing System shall be deemed conveyed to and vested in the Corporation, as provided herein, without the necessity of any other instrument or document of conveyance.

ARTICLE IV EFFECTIVE DATE OF THIS AGREEMENT; UNCONDITIONAL OBLIGATIONS

Section 4.01. Effective Date of this Agreement. This Agreement shall become effective upon its execution and delivery.

Section 4.02. Obligations of Corporation Unconditional. The obligations of the Corporation to perform and observe the agreements on its part contained herein are absolute and unconditional, and, until such time as the Installment Sale Agreement expires or is terminated in accordance with its provisions therefor, the Corporation (i) will perform and observe all of its agreements contained in this Agreement and (ii) will not terminate this Agreement for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Existing System, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State or any political subdivision of either or any failure of the City to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Agreement.

Nothing contained in this Section may be construed to release the City from the performance of any of the agreements on its part herein contained. In the event the City should fail to perform any such agreement on its part, the Corporation may institute such action against the City as the Corporation may deem necessary to compel performance or recover its damages for nonperformance so long as such action shall not violate the agreements of the Corporation contained in the first paragraph of this Section. The Corporation may at its own cost and expense and in its own name or in the name of the City, prosecute or defend any action or proceeding or take any other action involving third persons which the Corporation deems reasonably necessary in order to secure or protect its right of title, possession and use hereunder, and in such event the City hereby agrees to cooperate fully with the Corporation and to take all

action necessary to effect the substitution of the City, for the Corporation in any such action or proceeding if the Corporation shall so request.

**ARTICLE V
MISCELLANEOUS**

Section 5.01. Further Assurances and Corrective Instruments. The City and the Corporation agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments, including deeds, bills of sale and other documents of transfer, as may reasonably be required for correcting any inadequate or incorrect description of the Existing System, including but not limited to any real property upon or under which any facilities of the Existing System are situated, or for carrying out the intention of or facilitating the performance of this Agreement.

Section 5.02. Approval of Corporation. Whenever under the provisions of this Agreement the approval of the Corporation is required or the City is required to take some action at the request of the Corporation, such approval shall be given or such request shall be made by an Authorized Officer unless otherwise specified in this Agreement, and the City, shall be authorized to act on any such approval or request, and the Corporation shall have no complaint against the City as a result of any such action taken.

Section 5.03. Assignment. This Agreement may be assigned, as a whole or in part, by the Corporation with the written consent of the City, which consent shall not be unreasonably withheld, subject to each of the following conditions:

(a) No assignment shall relieve the Corporation from primary liability for any of its obligations hereunder, and in the event of any such assignment the Corporation shall continue to remain primarily liable for performance and observance of the obligations and conditions herein provided to be performed and observed on its part.

(b) The assignee shall assume the obligations of the Corporation hereunder to the extent of the interest assigned.

(c) The Corporation shall, within thirty (30) days after the delivery thereof, furnish or cause to be furnished to the City a true and complete copy of each such assignment.

Section 5.04. Notices. All notices, certificates and other communications hereunder shall be sufficiently given if, and shall be deemed given on the second day following the day on which, mailed by registered or certified mail, postage prepaid, addressed as follows:

If to the City:

City of Yreka
701 4th Street
Yreka, CA 96097
Attention: City Manager

If to the Corporation:

Siskiyou County Jobs Council
1512 S. Oregon Street
Yreka, CA 96097
Attention: President

The City and the Corporation may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates and other communications shall be sent.

Section 5.05. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the City, the Corporation and their respective successors and assigns.

Section 5.06. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 5.07. Agreement Represents Complete Agreement; Amendments. This Agreement represents the entire contract between the parties. This Agreement may not be effectively amended, changed, modified, altered or terminated without the concurring written consent of the City and the Corporation.

Section 5.08. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of California.

Section 5.09. Execution of Counterparts. This Purchase Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

SIGNATURES ON FOLLOWING PAGE

IN WITNESS WHEREOF, the parties have executed this Purchase Agreement by their duly authorized officers as of the date first above written.

CITY OF YREKA,
a municipal corporation

By: _____
Steven W. Baker
City Manager

ATTEST:

Liz Casson
City Clerk

SISKIYOU COUNTY JOBS COUNCIL
a California nonprofit corporation

By: _____

ATTEST:

Secretary

TRUST AGREEMENT

by and among the

CITY OF YREKA,

the

SISKIYOU COUNTY JOBS COUNCIL

and the

FINANCE DIRECTOR OF THE

CITY OF YREKA,

as Trustee

Dated as of January 1, 2014

relating to the

Wastewater System Improvement Project

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TRUST AGREEMENT

(Wastewater System Improvement Project)

This Trust Agreement is entered into as of January 1, 2014, by and among the City of Yreka (the “**City**”), a municipal corporation, duly organized and existing under the laws of the State, Siskiyou County Jobs Council (the “**Corporation**”), a California nonprofit corporation, and the Finance Director of the City of Yreka, as trustee (the “**Trustee**”).

WITNESSETH:

In the joint and mutual exercise of their powers, in consideration of the mutual covenants herein contained, and for other valuable consideration, the parties hereto recite and agree as follows:

ARTICLE I RECITALS

1.01. Installment Sale Agreement. The City and the Corporation have entered into an Installment Sale Agreement, whereby the Corporation has agreed to implement an improvement project (the “**Project**”) to the wastewater system (the “**Existing System**”), and upon completion of the Project, to sell the Existing System, as improved by the Project (the “**Wastewater System**”), to the City and the City has agreed to purchase the Wastewater System from the Corporation and to make Installment Payments therefor.

1.02. Assignment Agreement. For the purpose of assisting in obtaining moneys required to be deposited with the Trustee, the Corporation has assigned and transferred all of its rights and interests in the Installment Sale Agreement to the Trustee, pursuant to an Assignment Agreement, and in consideration of such assignment and the execution of this Trust Agreement, the Trustee has agreed to execute and deliver Certificates of Participation, each evidencing an interest in the Installment Payments, as set forth in such Certificates.

1.03. Purchase Agreement. The City and the Corporation have entered into a Purchase Agreement, whereby the Corporation has purchased the Existing System from the City.

1.04. Agency Appointment. The City and the Corporation have entered into an agreement, as part of the Installment Sale Agreement, whereby the Corporation has appointed the City as its agent to accomplish the acquisition and construction of the Project, and the City, has accepted such appointment.

1.05. Conditions Precedent Satisfied. All things, conditions and acts required by law to exist, happen and be performed precedent to and in connection with the execution and entering into of this Trust Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law and the parties hereto are now duly empowered to execute and enter into this Trust Agreement.

**ARTICLE II
DEFINITIONS AND RULES OF CONSTRUCTION**

2.01. Definitions. The terms defined herein shall have the meanings, for the purpose of this Trust Agreement, ascribed to them below unless the context clearly requires some other meaning. The term “**this Agreement**” as used herein means this Trust Agreement unless the context clearly requires some other meaning.

“**Acquisition and Construction Account**” means the account by that name established under Section 5.03 hereof, from which account the amounts will be disbursed to pay the authorized costs and expenses of acquiring and constructing the Project, and otherwise paying the Acquisition and Construction Costs and Delivery Costs.

“**Acquisition and Construction Costs**” means all costs of or reimbursement for acquisition and construction of the Project, including but not limited to, engineering costs and costs of feasibility, environmental and other reports, inspection costs, permit fees, filing and recording costs, and sales and use taxes.

“**Annual Reserve Contribution**” means an amount equal to one-tenth of the Reserve Requirement.

“**Annual Operating and Capital Reserve Contribution**” means an amount equal to the Annual Reserve Contribution.

“**Assignment Agreement**” means the Assignment Agreement, dated as of January 1, 2014, by and between the Corporation and the Trustee, as executed or hereafter amended.

“**Authorized Officer**” when used with respect to the Corporation means the President or the Chief Financial Officer of the Corporation. The term “Authorized Officer,” when used with respect to the City, means the City Manager or assistants or any other officer or employee of the City who is designated by the City Council as an Authorized Officer for purposes of the Installment Sale Agreement and/or this Agreement.

“**Average Annual Debt Service**” means the sum of (1) all of the principal installments for Outstanding Certificates falling due by their terms and (2) all of the interest accruing on all Outstanding Certificates until paid by their terms or prepaid, divided by the total number of Fiscal Years from the date of issuance of the Certificates to and including the final maturity of the Certificates.

“**Business Day**” means any day on which banks in San Francisco, California, are open for business, except Saturday and Sunday.

“**Certificate Register**” means the books for registration of the Certificates maintained by the Trustee pursuant to Section 3.09 of this Trust Agreement.

“**Certificates**” means the Certificates of Participation prepared and delivered by the Trustee, pursuant to Section 3.01 hereof, to the original purchaser thereof and to any subsequent Owner thereof, pursuant to Sections 3.07 and 3.08 of this Trust Agreement.

“**City**” means the City of Yreka, a municipal corporation, duly organized and existing under the laws of the State.

“**City Manager**” means the person who is the duly appointed City Manager of the City.

“**City Council**” means the City Council for the City of Yreka.

“**Closing Date**” means the date on which the Certificates are delivered to the original purchaser thereof in exchange for payment of the purchase price for the Certificates.

“**Code**” means the Internal Revenue Code of 1986 and the regulations issued thereunder.

“**Corporation**” means Siskiyou County Jobs Council, a nonprofit public benefit corporation duly organized and existing by virtue of the laws of the State.

“**Delivery Costs**” means all costs of payment of or reimbursement for execution, sale and delivery of the Installment Sale Agreement and the Certificates, including, but not limited to, costs paid or incurred by the City, the Corporation or the Trustee for filing costs, printing costs, reproduction and binding costs, initial fees and charges of the Trustee and its counsel, financing discounts, legal fees and charges and reimbursements, financial and other professional ratings, fees for execution, registration, transportation and safekeeping of Certificates, municipal Certificate insurance premiums, initial premiums for insurance required by Section 4.09 of the Installment Sale Agreement, and other charges and fees in connection with the foregoing.

“**Event of Default**” means an event of default under the Installment Sale Agreement as set forth in Section 5.01 of the Installment Sale Agreement.

“**Federal Securities**” means United States Treasury notes, bonds, bills or certificates of indebtedness or obligations for which the full faith and credit of the United States are pledged for the payment of principal and interest.

“**Finance Director**” means the person who is the duly appointed and acting Finance Director of the City.

“**Fiscal Year**” means the period beginning on July 1 in any calendar year and ending on June 30 of the following calendar year.

“**Installment Payment Account**” means the account by that name established under, and held by the Trustee pursuant to, Section 5.02 of this Trust Agreement.

“**Installment Payment Dates**” means July 1 and January 1 of each year commencing with July 1, 2014.

“**Installment Payments**” means payments payable by City for the purchase of the Project pursuant to the Installment Sale Agreement.

“Installment Sale Agreement” means the Installment Sale Agreement Relating to the Wastewater System Improvement Project, dated as of January 1, 2014, by and between the Corporation and the City, as executed or hereafter amended.

“Net Proceeds” has the meaning set forth in the Installment Sale Agreement.

“Operating and Capital Replacement Reserve Fund” means the fund by that name established under, and held by the Trustee pursuant to, Section 5.05 of this Trust Agreement.

“Outstanding” when used with reference to the Certificates and as of any particular date means all Certificates theretofore delivered except: (a) any Certificate cancelled by the Trustee at or before said date; (b) any Certificate in lieu of or in substitution for which another Certificate shall have been delivered pursuant to this Trust Agreement; and (c) Certificates which have been defeased under Section 9.02 of this Trust Agreement.

“Owner” or **“Certificate Owner”** or **“Owner of Certificates”** or any similar term, when used in either the singular or the plural with respect to the Certificates, means any person who is the registered owner of any Outstanding Certificate as shown on the Certificate Register.

“Payment Dates” means July 1 and January 1 of each year commencing with July 1, 2014.

“Permitted Investments” means:

(a) Federal Securities and any investment fund, including money market funds or other investment policy arrangement which purchases and holds exclusively Federal Securities;

(b) Obligations issued by federal land banks or federal home loan banks; or obligations, participations, or other instruments issued by, or fully guaranteed as to principal and interest by, the Federal National Mortgage Association; or obligations, participations, or other instruments issued by a federal agency or a United States government-sponsored enterprise;

(c) Investments in repurchase agreements under the terms of which the underlying collateral is transferred to the possession of the Trustee of any securities authorized by paragraphs (a) and (b) above which have a fair market value (valued at cost) at least equal to 103% of the amount invested in the repurchase agreement and are free of third party claims;

(d) Nonnegotiable certificates of deposit issued by a nationally chartered bank, a bank chartered by the State of California or a foreign banking corporation, authorized pursuant to Section 1756 of the California Financial Code to transact business in the State of California by accepting deposits, or a State of California or federal savings and loan association, provided that such certificates of deposit are fully collateralized in the manner required for collateralization of trust funds; and

(e) Any investment agreement, guarantee or other investment vehicle or security issued by, secured by or otherwise representing the general obligations of a financial institution whose long-term unsecured, uninsured and unguaranteed obligation or claims-paying

ability is rated AA or better by any Rating Agency at the time of its issuance, provided that: (i) the agreement is not subordinated to any other obligations of such financial institution; and (ii) if the financial institution fails to maintain a rating of AA or better (without regard to gradations), the City shall have the right to demand collateral in the form of securities authorized by paragraphs (a) and (b) above pledged to secure the investment agreement. Such collateral shall be pledged through the Trustee and shall have a fair market value (valued at cost) of at least 103% of the value of funds remaining in the investment agreement. Further, the City shall have the right to withdraw all funds without penalty should the financial institution fail to provide collateral as required under this paragraph;

(f) Investments otherwise defined in Section 53601 of the California Government Code, as amended from time to time; provided that the Trustee is obligated to invest in any form of investment pursuant to this subparagraph (f) except upon receipt of a certificate of an Authorized Officer of the City that any directed investment to be made pursuant to this subparagraph (f) meets this definition as set forth in this subparagraph (f).

“Prepayment Account” means the fund by that name established under, and held by the Trustee pursuant to Section 4.02 of this Trust Agreement.

“Principal Payment Date” means January 1 of each year, commencing with January 1, 2015, and ending on January 1, 2054.

“Principal Trust Office” means the office of the Trustee which is located in City of Yreka, California, which at the time of execution of this Trust Agreement is 701 4th Street, City of Yreka, California 93408.

“Project” or **“Wastewater System Improvement Project”** mean the additions, betterments and improvements to the Existing System, as more fully described in Exhibit A to the Installment Sale Agreement, including any substitutions therefor or additions thereto made in accordance with the provisions of the Installment Sale Agreement.

“Purchase Agreement” means the Purchase Agreement, dated as of January 1, 2014, by and between the City and the Corporation whereby the Corporation purchases the Site from the City.

“Record Date” means the close of business on the fifteenth day of the month preceding any Payment Date, whether or not such fifteenth day is a Business Day.

“Reserve Fund” means the fund by that name established under, and held by the Trustee pursuant to, Section 5.04 of this Trust Agreement.

“Reserve Requirement,” or **“Reserve Fund Requirement”** means, as of any date of calculation after January 1, 2025, an amount equal to the Average Annual Debt Service, as accumulated pursuant to Section 5.04 hereof.

“Special Counsel” means an attorney or a firm of attorneys, acceptable to the City, of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on

Certificates of Participation issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States of America.

“**State**” means the State of California.

“**Trust Agreement**” means this Trust Agreement, dated as of January 1, 2014, by and among the Trustee, the City and the Corporation, as executed or hereafter amended.

“**Trustee**” means the Finance Director, together with any co-trustee, if any, appointed and acting pursuant to this Trust Agreement, or any successor in interest acting as Trustee under this Trust Agreement.

“**Wastewater System Improvement Project Trust Fund**” means the fund established pursuant to Section 5.02 of this Trust Agreement.

2.02. Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context otherwise indicates, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include corporations and associations, including public bodies, as well as natural persons.

ARTICLE III THE CERTIFICATES

3.01. Preparation and Delivery of Certificates. The Trustee is hereby authorized to prepare an initial series of certificates designated “City of Yreka Certificates of Participation (Wastewater System Improvement Project)” in an aggregate principal amount of not-to-exceed Five Million Dollars (\$5,000,000). The Trustee is hereby directed, upon written request from the City and from the Corporation, to execute and deliver to the original purchaser thereof said Certificates in said aggregate principal amount, evidencing direct, undivided fractional ownership interests in the Installment Payments to be paid by the City under the Installment Sale Agreement, as set forth in such Certificates. The City and the Corporation hereby certify, recite and declare that all things, conditions and acts required by the constitution and statutes of the State and the Installment Sale Agreement and this Trust Agreement to exist, to have happened and to have been performed precedent to and in the delivery of the Certificates, exist, have happened and have been performed in due time, form and manner as required by law.

3.02. Form; Denomination; Medium of Payment. The Certificates shall be delivered in the form of fully registered Certificates in the denomination of \$1,000 each or any whole multiple thereof (which form shall be substantially in the form set forth in Exhibit A hereto attached and by this reference herein incorporated) provided that the principal payable on January 1, 2015 includes that portion, if any, of the aggregate principal of the Certificates not divisible by \$1,000, with the result that the principal payable for each of the remaining years of 2016 through 2054 is evenly divisible by \$1,000. The Certificates may be numbered by such method as shall be determined by the Trustee. The Certificates may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of this Trust Agreement as may be necessary or desirable to comply with custom, or otherwise, as may be determined by the City prior to the delivery thereof.

The Certificates shall be payable in lawful money of the United States of America, which at the time of payment is legal tender for the payment of public and private debts.

In the event the Certificates are purchased by the USDA Rural Development, acting on behalf of the United States of America, the Trustee is authorized to issue the Certificates as a single, fully-registered Certificate in the face amount of not-to-exceed \$5,000,000. Thereafter, and upon not less than thirty (30) days written notice to the City, the single, fully-registered Certificate may be exchanged at the expense of the City for serial Certificates in denominations of \$1,000 each, or any whole multiple thereof, and with principal maturities reflecting the schedule set forth on the face of said single, fully-registered Certificate under the column heading "Principal Amount Payable," as amended from time to time in accordance with the Installment Sale Agreement and this Trust Agreement; provided that in the event that such exchange occurs prior to payment of the principal payable on January 1, 2015, one of the serial Certificates issued with principal payable on January 1, 2015 will include the odd amount, if any, by which the aggregate principal of the Certificates is not divisible by \$1,000.

3.03. Date of Certificates. The Certificates shall be dated as of the date of authentication thereof (except that the Certificates delivered to the original purchaser shall be dated as of the date of delivery), and interest with respect thereto shall be payable from the Payment Date next preceding the date of authentication thereof, unless: (i) it is authenticated as of a Payment Date, in which event interest represented thereby shall be payable from such Payment Date; or (ii) it is authenticated after the Record Date preceding a Payment Date and before such Payment Date, in which event interest represented thereby shall be payable from such Payment Date; or (iii) it is authenticated on or before June 15, 2014, in which event interest represented thereby shall be payable from the date of delivery; provided, however, that if, as of the date of any Certificate, interest is in default with respect to any Outstanding Certificates, interest with respect to such Certificate shall be payable from the Payment Date to which interest has previously been paid or made available for payment with respect to the Outstanding Certificates.

3.04. Payment of Principal and Interest with Respect to Certificates. The Certificates shall be in serial form, and the principal thereof shall be payable from the principal component of Installment Payments on January 1 in each of the years and in the amounts set forth in the Installment Payment Schedule as Exhibit B of the Installment Sale Agreement.

Interest with respect to the Certificates shall be payable semiannually on July 1 and January 1 of each year, commencing on July 1, 2014, to and including the date of principal payment or prepayment, whichever is earlier. Interest is computed by multiplying the unpaid principal amount by the rate of interest specified below, divided by two, and in circumstances involving less than a full one-year period, interest will be calculated on the basis of a 365-day year. Interest will accrue at the rate of two and seventy five one hundredths percent (2.75%) per annum.

Notwithstanding the foregoing, with respect to both the principal and interest components of Installment Payments, the amounts thereof shall be subject to modification in the event that the eventual aggregate amount of installments paid to the Trustee on account of the purchase price of the Certificates is less than \$5,000,000, with the modifications to reflect approximately

equal annual amount of the Installment Payments; and provided further that, with respect to the interest components of Installment Payments for the period during which installments on account of the purchase price of the Certificates are being paid, the interest components for each semi-annual period during which such installments are being paid shall be reduced as appropriate to reflect the fact that interest accrues on each such component of the purchase price only from the date of receipt of such component by the Trustee from USDA Rural Development, acting on behalf of the United States of America.

3.05. Place of Payment. The principal and premium, if any, with respect to all Certificates shall be payable at the Principal Trust Office of the Trustee. Interest with respect to the Certificates shall be payable by check mailed first class to the Owners thereof on the Payment Date; provided, however, that the Owners of the Certificates shown on the Certificate Register on the Record Date preceding the Payment Date shall be deemed to be the Owners of the Certificates on said Payment Date for the purpose of the paying of interest; and provided further that for the period during which the United States of America is the registered Owner of the Certificates, payment shall be made in the manner specified in writing by the USDA Rural Development, an agency of the United States Department of Agriculture.

3.06. Execution. The Certificates shall be executed in the name of the Trustee, as trustee under this Trust Agreement, by the manual signature of the Trustee.

3.07. Transfer and Exchange of Certificates.

(a) The registration of each Certificate shall be transferable only upon the Certificate Register, which shall be kept for that purpose at the Principal Trust Office of the Trustee, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the Owner or his duly authorized attorney. Upon the registration of the transfer, and the surrender, of any such Certificate, the Trustee shall prepare, in the name of the transferee, a new Certificate or Certificates, of the same aggregate principal amount, Principal Payment Date and interest rate as the surrendered Certificate.

(b) Certificates may be exchanged at the Principal Trust Office of the Trustee for a like aggregate principal amount of Certificates of other authorized denominations payable as to principal on the same Principal Payment Date and at the same interest rate as the principal of the exchanged Certificates. Upon the written request for exchange, and the surrender, of any Certificates, the Trustee shall prepare in the name of the Owner requesting exchange a new Certificate or Certificates of the same aggregate principal amount, Principal Payment Date, and interest rate as the Certificates being exchanged.

3.08. Regulation with Respect to Exchange and Transfers. In all cases of registration of transfer or exchange of Certificates, the Trustee shall execute and deliver Certificates in accordance with the provisions of this Article. All Certificates surrendered in any transfer or exchange shall forthwith be cancelled and delivered upon the written order of the City by the Trustee. Notwithstanding any other provision of this Trust Agreement, the cost of preparing each new Certificate upon the registration of transfer or exchange following delivery pursuant to Section 3.01 hereof, and any other expenses of the City or the Trustee incurred in connection

therewith (except any applicable tax, fee or other governmental charge other than one imposed by the City) shall be paid by the City.

3.09. Certificate Register.

(a) The Trustee shall keep or cause to be kept at its Principal Trust Office a Certificate Register, which shall upon reasonable notice and at reasonable times during normal business hours on any Business Day be open to inspection by the City and Owners of Certificates, and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register the transfer on the Certificate Register of Certificates as hereinbefore provided.

(b) The Trustee shall deem and treat the person in whose name any Outstanding Certificate shall be registered upon the Certificate Register as the absolute owner of such Certificate, whether such Certificate shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and interest payments with respect to such Certificate and for all other purposes, and all such payments so made to any such Owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Certificate to the extent of the sum or sums so paid, and neither the City nor the Trustee shall be affected by any notice to the contrary. The City agrees to indemnify the Trustee or cause the Trustee to be indemnified against any and all loss, cost, charge, expense, judgment or liability incurred by it, while acting in good faith and without negligence hereunder.

3.10. Temporary Certificates. Pending preparation of the definitive Certificates, any Certificates delivered under this Trust Agreement may be initially delivered in temporary form exchangeable for definitive Certificates when ready for delivery. The temporary Certificates may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the City, shall be without coupons and may contain such reference to any of the provisions of this Trust Agreement as may be appropriate. Every temporary Certificate shall be executed by the Trustee and be delivered by the Trustee upon the same conditions and in substantially the same manner as definitive Certificates. If the Trustee delivers temporary Certificates, it shall execute and furnish definitive Certificates without delay and, thereupon, the temporary Certificates shall be surrendered for cancellation at the Principal Trust Office of the Trustee, and the Trustee shall deliver in exchange for such temporary Certificates an equal aggregate principal amount of definitive Certificates of authorized denominations and of the same Principal Payment Date and interest rate or rates. Until so exchanged, the temporary Certificates shall be entitled to the same benefits under this Trust Agreement as definitive Certificates delivered pursuant hereto.

3.11. Certificates Mutilated, Lost, Destroyed or Stolen. If any Certificate becomes mutilated, the Trustee, at the expense of the Owner of said Certificate, shall execute and deliver a new Certificate of like tenor, Principal Payment Date, and interest rate, in exchange and substitution for the Certificate so mutilated, but only upon surrender to the Trustee of the Certificate so mutilated. Every mutilated Certificate so surrendered to the Trustee shall be cancelled by it and delivered upon the order of the City.

If any Certificate is lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee, and, if such evidence is satisfactory to the Trustee and if an indemnity satisfactory to the Trustee shall be given, the Trustee, at the expense of the Certificate Owner, shall execute and deliver a new Certificate of like tenor, Principal Payment Date, and interest rate, and numbered as the Trustee shall determine in lieu of and in substitution for the Certificate so lost, destroyed or stolen.

The Trustee may require payment of an appropriate fee for each new Certificate delivered under this Section and of the expenses which may be incurred by the Trustee in carrying out the duties under this Section 3.11. Any Certificate delivered under the provisions of this Section in lieu of any Certificate alleged to be lost, destroyed or stolen shall be equally and proportionately entitled to the benefits of this Trust Agreement with all other Certificates delivered under this Trust Agreement. The Trustee shall not be required to treat both the original Certificate and any duplicate Certificate as being Outstanding for the purpose of determining the principal amount of Certificates which may be delivered hereunder or for the purpose of determining any percentage of Certificates Outstanding hereunder, but both the original and duplicate Certificate shall be treated as one and the same.

Notwithstanding any other provision of this Section 3.11, in lieu of delivering a new Certificate for which principal has or is about to become due for a Certificate which has been mutilated, lost, destroyed or stolen, the Trustee may make payment of such Certificate in accordance with its terms.

3.12. Evidence of Signatures of Certificate Owners and Ownership of Certificates. Any request, consent, revocation of consent, or other instrument in writing required or permitted by this Trust Agreement to be signed or executed by Certificate Owners may be in any number of concurrent instruments of similar tenor, and may be signed or executed by such Certificate Owners in person or by their attorneys or agents appointed by an instrument in writing for that purpose. Proof of the execution of any such instrument, or of any instrument appointing any such attorney or agent, and of the ownership of Certificates shall be sufficient for any purpose of this Trust Agreement (except as otherwise herein provided), if made in the following manner:

(a) The fact and date of the execution by any Certificate Owner or his attorney or agent of any such instrument and of any instrument appointing any such attorney or agent, may be proved by a certificate, which need not be acknowledged or verified, of an officer of any bank or trust company located within the United States of America, or of any notary public, or other officer authorized to take acknowledgments of deeds to be recorded in such jurisdictions that the persons signing such instruments acknowledged before him the execution thereof. Where any such instrument is executed by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such certificate shall also constitute sufficient proof of his authority.

(b) The fact of the ownership of Certificates by any Certificate Owner and the amount, the Principal Payment Date, and interest rate and the numbers of such Certificates and the date of his ownership of the same shall be proved by the Certificate Register held by the Trustee under the provisions of this Trust Agreement.

Nothing contained in this Section shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters herein stated which may seem sufficient. Any request or consent of the Owner of any Certificate shall bind every future Owner of the same Certificate in respect of anything done or suffered to be done by the City or the Trustee in pursuance of such request or consent.

ARTICLE IV PREPAYMENT

4.01. Prepayment.

(a) The Certificates are subject to mandatory prepayment without premium, in whole or in part, on any Payment Date in inverse order of Principal Payment Date and by lot as to any Payment Date, from (i) the Net Proceeds in an amount of \$1,000 or more deposited with the Trustee pursuant to the provisions of Section 3.03 of the Installment Sale Agreement, (ii) amounts transferred by the Trustee from the Acquisition and Construction Account to the Installment Payment Account pursuant to Section 5.03(b) of this Trust Agreement, and (iii) amounts received by the Trustee upon an Event of Default and termination of the Installment Sale Agreement.

(b) In addition to prepayment pursuant to subsection (a) hereof, the Certificates are subject to prepayment, in whole or in part (but not in a total prepayment amount of less than \$1,000), on any Payment Date in inverse order of Principal Payment Date and by lot as to any Principal Payment Date on any Payment Date at the principal amount thereof, together with accrued interest to the date fixed for prepayment from the proceeds of optional prepayments of Installment Payments made by the City pursuant to Section 3.03 of the Installment Sale Agreement and deposited in the Installment Payment Account by the Trustee pursuant to Section 5.01 hereof.

(c) Prepayment by lot shall be in such manner as the Trustee shall determine; provided, however, that the portion of any Certificate to be prepaid shall be in the principal amount of \$1,000 or any multiple thereof, and that in selecting portions of Certificates for prepayment, the Trustee shall treat each such Certificate as representing that number of Certificates which is obtained by dividing the principal amount with respect to such Certificate by \$1,000.

(d) The prepayment amount shall be the principal amount of the Certificates to be prepaid plus the interest with respect thereto to the date of prepayment without premium.

(e) Upon prepayment pursuant to this Section, the City shall provide the Trustee with a revised schedule of Installment Payments, which schedule shall take into account such prepayment and shall be and become for all purposes thereafter "Amended Exhibit B to the Installment Sale Agreement."

4.02. Prepayment Account. Moneys to be used for prepayment of Certificates shall be transferred by the Trustee from the Installment Payment Account and deposited in a Prepayment Account, which shall be a special fund to be held in trust by the Trustee separate and apart from all other funds. Said moneys shall be set aside in the Prepayment Account solely for the purpose

of prepaying the Certificates in advance of their Principal Payment Date, and shall be applied on or after the Payment Date designated for prepayment to the payment of principal of and interest (from the last Payment Date) on the Certificates to be prepaid upon presentation and surrender of such Certificates, together with any applicable premium.

4.03. Notice of Prepayment. When prepayment is authorized or required pursuant to the provisions hereof, the Trustee shall give to the Certificate Owners notice at the expense of the City of the prepayment of the Certificates. Such notice shall specify: (a) that the whole or a designated portion of the Certificates is to be prepaid (b) the date of prepayment, (c) the place or places where the prepayment will be made, (d) the prepayment price, (e) the numbers of the Certificates to be prepaid (if in part) and (f) the interest component and stated Principal Payment Date of each Certificate to be prepaid in whole or in part. Such notice shall further state that on the specified date of prepayment there shall become due and payable with respect to each Certificate or portion thereof to be prepaid, the principal with respect thereto and premium, if any, together with interest accrued from the next preceding Payment Date to which interest has been paid and that from and after such date of prepayment interest with respect thereto shall cease to accrue.

Notice of prepayment shall be given by mail, postage prepaid, not less than thirty (30) days prior but not more than sixty (60) days to the date of prepayment, to the Owners of any Certificates, which Certificates are to be redeemed. Such mailing shall not be a condition precedent to such prepayment, and failure to mail any such notice, or any defect in such notice as mailed, shall not affect the validity of the proceedings for the prepayment of the Certificates.

4.04. Payment on Prepayment of Certificates. Notice having been given as aforesaid, and the moneys for the prepayment, including interest accrued from the next preceding Payment Date to the applicable date of prepayment, having been set aside in the Prepayment Account, the Certificates to be prepaid shall become due and payable on said date of prepayment, and, upon presentation and surrender thereof at the Principal Trust Office of the Trustee, said Certificates shall be paid at the unpaid principal amount with respect thereto, plus any such unpaid and accrued interest to said date of prepayment, said interest to be paid in accordance with Section 4.01.

If, on said date of prepayment, moneys for the prepayment of all the Certificates to be prepaid, together with interest to said date of prepayment, shall be held by the Trustee so as to be available therefor on such Payment Date, and, if notice of prepayment thereof shall have been given as aforesaid, then from and after said Payment Date, interest with respect to the Certificates to be redeemed shall cease to accrue. If said moneys shall not be so available on said Payment Date, interest with respect to such Certificates shall continue to accrue, until paid, at the same rates as it would have been payable had the Certificates not been called for prepayment. All moneys held by or on behalf of the Trustee for the prepayment of particular Certificates shall be held in trust for the account of the Owners of the Certificates to be prepaid.

4.05. Partial Prepayment of Certificate. Upon surrender of any Certificate prepaid in part only, the Trustee shall execute and deliver to the Owner thereof, at the expense of the City, a new Certificate or Certificates of authorized denomination equal in aggregate principal amount to the unpaid portion of the Certificate surrendered and of the same interest rate and the same

Principal Payment Date. Such partial prepayment shall be valid upon payment of the amount thereby required to be paid to such Owner, and the City, the Corporation and the Trustee shall be released and discharged from all liability to the extent of such payment.

4.06. Non-Presentation of Certificates. In the event any Certificate is not presented for payment when the principal with respect thereto becomes due, either at maturity or at the date fixed for prepayment thereof, if moneys sufficient to pay such Certificate have been deposited in the Installment Payment Account or the Prepayment Account, all liability of the City to the Owner thereof for the payment of such Certificate shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such moneys in a separate account, without liability for interest thereon to any person or entity, for the benefit of the Owner of such Certificate, who shall thereafter be restricted exclusively to such moneys for any claim of whatever nature on his or her part under this Trust Agreement or on, or with respect to, said Certificate. Subject to applicable escheat laws, two (2) years after the date when the payments of such interest, premium and principal have become payable, if such money was held by the Trustee at such date, or two (2) years after the date of deposit of such money, if deposited with the Trustee after the date when the interest and premium (if any) on and principal of such Certificates have become payable, such moneys shall be paid by the Trustee to the City free from the trusts created by this Trust Agreement, and thereafter Owners shall be entitled to look only to the City for payment and then only to the extent of the amount so repaid by the Trustee. The City shall not be liable for any interest on the sums paid to it pursuant to this Section 4.06 and shall not be regarded as a trustee of such money.

ARTICLE V APPLICATION OF PROCEEDS; ESTABLISHMENT AND APPLICATION OF FUNDS AND ACCOUNTS

5.01. Application of Proceeds of Certificates. The proceeds received from the sale of the Certificates shall be deposited in trust with the Trustee, who shall forthwith set aside and deposit such proceeds in the Acquisition and Construction Account.

5.02. Project Trust Fund; Establishment and Application of Installment Payment Account. There is hereby established with the Trustee a special trust fund to be designated the "Wastewater System Improvement Project Trust Fund." The Trustee shall keep the Wastewater System Improvement Project Trust Fund separate and apart from all other funds and moneys held by it.

Within the Wastewater System Improvement Project Trust Fund, there is hereby established a separate account to be designated the "Installment Payment Account." The Trustee shall maintain such account until the Installment Payments are paid in full pursuant to the terms of the Installment Sale Agreement. Installment Payments paid to the Trustee as assignee of Corporation, pursuant to the Installment Sale Agreement and the Assignment Agreement, respectively, shall be deposited by the Trustee in the Installment Payment Account.

(a) The Trustee shall withdraw from the Installment Payment Account, on each Payment Date, an amount equal to the Installment Payment due on or before such Payment

Date, and shall cause the same to be applied to the payment of principal and interest payments due with respect to the Certificates on such Payment Date.

(b) The Trustee shall withdraw from the Installment Payment Account on or before each Payment Date on which Certificates are to be prepaid, amounts required to be deposited in the Prepayment Account pursuant to Section 4.02 hereof.

5.03. Establishment and Application of Acquisition and Construction Account. There is hereby established a special account to be designated the “**Acquisition and Construction Account.**” The Trustee shall keep the Acquisition and Construction Account separate and apart from all other funds and accounts held by it and shall administer the Acquisition and Construction Account as provided in this Section 5.03.

(a) Amounts in the Acquisition and Construction Account shall be disbursed by the Trustee, upon direction from the City, solely for Delivery Costs and for Acquisition and Construction Costs.

(b) Upon receipt of a certificate executed by an Authorized Officer of the City stating that the entire sum of the Delivery Costs and Acquisition and Construction Costs have been paid or the third anniversary of the Closing Date, whichever occurs earlier, the Acquisition and Construction Account shall be closed and excess amounts, if any, then remaining in the Acquisition and Construction Account shall be transferred and deposited into the Reserve Fund.

5.04. Establishment and Application of Reserve Fund. There is hereby established with the Trustee a special trust fund to be designated the “**Reserve Fund.**” The Trustee shall keep said Reserve Fund separate and apart from all other funds and monies held by it. All amounts in the Reserve Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on or principal of or prepayment premiums, if any, on the Certificates or for the retirement of all the Certificates then Outstanding.

(a) Not later than January 1, 2025, the amount on deposit in the Reserve Fund shall equal the Reserve Requirement. The City shall deposit not less than one-tenth of the Reserve Requirement (the “**Annual Reserve Contribution**”) into the Reserve Fund each Fiscal Year, commencing Fiscal Year 2014-2015, until the Reserve Requirement is satisfied. The Annual Reserve Contribution and any amount necessary to restore the Reserve Fund to an amount equal to the Reserve Fund Requirement after January 1, 2025, must be paid by the City as a part of its Installment Payment in accordance with Section 3.02 of the Installment Sale Agreement.

(a) So long as the City is not in default hereunder, any cash amounts in the Reserve Fund in excess of the Reserve Requirement, as required by subsection (a) of this Section 5.04, to be on deposit therein may be withdrawn from the Reserve Fund on each January 1, beginning January 1, 2026 and deposited in the Installment Payment Account.

5.05. Establishment and Application of Operating and Capital Replacement Reserve Fund. There is hereby established with the Trustee a special trust fund to be designated the “**Operating and Capital Replacement Reserve Fund.**” Annually, commencing on December 25, 2014, and continuing to and including December 25, 2053, an amount to be

established in accordance with Section 3.02(c) of the Installment Sale Agreement shall be deposited in the Operating and Capital Replacement Reserve Fund. All amounts deposited in the Operating and Capital Replacement Reserve Fund may be expended for Maintenance and Operation Costs, as said term is defined in the Installment Sale Agreement, and for the costs of repair and replacement of any capital facilities of the Wastewater System, including short-lived assets.

5.06. No Unauthorized Transfers. No amount shall be withdrawn or transferred from or paid out of any fund or account except as expressly provided in this Trust Agreement.

5.07. Deposit and Investment of Moneys in Accounts. Subject to Section 6.06 hereof, all money held by the Trustee in any of the accounts or funds established pursuant hereto shall be invested and reinvested in Permitted Investments at the written request of the City received not less than two (2) Business Days prior to the date of making such investment. In the absence of any such request, the Trustee shall invest all such funds and accounts for which such instruction have not been received in money market funds as described in clause (i) of the definition of Permitted Investments. All money held in the Reserve Fund shall be invested and reinvested in Permitted Investments with a term to maturity not exceeding five years, and all such Permitted Investments shall be valued by the Trustee not less frequently than semi-annually on each July 1 and January 1, beginning July 1, 2014, at the lower of the cost or market value thereof. All interest or profits received on any money so invested shall be deposited in the Installment Payment Account and applied as provided in Section 5.02 hereof. The Trustee may act as a principal or agent in making or disposing of any investment.

5.08. Credit Against Installment Payments. On or prior to July 1 and January 1 of each year, the Trustee shall report to the City the amount of the credit against Installment Payments available to the City under the Installment Sale Agreement. Such credit shall be an amount equal to the sum of (i) from and after the date of transfer of amounts in the Acquisition and Construction Account to the Installment Payment Account pursuant to Section 5.02(b), the amount of interest and other income earned on the funds and accounts established hereunder since the date of the previous report made by the Trustee pursuant to this Section 5.08, plus (ii) the amount, if any, then on deposit in the Installment Payment Account (other than amounts to be applied as prepayments of principal as described in Section 5.02(b) hereof).

5.09. Security Provisions.

(a) The Corporation has, pursuant to the Assignment Agreement, assigned to the Trustee certain of its rights under the Purchase Agreement and the Installment Sale Agreement, including but not limited to all of the Corporation's rights to receive and collect all of the Installment Payments (including prepayments thereof) and all other amounts required to be deposited in the Installment Payment Account pursuant hereto or to the Installment Sale Agreement. All Installment Payments and such other amounts to which the Corporation may at any time be entitled shall be paid directly to the Trustee, and all of the Installment Payments and other amounts collected or received by the Corporation shall be deemed to be held and to have been collected and received by the Corporation as the agent of the Trustee, and if received by the Corporation at any time shall be deposited by the Corporation with the Trustee within one (1) Business Day after the receipt thereof, and all such Installment Payments and such other amounts

shall be forthwith deposited by the Trustee upon the receipt thereof in the Installment Payment Account.

(b) The Corporation and the City, as their interests may appear, hereby grant to the Trustee for the benefit of the Owners a lien upon and a security interest in all moneys in the respective funds and accounts held by the Trustee under this Trust Agreement, including without limitation the Installment Payment Account, the Acquisition and Construction Account and the Reserve Fund, and all such moneys shall be held by the Trustee in trust and shall be applied to the respective purposes specified herein and in the Installment Sale Agreement.

(c) The Installment Payments are hereby irrevocably pledged to and shall be used for the punctual payment of the interest and principal represented by the Certificates, and Installment Payments shall not be used for any other purpose while any of the Certificates remain Outstanding, subject to the lien of the Trustee pursuant to Section 8.02 hereof. This pledge shall constitute a first and exclusive lien upon the Installment Payments in accordance with the terms hereof.

(d) In consideration of the acceptance of the Certificates by the Owners, the Trust Agreement shall be deemed to be and shall constitute a contract between the Trustee and the Owners to secure the full and final payment of the interest and principal evidenced and represented by the Certificates, subject to the agreements, conditions, covenants and terms contained herein; and all agreements, conditions, covenants and terms contained herein required to be observed or performed by or on behalf of the Trustee shall be for the equal and proportionate benefit, protection and security of all Owners without distinction, preference or priority as to benefit, protection or security of any Certificates over any other Certificates by reason of the number or date thereof or the time of execution or delivery thereof or otherwise for any cause whatsoever, except as expressly provided herein or therein.

ARTICLE VI COVENANTS

6.01. City to Perform Installment Sale Agreement. (a) The City covenants and agrees with the Owners of the Certificates, to perform all obligations and duties imposed on it under the Installment Sale Agreement to the extent so imposed; and (b) in accordance with Section 4.06 of the Installment Sale Agreement and subject to the exception provided therein, the City will provide the Trustee with a copy of its annual budget not later than September 10 of each year, commencing September 10, 2014. If the City fails to include all such Installment Payments in such adopted budget, the Trustee shall promptly provide the City written notice specifying that the City has failed to observe and perform its covenant in said Section 4.06 of the Installment Sale Agreement and requesting that such failure be remedied within thirty (30) days, or such failure constitutes an Event of Default under Section 5.01 of the Installment Sale Agreement. Upon receipt of such notice, the City shall forthwith notify the Trustee of the proceedings proposed to be taken by the City and shall keep the Trustee advised of all such proceedings thereafter taken by the City to cure such Event of Default. Notwithstanding the foregoing provisions of this Section 6.01, for the period during which the Auditor/Controller is acting as Trustee, the requirement of the City to provide the Trustee with the City's annual budget shall not apply.

6.02. Observance of Laws and Regulations. The Corporation and the City will faithfully observe and perform all lawful and valid obligations or regulations now or hereafter imposed on them by contract, or prescribed by any state or national law, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of each and every franchise, right or privilege now owned or hereafter acquired by them, including their right to exist and carry on their respective businesses, to the end that such franchises, rights and privileges shall be maintained and preserved and shall not be abandoned, forfeited or in any manner impaired.

6.03. Accounting Records and Statements. The Trustee shall keep proper books of record and account in accordance with trust accounting standards in which complete and correct entries shall be made of all transactions relating to the receipt, investment, disbursement, allocation and application of the Installment Payments and the proceeds of the Certificates or the obligations which they represent. Such records shall specify, among other things, the account or fund to which each investment (or portion thereof) is to be allocated and shall set forth, in the case of each investment; (a) its purchase price, (b) identifying information, including par amount, coupon rate, and payment dates, (c) the amount received at maturity or its sale price, as the case may be, (d) the amounts and dates of any payments made with respect thereto, and (e) such documentation as is required to be obtained by the Trustee as evidence to establish that all investments have been purchased in arms'-length transactions with no amounts paid to reduce the yield on the investments.

Such records of the Trustee shall be open to inspection by any Owner at any reasonable time during regular business hours of the Trustee on reasonable notice.

6.04. Recordation and Filing. The City will file, record, register, renew, refile and rerecord all such documents, including financing statements (or continuation statements in connection therewith), as may be required by law in order to maintain at all times a security interest in the Installment Payments granted pursuant to, and the assignment of the Installment Sale Agreement made pursuant to, the Assignment Agreement and the Trust Agreement, all in such manner, at such times and in such places as may be required in order to fully perfect, preserve and protect the benefit, protection and security of the Owners and the rights and security interests of the Corporation. The City will do whatever else may be necessary or be reasonably required in order to perfect and continue the pledge of and lien on the Installment Payments and the assignment of the Installment Sale Agreement.

6.05. Further Assurances. Whenever and so often as requested to do so by the Trustee, the City and the Corporation will promptly execute and deliver, or cause to be executed and delivered, all such other and further assurances, documents or instruments and promptly do or cause to be done all such other and further things as may be necessary or reasonably required in order to further and more fully vest in the Trustee and the Owners the benefit, protection and security conferred, or intended to be conferred, upon them hereby.

6.06. Certain Tax Covenants. The City shall not directly or indirectly use or permit the use of any proceeds of the Certificates or other funds of the City or take or omit to take any action that would cause the obligations that the Certificates evidence and represent to be "arbitrage bonds" within the meaning of Section 148 of the Code ("Section 148"). To that end,

the City shall comply with all requirements of Section 148 to the extent applicable to such obligations. In the event that at any time the City is of the opinion that for purposes of this Section 6.06 it is necessary to restrict or to limit the yield on the investment of any moneys held by the Trustee under this Trust Agreement, the City shall so instruct the Trustee in writing, and the Trustee shall take such action as may be necessary in accordance with such instructions.

The City specifically covenants that it will pay or cause to be paid the Rebate Requirement (as defined in the Tax Certificate) as provided in the Tax Certificate. For purposes of the foregoing, capitalized terms have the meanings ascribed to them in the Tax Certificate which is incorporated herein by reference.

In further satisfaction of the Rebate Requirement, but only to the extent specified by the Tax Certificate, the Trustee shall establish and maintain a fund separate from any other fund established and maintained hereunder designated the Rebate Fund. The City shall cause to be deposited in the Rebate Fund the Rebate Requirement as provided in the Tax Certificate. Subject to the provisions of this Section 6.06, moneys held in the Rebate Fund are hereby pledged to secure payments to the United States government, and the City, the Corporation and the Owners shall have no rights in or claim to such moneys. The Trustee shall invest all amounts held in the Rebate Fund pursuant to the written directions of the City.

The Trustee shall conclusively be deemed to have complied with the provisions of this Section 6.06 if it follows the directions of the City and shall not be required to take any actions thereunder in the absence of instructions from the City. The Trustee shall have no responsibility to make the rebate calculations or to independently verify or review such calculations.

Notwithstanding any provision of this Section 6.06, if the City shall provide to the Trustee any Opinion of Counsel that any specified action required under this Section 6.06 is no longer required or that some further or different action is required to maintain the exclusion of the interest evidenced and represented by the Certificates from gross income for federal income tax purposes, the Trustee and the City may conclusively rely on such opinion in complying with the requirements of this Section 6.06, and the covenants hereunder shall be deemed to be modified to that extent.

ARTICLE VII DEFAULT; LIMITATIONS OF LIABILITY

7.01. Action on Default. Upon the occurrence of an Event of Default by the City under Section 5.01 of the Installment Sale Agreement, and in each and every such case during the continuance of such Event of Default, the Trustee shall, with respect to any Event of Default other than an Event of Default pursuant to subsection (2) of Section 5.01 of the Installment Sale Agreement, and may, with respect to an Event of Default pursuant to said subsection (2) of Section 5.01 of the Installment Sale Agreement (or shall, in the event of a request therefor by the Owners of not less than twenty-five percent (25%) in aggregate principal amount with respect to Certificates at the time Outstanding), upon notice in writing to the City exercise the remedies provided in the Installment Sale Agreement, which remedies have been assigned to the Trustee pursuant to the Assignment Agreement.

Subject to the provisions of Section 7.08 herein, the Trustee shall notify the Corporation of the occurrence of an Event of Default within five (5) Business Days of the Trustee's acquiring actual knowledge of such Event of Default.

All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article VII or Article V of the Installment Sale Agreement shall be applied by the Trustee in the order following upon presentation of the several Certificates, and the stamping thereon of the payment if only partially paid, or upon the surrender thereof if fully paid:

First, to the payment of the costs and expenses of the Trustee and of the Certificate Owners in declaring such Event of Default, including reasonable compensation to its or their agents, attorneys and counsel; and then

Second, to the payment of the whole amount then owing and unpaid with respect to the Certificates for principal and interest, and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid with respect to the Certificates, then to the payment of such principal and interest without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal and interest.

In the event that the Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the request of the Owners of a majority in principal amount of the Certificates then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the Owners of the Certificates, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; provided, however, that the Trustee shall not discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, without the consent of a majority in aggregate principal amount of the Certificates Outstanding.

Before taking the action referred to in this Section 7.01, the Trustee may require that a satisfactory indemnity bond be furnished by the Owners of the Outstanding Certificates, or any of them, for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its gross negligence or willful misconduct in connection with any such action.

No Owner of any Certificate issued hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Agreement, unless (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default hereunder; (b) the Owners of at least twenty-five percent (25%) in aggregate principal amount of all the Certificates then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Trustee indemnity satisfactory to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Certificates of any remedy hereunder; it being understood and intended that no one or more Owners of Certificates shall have any right in any manner whatever by his or their action to enforce any right under this Agreement, except in the manner herein provided, and that all proceedings at law or in equity with respect to an Event of Default shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners of the Outstanding Certificates.

The right of any Owner of any Certificate to receive payment of said Owner's proportionate interest in the Installment Payments as the same become due, shall not be impaired or affected without the consent of such Owner, notwithstanding the foregoing provisions of this section or any other provision of this Agreement.

7.02. Non-Waiver. Nothing in this Article VII or in any other provision of this Trust Agreement shall affect or impair the obligation of the City to pay the Installment Payments, as provided in the Installment Sale Agreement. No delay or omission of the Trustee to exercise any right or power arising upon the happening of any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or any acquiescence therein, and every power and remedy given by this Article VII to the Trustee may be exercised from time to time and as often as shall be deemed expedient by the Trustee.

7.03. Remedies Not Exclusive. No remedy herein or by law conferred upon or reserved to the Trustee is intended to be exclusive of any other remedy, but each such remedy is cumulative and in addition to every other remedy, and every remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, may be exercised without exhausting, and without regard to, any other remedy conferred herein or by any law.

7.04. Status Quo Ante. In case any suit, action or proceeding to enforce any right or exercise any remedy shall be brought or taken and then discontinued or abandoned, then, and in every such case, the Trustee, the City, and the Corporation shall be restored to its and their former position and rights and remedies as if no such suit, action or proceedings had been brought or taken.

7.05. No Obligation by City to Owners. Except for the payment of Installment Payments when due in accordance with the Installment Sale Agreement and the performance of the other covenants and agreements of the City contained in this Trust Agreement and in said Installment Sale Agreement, the City shall have no obligation or liability to any of the other parties or to the Owners of the Certificates with respect to this Trust Agreement or the terms, execution, delivery or transfer of the Certificates, or the distribution of Installment Payments to the Owners by the Trustee.

7.06. No Obligation with Respect to Performance by Trustee. The City shall have no obligation nor liability to any of the other parties or to the Owners of the Certificates with respect to the performance by the Trustee of any duty imposed upon it under this Trust Agreement.

7.07. No Liability to Owners for Payment. Except as provided in this Trust Agreement, the Trustee shall have no obligation nor liability to the Owners of the Certificates with respect to

the payment of the Installment Payments by the City when due, or with respect to the performance by the City of any other covenants made by it in the Installment Sale Agreement.

7.08. No Notice of Default Other than Failure to Make Payments. The Trustee shall not be required to take notice or be deemed to have taken notice of any Event of Default under the Installment Sale Agreement except failure by the City to cause to be made any of the payments to the Trustee required to be made by the Installment Sale Agreement, unless the Trustee shall be specifically notified in writing of such default by the Corporation or the owners of at least 25% in aggregate principal amount of all Certificates then Outstanding.

ARTICLE VIII THE TRUSTEE

8.01. The Trustee. The Trustee is hereby appointed and shall serve as the Trustee for the Certificates for the purpose of receiving all money, including the Installment Payments, which the City is required to deposit with the Trustee hereunder and under the Installment Sale Agreement and for the purpose of allocating, applying and using such money as provided herein and therein and for the purpose of paying the interest on and principal of and prepayment premiums, if any, on the Certificates presented for payment in City of Yreka, California, with the rights and obligations provided herein. The City agrees that it will at all times maintain a Trustee having a principal office in City of Yreka or San Francisco, California.

The City may at any time, unless there exists any Event of Default, remove the Trustee initially appointed and any successor thereto and may appoint a successor or successors thereto by an instrument in writing; provided that any such successor shall be a bank or trust company doing business and having a principal office in Los Angeles or San Francisco, California, having a combined capital (exclusive of borrowed capital) and surplus of at least fifty million dollars (\$50,000,000) and subject to supervision or examination by federal or state Corporation. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining Corporation above referred to, then for the purpose of this section the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. The Trustee may at any time resign by giving written notice of such resignation to the City and by mailing first class to the Owners notice of such resignation. Upon receiving such notice of resignation, the City shall promptly appoint a successor Trustee by an instrument in writing. Any removal or resignation of a Trustee and appointment of a successor Trustee shall become effective only upon the acceptance of appointment by the successor Trustee. If within thirty (30) days after notice of the removal or resignation of the Trustee no successor Trustee shall have been appointed and shall have accepted such appointment, the removed or resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee, which court may thereupon, after such notice, if any, as it may deem proper and prescribe and as may be required by law, appoint a successor Trustee having the qualifications required hereby.

The Trustee is hereby authorized to pay the Certificates when duly presented for payment at maturity or for prepayment prior to maturity. The Trustee shall cancel all Certificates upon payment thereof or upon the surrender thereof by the City and shall destroy such Certificates and

a certificate of destruction shall be delivered to the City. The Trustee shall keep accurate records of all Certificates paid and discharged and canceled by it.

The City shall from time to time, subject to any agreement between the City and the Trustee then in force, pay to the Trustee compensation for its services, reimburse the Trustee for all its advances and expenditures including but not limited to advances to and fees and expenses of independent accountants and in-house and other counsel or other experts employed by it and reasonably required in the exercise and performance of its rights and obligations hereunder, and, to the extent permitted by law, indemnify and hold the Trustee and its officers, directors, employees and agents harmless against any claim, loss, liability, damages, expenses (including legal fees and expenses) or advances not arising from the Trustee's own active or passive negligence, willful misconduct or breach of fiduciary duty, which the Trustee may incur in the exercise and performance of its rights and obligations hereunder. The obligations of the City under this paragraph to compensate, indemnify, reimburse and hold the Trustee harmless shall constitute additional indebtedness hereunder, and such indebtedness shall have priority over the Certificates in respect of all property and funds held or collected by the Trustee as such, except funds held in trust by the Trustee for the benefit of the Owners of particular Certificates, including, without limitation, funds held by the Trustee in trust to redeem all or a portion of Outstanding Certificates prior to their respective maturities for which a notice of prepayment has been sent as provided herein.

8.02. Liability of Trustee. The recitals of facts, agreements and covenants herein and in the Certificates shall be taken as recitals of facts, agreements and covenants of the Certificates, and the Trustee assumes no responsibility for the use of any proceeds of the Certificates, the correctness of the same, or the collection of the Revenues, nor does it make any representation as to the sufficiency or validity hereof, of the Certificates or any security therefor and shall not incur any responsibility in respect thereof other than in connection with the rights or obligations assigned to or imposed upon it herein, in the Certificates or in law or equity. The Trustee shall not be liable in connection with the performance of its duties hereunder except for its own negligence, willful misconduct or breach of fiduciary duty.

Whenever the Trustee shall deem it necessary or desirable that a factual or legal matter be established or proved prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of bad faith on the part of the Trustee, be deemed to be conclusively proved and established by a certificate conforming to the requirements herein or an opinion of counsel, which certificate or opinion shall be full warrant to the Trustee for any action taken or suffered under the provisions hereof upon the faith thereof, but in its discretion the Trustee may in lieu thereof accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

In accepting the trust hereby created, the Trustee acts solely as Trustee for the Owners and not in its individual capacity and all persons, including without limitation the Owners, the Corporation, and the City, having any claim against the Trustee arising from this Trust Agreement not attributable to the Trustee's negligence or willful misconduct shall look only to the funds and accounts held by the Trustee hereunder for payment except as otherwise provided herein. The duties and obligations of the Trustee shall be determined solely by the express provisions of this Trust Agreement, the Trustee shall not be liable except for the performance of

such duties and obligations as are specifically set forth in this Trust Agreement, and no implied covenants or obligations (fiduciary or otherwise) shall be read into this Trust Agreement against the Trustee. The Trustee shall not be liable with respect to any action taken or not taken hereunder in good faith in accordance with the direction of the Owners of not less than sixty percent (60%) in aggregate principal amount of the Certificates at the time Outstanding. The Trustee shall, during the existence of any event of default (which has not been cured), exercise such of the rights and powers vested in it by this Trust Agreement, and use the same degree of care and skill in their exercise, as a prudent person would exercise of use under the circumstances in the conduct of its own affairs. The permissive right of the Trustee to do things enumerated in this Trust Agreement shall not be construed as a duty and it shall not be answerable for other than its negligence or willful misconduct. The immunities and exceptions from liability of the Trustee shall extend to its officers, directors, employees and agents and such immunities and exceptions and its right to payment of its fees and expenses shall survive its resignation or removal and the final payment and discharge of the Certificates and this Trust Agreement. Under no circumstances shall the Trustee be liable in its individual capacity for the obligations evidenced by the Certificates. The Trustee, in its individual or any other capacity, may become the Owner of any Certificates or other obligations of any party hereto with the same rights which it would have if not the Trustee. The Trustee shall not be required to give any bond or surety in respect of the execution of said trusts and powers or otherwise in respect of the premises. Before taking or refraining from any action hereunder at the request or direction of the Owners, the Trustee may require that an indemnity bond satisfactory to the Trustee be furnished to it and be in full force and effect.

None of the provisions contained herein or in the Installment Sale Agreement shall require the Trustee to expend for risk its own funds or continue to do so or otherwise incur individual financial liability in the performance of any of its duties or in the exercise of any of its rights or powers if it shall reasonably believe that repayment of such funds or adequate indemnity against such risk or liability is not assured to it. The Trustee may rely and shall be protected in acting or failing to act upon any paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee shall not be required to take notice or be deemed to have notice of any Event of Default hereunder except failure by the City to make any Installment Payment when due, unless the Trustee shall be specifically notified in writing at its Principal Trust Office of such default by the Corporation, the City or the Owners of not less than 25% of the aggregate principal amount of Certificates then Outstanding. Notwithstanding any other provision hereof, the Trustee shall have the right, but shall not be required, to demand any showings, certificates, opinions, appraisals or other information, or official action or evidence thereof, in addition so that by the terms hereof required as a condition of such action, by the Trustee deemed desirable for the purpose of establishing the rights of the Trustee with respect to the authentication of any Certificates, the withdrawal of any cash, the release of any property or the taking of any other action by the Trustee.

8.03. Appointment of Agent; Appointment of Co-Trustee. The Trustee may appoint an agent to exercise any of the powers, rights or remedies granted to the Trustee under this Trust Agreement, and to hold title to property or to take any other action which may be desirable or necessary. Without limiting the generality of the foregoing, upon the occurrence of an event of default as defined in Section 7.01 hereof, it is the intention of the Trustee to appoint an agent or

co-trustee pursuant to this Section 8.03, for the purpose of selecting and implementing one or more of the available remedies on default.

At any time for the purpose of meeting any legal requirements of any jurisdiction in which any part of the trust estate may at any time be located, the Trustee shall have the power to appoint an additional institution or individual as a separate or co-trustee, without the consent of the City, which shall join with the Trustee in the execution, delivery, and performance of all instruments and agreements necessary or proper to appoint such institution or individual to act as co-trustee jointly with the Trustee or as a separate trustee of all or any part of the trust estate, and to vest in such person or institution, in such capacity, such title to the trust estate, or any part thereof, and such rights, powers, trusts, duties or obligations as the Trustee may consider necessary or desirable, subject to the provisions of this Section 8.03.

The Trustee, the City and the Corporation shall execute and deliver all such instruments as may be reasonably required by such co-trustee or separate trustee for more fully confirming such title, rights, powers, trusts, duties and obligations to such co-trustee or separate trustee.

Every co-trustee or separate trustee shall be appointed subject to the following terms:

(a) All rights, powers, trusts, duties and obligations conferred upon the Trustee may be conferred or imposed upon or exercised or performed by the Trustee, by the Trustee and such co-trustee, or by the separate trustee, either jointly or severally, individually or together, as shall be provided in the instrument appointing such separate or co-trustee, except to the extent the Trustee shall be incompetent, unqualified or otherwise unable to perform such act or acts, in which event such separate or co-trustee shall perform such act or acts.

(b) No trustee shall be liable for the acts or omissions of any other trustee hereunder.

(c) The Trustee may, at any time, by an instrument in writing, accept the resignation of and/or remove any co-trustee or separate trustee, and a successor to any co-trustee or separate trustee may be appointed in the manner provided in this Section 8.03.

(d) Any co-trustee or separate trustee shall be entitled to the provisions of this Article affording compensation, protections, indemnification and limitations from liability to the Trustee.

ARTICLE IX AMENDMENTS; DEFEASANCE

9.01. Amendment. This Trust Agreement may be amended in writing by agreement among all of the parties, but no such amendment shall become effective as to the Owners of Certificates then Outstanding unless and until approved by a majority in aggregate principal amount with respect to Certificates Outstanding; provided that no such amendment shall adversely affect the interests of the Owners. Notwithstanding the foregoing, this Trust Agreement and the rights and obligations provided thereby may also be modified or amended at any time without the consent of any Owners of the Certificates, but only (1) for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision

contained in this Trust Agreement, (2) in regard to questions arising under this Trust Agreement which the City may deem necessary or desirable and not inconsistent with this Trust Agreement, or (3) to add to the rights and privileges of the Trustee; provided that the City and the Trustee may rely in entering into any such amendment hereof upon the opinion of Special Counsel stating that the requirements of this sentence shall have been met with respect to such amendment, and further stating that such amendment shall not cause the interest component of the Installment Payments to become subject to Federal income taxes or State of California personal income taxes.

9.02. Defeasance. All Outstanding Certificates shall be deemed paid and discharged if:

(a) the City pays or causes to be paid the principal of and interest on all Certificates Outstanding, as and when the same become due and payable; or

(b) by prepayment all Certificates Outstanding are paid pursuant to Article IV hereof and Section 3.03 and 6.01 of the Installment Sale Agreement.

ARTICLE X ADMINISTRATIVE PROVISIONS

10.01. Funds. Any fund required to be established and maintained herein by the City may be established and maintained in the accounting records of the City either as an account or a fund, and may, for the purpose of such accounting records, any audits thereof and any reports or statements with respect thereto, be treated either as an account or a fund; but all such records with respect to any such fund shall at all times be maintained in accordance with sound accounting practice and with due regard for the protection of the security of the Certificates and the rights of the Owners of such Certificates.

10.02. Notices. All written notices, certificates, reports or statements to be given under this Trust Agreement shall be given by mail or personal delivery to the party entitled thereto, with a copy to each of the other parties to this Trust Agreement, at its address set forth below, or at such address as the party may provide to the other party in writing from time to time. Notice shall be effective upon deposit in the United States mail, postage prepaid, or, in the case of personal delivery, upon delivery, to the address set forth below.

If to the City:

City of Yreka
701 4th Street
Yreka, CA 96097
Attention: City Manager

If to the Corporation:

Siskiyou County Jobs Council
1512 Oregon Street
Yreka, CA 96097
Attention: President

If to the Trustee:

Finance Director
City of Yreka
701 4th Street
Yreka, CA 96097

10.03. Business Days. Any act or thing required to be done or to exist on any date set forth herein which does not constitute a Business Day in any year shall be deemed to be done or to exist on such date if such act or thing is done or exists on the next date which constitutes a Business Day.

10.04. Headings. Headings preceding the text of the several Articles and Sections hereof, and the table of contents, are solely for convenience of reference and shall not constitute a part of this Trust Agreement or affect its meaning, construction or effect.

10.05. California Law. This Trust Agreement shall be construed and governed in accordance with the laws of the State of California.

10.06. Severability. Any provision of this Trust Agreement found to be prohibited by law shall be ineffective only to the extent of such prohibition, and shall not invalidate the remainder of this Trust Agreement.

10.07. Binding on Successors. This Trust Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

10.08. Execution in Counterparts. This Trust Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same instrument.

SIGNATURES ON FOLLOWING PAGE

IN WITNESS WHEREOF, the parties hereto have executed this Trust Agreement by their duly authorized officers as of the date first above written.

SISKIYOU COUNTY JOBS COUNCIL
a California nonprofit corporation

By _____

ATTEST:

FINANCE DIRECTOR OF THE CITY OF
YREKA, as trustee

By _____
Sheila Rhetta Hogan
Finance Director

CITY OF YREKA,
a municipal corporation

By _____
Steven W. Baker
City Manager

ATTEST:

Liz Casson
City Clerk

EXHIBIT A

FORM OF CERTIFICATE OF PARTICIPATION

Number R-1

Not-To-Exceed \$5,000,000

CITY OF YREKA
CERTIFICATE OF PARTICIPATION
(Wastewater System Improvement Project)

Evidencing a Direct, Undivided Fractional Interest of the Owner Hereof in Installment Payments to be Made by the City of Yreka California

<u>Rate of Interest</u>	<u>Dated Date</u>	<u>Maturity Date</u>
_____ %	_____, 2014	January 1, in each of the years specified below

REGISTERED OWNER: UNITED STATES OF AMERICA, ACTING THROUGH THE RURAL UTILITIES SERVICE, UNITED STATES DEPARTMENT OF AGRICULTURE

PRINCIPAL AMOUNT: FIVE MILLION DOLLARS

THIS IS TO CERTIFY that, subject to the provisions set forth below relating to principal installment advances and to mandatory and optional prepayment without premium, the registered owner identified above or registered assigns (the "Owner"), as the registered owner of this Certificate of Participation (the "Certificate") is entitled to receive on the principal payment dates specified the principal amount specified as follows:

<u>Principal Payment Date</u>	<u>Principal Amount Payable</u>	<u>Principal Payment Date</u>	<u>Principal Amount Payable</u>
(January 1) 2015		(January 1)	

20

This Certificate is issued in lieu of and represents the certificates above designated, all of like date, tenor and effect, but differing in amounts and maturities. This Certificate may be exchanged at the expense of the City for serial certificates of like denominations and maturities, and in the manner provided in the Trust Agreement (as hereinafter defined) upon thirty (30) days' notice.

The Owner is also entitled to receive, subject to the terms of the Installment Sale Agreement, on July 1, 2014, and semiannually thereafter on July 1 and January 1 of each year (hereinafter referred to as the "Payment Dates") to and including the Principal Payment Date or the date of prepayment, whichever is earlier, the Owner's proportionate share of the Installment Payments designated as interest coming due with respect to each of the Payment Dates. Said share is the result of the multiplication of the unpaid principal amount hereof by the rate of interest specified above, divided by two, and in circumstances involving less than a full one-year period, said interest share shall be calculated on the basis of a 365-day year.

Said amounts are payable in lawful money of the United States of America, which at the time of payment is legal tender for the payment of public and private debts. The amounts representing principal are payable at the office of the Trustee in City of Yreka, California (the "Principal Trust Office") and the amounts representing interest are payable by check mailed first class on each Payment Date to the Owner of record on the fifteenth day of the month preceding any Payment Date (the "Record Date"); provided that so long as the United States of America remains the registered Owner of the Certificates, payment of interest shall be made on each Payment Date in accordance with the pre-authorized debit procedure prescribed by the USDA Rural Development, an agency of the United States Department of Agriculture.

This Certificate evidences a direct, undivided fractional interest in the right to receive certain Installment Payments (as defined in the Installment Sale Agreement, hereinafter defined) payable by the City of City of Yreka, a general law City of the State of California duly organized and existing by virtue of the Constitution and laws of the State of California (the "City"), under that certain Installment Sale Agreement, dated as of January 1, 2014 (the "Installment Sale Agreement"), by and between the City and the City of Yreka City Public Facilities Corporation, a California not-for-profit corporation (the "Corporation"). Pursuant to an Assignment Agreement, dated as of January 1, 2014 (the "Assignment Agreement"), by and between Corporation and the Auditor/Controller of the City, as trustee (the "Trustee") under that certain Trust Agreement, dated as of January 1, 2014 (the "Trust Agreement"), by and among the City, the Corporation and the Trustee, pursuant to which the Certificates were executed and delivered, the Corporation has assigned its rights to the Installment Payments to the Trustee.

This Certificate has been executed by the Trustee pursuant to the terms of the Trust Agreement. Copies of the Installment Sale Agreement, the Assignment Agreement and the Trust Agreement are on file in the office of the City and at the Principal Trust Office of the Trustee, and reference to the Installment Sale Agreement, the Assignment Agreement and the Trust Agreement and any and all amendments to said agreements is made for a description of the pledges and covenants of the City securing the Installment Payments, the nature, extent and manner of enforcement of such pledges and covenants, the rights and remedies of the Owners of the Certificates with respect thereto and the terms and conditions upon which the Certificates are delivered thereunder. To the extent and in the manner permitted by the terms thereof, the provisions of the Installment Sale Agreement and the Trust Agreement may be amended by the parties thereto with the written consent of the Owners of at least a majority in principal amount with respect to the Certificates then outstanding, or without such consent with respect to an amendment not adversely affecting the interests of the Owners of the Certificates.

The registration of this Certificate shall be transferable only upon the Certificate register, which shall be kept for that purpose at the Principal Trust Office of the Trustee, upon surrender hereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the Owner of this Certificate or his duly authorized attorney. Upon the registration of the transfer and the surrender of this Certificate, the Trustee shall provide, in the name of the transferee, a new fully registered Certificate or Certificates of the same aggregate principal amount, Principal Payment Date, and interest rate as the surrendered Certificate.

The Certificates are being delivered initially in the form of a single, fully registered Certificate in the principal amount of not-to-exceed \$5,000,000, with the principal payable in installments as set forth on the face of this Certificate; provided that in the event that the final principal amount of the Certificate, as established in accordance with Trust Agreement, is less than \$5,000,000, the principal installments shall be reduced correspondingly. Upon surrender thereof at the Principal Trust Office of the Trustee with a written request of exchange satisfactory to the Trustee duly executed by the Owner or his attorney duly authorized in writing, may, at the option of the Owner thereof, be exchanged for an equal aggregate principal amount of Certificates of \$1,000 denominations or integral multiples thereof, with Principal Payment Dates corresponding to the principal installments as set forth on the face of this Certificate, and with the same interest rate as the surrendered Certificate.

The Certificates are subject to prepayment in accordance with Article IV of the Trust Agreement, summarized as follows:

(a) The Certificates are subject to mandatory prepayment without premium, in whole or in part, on any Payment Date, in inverse order of Principal Payment Date and by lot as to any Principal Payment Date, from (i) the Net Proceeds (as defined in the Trust Agreement) in an amount of \$1,000 or more deposited with the Trustee in the Installment Payment Account pursuant to the provisions of Section 3.03 of the Installment Sale Agreement, (ii) amounts transferred by the Trustee from the Acquisition and Construction Account to the Installment Payment Account pursuant to Section 5.03(b) of the Trust Agreement, and (iii) amounts received by the Trustee upon an Event of Default and termination of the Installment Sale Agreement.

(b) In addition to prepayment pursuant to subparagraph (a) hereof, the Certificates are subject to optional prepayment without premium, in whole or in part (but not in a total prepayment amount of less than \$1,000), on any Payment Date, in inverse order of Principal Payment Date, and by lot as to any Principal Payment Date, at the principal amount thereof, together with accrued interest to the date fixed for prepayment from the proceeds of optional prepayments of Installment Payments made by the City pursuant to Section 3.03 of the Installment Sale Agreement and deposited in the Installment Payment Account by the Trustee pursuant to the Trust Agreement.

(c) Prepayment by lot shall be in such manner as the Trustee shall determine; provided, however, that the portion of any Certificate to be prepaid shall be in the principal amount of \$1,000 or any multiple thereof, and that in selecting portions of Certificates for prepayment, the Trustee shall treat each such Certificate as representing that number of Certificates which is obtained by dividing the principal amount with respect to such Certificate by \$1,000.

When prepayment is authorized or required, the Trustee shall give to the Owner notice, at the expense of the City, of the prepayment of the Certificates. Such notice shall specify: (i) that the whole or a designated portion of the Certificates is to be prepaid, (ii) the date of prepayment, and (iii) the place or places where the prepayment will be made. Such notice shall further state that on the specified date of prepayment there shall become due and payable with respect to each Certificate or portion thereof to be prepaid, the principal with respect thereto, together with interest accrued from the next preceding Payment Date to which interest has been paid to said date of prepayment, and that from and after such date of prepayment interest shall cease to accrue.

Notice of such prepayment shall be mailed, postage prepaid, not less than thirty (30) days nor more than sixty (60) days prior to said date of prepayment, to the Owner of any Certificates whose Certificates are to be prepaid. Such mailings shall not be a condition precedent to such prepayment, and failure so to mail any such notice, or any defect in such notice as mailed, shall not affect the validity of the proceedings for the prepayment of the Certificates.

The obligation of the City to make Installment Payments under the Installment Sale Agreement is a special obligation, subject to annual appropriations of the City which appropriations the City has covenanted to make in the Installment Sale Agreement. The obligation of the City under the Installment Sale Agreement does not constitute a debt of the Corporation, the Trustee, the City, the State of California or of any other political subdivision thereof, or a pledge of the faith and credit of the City or of the Corporation, the Trustee, the State of California or of any other political subdivision thereof, except to the extent of the pledge of the City set forth in the Installment Sale Agreement.

This Certificate is issued as evidence of a loan made by the USDA Rural Development and shall be subject to the present and future regulations of said lender to the extent they are not in conflict with the express provisions hereof or the Trust Agreement authorizing its issuance.

The Trustee has no obligation or liability to the Owner to make payments of principal or interest with respect to the Certificates. The Trustee's sole obligations are to administer, for the benefit of the Owner, the various funds and accounts established under the Trust Agreement.

The City has certified, recited and declared that all acts, conditions and things required by the Constitution and laws of the State of California, the Installment Sale Agreement and the Trust Agreement to exist, to have happened and to have been performed precedent to and in the delivery of this Certificate, exist, have happened and have been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, this Certificate is hereby executed and authenticated by the manual signature of the Trustee all as of the date set forth below.

Dated: _____

FINANCE DIRECTOR OF THE CITY OF
YREKA, as Trustee

By _____

Shella Rhetta Hogan
Finance Director

REGISTRATION

This Certificate has been initially registered on the date first herein set forth in the name of the person first herein set forth, and both the principal of and interest on this Certificate are payable solely to such registered owner; provided that this Certificate may be transferred on the registration books kept by the Trustee by such registered owner or agent duly authorized in writing or by any successor registered owner, whereupon the prior registration noted hereon shall be cancelled by said Trustee and the name of the new registered owner shall be inserted hereon, and thereafter both the principal of and interest on this Certificate shall be payable solely to such registered owner.

NOTE: There must be no writing in the space below except by the Trustee.

Date of Registration	Name and Address of Registered Owner	Signature of Trustee
_____	_____	_____
_____	_____	_____
_____	_____	_____

**RECORD OF REDEMPTION IN ADVANCE OF MATURITY
OF CERTIFICATES REPRESENTED BY THIS SINGLE CERTIFICATE**

Principal Payment Date	Principal Amount	Date Redeemed	Signature of Trustee
_____	_____	_____	_____
_____	_____	_____	_____

_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned do(es), hereby sell, assign, and transfer unto _____ the within registered certificate, together with accrued interest thereon, and hereby irrevocably constitute(s) and appoint(s) _____ as attorney to transfer the same on the registry books kept for that purpose by the Trustee, with full power of substitution in the premises.

Dated: _____

LOAN RESOLUTION
(Public Bodies)

A RESOLUTION OF THE City Council

OF THE City of Yreka

AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING A PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS

Sewer Wastewater and Treatment

FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE.

WHEREAS, it is necessary for the City of Yreka

(Public Body)

(herein after called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of

Five Million Dollars (\$ 5,000,000.)

pursuant to the provisions of California Government Code Section 34102; and

WHEREAS, the Association intends to obtain assistance from the United States Department of Agriculture, (herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) in the planning, financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event that no other acceptable purchaser for such bonds is found by the Association:

NOW THEREFORE, in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U.S.C. 1983(c)).
3. To provide for, execute, and comply with Form RD 400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legal ly permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so, without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contractor agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.
9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by USDA. No free service or use of the facility will be permitted.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0121. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

- 11. To acquire and maintain such insurance and fidelity bond coverage as may be required by the Government.
- 12. To establish and maintain such books and records relating to the operation of the facility and its financial affairs and to provide for required audit thereof as required by the Government, to provide the Government a copy of each such audit without its request, and to forward to the Government such additional information and reports as it may from time to time require.
- 13. To provide the Government at all reasonable times access to all books and records relating to the facility and access to the property of the system so that the Government may ascertain that the Association is complying with the provisions hereof and of the instruments incident to the making or insuring of the loan.
- 14. That if the Government requires that a reserve account be established, disbursements from that account(s) may be used when necessary for payments due on the bond if sufficient funds are not otherwise available and prior approval of the Government is obtained. Also, with the prior written approval of the Government, funds may be withdrawn and used for such things as emergency maintenance, extensions to facilities and replacement of short lived assets.
- 15. To provide adequate service to all persons within the service area who can feasibly and legally be served and to obtain USDA's concurrence prior to refusing new or adequate services to such persons. Upon failure to provide services which are feasible and legal, such person shall have a direct right of action against the Association or public body.
- 16. To comply with the measures identified in the Government's environmental impact analysis for this facility for the purpose of avoiding or reducing the adverse environmental impacts of the facility's construction or operation.
- 17. To accept a grant in an amount not to exceed \$ -0- N/A - assistance is Loan Only.

under the terms offered by the Government; that the City Manager

and Public Works Director of the Association are hereby authorized and empowered to take all action necessary or appropriate in the execution of all written instruments as may be required in regard to or as evidence of such grant; and to operate the facility under the terms offered in said grant agreement(s).

The provisions hereof and the provisions of all instruments incident to the making or the insuring of the loan, unless otherwise specifically provided by the terms of such instrument, shall be binding upon the Association as long as the bonds are held or insured by the Government or assignee. The provisions of sections 6 through 17 hereof may be provided for in more specific detail in the bond resolution or ordinance; to the extent that the provisions contained in such bond resolution or ordinance should be found to be inconsistent with the provisions hereof, these provisions shall be construed as controlling between the Association and the Government or assignee.

The vote was: Yeas _____ Nays _____ Absent _____

IN WITNESS WHEREOF, the City Council _____ of the

City of Yreka _____ has duly adopted this resolution and caused it

to be executed by the officers below in duplicate on this 2013 _____, 19th _____ day of December _____

City of Yreka _____

(SEAL)

By David Simmen _____

Attest:

Title Mayor _____

Elizabeth E. Casson
Title City Clerk



**CITY OF YREKA
CITY COUNCIL AGENDA MEMORANDUM**

TO: Yreka City Council

PREPARED BY: Steve Neill, Director of Public Works *SN*

AGENDA TITLE: APPROVE RESOLUTION No. 3044 TO AUTHORIZE THE CITY MANAGER TO AWARD A CONSTRUCTION CONTRACT TO RTA CONSTRUCTION IN THE AMOUNT OF \$2,153,110 FOR SCHEDULE A- BASE BID AND ADDITIVE ALTERNATIVE A5- MINER STREET STORM DRAIN, A CONSTRUCTION CONTRACT TO T&S CONSTRUCTION, INC. IN THE AMOUNT OF \$ 2,365,337.00 FOR SCHEDULE B, AND TO EXECUTE RELATED DOCUMENTS FOR THE WASTEWATER SYSTEM IMPROVEMENTS.

MEETING DATE: December 19, 2013

Discussion:

Bids for construction of the Wastewater System Improvements were solicited in two parts: Schedule A – Collection and Schedule B – Treatment. The Schedule A work includes repairing, replacing, or relining gravity sewers and laterals, and cleaning and treating mains and laterals in good condition in the areas around Miner/North Street near Fairchild, Yama Street near Discovery, and Arlene Court/Lane Street. The Schedule B work includes remedial repairs and upgrades at the Wastewater Treatment Plant for efficient wastewater processing to the Treatment Plant's 1.0 MGD design capacity. While the street is torn up from sewer construction, a short section of storm drain pipe will also be installed on Miner Street.

The Engineer's Estimate for construction of Schedule A is \$2,100,000, Schedule B is \$2,450,000, and the total project is \$4,550,000, including construction contingencies. The results of the bid openings for the Base Bids are as follows:

Schedule A – Collection

<u>Bidder Name</u>	<u>Location</u>	<u>Base Bid Amount</u>
RTA Construction	Redding, CA	2,084,575.00
T&S Construction	Sacramento, CA	2,090,742.00
RA Martin Construction	Palo Cedro, CA	2,366,325.00
Cal Electro	Redding, CA	2,815,360.00

The low bidder's amount, proposed subcontractor's, license status, references and insurance company information have been evaluated and found to be acceptable by the engineer. The low bidder is not debarred from working on projects in California and is not excluded from working on federal projects. Therefore, PACE Engineering finds that the low bid is responsive, the low

Approved by: 
Steven Baker, City Manager

bidder is responsible, and recommends that the City Council award Schedule A to RTA Construction in the amount of \$2,084,575 for the Base Bid, plus \$68,535 for Additive Alternate A5 for the Miner Street Storm Drain, for a total of \$2,153,110. The City will reserve the right to add other Additive Alternates to the contract during the construction period.

Schedule B – Treatment

<u>Bidder Name</u>	<u>Location</u>	<u>Base Bid Amount</u>
T&S Construction	Sacramento	\$2,365,337.00
Tico Construction	Palo Cedro	\$2,599,000.00
RTA Construction	Redding	\$2,725,000.00

The low bidder's amount, proposed subcontractor's, license status, references and insurance company information have been evaluated and found to be acceptable by the engineer. The low bidder is not debarred from working on projects in California and is not excluded from working on federal projects. Therefore, PACE Engineering finds that the low bid is responsive, the low bidder is responsible, and recommends that the City Council award Schedule B to T&S Construction, Inc in the amount of \$2,365,337.

USDA Rural Development and the Public Works Director have approved the plans and specifications prepared by the engineers and recommend Council approval.

Fiscal Impact:

The fiscal impact of awarding these two construction contracts is \$4,518,477

Construction of the planned improvements, and related costs, will be paid from the available USDA Rural Development loan of \$5,000,000. Other project expenses will be paid by the City's Wastewater fund with minor contributions from the capital reserve fund.

Recommendation and Requested Action:

That the Council: Approve Resolution No. 3044 to authorize the City Manager to award a construction contract to RTA Construction in the amount of \$2,153,110 for Schedule A- Base Bid and Additive Alternative A5-Miner Street Storm Drain, a construction contract to T&S Construction, Inc. in the amount of \$ 2,365,337.00 for Schedule B, and to execute related documents for the Wastewater System Improvements.

Attachments

RESOLUTION NO. 3044

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YREKA TO AUTHORIZE THE CITY MANAGER TO AWARD A CONSTRUCTION CONTRACT TO RTA CONSTRUCTION IN THE AMOUNT OF \$2,153,110 FOR SCHEDULE A - BASE BID AND ADDITIVE ALTERNATIVE A5-MINER STREET STORM DRAIN, A CONSTRUCTION CONTRACT TO T&S CONSTRUCTION, INC. IN THE AMOUNT OF \$ 2,365,337 FOR SCHEDULE B, AND TO EXECUTE RELATED DOCUMENTS FOR THE WASTEWATER SYSTEM IMPROVEMENTS.

WHEREAS, the City of Yreka was awarded \$5,000,000 in loan funds from US Department of Agriculture (USDA) Rural Development for a project referred to as the Wastewater System Improvements, and

WHEREAS, after completing an environmental review and public comment period in accordance with the California Environmental Quality Act, a Notice of Determination was filed with the Siskiyou County Clerk on June 8, 2012; and

WHEREAS, in accordance with the California Public Contract Code, a project budget in the amount of \$5,762,000, which includes loan and City funds, has been approved by the USDA Rural Development for construction of wastewater system improvements; and,

WHEREAS, the Plans and Specifications for the Wastewater System Improvements have been prepared by the City's consultant engineer, reviewed and approved by USDA Rural Development, and the Director of Public Works, and Council has been informed and accepts the representations of staff regarding the plans and specifications; and,

WHEREAS, Schedule A of the project was advertised for competitive bids on October 29, 2013 and November 15, 2013, in accordance with the California Public Contract Code; and

WHEREAS, Schedule A bids were opened on December 4, 2013, a bid analysis and an evaluation of the bidders who submitted proposals has been completed and has found no material or substantial defects have been found; and

WHEREAS, Schedule B of the project was advertised for competitive bids on September 26, 2013 and October 9, 2013, in accordance with the California Public Contract Code; and

WHEREAS, Schedule B bids were opened on October 31, 2013, and a bid analysis and an evaluation of the bidders who submitted proposals has been completed and has found no material or substantial defects have been found; and

WHEREAS, a summary of the bids received has been reviewed by staff and Council; and

WHEREAS, the USDA Rural Development requires the City Council to approve the Resident Project Representative (Construction Observer); and

WHEREAS, the Public Contracts Code requires the award of construction contracts to the lowest responsive and responsible bidder.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Yreka as follows:

Section 1. The City Council hereby finds and determines that the foregoing recitals are true and correct.

Section 2. The City Council hereby approves the Plans and Specifications for the Wastewater System Improvements.

Section 3. The City Manager, or his designee, and all other proper officers and officials of the City are hereby authorized and directed to award the work known as the Wastewater System Improvements to RTA Construction for Schedule A- Base Bid and Additive Alternate A5 –Miner Street Storm Drain, who is the lowest responsive and responsible bidder for the amount of \$2,153,110, and to T&S Construction, Inc. for Schedule B who is the lowest responsive and responsible bidder for the amount of \$2,365,337, execute such agreements, documents and certificates, and to perform such other acts and deeds, as may be necessary or convenient to effect the purposes of this Resolution and the transactions herein authorized.

Section 4. Eric Marshall, PACE Engineering, is approved as the Resident Project Representative.

Section 5. It is further resolved, if any section, subsection, part, clause, sentence or phrase of this Resolution or the application thereof is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, the validity of the remaining portions of this Resolution, the application thereof, shall not be effected thereby but shall remain in full force and effect, it being the intention of the City Council to adopt each and every section, subsection, part, clause, sentence phrase regardless of whether any other section, subsection, part, clause, sentence or phrase or the application thereof is held to be invalid or unconstitutional.

Section 6. This Resolution shall take effect immediately upon its passage.

Passed and adopted this 19th day of December, 2013 by the following vote:

AYES:
NAYS:
ABSENT:

David Simmen
Mayor of the City of Yreka

Attest: _____
Liz Casson, City Clerk

THE UNDERSIGNED CERTIFIES THAT THIS A TRUE AND CORRECT COPY OF RESOLUTION NO. 3044 AS ADOPTED BY THE CITY COUNCIL AT ITS MEETING HELD DECEMBER 19, 2013.

Liz Casson, City Clerk



CITY OF YREKA
CITY COUNCIL AGENDA MEMORANDUM

To: Yreka City Council
Prepared by: Steve Baker, City Manager
Agenda title: Requested action – Adopt Resolution 3046 Resolution of the City Council of the City of Yreka approving execution of the Memoranda of Understanding signed by the Yreka Confidential Unit.
Meeting date: December 19, 2013

Discussion:

Staff has been negotiating with the Yreka Confidential Unit to reach a Memorandum of Understanding. The agreement would help address the City's pension obligations by having the employees pick up the employees' share of the pension contributions of 7% in exchange for a 6% salary increase. The City has picked up the employee share of the pension based on negotiations long ago.

The agreement also changes the cap on health care contributions by the city, increasing them \$20, \$40 and \$60 for single, two-party and family, respectively. There is also a one-time payment in January 2014 of \$3,000 per member. The one-time payment keeps the on-going salary expenditures lower. The wage increase for pension contribution pickup is effective January 5, 2014, with the first full payroll cycle in 2014.

In addition, the MOU clears up some antiquated provisions (mostly various reopeners from the years) and has updates to reflect current law and practices.

Staff recommends approval.

Fiscal Impact: The fiscal impact is estimated to be approximately \$6,723 on an annual basis and \$12,000 in one time (non-recurring) costs.

Recommendation:

That the Council Adopt Resolution 3046 Resolution of the City Council of the City of Yreka approving execution of the Memoranda of Understanding signed by the Yreka Confidential Unit.

Approved by

A handwritten signature in black ink, appearing to read "Steven Baker".

Steven Baker, City Manager

RESOLUTION NO. 3046

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YREKA
APPROVING EXECUTION OF MEMORANDUM OF UNDERSTANDING
SIGNED BY THE CONFIDENTIAL UNIT**

WHEREAS, the City Council of the City of Yreka, a municipal corporation, pursuant to California Government Code Section 3500, et seq., enacted an Employer-Employee Relations policy with its adoption of Resolution No. 1436 on April 16, 1978; and,

WHEREAS, the City Manager and representatives for Confidential Unit have met and conferred in good faith; and,

WHEREAS, these parties have reached agreement on matters relating to the employment conditions of said employees as reflected by the written Memorandum of Understanding signed by the Confidential on December 16, 2010 which the City Council has reviewed; and;

WHEREAS, this Council finds that the provisions and agreements contained in the Memorandum of Understanding are fair and proper and in the best interests of the City.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF YREKA DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. The Council hereby finds and determines that the foregoing recitals are true and correct.

Section 2. The Memorandum of Understanding is hereby approved and the City Manager or designee is hereby authorized and directed to execute said document, with such changes, insertions and omissions as may be approved by the City Manager, and the City Clerk or such Clerk's designee is hereby authorized and directed to affix the City's seal to said document and to attest thereto.

Section 3. The City Manager, the Finance Director, and all other proper officers and officials of the City are hereby authorized and directed to execute such other agreements, documents and certificates, and to perform such other acts and deeds, as may be necessary or convenient to effect the purposes of this Resolution and the transactions herein authorized.

Section 4. It is further resolved, If any section, subsection, part, clause, sentence or phrase of this Resolution or the application thereof is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, the validity of the remaining portions of this Resolution, the application thereof, shall not be effected thereby but shall remain in full force and effect, it being the intention of the City Council to adopt each and every section, subsection, part, clause, sentence phrase regardless

of whether any other section, subsection, part, clause, sentence or phrase or the application thereof is held to be invalid or unconstitutional.

Section 5. This resolution shall take effect immediately upon its passage.

Passed and adopted this 19th day of December, 2013, by the following vote:

AYES:
NAYS:
ABSENT:

David Simmen
Mayor

Attest: _____
City Clerk

MEMORANDUM OF UNDERSTANDING
BETWEEN THE
CITY OF YREKA
AND THE
CONFIDENTIAL UNIT

For the Period 1-1-12 through 12-31-14

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APPENDIX A - SALARY RANGES

Article 1
General Provisions

1.1 **Parties to the Memorandum**

This Memorandum of Understanding is made and entered into effective the 1st day of January, 2012, by and between the City of Yreka and the Confidential Unit, hereinafter "City" and "Association" respectively. The Association is the recognized employees' organization for the classifications of City employees hereinafter identified. Upon adoption by the City Council this Memorandum will become binding between the City of Yreka, the Confidential Unit Association and its members.

1.2 **Validity of Memorandum:**

The parties have met and conferred in good faith through their designated representatives concerning matters set forth in Government Code Section 3504, and have reached agreement thereon as set forth below.

1.3 **Recognition:**

The Association is the recognized employee organization for members in the following classifications:

ADMINISTRATIVE EXEMPT: Finance Director, Accounting Manager, Assistant City Manager, Confidential Administrative Assistant

Notwithstanding the foregoing, if an employee feels his or her position should be modified from exempt to non-exempt, or vice versa, such employee is encouraged to discuss it with the employee's supervisor. Such employee may use any information to support the employee's position, such as comparable duties at competing employers, comparisons with other City employees with similar duties, and/or responsibilities and other activities of the employee which may warrant consideration of the change in status. If the employee is not satisfied with the result of the discussions with the employee's supervisor, the employee may take such information to the next level of supervision up to and including the City Council. This Section shall not, however, be subject to the grievance procedure.

1.4 **Effective Date and Term:**

A. This Memorandum of Understanding shall take effect as of January 1, 2012, except as otherwise provided herein, and shall remain in full force and effect through December 31, 2014. This Memorandum of Understanding shall only become effective with approval of the City Council of the City of Yreka and the Association. Any financial consideration payable under this Agreement shall commence on the dates stated.

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B. Term of this Agreement shall be for three (3) years from January 1, 2012 through and including December 31, 2014.

1.5 **Effect of Memorandum:**

During the term of this Memorandum, the provisions hereof shall govern the wages, hours, benefits, and working conditions of employees with the represented unit covered by the Memorandum, and including as otherwise provided in City personnel rules and regulations, resolutions, and ordinances wherein this Memorandum is silent. The Employee Personnel System and the Personnel Rules and Regulations are on file in the City Manager's Office at City Hall. Nothing herein shall be construed to limit the authority by the City to change or modify the Employee Personnel System or the Personnel Rules or Regulations, subject, however, to the City's obligation to meet and confer with the Association.

1.6 **Employee Rights:**

A. Employees of the City shall have the right to form, join, and participate in the activities of an employee organization of their own choosing for the purpose of representation on matters of employer-employee relations, including but not limited to wages, hours, and other terms and conditions of employment. Pursuant to California Government Code Section 3502, employees of the City also have the right to refuse to join or participate in the activities of employee organizations and shall have the right to represent themselves individually in their employment relations with the City.

B. Neither the City nor the Association shall impose or threaten to impose reprisals on employees, to discriminate or threaten to discriminate against employees or otherwise interfere with, restrain, or coerce employees because of the exercise of these rights.

1.7 **City Rights:**

The City retains the exclusive right, subject to and in accordance with applicable laws, regulations and the provisions of this Memorandum, (a) to direct employees in the performance of their duties; (b) to hire, promote, transfer and assign employees; (c) to classify employees in accordance with applicable ordinance and resolution provisions; (d) to discipline employees in accordance with applicable rules; (e) to dismiss employees because of lack of work, funds, or for other reasonable cause; (f) to determine the mission of its departments, its budgets, its organization, the number of employees, and the number, types, classifications and grades of positions of employees assigned to an organization unit, work project, shift or tour of duty, and the methods and technology of performing the work; and (g) to take whatever action that may be necessary and appropriate to carry out its mission in situations of emergency.

1.8 **Non Discrimination Clause:**

As may be required by State or Federal Law, both City and Association agree not to discriminate against any employee because of legitimate union activity or affiliation, political belief, race, creed, color, religion, nationality, age, sex, sexual preference, physical condition or national origin.

1.9 **Requirement to Meet and Confer:**

A. Except in cases of emergency, the City shall give reasonable written notice to the Association when its members are affected by any ordinance, rule, resolution or regulation directly related to matters within the scope of representation proposed to be adopted by the City. City shall give the Association the opportunity to meet with the City. In cases of emergency when the City determines that an ordinance, rule, resolution or regulation must be adopted immediately, without prior written notice or meeting with the Association, the City shall provide Association the opportunity to meet at the earliest practical time following adoption of such ordinance, rule, resolution or regulation. The Association shall provide to the City in writing, the names, addresses and telephone numbers of up to two persons to whom the City shall be required to give notice as required in this paragraph.

B. The City and/or its authorized representatives shall meet and confer in good faith regarding wages, hours and other terms and conditions of employment with representatives of the Association and shall consider fully such presentations as are made by the Association on behalf of its members prior to arriving at a determination of policy or course of action. The City agrees to provide time off to two (2) members of the Association while attending meetings with the City during the meet and confer process.

C. "Meet and confer in good faith" means that a public agency, or such representatives as it may designate, and representatives of recognized employee organizations, shall have the mutual obligation personally to meet and confer promptly upon request by either party and continue for a reasonable period of time in order to exchange freely information, opinions, and proposals and to endeavor to reach agreement on matters within the scope of representation prior to the adoption by the public agency of its final budget for the ensuing year. The process should include adequate time for the resolution of impasses where specific procedures for such resolution are contained in local rule, regulation or ordinance, or when such procedures are utilized by mutual consent.

Article 2
Salary Ranges and Adjustments and Compensation

2.1 **Salary:**

Salary ranges for each classification are as specified in Appendix A, attached to this Memorandum. These Salary Ranges reflect a 6% increase to members in exchange for the employees picking up the respective share of CalPERS contributions shown in Section 7.1 below. These Salary Ranges shall be effective January 1, 2014.

2.2 **One Time Payment:**

A *one time* payment of \$3,000 will be made in January 2014 for all members of the bargaining unit as of that date. This pay will be issued either with the first payroll run of 2014 or a special payroll run by January 10, 2014. For purpose of FLSA overtime and CalPERS calculations for Classic Members, this pay will cover the period between January 1, 2014 and December 31, 2014.

Article 3
Medical, Dental, Vision, Life and Disability Plans

3.1 **Medical Plan:**

A. The City will continue the flexible benefit plan for employee health benefits in accordance with Internal Revenue Code Section 125. Eligible employees may choose to cover premium costs for the employee's health plan or other plans available through PERS and/or other qualified supplemental plans. Total monthly premium costs of selected insurance coverages which exceed the City's **contribution toward** the eligible employee's flexible benefit health plan premium will be the responsibility of the employee. The minimum required coverage that each employee must select under the flexible benefit plan is the PERS Health Plan. In order to be excluded from this requirement for the PERS Health Plan, an employee must submit verification of substantially equivalent alternate coverage for health insurance. Employees who elect no coverage pursuant to this Section shall not receive this benefit, but shall be eligible for the benefit described in subparagraph 3.1.I of this Section.

B. Effective **January 1, 2012** and continuing thereafter, the **City contribution** for the eligible employee's health plan shall not exceed the following sums:

Group Tiers	2012 Cap	2014 Cap
1 Party	\$480.00	\$500.00
2 Party	\$900.00	\$940.00
3 Party	\$1,135.00	\$1,195.00

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C. For purposes of this Agreement, “premium costs for the eligible employee’s health plan” shall include the eligible employee’s participation in the PERS Health Plan.

D. By not later than December 31st each year, each employee shall execute a written authorization regarding the medical premium deduction. The deduction will be made on a biweekly basis.

E. The dedicated City contribution to CalPERS Health coverage is the minimum amount required by the City’s contract with CalPERS, which is currently One Hundred Fifteen dollars and no/100 (\$115.00) per month for each active employee or annuitant (equal amount contribution).

F. The parties agree that administration of the plan, enrolling or canceling enrollment of employees or their dependents and processing claims and securing of adequate risk protection shall be the sole administrative and financial responsibility of the City.

G. There shall be no decrease in benefits except as are imposed upon the City as benefit modifications by CalPERS. Any change in plan benefits to the employee by the City shall be on a Meet and Confer basis.

H. An employee with court ordered dependent health coverage must show proof of that order in the form of a qualified domestic relations' order (QRDO) before dependent coverage can be extended and otherwise meet the standards and regulations for the CalPERS Health Plan.

I. The City agrees to continue and fund for employees who elect no City provided health insurance coverage a cash in lieu benefit in the amount of \$500 per month, disburseable to the employee biweekly on a taxable income basis, in accordance with IRS Code Section 125.

J. Either party may request to reopen negotiations on health insurance, if there is a proposed substantial change in the PPO network for the PERS Health Plan, or changes resulting from the implementation of the Affordable Care Act.

3.2 **Dental Plan:**

The parties agree that the current self-funded dental plan will remain in effect. The parties agree that the administration of the plan, including but not limited to the providing of information about the plan, enrolling or canceling enrollment of employees or their dependents and processing claims shall be the sole administrative and financial responsibility of the City. There will be no decrease in benefits.

City agrees to pay one hundred percent (100%) of the dental plan cost including

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dependent coverage.

3.3 **Vision Plan:**

City agrees to continue to provide a vision plan through the California Vision Service Plan (VSP) B with a \$25.00 deductible including coverage for dependents at its sole expense. City retains the right to self-insure at the same benefit level. There will be no decrease in benefits.

City agrees to pay one hundred percent (100%) of the vision plan cost including dependent coverage.

3.4 **Life Insurance Plan:**

Life Insurance will be procured for each employee, (excluding retired employees) equal to the double amount of the gross salary received under the salary schedule for a given year, not including overtime or special pay. Dependent coverage at the amount of one thousand dollars (\$1,000) per spouse and child will continue to be provided. City agrees to pay the premium for this coverage.

3.5 **Disability Plan:**

Employees in this unit have elected to contribute to the State of California Disability Insurance program.

Article 4
Vacation and Leave

4.1 **Vacation Leave:**

A. The policy for use of vacation is based on the intent that vacation time be a relief from regular work schedules. The relief from work is for the personal well being of employees, both mentally and physically, to insure healthy work and personal lives.

B. All employees shall be entitled to annual vacation leave with pay except the following:

(1) Employees who have served less than six (6) months in the service of the City. However, vacation credits for the time served will be granted to each such employee who later receives a permanent appointment.

(2) Employees who work on a provisional basis and all employees who work less than one thousand five hundred (1,500) hours per year.

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C. Eligible employees who work less than full-time but one thousand five hundred (1,500) hours or more per year shall be credited for vacation on a prorated basis.

D. Vacation units shall be accumulated on an hour basis in accordance with the following schedule:

Months of Employment	Vacation Hours Accrued Per Pay Period Based on 26 equal pay periods per year		Maximum Carryover As of January 1*
1 – 60 months	3.08 hours	80 hours per year	160 hours
61 – 180 months	4.62 hours	120 hours per year	240 hours
181 months and after (max)	6.15 hours	160 hours per year	320 hours

*2x annual accrual

E. The time during a calendar year at which an employee may take their vacation shall be determined by the department head with due regard for the wishes of the employee and particular regard for the needs of the City.

F. The City agrees to permit probationary employees to use earned vacation time during the probationary period. In cases where an employee has one year or greater probation, and in cases of real need, an employee may, departmental workload permitting, be allowed to take up to forty (40) hours of earned vacation. Should said employee terminate voluntarily or involuntarily prior to achieving permanent status, the pay for vacation used will be deducted from the final paycheck.

G. Previous part-time City employees, who have subsequently become full-time regular employees without separation of service, shall be credited with such part-time City service, for the purpose of computing months of employment and vacation accrual rate. One hundred seventy-three (173) hours of part-time City service shall equal one (1) month of employment. As to any current employee, who may be entitled to a greater vacation accrual rate as of the effective date of this Memorandum of Understanding, pursuant to this paragraph, such additional vacation accrual shall be prorated only for the balance of the calendar year.

4.2 **Holidays:**

City agrees to observe the following holidays:

July 4 th	Independence Day
First Monday in September	Labor Day
November 11 th	Veteran's Day
Last Thursday in November	Thanksgiving Day
Friday Following Thanksgiving	Day After Thanksgiving Day
December 24 th	Christmas Eve

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December 25 th	Christmas Day
January 1 st	New Year's Day
Third Monday in January	Martin Luther King Day
Third Monday in February	President's Day
Last Monday in May	Memorial Day

When a holiday falls on a Sunday, the following Monday shall be observed as the holiday and when a holiday falls on a Saturday, the preceding Friday shall be observed as the holiday. Should December 24th fall on a Friday, December 23rd shall be observed as the paid holiday. Should December 25th fall on a Monday, December 26th shall be observed as the paid holiday.

4.3 Sick Leave:

A. All employees, except part-time and extra help employees, shall be entitled to eight (8) hours of sick leave with pay each month or major fraction thereof, with no accumulation limit.

B. City has entered into an agreement with the PERS whereby accumulated sick leave is converted to additional service credit upon retirement.

C. Sick leave with pay shall be granted upon the recommendation of the department head in a case of the bona fide illness of the employee. Sick leave with pay shall be held to include diagnostic procedures, dental procedures and ophthalmology services when performed by a duly licensed practitioner.

D. In case of illness extending beyond two (2) days duration, the employee shall furnish a certificate issued by a licensed practitioner. Each certificate shall be filed by the department head with the payroll clerk. It shall be the policy of the City that sick leave shall be considered a privilege and not a right. It shall be the responsibility of the department head to deny the use of sick leave with pay in cases where there is substantial evidence of abuse of the sick leave privilege.

E. An employee who is entitled to Worker's Compensation under the labor code of the State may elect to take as much of his/her accumulated sick leave or accumulated vacation as, when added to the Worker's Compensation, will result in payment to that employee of his/her full salary or wage.

F. No City employee shall be entitled to the use of sick leave while absent from duty on account of any of the following causes: disability arising from any sickness or injury purposely self-inflicted or caused by their willful misconduct; sickness or disability sustained while on leave of absence other than regular vacation. Sick leave, up to ten (10) days per calendar year, may be used by an employee to attend to an illness to the employee's spouse, child or parent. "Child" means a biological, foster or adopted child; a stepchild; a legal ward; or a child to whom the employee acts as a parent. "Parent" includes a biological, foster, or adoptive parent;

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a stepparent; or a legal guardian. Sick leave to care for ill family members is subject to all policies that apply to sick leave, including medical documentation.

4.4 Administrative and Executive Leave:

In-lieu of overtime or compensatory time off, all Exempt Management Employees shall be allocated an annual administrative leave of 40 hours per employee. Administrative leave will be granted on January 1, of each year, and will not be allowed to be carried over to a subsequent year. The intent of administrative leave is that it be taken in eight-hour increments and accounted for on that basis. In addition, exempt employees will be allowed to take executive leave for less than eight-hour increments on an as needed basis. All administrative and executive leave will be at the discretion of the Management employee and with required communication to the City Manager. The City Manager retains the right to deny administrative and executive leave on an emergency basis.

Proration of Administrative Leave for new employees

January 1 – March 31	40 hours
April 1 – June 30	30 hours
July 1 – September 30	20 hours
October 1 – December 31	10 hours

Part-time employees shall be allocated vacation time pro-rated according to the employee's percentage equivalent of full time from the date of the employee's hire.

4.5 Floating Holidays:

Three floating holidays of three eight (8) hour days per year shall be credited to the paycheck of each full-time employee by January 15th of each year, as credited leave which cannot be saved. It must be used by the end of the year or be lost.

Proration of Floating Holidays for new employees:

January 1 - April 30	24 hours
May 1 – August 31	16 hours
September 1 – December 31	8 hours

Article 5
Allowances and Reimbursements:

5.1 **Book and Tuition Reimbursement:**

- A. To encourage the training of employees in subjects which would be of substantial benefit to the City, as well as the employee, the City maintains a book and tuition reimbursement program in the budget.
- B. All requests for this program shall be submitted to the City Manager's Office prior to commitment. Such requests shall be in writing on City provided form and describe the nature of the training to be entered into, the cost of such training, and comments with respect to its applicability to the particular employee's job. The request shall be accompanied by a statement from the department head.
- C. For approved training extending over a period of time exceeding two (2) weeks, the City shall refund to the employee all cost of tuition and required books upon presentation of evidence of successfully completing the course with a grade of C or better, submission of request form along with a copy of the grade report attained and a copy of the receipt for payment of tuition and books. In the event that the employee is financially unable to advance the cost of tuition and required books, the City may, upon written request and agreement by the employee, advance the cost of tuition and required books subject to reimbursement by the employee should he/she fail to satisfactorily complete such training and authorizing the City to deduct such cost from the payroll in such event.
- D. Tuition and required book costs for approved short courses or institutes less than two (2) weeks shall be paid initially by the City.

Article 6
Catastrophic Leave

6.1 **Catastrophic Leave:**

The City has implemented a Catastrophic Leave program whereby the employees of the City may donate any accrued compensatory time off, vacation time or sick leave to a co-employee provided, however, that the sick leave donated by any one employee may not exceed five days in any calendar year. The names of donors shall remain anonymous. The purpose of this policy is to provide a co-employee with additional time off when they have a serious illness or injury resulting in the exhaustion of all paid leave before they are able to return to work.

Article 7
Retirement

7.1 **Employee Retirement Plan:**

A. For Classic Employees, as defined by CalPERS, the City will enroll and maintain enrollment of employees in the PERS 2% @ 55 Classic 1084 retirement plan. Classic Employees shall pay the employee contribution for their retirement plan which is 7% for PERS 2% @ 55 (Classic 1084 Miscellaneous). These contribution levels will be effective January 1, 2014.

B. For new CalPERS employees, the City will enroll employees in the PERS 2% at 62 PEPRRA 26550 Miscellaneous retirement plan. Employees shall pay their share of contributions in accordance with State law, CalPERS rules and regulations.

7.2 **Implementation of 457 Plan:**

The City will maintain the current payroll deduction 457 (or similar) plan so that employees can defer taxable income. There will be no cost to the City except for administrative costs.

Article 8
Personnel Rules/Job Descriptions

8.1 **Personnel Rules/Job Descriptions**

A. During the term of this contract the parties will meet to discuss personnel rule changes and job descriptions.

Article 9
Concerted Activities

9.1 **Concerted Activities:**

A. The parties to this Memorandum recognize and acknowledge that the services performed by the City employees covered by this Memorandum are essential to the public health, safety and general welfare of the residents of the City of Yreka. The Association will not recommend, encourage, cause or permit its members to initiate, participate in, nor will any member of the bargaining unit take part in any strike, sit-down, stay-in, sick-out, or slow-down to affect an employer-employee relations position (hereinafter referred to as work-

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stoppage), in any office or department of the City, nor to curtail any work or restrict any production, or interfere with any operation of the City. Picketing shall be prohibited on matters involving wages, insurance coverage and leaves from work during the term of this Memorandum. In the event of any such work stoppage by any member of the bargaining unit, the City shall not be required to negotiate on the merits of any dispute, which may have given rise to such work stoppage, until said work stoppage has ceased.

B. City agrees not to lock out employees.

C. In the event of any work stoppage during the term of this Memorandum, whether by the Association or any member of the bargaining unit, the Association through its officers, shall immediately declare in writing that such work stoppage is illegal and unauthorized, and further direct its members in writing to cease the said conduct and resume work. Copies of such written notice shall be served upon the City. The City shall have the right to discipline, to include discharge, any employee who instigates, participates in, or gives leadership to any work stoppage activity herein prohibited, and the City shall have the right to seek full legal redress, including damages, as against any such employee. It is understood that employees so disciplined retain an appeal right under the City's employer-employee relations policies and California law.

IN WITNESS WHEREOF, the parties have executed this Memorandum of Understanding in Yreka, California, as of the day and year first above written and upon approval by the City Council and the Association, to be effective January 1, 2012.

CITY OF YREKA

Date Signed: _____

By: _____

Steven W. Baker, City Manager

Don Henion, City Attorney

CONFIDENTIAL UNIT

Rhetta Hogan

Liz Casson

Deborah Ramirez

Jeannette Hook

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**CITY OF YREKA
CITY COUNCIL AGENDA MEMORANDUM**

To: Yreka City Council
Prepared by: Steve Neill, Director of Public Works *SN*
Agenda title: APPROVE RESOLUTION 3047 OF THE CITY COUNCIL ACCEPTING DEED OF PETER LAFORTUNE AND STEPHANIE ZACK FOR A PUBLIC UTILITY EASEMENT
Meeting date: December 19, 2013

Discussion:

Staff has negotiated the attached agreement and easement documents with Peter LaFortune and Stephanie Zack to resolve a situation where a house was constructed in a City sewer easement and over the top of a City 6" sewer pipe at 812 Lane St. Public Works wants to rehabilitate the sewer pipe as a part of the Wastewater System Improvement project and moving the house is not feasible. The most effective way to resolve the situation is for the owner to grant a new easement in a different location and the City will install a new sewer pipe within the new easement. The existing sewer pipe under the house will be abandoned in place, and that portion of the easement no longer needed will be vacated after construction of the new sewer.

Because the City's recorded easement and existing sewer pipe were encroached upon when the house was built, the project has incurred extra costs that should not be paid by the rest of the City's sewer customers. As outlined in the Agreement, the property owners have agreed to contribute \$7,500 to offset the additional costs necessary to adjust these easements.

Recording the easement deed requires that the City Council authorize acceptance of the new easement by approving the attached Resolution.

Fiscal Impact:

The fiscal impact of approving the Resolution is a revenue of \$7,500 that will offset additional project costs associated with establishing a new easement, constructing a replacement sewer in a new location, and vacating the existing easement.

Recommendation and Requested Action:

That the Council: APPROVE RESOLUTION 3047 OF THE CITY COUNCIL ACCEPTING DEED OF PETER LAFORTUNE AND STEPHANIE ZACK FOR A PUBLIC UTILITY EASEMENT

Attachments

Approved by: _____


Steven Baker, City Manager

RESOLUTION NO. 3047

RESOLUTION OF THE CITY COUNCIL
ACCEPTING DEED OF PETER LAFORTUNE AND STEPHANIE ZACK
FOR A WASTEWATER MANAGEMENT FACILITY EASEMENT

BE IT RESOLVED and ORDAINED that the City Council of the City of Yreka has reviewed and, does hereby find that the Agreement and the Public Utility Easement Deed and Related Covenant, a copy of which is attached hereto, between the City of Yreka and Peter LaFortune and Stephanie Zack regarding easements relating to a portion of the parcels known as Assessor's Parcel No. 061-051-160 and 061-051-100 is in the best interests of the City of Yreka, and the City Council does hereby accept said Deed on behalf of the City of Yreka and authorizes the City Manager, or his designee, and the City Clerk and all other proper officers and officials of the City to execute such other agreements, documents and certificates, and to perform such other acts and deeds, as may be necessary or convenient to effect the purposes of this Resolution and the transactions herein authorized.

BE IT FURTHER RESOLVED and ORDAINED that the City Council of the City of Yreka hereby finds that the purpose of the easement is the installation of a wastewater management facility.

Passed and adopted this 19th day of December, 2013, by the following vote:

AYES:

NAYS:

ABSENT:

David Simmen
Mayor of the City of Yreka

Attest: _____
Elizabeth E. Casson, City Clerk

RECORDING REQUESTED BY:
City of Yreka, California

WHEN RECORDED RETURN TO:

CITY CLERK
CITY OF YREKA
701 FOURTH STREET
YREKA, CA 96097

(Space above for recorder's use)

The Undersigned Grantor Declares:

Documentary Transfer Tax \$ -0-

"No Fee Required" (Government Code §§ 6103 & 27383; Rev. & Tax. C.A. § 11922)

A.P.N.: 061-051-160, 061-041-100

Public Utility Easement Deed and Related Covenants

For Valuable Consideration, the receipt of which is hereby acknowledged, Peter LaFortune, a married man and Stephanie Zack, his spouse, for themselves, their successors and assigns, hereinafter referred to as "Grantor," hereby grants to the City of Yreka California, a Municipal Corporation "Grantee," a permanent easement as hereinafter described:

GRANT OF EASEMENT

1. For valuable consideration, Grantor hereby irrevocably dedicates to Grantee an easement as hereinafter described.

CHARACTER OF EASEMENT

2. The Easements granted herein are affirmative and appurtenant to the dominant tenement which is hereby generally described as all the real property in which Grantee, and its successors and assigns have an property interest and/or estate from time to time extant.

DESCRIPTION OF EASEMENT

3. The purpose of this nonexclusive easement shall be a right of immediate ingress, egress and continued possession for the location, and for the right to clear, situate, construct, grade, cut, fill, trench, excavate, install, lay, fill, improve, operate,

EXHIBIT C

renew, repair, replace and maintain, and, from time to time, reconstruct, replace, remodel, alter, enlarge, add and remove, without diminution or disturbance, for public utility purposes including, but not limited to, any and all materials, fixtures, appliances, equipment, pipes, wires and cables, and appurtenances incidental thereto necessary or convenient to the conveyance of sanitary sewer and storm drain collection systems, water distribution systems and for such other public or public utility purposes, now known or that may hereafter come into existence, that Grantee may choose to make over, across, through and beneath the Servient Tenement shown herein. The rights granted herein shall include the right to do all things to maintain and upgrade the functional existence of the utilities, appurtenances and improvements including the right to access thereto. Grantee shall have the further right to pass through the contiguous real property of Grantor for access to the easement.

Grantor agrees for themselves, their successors and assigns, not to erect, place or maintain, nor to permit the erection, placement, or maintenance of any buildings, planter boxes, earthfill, large trees, large shrubs, block walls, concrete pavement, decking, structures and/or other similar improvements that would unreasonably interfere with the ability of City to obtain access to the easement for the purposes of repair, replacement, or installation of facilities.

City and its contractors, agents and employees, shall have the right to trim or cut tree roots and vegetation as may endanger or interfere with the function of this easement and shall have free access to the facilities and every part thereof, at all times, for the purpose of exercising the rights granted herein. In doing work on property of the Grantor, City will conduct work in such a manner as will cause the least injury to the surface of the ground or surface around construction area, and will replace the earth so removed, and will restore the surface of the ground to as near a condition as existed prior to such work as is practicable.

In the event prohibited structures and/or improvements are installed or planted within the Servient Tenement, City may require Grantor to remove same and, if Grantor does not comply, City may cause removal and charge costs back to Grantor.

DESCRIPTION OF LOCATION

4. The easement shall be 10 feet in width fixed location more completely described in Exhibit "C-1" attached hereto and incorporated by this reference.

The above fixed location shall constitute the Servient Tenement.

EXCLUSIVENESS OF EASEMENT

5. The easements granted herein is nonexclusive and shall run in perpetuity, unless sooner terminated under the provisions of this grant. Nothing in this agreement restricts Grantor from granting further nonexclusive road and utility easements as desired by Grantor in the development of the lands. Nothing in this agreement is intended to restrict Grantor's use and enjoyment of the Servient Tenement that does not interfere with or obstruct Grantee's use and enjoyment of easements and rights granted

herein, including, but not limited to, the cultivation of agricultural crops or noninterfering landscaping upon its surface.

OTHER SECONDARY COVENANTS

7. Grantor hereby covenant to perform all acts and shall execute such other documents, in recordable form, and do such other acts as are reasonably necessary to effectuate the intent of this easement and the covenants contained herein.

8. Invalidation of any of these secondary easements by judgment or court order shall in no way affect any of the other provisions that shall remain in full force and effect.

9. This instrument contains the entire agreement between the parties relating to the rights herein granted and the obligations herein assumed. Any oral representations or modifications concerning this instrument shall be of no force and effect excepting a subsequent modification in writing, signed by the party to the charged.

10. In the event of any controversy, claim or dispute relating to this instrument or the breach thereof, the prevailing party shall be entitled to recover from the losing party reasonable expenses, attorney's fees and costs.

11. This instrument shall be binding on and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of Grantor and Grantee.

12. These secondary covenants shall be binding upon all parties and all persons claiming under it.

13. The terms hereof are contractual and not a mere recital and it is understood that no alterations, modifications or changes may be effected except by a writing duly executed by all the parties to this Easement Deed.

In Witness Whereof, the parties have caused this document to be executed on the dates below indicated.

GRANTOR

DATED:

Peter LaFortune

DATED:

Stephanie Zack

(Notarization Required)

Sewer Easement
812 and 808 Lane St.
From; Peter LaFortune and Stephanie Zack
To; City of Yreka

EXHIBIT "A"

A portion of Lot 10, according to that certain Tract Map entitled Mountain View Subdivision, filed in the office of the Siskiyou County Recorder in Book 6 of Tract Maps at Page 115, and also a portion of the lands of "Long" as shown on that certain Record of Survey filed in said office in Book 1 of Surveys at Page 103, being situate in the incorporated city of Yreka, Siskiyou County, California, and being described as follows;

A strip of land 10' in width, the centerline of which being more particularly described as follows; Beginning at the Northeast corner of said Lot 10, from which the Southeast corner of Lot 10 bears $S.9^{\circ}42'56''E.$; Thence along a curve to the right, from which the radius point bears $S.63^{\circ}07'09''W.$, having a radius of 100', through a central angle of $24^{\circ}28'03''$, an arc length of 42.70'; Thence $S.2^{\circ}24'48''E.$, 68.00' to point "A", said point being the intersection of a 10' wide sanitary sewer easement as shown in Book 2 of Parcel maps at Page 99 in said office; Thence $S.9^{\circ}42'58''E.$, 67.00' along a line parallel with, and 5.00' westerly of, measured at right angles to, the Easterly line of said Lot 10, to the Southerly line of said Lot 10

Together with a strip of land 10' in width, the centerline of which being more particularly described as follows; Beginning at point "A", being herein above described; Thence $S.83^{\circ}00'54''W.$, 55.98' along said 10' wide existing sanitary sewer easement to the Westerly line of said Lot 10.



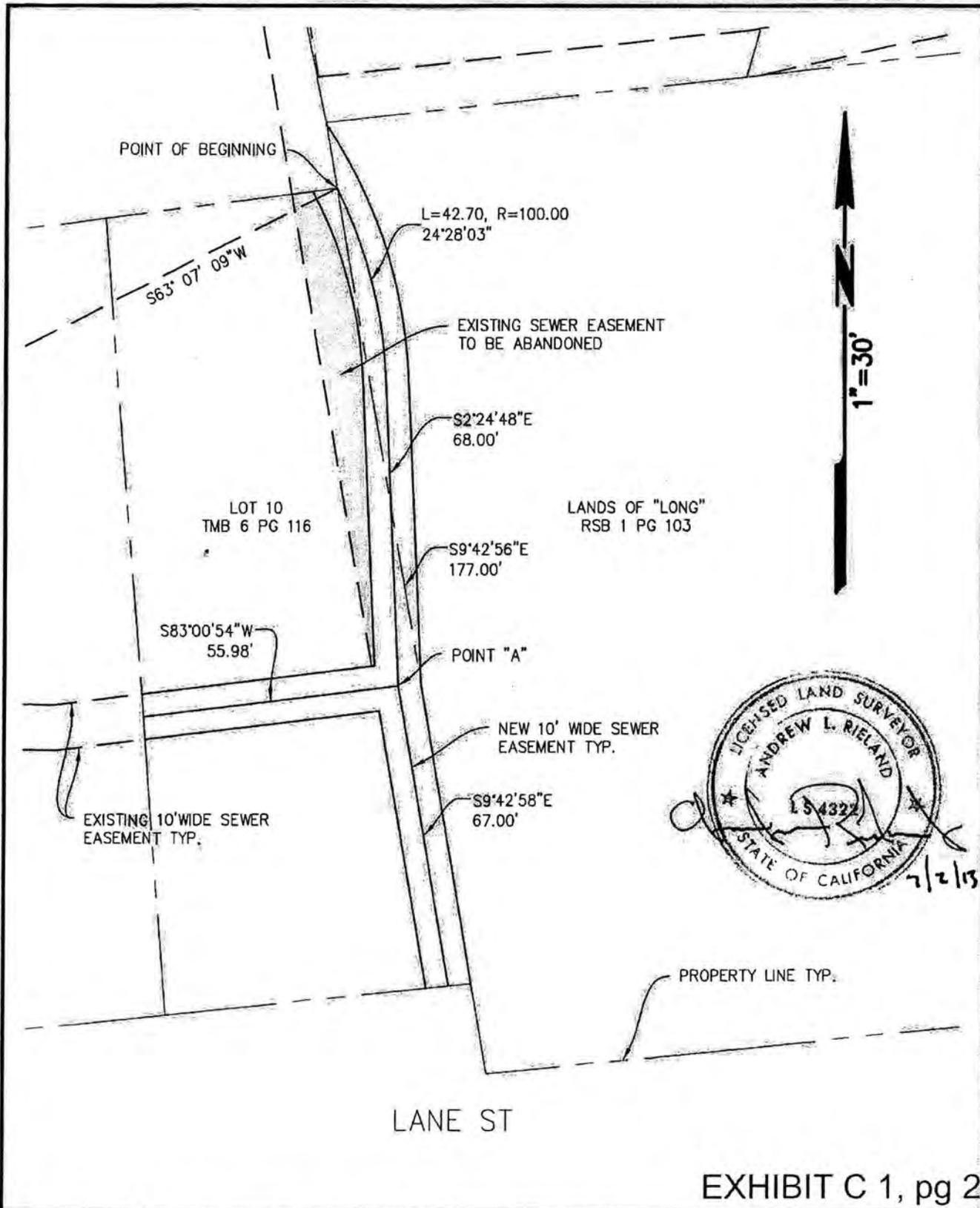


EXHIBIT C 1, pg 2

DATE 7-1-13	 PACE ENGINEERING REDDING, CALIFORNIA	10' WIDE SANITARY SEWER EASEMENT	EXHIBIT "B" JOB #0069.38
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Plot Date: July 02, 2013 - 11:07 am Login Name: jweisz
 File Name: M:\Land Projects\0069.38 Yreka Sewer Design\Sewer Collection System\Master Drawings\SURVEY\Lane-Ariene st. Easements\lane ariene easements.dwg, Layout: SEWER PERMANENT EASEMENT

AGREEMENT
By and Between the
City of Yreka, California
and
Peter LaFortune and Stephanie Zack

This Agreement ("Agreement") is entered into by and between Peter LaFortune and Stephanie Zack, who are married to each other (collectively referred to as "LaFortune") and the City of Yreka, California ("City").

I. PURPOSE OF SETTLEMENT AGREEMENT

- (A) The parcel of real property located at 812 Lane Street, Yreka, California is burdened with easements benefiting the City's Wastewater Collection system. A legal description of the property is attached as Exhibit "A," incorporated herein as if fully set forth at length, and referred to in this Agreement as the "Lot."
- (B) Wastewater collection facilities were laid within the easement and a residence was mistakenly constructed over the facilities.
- (C) Thereafter, LaFortune came into ownership of the Lot.
- (D) LaFortune also owns the contiguous real property described in Exhibit "B," incorporated herein as if fully set forth at length, and referred to in this Agreement as the "Adjacent Lot."
- (E) Excepting for the presence of some mature landscaping, the Adjacent Lot is unimproved and unencumbered by any Deeds of Trust.
- (F) City is about to improve its wastewater collection system that will include an increase in the capacity of a portion of its collection lines. One of the collection lines to be replaced is the pipe that lies beneath the residence constructed on the Lot.
- (G) Excavation of the line to replace it with the new collection pipe will cause significant damage to the residence.
- (H) Similarly, increasing the diameter of the collection pipe, without excavation, will also damage the residence.
- (I) LaFortune agrees herein to burden the Adjacent Lot with the "Public Utility Easement Deed and Related Covenants" described in Exhibit "C," incorporated herein as if fully set forth at length, and referred to in this Agreement as the "Easement."
- (J) The construction of the residence on the Lot over the collection system by LaFortune's predecessor in interest together with the diversion of the system

onto the Adjacent Lot creates an increased cost to the project. In order to mitigate the cost of damage to the residence LaFortune is willing to contribute toward that cost as reflected in this Agreement.

- (K) City will abandon the line under the residence and LaFortune, for themselves, their successors and assigns, agree herein to hold City harmless from any damages arising from the location of the abandoned facilities.

II. TERMS OF AGREEMENT

In consideration of the promises and covenants contained in this Agreement, LaFortune and City hereby agree to the terms as set forth below.

1. LaFortune shall execute in a form satisfactory to City and deliver the "Public Utility Easement Deed and Related Covenants" more particularly described in Exhibit "C" which is hereby incorporated by this reference.
2. LaFortune shall pay City the sum of Seven Thousand Five Hundred Dollars (\$7,500.00) within ninety (90) days of City's invoice to LaFortune therefore.
3. LaFortune warrants that the Adjacent Lot is free and clear of any liens of a higher priority to the "Public Utility Easement Deed and Related Covenants" granted as shown in Exhibit "C," the foreclosure of which could result in the extinguishment of the easement.
4. City and LaFortune shall execute the "Partial Vacation of Public Utility Easement and Related Covenants" as shown in Exhibit "D" and incorporated by this reference. Upon completion of City's reconstruction project, the Yreka City Council shall consider and take action upon the Vacation of Easement. City shall be responsible for all costs of recordation.
5. LaFortune warrants and represents that in executing this Agreement, they have relied on legal advice from the attorney of their choice; that the terms of this agreement have been read and its consequences (including risks, complications, and costs) have been completely explained to them by that attorney; and that they fully understands the terms of this agreement.
6. LaFortune acknowledges and warrants that their execution of this release is free and voluntary.
7. LaFortune agrees to indemnify and hold harmless City from and against any and all claims, damages or liabilities, including reasonable attorneys' fees, sustained by City as a direct result of the violation or breach by LaFortune of the covenants, warranties and representations undertaken by them pursuant to the provisions of this Agreement.
8. Grantor hereby covenants to perform all acts and shall execute such other

documents, in recordable form, and do such other acts as are reasonably necessary to effectuate the intent of this easement and the covenants contained herein.

9. Any action or proceeding brought under this Agreement claiming a breach by any party will entitle the prevailing party to recover all reasonable costs and attorneys' fees, plus any other damages to which the prevailing party may be entitled.
10. This Agreement is made and entered into in Siskiyou County, California, and shall in all respects be interpreted, enforced and governed by the laws of this state. The language of all parts of this Agreement shall in all cases be construed as a whole, according to their fair meaning, and not strictly for or against either party. The parties stipulate that jurisdiction and venue shall lie exclusively in the Superior Court for the County of Siskiyou for any action involving the validity, interpretation, and enforcement of this Agreement, or for any claim for breach of this Agreement, for damages, and for any other relief sought under this Agreement. This Agreement shall be entered into evidence in a judicial proceeding for the purpose of proving that an agreement and release was reached. In the event that legal action becomes necessary to enforce the terms of this Agreement, the prevailing party shall be entitled to an award of reasonable attorneys' fees in addition to all costs of suit.
11. Should any provision of this Agreement be declared or be determined by any court to be illegal or invalid, the validity of the remaining parts, terms or provisions shall not be affected thereby. In such event, the illegal or invalid part, term or provision shall be deemed not to be a part of this Agreement.
12. LaFortune acknowledges that, except as expressly set forth herein, no representations of any kind or character have been made to them by City to induce them to execute this Agreement. LaFortune further agrees that the only representations made to it in order to obtain their consent to this Agreement are stated herein and that she has signed this Agreement voluntarily and without coercion, intimidation or threat of retaliation.
13. LaFortune represents that it has not heretofore assigned or transferred, or purported to assign or transfer to any person or entity, any claim embraced in this Agreement or any portion thereof or interest therein.
14. LaFortune and City expressly understand and agree that this Agreement shall be binding upon and will inure to the benefit of LaFortune's individual and/or collective heirs, successors, agents, executors, administrators and successors of interest in and to the Lot and Adjacent Lot.
15. The Parties agree not to contest the validity and enforceability of this Agreement. This Agreement is intended to be enforceable under federal law, notwithstanding any contrary state law. This Agreement, upon becoming effective, shall be

irrevocable and binding upon the Parties and their successors and assigns.

16. It is understood and agreed by each of the Parties hereto that money damages would not be a sufficient remedy for any material breach of any provision of this Agreement by any Party, and each non-breaching Party shall be entitled to specific performance and injunctive or other equitable relief as a remedy for any such breach, without the necessity of securing or posting a bond or other security in connection with such remedy.
17. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
18. This Agreement contains the entire understanding of the parties concerning the subject matter of this Agreement and, except as expressly provided for herein, supersedes all prior understandings and agreements, whether oral or written, among them with respect to the subject matter hereof and thereof. There are no representations, warranties, agreements, arrangements or understandings, oral or written, between the Parties hereto relating to the subject matter of this Agreement and such other documents and instruments which are not fully expressed herein or therein. This Agreement may be amended or modified only by an agreement in writing signed by each of the Parties hereto which is filed with and, if necessary, approved by, the Court.
19. Time is hereby expressly made of the essence with respect to each and every term and provision of this Agreement upon its effectiveness. The Parties acknowledge that each will be relying upon the timely performance by the others of their obligations hereunder as a material inducement to each Party's execution and approval of this Agreement.
20. Except as may be specifically set forth in this Agreement nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any Persons other than the Parties and their respective permitted successors and assigns, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third Persons to any Party, nor give any third Persons any right of subrogation or action against any Party.
21. Each Party represents and warrants to the others that this Agreement has been duly authorized by all action required of such Party to be bound thereby, and that this Agreement, when effective, constitutes valid, binding and enforceable obligations of such Party.
22. To the extent permitted by applicable law, any failure of any of the Parties to comply with any obligation, covenant, agreement or condition set forth herein may

be waived by the Party entitled to the benefit thereof only by a written instrument signed by such Party, but any such waiver shall not operate as a waiver of, or estoppel with respect to, any prior or subsequent failure to comply therewith. The failure of a Party to this Agreement to assert any of its rights under this Agreement or otherwise shall not constitute a waiver of such rights.

23. If any action or proceeding, arising out of or relating to this Agreement is commenced by any party to this Agreement, then the prevailing party shall be entitled to receive from any party upon whom liability is imposed, in addition to any other relief that may be granted, the reasonable attorney fees, costs, and expenses incurred in the action or proceeding by the prevailing party. In addition to the foregoing award of attorneys' fees, the prevailing party shall be entitled to its attorneys' fees incurred in any post-judgment proceedings to enforce any judgment in connection with this Agreement.

24. Execution of Other Instruments. Each party shall, on the request of the other, take all steps and execute and acknowledge, and deliver to the other party all further instruments necessary or expedient to effectuate the purposes of this agreement.

25. Severability. If any term, provision, covenant, or condition of this agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions shall remain in full force and shall in no way be affected, impaired, or invalidated.

Having read the foregoing, and having understood and agreed to the terms of this Agreement, and having been advised by counsel, the parties and their attorneys hereby voluntarily affix their signatures to this Agreement consisting of six (6) pages plus its exhibits. It is agreed that City shall first execute the Agreement and that it shall last be executed by LaFortune in West Sacramento, California.

PLEASE READ CAREFULLY. THIS SETTLEMENT AGREEMENT INCLUDES A RELEASE OF KNOWN AND UNKNOWN CLAIMS.

LaFortune

DATED:

Peter LaFortune

DATED:

Stephanie Zack

City

DATED:

By: Steven Baker, City Manager
City of Yreka, California

LEGAL DESCRIPTION

Real property in the City of Yreka, County of Siskiyou, State of California, described as follows:

Lot 10 according to the Subdivision Map of MOUNTAIN VIEW SUBDIVISION, being a portion of Section 22, Township 45 North, Range 7 West, M.D.M. filed in the Siskiyou County Recorder's Office on June 8, 1979 in Town Map Book 6, pages 115, 115-A and 116.

APN: 061-041-100

EXHIBIT A

LEGAL DESCRIPTION

Real property in the City of Yreka, County of Siskiyou, State of California, described as follows:

All that portion of the Fairchild Placer Mine (Mineral Survey No. 4276) in Section 22, Township 45 North, Range 7 West, M.D.M., described as follows:

Beginning at Corner No. 3 of said Placer Mine on the original townsite boundary of Yreka City from which the Southwest corner of Section 22 bears South $46^{\circ} 52' 20''$ West, 1610.09 feet and a sandstone monument set at the original Southwest corner of Yreka Townsite bears South $15^{\circ} 39' 30''$ West, 1892.76 feet; thence South $84^{\circ} 15'$ West 293.54 feet = (South $83^{\circ} 59'$ West Record) to the true point of beginning, (said true point of beginning being the Southwest corner of the Don S. Smith et al, land as described in Volume 477 Official Records, page 501); thence North $10^{\circ} 10' 20''$ West = (North $6^{\circ} 01'$ West Record) 213.36 feet = (210 feet Record); thence South $83^{\circ} 19' 40''$ West = (South $83^{\circ} 59'$ West Record) 150 feet; thence South $10^{\circ} 10' 20''$ East, 211.52 feet; thence North $84^{\circ} 15'$ East, 150.13 feet = (North $83^{\circ} 59'$ East, 150 feet Record) to the true point of beginning.

Courses and distances based upon old records and survey filed in Volume 1 of Record Surveys, at page 103.

APN: 061-051-160

EXHIBIT B

RECORDING REQUESTED BY:
City of Yreka, California

WHEN RECORDED RETURN TO:

CITY CLERK
CITY OF YREKA
701 FOURTH STREET
YREKA, CA 96097

(Space above for recorder's use)

The Undersigned Grantor Declares:

Documentary Transfer Tax \$ -0-

"No Fee Required" (Government Code §§ 6103 & 27383; Rev. & Tax. C.A. § 11922)

A.P.N.: 061-051-160, 061-041-100

Public Utility Easement Deed and Related Covenants

For Valuable Consideration, the receipt of which is hereby acknowledged, Peter LaFortune, a married man and Stephanie Zack, his spouse, for themselves, their successors and assigns, hereinafter referred to as "Grantor," hereby grants to the City of Yreka California, a Municipal Corporation "Grantee," a permanent easement as hereinafter described:

GRANT OF EASEMENT

1. For valuable consideration, Grantor hereby irrevocably dedicates to Grantee an easement as hereinafter described.

CHARACTER OF EASEMENT

2. The Easements granted herein are affirmative and appurtenant to the dominant tenement which is hereby generally described as all the real property in which Grantee, and its successors and assigns have an property interest and/or estate from time to time extant.

DESCRIPTION OF EASEMENT

3. The purpose of this nonexclusive easement shall be a right of immediate ingress, egress and continued possession for the location, and for the right to clear, situate, construct, grade, cut, fill, trench, excavate, install, lay, fill, improve, operate,

EXHIBIT C

renew, repair, replace and maintain, and, from time to time, reconstruct, replace, remodel, alter, enlarge, add and remove, without diminution or disturbance, for public utility purposes including, but not limited to, any and all materials, fixtures, appliances, equipment, pipes, wires and cables, and appurtenances incidental thereto necessary or convenient to the conveyance of sanitary sewer and storm drain collection systems, water distribution systems and for such other public or public utility purposes, now known or that may hereafter come into existence, that Grantee may choose to make over, across, through and beneath the Servient Tenement shown herein. The rights granted herein shall include the right to do all things to maintain and upgrade the functional existence of the utilities, appurtenances and improvements including the right to access thereto. Grantee shall have the further right to pass through the contiguous real property of Grantor for access to the easement.

Grantor agrees for themselves, their successors and assigns, not to erect, place or maintain, nor to permit the erection, placement, or maintenance of any buildings, planter boxes, earthfill, large trees, large shrubs, block walls, concrete pavement, decking, structures and/or other similar improvements that would unreasonably interfere with the ability of City to obtain access to the easement for the purposes of repair, replacement, or installation of facilities.

City and its contractors, agents and employees, shall have the right to trim or cut tree roots and vegetation as may endanger or interfere with the function of this easement and shall have free access to the facilities and every part thereof, at all times, for the purpose of exercising the rights granted herein. In doing work on property of the Grantor, City will conduct work in such a manner as will cause the least injury to the surface of the ground or surface around construction area, and will replace the earth so removed, and will restore the surface of the ground to as near a condition as existed prior to such work as is practicable.

In the event prohibited structures and/or improvements are installed or planted within the Servient Tenement, City may require Grantor to remove same and, if Grantor does not comply, City may cause removal and charge costs back to Grantor.

DESCRIPTION OF LOCATION

4. The easement shall be 10 feet in width fixed location more completely described in Exhibit "C-1" attached hereto and incorporated by this reference.

The above fixed location shall constitute the Servient Tenement.

EXCLUSIVENESS OF EASEMENT

5. The easements granted herein is nonexclusive and shall run in perpetuity, unless sooner terminated under the provisions of this grant. Nothing in this agreement restricts Grantor from granting further nonexclusive road and utility easements as desired by Grantor in the development of the lands. Nothing in this agreement is intended to restrict Grantor's use and enjoyment of the Servient Tenement that does not interfere with or obstruct Grantee's use and enjoyment of easements and rights granted

herein, including, but not limited to, the cultivation of agricultural crops or noninterfering landscaping upon its surface.

OTHER SECONDARY COVENANTS

7. Grantor hereby covenant to perform all acts and shall execute such other documents, in recordable form, and do such other acts as are reasonably necessary to effectuate the intent of this easement and the covenants contained herein.

8. Invalidation of any of these secondary easements by judgment or court order shall in no way affect any of the other provisions that shall remain in full force and effect.

9. This instrument contains the entire agreement between the parties relating to the rights herein granted and the obligations herein assumed. Any oral representations or modifications concerning this instrument shall be of no force and effect excepting a subsequent modification in writing, signed by the party to the charged.

10. In the event of any controversy, claim or dispute relating to this instrument or the breach thereof, the prevailing party shall be entitled to recover from the losing party reasonable expenses, attorney's fees and costs.

11. This instrument shall be binding on and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of Grantor and Grantee.

12. These secondary covenants shall be binding upon all parties and all persons claiming under it.

13. The terms hereof are contractual and not a mere recital and it is understood that no alterations, modifications or changes may be effected except by a writing duly executed by all the parties to this Easement Deed.

In Witness Whereof, the parties have caused this document to be executed on the dates below indicated.

GRANTOR

DATED:

Peter LaFortune

DATED:

Stephanie Zack

(Notarization Required)

Sewer Easement
812 and 808 Lane St.
From; Peter LaFortune and Stephanie Zack
To; City of Yreka

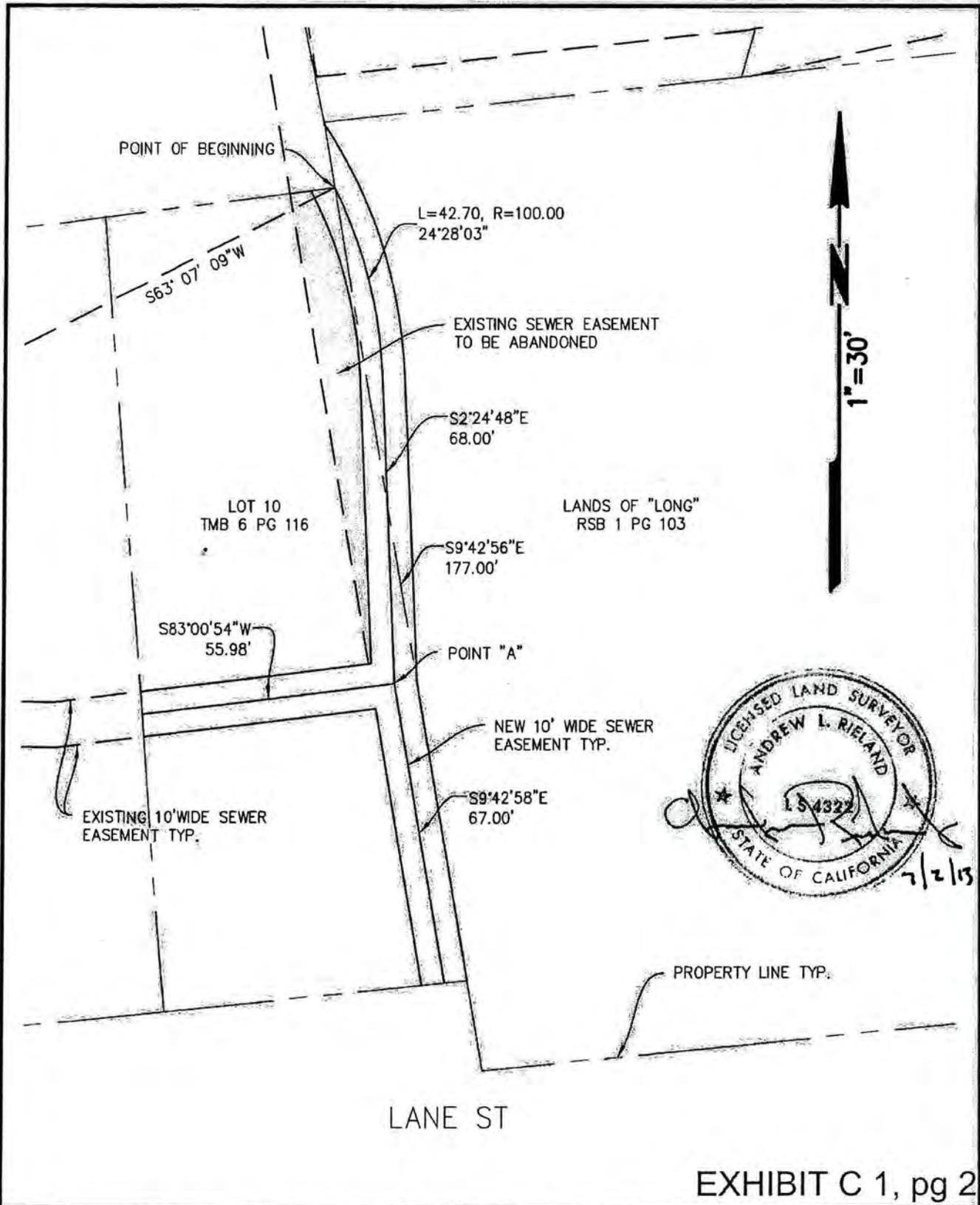
EXHIBIT "A"

A portion of Lot 10, according to that certain Tract Map entitled Mountain View Subdivision, filed in the office of the Siskiyou County Recorder in Book 6 of Tract Maps at Page 115, and also a portion of the lands of "Long" as shown on that certain Record of Survey filed in said office in Book 1 of Surveys at Page 103, being situate in the incorporated city of Yreka, Siskiyou County, California, and being described as follows;

A strip of land 10' in width, the centerline of which being more particularly described as follows; Beginning at the Northeast corner of said Lot 10, from which the Southeast corner of Lot 10 bears S.9°42'56"E.; Thence along a curve to the right, from which the radius point bears S.63°07'09"W., having a radius of 100', through a central angle of 24°28'03", an arc length of 42.70'; Thence S.2°24'48"E., 68.00' to point "A", said point being the intersection of a 10' wide sanitary sewer easement as shown in Book 2 of Parcel maps at Page 99 in said office; Thence S.9°42'58"E., 67.00' along a line parallel with, and 5.00' westerly of, measured at right angles to, the Easterly line of said Lot 10, to the Southerly line of said Lot 10

Together with a strip of land 10' in width, the centerline of which being more particularly described as follows; Beginning at point "A", being herein above described; Thence S.83°00'54"W., 55.98' along said 10' wide existing sanitary sewer easement to the Westerly line of said Lot 10.





DATE
7-1-13



10' WIDE SANITARY
SEWER EASEMENT

EXHIBIT "B"
JOB #0069.38

Plot Date: July 02, 2013 - 11:07 am Logn Name: jwelsz
 File Name: M:\Land Projects\0069.38 Yreka Sewer Design\Sewer Collection System\Master Drawings\SURVEY\Lane-Arlene st. Easements\lane arlene easements.dwg. Layout: SEWER PERMANENT EASEMENT

RECORDING REQUESTED BY:
City of Yreka, California

WHEN RECORDED RETURN TO:

CITY CLERK
CITY OF YREKA
701 FOURTH STREET
YREKA, CA 96097

(Space above for recorder's use)

The Undersigned Grantor Declares:

Documentary Transfer Tax \$ -0-

"No Fee Required" (Government Code §§ 6103 & 27383; Rev. & Tax. C.A. § 11922)

A.P.N.: 061-051-160, 061-041-100

Partial Vacation of Public Utility Easement and Related Covenants

For Valuable Consideration, the receipt of which is hereby acknowledged, the City of Yreka California, a Municipal Corporation "Grantor," hereby quitclaims to Peter LaFortune, a married man and Stephanie Zack, his spouse, for themselves, their successors and assigns, hereinafter referred to as "Grantee," a portion of its existing easement as described in Exhibit "D-1" attached hereto and incorporated by this reference.

SECONDARY COVENANTS

1. Grantee, for their heirs, successors in title and assigns, hereby releases Grantor and Grantor's Related parties from any and all claims, demands, obligations, or causes of action for damages of any kind, costs, losses, expenses, and compensation, whether based on tort, contract, or other theories of recovery, that LaFortune now has or may hereafter have against Grantor and Grantor's Related Parties arising from any Liabilities in any way connected with the existence of the collection system hereby abandoned. By executing this agreement, Grantee intends to and does hereby extinguish all Liabilities arising from the existence of the abandoned collection system heretofore existing, or hereafter as may arise, against Grantor and Grantor's Related Parties and arising from any and all known and unknown Liabilities, paid, incurred or suffered or may be paid or suffered in the future, by, or asserted against Grantor and Grantor's Related Parties in a judicial, administrative or regulatory forum or otherwise, whether well founded or not, for regardless of nature or type that arise out of, pertain to, or relate to the negligence, gross negligence, reckless, or willful

EXHIBIT D

misconduct of the Grantor and Grantor's Related Parties.

As used in this Agreement, "Grantor and Grantor's Related Parties" means the City of Yreka, California and its elected officials, officers, volunteers, representatives, partners, designees, attorneys, consultants, agents, successors and assigns.

As used in this Agreement, "Liabilities" means liabilities, lawsuits, claims, the theories alleged and/or that could have been alleged in the following:

- a. Any causes of action related to or arising from the existence of the abandoned collection system located upon and beneath the Lot, including but not limited to:
 - i) Any and all tort claims of any nature, including but not limited to claims for negligence, existence of a dangerous condition of public property, Common Law or Constitutional Causes of Action;
 - ii) Any and all judgments, demands, damages (whether in contract or tort, including personal injury, death at any time, or property damage), costs, expenses, loss, penalties and other detriments of every nature and description whatsoever, including all costs and expenses of litigation or arbitration, attorneys fees and court costs, whether under state or federal law.
 - b. All injuries and damages to the person and property of Grantee, their heirs, successors in title and assigns, including, but not limited to, any claims for past or future lost earnings, loss of earning capacity, property damage, past or future medical expenses, emotional distress, and pain and suffering, whether known or unknown, foreseen or unforeseen, and whether these are latent or occur later as a result of or arising from the existence of the abandoned collection system.
2. Grantee acknowledges and agrees that they are unaware of any claim, right, demand, debt, action, obligation, liability or cause of action that she may have against City and City's Related Parties which has not been released by this Agreement.
 3. Invalidation of any of these secondary easements by judgment or court order shall in no way affect any of the other provisions that shall remain in full force and effect.
 4. In the event of any controversy, claim or dispute relating to this instrument or the breach thereof, the prevailing party shall be entitled to recover from the losing party reasonable expenses, attorney's fees and costs.
 5. This instrument shall be binding on and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of Grantor and Grantee.
 6. These secondary covenants shall be binding upon all parties and all persons claiming under it.

7. The terms hereof are contractual and not a mere recital and it is understood that no alterations, modifications or changes may be effected except by a writing duly executed by all the parties to this Vacation of Easement Deed.

In Witness Whereof, the parties have caused this document to be executed on the dates below indicated.

GRANTOR

DATED:

MAYOR, CITY OF YREKA

ATTEST:

ELIZABETH CASSON, CITY CLERK

GRANTEE

DATED:

Peter LaFortune

DATED:

Stephanie Zack

(Notarization Required)

EXHIBIT "D"

EXHIBIT "D-1"

Real property in the City of Yreka, County of Siskiyou, State of California, described as follows:

The easement being vacated is the existing 10-foot sewer easement shown on that certain plat of Mountain View Subdivision filed for record in Book 6 TMB, at Page 116, Siskiyou County Records lying within the boundaries of Lot 10 as shown thereon.

Excepting therefrom the lands within the above description falling within the following described real property:

A portion of Lot 10, according to that certain Tract Map entitled Mountain View Subdivision, filed in the office of the Siskiyou County Recorder in Book 6 of Tract Maps at Page 115, and also a portion of the lands of "Long" as shown on that certain Record of Survey filed in said office in Book 1 of Surveys at Page 103, being situate in the incorporated city of Yreka, Siskiyou County, California, and being described as follows:

A strip of land 10 foot in width, the centerline of which being more particularly described as follows:

Beginning at the Northeast corner of said Lot 10, from which the Southeast corner of Lot 10 bears S.9°42'56"E.;

Thence along a curve to the right, from which the radius point bears S.63°07'09"W., having a radius of 100', through a central angle of 24°28'03", an arc length of 42.70';

Thence S.2°24'48"E., 68.00' to point "A", said point being the intersection of a 10 foot wide sanitary sewer easement as shown in Book 2 of Parcel maps at Page 99 in said office;

Thence S.9°42'58"E., 67.00' along a line parallel with, and 5.00' westerly of, measured at right angles to, the Easterly line of said Lot 10, to the Southerly line of said Lot 10.

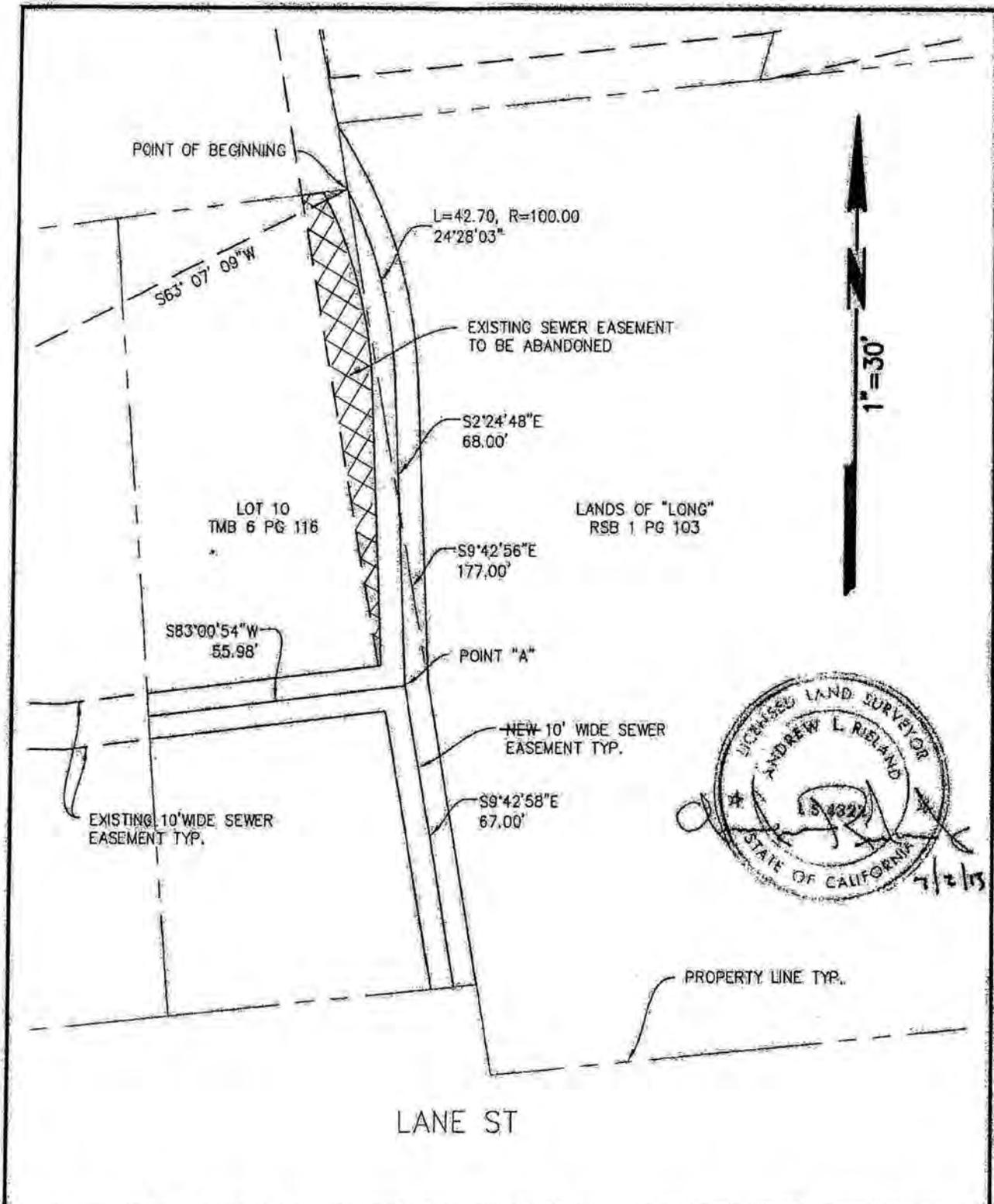
Together with a strip of land 10 foot in width, the centerline of which being more particularly described as follows:

Beginning at point "A", being herein above described;

Thence S.83°00'54"W., 55.98' along said 10' wide existing sanitary sewer easement to the Westerly line of said Lot 10.

The portion that is to be vacated is approximately depicted as shown in the cross-hatched portion of **Exhibit "D-2"** attached hereto, and incorporated by this reference.

Plot Date: July 02, 2013 - 11:07 am Login Name: jwelsz
File Name: M:\Land Projects\0069.38 Yreka Sewer Design\Sewer Collection System\Master Drawings\SURVEY\Lane-Arleta st Easements\lane arleta easements.dwg Layout: SEWER PERMANENT EASEMENT



DATE 7-1-13	PACE ENGINEERING REDDING, CALIFORNIA	10' WIDE SANITARY SEWER EASEMENT	EXHIBIT D2 JOB #0069.38
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EXHIBIT D 2



**CITY OF YREKA
CITY COUNCIL AGENDA MEMORANDUM**

To: Yreka City Council
Prepared by: Steve Neill, Director of Public Works *SN*
Agenda title: APPROVE THE MS4 IMPLEMENTATION PLAN FOR SUBMITTAL TO
THE NORTH COAST REGIONAL WATER QUALITY CONTROL BOARD
Meeting date: December 19, 2013

Discussion:

On December 5, 2013, staff presented the proposed MS4 Implementation Plan for Council to review and discuss. A copy of the Plan and the December 5 staff report are attached. In accordance with Council direction, the Plan is now presented for approval.

Fiscal Impact: The fiscal impact for the remainder of this fiscal year is estimated to be \$22,000. It is estimated that implementing the MS4 will require expenditures of \$30,000 to \$36,000 per year over the term of the five-year permit. Some costs will depend on the level of activity (e.g. spill response, complaint enforcement, site inspections).

Recommendation and Requested Action:

That the Council: Approve the MS4 Implementation Plan for submittal to the North Coast Regional Water Quality Control Board.

Attachments

Approved by 
Steven Baker, City Manager



CITY OF YREKA
CITY COUNCIL AGENDA MEMORANDUM

To: Yreka City Council
Prepared by: Steve Neill, Director of Public Works *SN*
Agenda title: REVIEW AND DISCUSS THE MS4 IMPLEMENTATION PLAN FOR THE NORTH COAST REGIONAL WATER QUALITY CONTROL BOARD
Meeting date: December 5, 2013

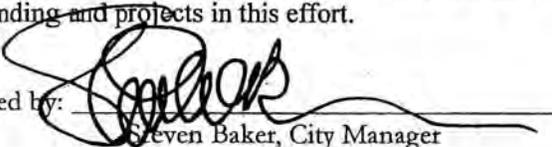
Discussion:

In April 2013, the Public Works Department advised Council that the City of Yreka was subject to new storm water regulations (Order No. 2013-0001-DWQ) adopted by the State Water Resources Control Board (SWRCB) for compliance with the National Pollutant Discharge Elimination System (NPDES) Permit. This is referred to as the General Permit for Small Municipal Separate Storm Sewer Systems (MS4's). The NPDES MS4 program is a federal mandate of the Clean Water Act and Yreka's inclusion results from water quality impairments that negatively impact the Klamath and Shasta Rivers.

Generally, the Permit requires action in the following areas:

- Program Management – to create authority and information necessary to implement, enforce, and report on local storm water management programs.
- Public Involvement and Outreach – to educate the community about reducing negative impacts on the environment, facilitate participation in the development of the local storm water program, and to encourage citizen monitoring and reporting of illicit discharges for enforcement. Education will need to include school-age children, property owners, the development community, and the City's maintenance, building, and enforcement staff.
- Illicit Discharge Enforcement – to investigate, identify, and eliminate non-storm water contributions to the MS4 (e.g. sewage discharges, paint, green waste, plastics, car washes, irrigation runoff).
- Construction Site Runoff Control – to regulate and reduce contributions of storm water pollution from construction sites.
- Post Construction Stormwater Management – to implement site design measures for projects creating or replacing more than 2500 square feet of impervious surfaces and to provide for long-term inspection and maintenance of these storm water management features.
- Operations Pollution Prevention – train staff and construction site operators to raise awareness of water quality issues, improve response capabilities, minimize use of chemical landscape applications, and implement design and maintenance practices to reduce storm water pollution throughout the range of operations.
- Effectiveness Assessment – to evaluate the effectiveness of local efforts and make improvements in the local storm water management program.

The SWRCB issued guidance for implementing this Permit, but left much to the discretion of each region. The Department of Public Works has been proactively working with the North Coast Regional Water Quality Control Board (NCRWQCB) staff on the details of implementation in Yreka. The City is subject to all of the requirements of the Permit and is ultimately responsible for any pollutants exiting the MS4 into Yreka Creek. We have negotiated an implementation plan and time schedule that acknowledges the unique conditions of our area, builds upon our existing efforts, and focuses on the most cost-effective, least-intrusive efforts first. This plan has been developed at substantially less cost than expected, with minimal use of consultants, and the City will be able to leverage current grant funding and projects in this effort.

Approved by: 
Steven Baker, City Manager

The implementation plan we have developed is summarized below. The entire DRAFT implementation plan is attached.

- We need to identify the City’s highest priority areas to perform routine maintenance of the storm drain system by the end of Year 1 (July 2014), and we may need to increase the level of maintenance in certain areas. The Public Works Department already performs routine maintenance of the storm drain system and the debris separators that were installed as a part of the Stormwater Attenuation Project in 2010. See attached pictures. We will also develop and initiate the public education and outreach program.
- By the end of Permit Year 2 (July 2015), we will:
 - (1) update the Master Plan and create a GIS map layer of the existing storm drain system. We plan to use the outreach opportunities in the Flood Hazard Reduction Grant to also provide storm water and water conservation messages to the community. The \$5 million Flood Hazard Reduction grant includes tasks to comprehensively update the Yreka Creek Master Plan and digitally map the storm drain system, including all the outfalls to the creeks. This will ensure the existing stream and watershed restoration goals also address community storm water issues and will incorporate the Yreka Creek Committee into the public outreach and education efforts.
 - (2) start training our staff in storm water concerns, evaluating our municipal landscape practices to reduce the use of water and chemical applications, and creating procedures for incorporating these issues into regular operations. We have started collecting examples of other storm water ordinances to begin an update of the Yreka Municipal Code. We anticipate needing to address a range of topics such as site development and plan submittal requirements, spill investigation and enforcement, drainage modification, and site landscaping.
- By the end of Permit Year 3 (July 2016), we need to comprehensively update the Municipal Code to ensure we have the authority to enforce the stormwater regulations, avoid violations of the State Water Code, and also prepare for extensive training of staff for operations, spill response, and development plan review.
- Permit Year 4 will focus on outreach and training with the development community and initiating a site inspection program.
- Permit Year 5 will focus on evaluating our efforts to date and developing ways to increase the effectiveness of our storm water program.

Fiscal Impact: The fiscal impact for the remainder of this fiscal year, ending June 30, 2014, is estimated to be \$22,000. There is currently \$30,000 in this year’s budget.

The estimated costs based on the implementation tasks are summarized below by year. Some aspects are unknown and will depend on the level of activity (i.e. spills and enforcement response). It is impossible at this time to estimate the costs that will be borne by the regulated community (i.e. violators, site developers).

Permit Year	Estimated Cost per year	Non-recurring costs per year	Total per Year	Comments
1: FY 2013/14	\$12,000	\$10,000	\$22,000	Includes \$7000 paid by grant funds (FHR) and \$5000 in permit fees.
2: FY 2014/15	\$18,500	\$14,000	\$32,500	Estimate includes development of plans, inventories, and procedures. \$6000 permit fees
3: FY 2015/16	\$29,500	\$1,700	\$31,200	Includes substantial outreach and training meetings and update of the municipal code.
4: FY 2016/17	\$32,500	\$1,600	\$34,100	Plus approximately \$3,600 per spill response
5: FY 2017/18	\$36,500	\$1,000	\$37,500	
TOTAL ESTIMATED COSTS \$30,000 - 36,000 per year				

Recommendation and Requested Action:

That the Council: Review and discuss the MS4 implementation plan for the North Coast Regional Water Quality Control Board. Staff recommends that the implementation plan be presented to the City Council at its meeting on December 19, 2013 for formal action.

attachments

Yreka's storm drain separators (and the detention basins) are not considered to be "Low Impact Development" even though they do help improve water quality in Yreka Creek.

S:\Steve's\Storm Drains\MS4\NPDES Update Council Staff Report.11-2013.doc



City of Yreka
Phase II- MS4 Permit Implementation Plan, 2013-2014

YEAR 1

		Implementation Plan	Status
E.16 ANNUAL REPORTING PROGRAM			
E.16.a	Use SMARTS to report and certify	Annually.	Certified 6-28-13
E.16.b	Complete and retain annual reports and make available to RWQCB during working hours	Annually.	
E.16.c	Submit detailed written or oral report to RWQCB if directed.	Not requested.	
E.16.d	May coordinate reporting if regional programs	No other agencies in Siskiyou County	
E.7.a Public Education and Outreach			
E.7.a	(a) Develop and implement comprehensive education and outreach program	Participate in North Coast Stormwater Coalition (NCSC) for outreach messages appropriate to North Coast Regional Water Board area.	Work with other NCSC members on written agreement. Draft completed by January 1, 2014. Final document by May 1, 2014.
E.7.a	(c) Develop specific stormwater message	NCSC has provided many ocean-friendly templates.	City has some material available for use. Update messages for creeks and inland waterways.
E.7.a	(e) Utilize public input in developing outreach program	Partner with Yreka Creek Committee for outreach and input.	Yreka Creek Committee already actively advises City on creek-related issues.
E.7.a	(f) Distribute educational materials	Use available forums to distribute with water efficiency messages i.e. website, Yreka Creek Committee, FHR community meetings, etc.	Discussions underway with Water Efficiency Coordinator to coordinate efforts. Storm Drain page created on website, 11-2013. http://ci.yreka.ca.us/utilities/storm-drains
E.7.a	(g) Provide water efficient/ stormwater friendly landscaping information	Water Efficient landscaping information available helps homeowners reduce runoff.	Materials posted to website. http://ci.yreka.ca.us/utilities/water-efficiency
E.7.a	(i) Provide pesticide/fertilizer application information	Water Efficient landscaping information helps homeowners also reduce chemical applications.	http://ci.yreka.ca.us/utilities/water-efficiency
E.7.a	(k,l,m) Develop messaging to reduce discharges from organized car washes, mobile cleaning and pressure washing	Start with educational messages to raise awareness.	City has some material available for use. Purchase 2 clean drain kits for charity checkout.
E.8 Public Involvement and Participation Program			
E.8	(a) Develop Public Involvement strategy	Use Yreka Creek Master Plan as all-inclusive watershed reference. Solicit input and conduct outreach during plan development for FHR project.	FHR contracts are in development (Dec 2013).
E.8	(b) Consider Citizen Advisory Group	Partner with Yreka Creek Committee for outreach and input.	Yreka Creek Committee already actively advises City on creek-related issues.
E.8	(c) Create Involvement Opportunities	Conduct outreach during plan development for FHR project.	Yreka Creek Committee already actively advises City on creek-related issues.

City of Yreka

Phase II- MS4 Permit Implementation Plan, 2013-2014

E.9 Illicit Discharge Detection and Elimination			
E.9.a	Create and maintain accurate outfall map including a site visit to each outfall	Yreka Creek Master Plan update will map outfalls and create a GIS layer of the storm drain system.	FHR contracts are in development (Dec 2013).
E.9.c	Sample any flowing outfalls while conducting E.9.a	Sample any unknown flow sources to help identify potential sources.	FHR contracts are in development (Dec 2013).
E.10. Construction Site Storm Water Runoff Control			
E.10.a	Construction Site Inventory	Start with education to raise awareness. Incorporate in municipal code update.	10-year history of construction activity compiled by Building Dept. and provided to NCRWCB, 9-2013.
E.10.a	Create inventory of all projects subject to local stormwater ordinance	Details regarding impervious area to be added to next permit update.	NCRWQCB agrees that this is a modest priority action based on 10-yr history provided.
E.11 Pollution Prevention and Good housekeeping for Permittee Operations Program			
E.11.g	Inspect storm drain systems based on assigned priorities. Inspect high priority catch basins annually.	Storm drains are inspected annually and cleaned as needed.	Annually.
E.11.g	Clean high priority storm drains	Debris separator is cleaned semi-annually.	Bi-annually.
E.11.g	Develop procedure to dispose of waste materials removed from catch basins	Material is disposed of by composting or at landfill.	Complete.
E.11.i	Develop and implement process for incorporating water quality and habitat enhancement into new and rehabilitated flood management projects	Use Yreka Creek Master Plan as all-inclusive watershed reference.	FHR contracts are in development (Dec 2013).
E.11.j	Proper disposal of unused chemicals	Careful purchasing is employed to minimize unused chemicals.	Complete.
E.13 WATER QUALITY MONITORING			
E.13.b.	TMDL Monitoring - MS4s w TMDLs must comply with Attachment G and consult with Regional Board within 1 year of effective date to determine monitoring requirements and schedule. And shall implement TMDL monitoring as specified by RB Executive Officer	No additional monitoring requested at this time.	No additional monitoring required.
E.15 TOTAL MAXIMUM DAILY LOADS COMPLIANCE			
E.15.a	Comply with all approved TMDLs (Attachment G)	Sediment and Temperature are primary impairments in Shasta River.	Implementation of MS4 permit complies with TMDL.
E.15.b	Waste load allocations are incorporated herein by reference as enforceable parts of this Order	Sediment and Temperature are primary impairments.	Implementation of MS4 permit complies with WLA's in TMDL.
E.15.c	Regional Board reviews TMDLs within one year of effective date and may propose modifications to requirements		
E.15.d	Report status of implementation via SMARTS	Annually.	Pending approval of Implementation Plan by City Council.
E.15.e	Comply with Clean Water Act Sections 303d,306b and 314	Implementation of MS4 permit complies with TMDL.	

City of Yreka

Phase II- MS4 Permit Implementation Plan, 2013-2014

YEAR 2			
E.6 Program Management Element			
E.6.a	Legal Authority (update or create ordinance)	Samples of other cities ordinances being collected. Analyze Municipal code for gaps and dis-incentives.	
E.6.c	Enforcement Response Plan	Collect examples from other agencies to develop a Plan. Incorporate authority into Municipal Code update.	
E.7.a Public Education and Outreach			
E.7.a	(b)Conduct surveys 2x during permit term	Survey staff and public to gauge level of awareness.	
E.7.b. Staff and Site Operator Training			
E.7.b.	Staff and Site Operator Training	Conduct training.	
E.7.b.3	Pollution Prevention and Good Housekeeping Staff Training	Conduct training.	
E.9 Illicit Discharge Detection and Elimination			
E.9.b	Create inventory of all industrial/commercial facilities and update annually	Included in construction activity report compiled by Building Dept.	
E.9.c	Conduct follow up investigation within 72 hours if action levels exceeded	Incorporate into Enforcement Response Plan & Municipal Code.	
E.9.e	Develop Spill Response Plan	Utilize existing spill response plans from Fire Dept. and County and incorporate reported spills into tracking.	
E.11 Pollution Prevention and Good housekeeping for Permittee Operations Program			
E.11.a	Develop and maintain inventory of all permittee owned or operated facilities that are a potential threat to water quality	Expect limited applicability in Yreka. Few city-owned sites have direct outlets to Yreka Creek.	
E.11.b	Develop a map of inventoried facilities	Yreka Creek Master Plan update will map outfalls and create a GIS layer of the storm drain system. Staff will add City-owned facilities to GIS.	FHR contracts are in development (Dec 2013).
E.11.f	Storm Drain System Assessment and Prioritization		
E.11.f	Implement procedures to assess and prioritize maintenance of storm drain system infrastructure. Assign a priority to each facility based on accumulation of sediment, trash and/or debris	Storm drains are inspected annually on a priority basis.	In progress.
E.11.j	Implement a landscape design and maintenance program to reduce the amount of water, pesticides and fertilizers used by Permittees.	Water meters installed in all parks to reduce water use and runoff.	Chipping mulch used to reduce chemical and water applications.
E.11.j	Evaluate use of pesticides, herbicides and	Pesticides have been changed	Significant reductions have already been

City of Yreka

Phase II- MS4 Permit Implementation Plan, 2013-2014

	fertilizers	to water-friendly varieties.	incorporated into operations.
E.11.j	Implement best practices to reduce pesticides and fertilizers		Chipping mulch used to reduce chemical and water applications.
E.11.j	Evapo-based irrigation and rain sensors	Water meters installed in all parks to reduce water use and runoff.	
E.11.j	Record amount of chemical usage	Pesticide use is recorded in accordance with site applicator license.	In progress.
E.12 POST CONSTRUCTION STORMWATER MANAGEMENT PROGRAM			
E.12.j	Conduct an analysis of the landscape code to correct gaps hindering post construction requirements		
YEAR 3			
E.6 Program Management Element			
E.6.b	Certification of Legal Authority	Complete Municipal Code update to ensure authority to enforce stormwater regulations.	
E.7.b. Staff and Site Operator Training			
E.7.b.1	Illicit Discharge Detection and Elimination Training	Conduct training.	
E.7.b.2	Construction Outreach and Education	Conduct outreach	
E.7.b.2	(a) Annual Permittee Staff Training	Conduct training	
E.8 Public Involvement and Participation Program			
E.8	(d) Ensure public can access info about program	Post to website, conduct outreach, distribute at available forums.	
E.9 Illicit Discharge Detection and Elimination			
E.9.d	Develop written procedures for investigations and corrective actions	Incorporate in municipal code update.	
E.10. Construction Site Storm Water Runoff Control			
E.10.b	Develop procedures to review and approve construction plan documents (i.e., erosion and sediment control plans)	Modest priority based on history. Incorporate in municipal code update.	Sites greater than 1 acre are subject to SWPPP requirements through Construction General Permit.
E.11 Pollution Prevention and Good housekeeping for Permittee Operations Program			
E.11.c	Conduct comprehensive annual assessment and identify subset of facilities that could be considered hotspots	Expect limited applicability in Yreka. Few city-owned sites have direct outlets to Yreka Creek.	
E.11.c	Document comprehensive assessment procedures and results.		
E.11.g	Label catch basins	Work with Yreka Creek Committee and school groups to label inlet drains.	
E.11.g	Maintain surface drainage structures	Regular maintenance and street sweeping is performed.	In progress. Consider increase in sweeping frequency.
E.11.h	Develop program to assess O&M	Expect limited applicability in	

City of Yreka

Phase II- MS4 Permit Implementation Plan, 2013-2014

	activities for potential to discharge pollutants and inspect all O&M BMPs quarterly	Yreka. Few city operations outlet to Yreka Creek.	
E.11.i	Incorporation of Water Quality and Habitat Enhancement Features in Flood Management Facilities	Use Yreka Creek Master Plan as all-inclusive watershed reference.	FHR contracts are in development (Dec 2013).
E.12 POST CONSTRUCTION STORMWATER MANAGEMENT PROGRAM			
E.12.a	Regulate development to comply with the following sections, E.12.b through E.12.l	Incorporate in municipal code update.	
E.12.b	Require implementation of site design measures on projects that create or replace 2,500-5,000 SF impervious area (incl single family homes)	Incorporate in municipal code update.	Encouraging new developments to consider LID practices in advance of adoption of requirements.
E.12.c	Implement standards on projects that create or replace >5,000 SF impervious area, aka Regulated Projects	Incorporate in municipal code update.	Encouraging new developments to consider LID practices in advance of adoption of requirements.
E.12.d	Source Control Measures - Regulated Projects shall implement source control measures	Incorporate in municipal code update.	
E.12.e	LID Standards - all Regulated Projects shall implement LID standards to treat storm water and provide baseline hydromod mgmt to meet numeric sizing criteria under E.12.e(ii)c	Incorporate in municipal code update.	Encouraging new developments to consider LID practices in advance of municipal code update.
E.12.g	Develop or modify enforceable mechanisms to implement E.12.b - E.12.f	Incorporate in municipal code update.	
E.12.h	Implement an O&M verification program for stormwater treatment and baseline hydromod (defined in E.12.e.ii.f) on all regulated projects	Incorporate in municipal code update.	
E.12.j	Complete any changes to landscape code to administer post-construction reqmts	Incorporate in municipal code update.	
YEAR 4			
E.7.a Public Education and Outreach			
E.7.a	(d)Disseminate education materials to target audiences and translate as appropriate		
E.7.a	(h)Promote reporting of illicit discharges		
E.7.b. Staff and Site Operator Training			
E.7.b.2	(b) Construction Site Operator Education	Conduct training	
E.7.b.3	Biennial employee training	Conduct training	
E.9 Illicit Discharge Detection and Elimination			
E.9.d	Assess priority areas once during permit term		
E.9.d	Once source of discharge is identified, require responsible party to correct within 72 hours of notification and verify with follow-up investigation	Incorporate authority in Spill Enforcement Plan and municipal code.	

City of Yreka
Phase II- MS4 Permit Implementation Plan, 2013-2014

E.9.b	Conduct follow up investigation within 72 hours if action levels exceeded		
E.10. Construction Site Storm Water Runoff Control			
E.10.c	Inspect construction sites	Conduct inspections	
E.11 Pollution Prevention and Good housekeeping for Permittee Operations Program			
E.11.d	Develop Stormwater Pollution Prevention Plans (SWPPPs) for hotspots	Expect limited applicability in Yreka. Few city-owned sites have direct outlets to Yreka Creek.	
E.12 POST CONSTRUCTION STORMWATER MANAGEMENT PROGRAM			
E.12.i	Hydromodification Management	Development is currently required to match pre and post runoff flows.	Onsite detention of 10-year storm flow is required. Consider increasing to 25 year flow detention.
E.12.i	Post-Construction BMP Condition Assessment	Incorporate in municipal code update.	
E.12.f	Inventory and assess the maintenance condition of structural post-construction BMPs within permittees jurisdiction	Incorporate in municipal code update.	
YEAR 5			
E.7.a Public Education and Outreach			
E.7.a	(j)Provide materials to school children	Develop outreach partnerships and conduct education.	
E.8 Public Involvement and Participation Program			
E.8	(f) Engage in IRWMP or equivalent	IRWMP participation evaluated.	Participating in other networks is more valuable at this time. Travel costs and limited staff resources indicate that this is not a high priority at this time. Reevaluate IRWMP at later date for feasible opportunities to participate.
E.9 Illicit Discharge Detection and Elimination			
E.9.c	Field Sampling to Detect Illicit Discharges	As reported.	
E.9.c	Annually sample priority area outfalls determined in E.9.a.		
E.11 Pollution Prevention and Good housekeeping for Permittee Operations Program			
E.11.e	Inspections, Visual Monitoring and Remedial Action	Expect limited applicability in Yreka.	
E.11.e	Quarterly visual inspection of hotspots	Expect limited applicability in Yreka.	
E.11.e	Annual comprehensive hotspot inspection	Expect limited applicability in Yreka.	
E.11.e	Quarterly hotspot visual observation of storm water and non-stormwater discharges		

City of Yreka

Phase II- MS4 Permit Implementation Plan, 2013-2014

E.11.e	Non-Hotspots - Inspect each inventoried facility that is not a hotspot once during permit		
E.12 POST CONSTRUCTION STORMWATER MANAGEMENT PROGRAM			
E.12.c	Road and Utility Projects creating 5,000 sf or more that are public or fall under planning authority of a city shall comply with LID except 85th % can follow EPA Guidance on green infrastructure	Limited applicability in Yreka. City is mostly built-out.	
E.12.j	Conduct review using an existing guide such as Municipal Regulatory Update Assistance Program	Incorporate authority in municipal code update.	
E.12.k	Post Construction Storm Water Management Requirements Based on Assessment and Maintenance of Watershed Processes	Incorporate authority in municipal code update.	
E.14 PROGRAM EFFECTIVENESS ASSESSMENT			
E.14.a	Submit Program Effectiveness Assessment and Improvement Plan (PEAIP)	Conduct assessment, compile results/observations, review with Yreka Creek Committee.	
E.14.b	Identify and summarize BMP and/or program modifications identified in priority program areas that will be made in the next permit term		

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CITY OF YREKA
TREASURER'S REPORT TO THE CITY COUNCIL
Nov-2013

Fund Type	Fund	Fund Description	Previous Balance	Receipts / Debits	Disbursements / Credits	Cash Balance by Fund	
General-Unrestricted	01	General Operating	\$ 1,666,897.76	\$ 292,153.28	\$ 486,784.33	\$ 1,472,266.71	
General-Designated	01	Comm Art	2,772.56	-	-	2,772.56	
General-Designated	01	Fire Museum	4,952.35	-	1,630.00	3,322.35	
General-Designated	01	Planning Deposits	-	-	-	0.00	
General-Designated	01	Sidewalk in Lieu	35,803.46	-	-	35,803.46	
General-Designated	01	Parkland Trust	-	300.00	-	300.00	
General-Designated	01	Police Asset Forfeit	6,424.78	-	-	6,424.78	
General-Designated	01	Parking Fees	63,011.04	-	-	63,011.04	
General-Designated	01	Campbell Tract Redemption	48,020.34	-	-	48,020.34	
General-Designated	01	Baker Tract/Lucas	-	-	-	0.00	
General-Designated	02	Gifts Donations	3,552.80	66.00	66.00	3,552.80	
General-Designated	02	K-9 Unit	11,457.23	-	-	11,457.23	
General-Designated	02	YPD Donated - Hitson	7,611.64	-	-	7,611.64	
General-Designated	02	YPD Donated - Travellers	3,511.12	-	66.00	3,445.12	
General-Designated	02	YPD Donated - Teen Fund	1,753.08	-	-	1,753.08	
General-Designated	02	Greenhorn Park Redevelopment	-	-	-	0.00	
General-Designated	03	YVFD Volunter Fund	60,818.55	-	1,533.09	59,285.46	
General-Restricted	04	Crandell Cash	1,976,737.16	2,246.95	375.00	1,978,609.11	
General-Restricted	04	Morgan Stanely SmithBarney-Crandall	-	-	-	0.00	
General-Designated	08	Grant Projects Reserve	1,118,193.76	12,274.21	24,548.42	1,105,919.55	
General-Designated	08	PERS Pension Liability Reserve	(399,266.76)	12,274.21	-	(386,992.55)	
General-Designated	09	Reserves for Cap. Outlay	954,253.21	-	-	954,253.21	General - All
General-Designated	10	Capital Outlay	155,616.35	-	12,766.00	142,850.35	\$ 5,513,666.24
Spec. Rev. -Streets	20	Gas Tax 2106	61,082.61	-	54,039.67	7,042.94	
Spec. Rev. -Streets	20	Traffic Conjestion Relief	-	-	-	0.00	
Spec. Rev. -Streets	21	Local Transportation	365,960.37	-	-	365,960.37	Streets
Spec. Rev. -Streets	24	Fines - Traffic Safety	116,362.63	2,629.63	5,530.33	113,461.93	\$ 486,465.24
Special Revenue	30	Fire Assessment Spec. Rev	401,600.16	16,396.07	13,594.07	404,402.16	
Special Revenue	31	Landfill Access Fee - Debt Service	(158,195.37)	16,639.96	729.97	(142,285.38)	Special Revenues
Special Revenue	32	Developer Impact Fees	394,165.25	300.08	-	394,465.33	\$ 656,582.11
Special Grants	60	Spec Grants Capital Outlay	(452,823.32)	-	52,039.04	(504,862.36)	Special Grants
Special Grants	65	Community Development Grants	258,617.61	1,600.68	-	260,218.29	\$ (244,644.07)
Water Enterprise	70	Water Operating	325,504.11	230,726.71	160,393.51	395,837.31	
Water Enterprise	71	Water Capital Projects	(19,250.10)	-	2,824.43	(22,074.53)	
Water Enterprise	72	Water Debt Servicing	111,774.38	-	-	111,774.38	
Water Enterprise	72	USDA COPS 2010	200,000.00	-	-	200,000.00	Water Enterprise
Water Enterprise	74	Water Reserves	5,399,685.43	46,236.37	-	5,445,921.80	\$ 6,131,458.96
Sewer Enterprise	80	Sewer Operating	(1,094.67)	185,709.64	182,609.44	2,005.53	
Sewer Enterprise	81	Sewer Capital Outlay	(374,306.66)	-	8,051.18	(382,357.84)	
Sewer Enterprise	82	Sewer Debt Servicing	(29,396.32)	-	-	(29,396.32)	
Sewer Enterprise	82	USDA COPS 2003	100,000.00	-	-	100,000.00	Enterprise-Sewer
Sewer Enterprise	84	Sewer Reserves	3,261,357.58	50,291.94	-	3,311,649.52	\$ 3,001,900.89
Agency	90	Agency - Cash	20,400.21	483,446.76	455,032.80	48,814.17	Agency- Payroll
							\$ 48,814.17
COLUMN TOTALS			\$15,703,564.33	\$ 1,353,292.49	\$ 1,462,613.28	\$15,594,243.54	\$ 15,594,243.54
BANK RECAPITULATION			PER BANK	Market Value		PER LEDGER	
L.A.I.F. 0.263%			14,990,231.73	14,990,231.73			
Petty Cash Drawers			1,200.00				
YVFD Petty Cash			100.00				
TriCounties YVFD DDA			59,755.46				
Scott Valley Bank - ZBA (s/b zero)			-				
Scott Valley Bank - Primary DDA			597,297.97				
TOTAL PER BANK			15,648,585.16			15,594,243.54	
ADJUSTMENTS							
Less Outstanding Checks SVB			(54,350.95)				
Less Outstanding Checks TCB			(570.00)				
SVB DDA Interest 10/31 GL 11/1			(58.89)				
IPAY SVB 12/3 GL 11/29			605.83				
Void Checks G/L 12/2			(120.00)				
UB RI G/L 12/2			152.39				
TOTAL PER LEDGER			15,594,243.54			15,594,243.54	

Rhetta Hogan, City Treasurer

David Simmen, City Mayor

**2013-2014 Operating Budget of Revenue and Expenditures
with Actual Results
November 30, 2013**

Fund Analysis		REVENUE			EXPENSE			Excess of Rev over Exp.-Surplus/ (Deficit)		Based on Operating Budget			Current Cash Balance
Major Grp	Fund	Adopted	Operating Budget	Year to Date	Adopted	Operating Budget	Year to Date	Operating Budget	Net Actual Year to Date	Prelim Close Beginning Working Capital	Operating Budget Net Increase / (Decrease)	Ending Working Capital	
Investment in LAIF	00	-	-	-	-	-	-	-	-	-	-	-	-
General Operating	01	4,779,294.00	4,787,794.00	838,637.37	4,737,653.29	4,747,783.29	2,104,554.64	40,010.71	(1,265,917.27)	2,904,550.58	40,010.71	2,944,561.29	1,631,921.24
General Operating Fund		4,779,294.00	4,787,794.00	838,637.37	4,737,653.29	4,747,783.29	2,104,554.64	40,010.71	(1,265,917.27)	2,904,550.58	40,010.71	2,944,561.29	1,631,921.24
Gifts Donations	02	500.00	500.00	417.87	1,200.00	1,200.00	191.40	(700.00)	226.47	27,593.40	(700.00)	26,893.40	27,819.87
YVFD Volunter Fund	03	17,500.00	17,500.00	3,078.41	17,500.00	17,500.00	4,018.29	-	(939.88)	60,225.34	-	60,225.34	59,285.46
Trusts -Crandell-Stewart	04	5,200.00	5,200.00	72,178.64	31,700.00	81,700.00	6,916.36	(76,500.00)	65,262.28	1,910,735.05	(76,500.00)	1,834,235.05	1,978,609.11
General Fund Reserves	08	(117,051.00)	(117,051.00)	(43,313.29)	(178,028.00)	(178,028.00)	(30,755.04)	60,977.00	(12,558.25)	731,485.25	60,977.00	792,462.25	718,927.00
Reserves for Cap. Outlay	09	(150,000.00)	(150,000.00)	(150,000.00)	355,000.00	355,000.00	-	(505,000.00)	(150,000.00)	1,104,253.21	(505,000.00)	599,253.21	954,253.21
Capital Outlay	10	257,500.00	257,500.00	250,000.00	257,500.00	257,500.00	55,216.37	-	194,783.63	-	-	-	142,850.35
Construction Fund	11	-	-	-	-	-	-	-	-	-	-	-	-
General Fund - Restricted or Designated		13,649.00	13,649.00	132,361.63	484,872.00	534,872.00	35,587.38	(521,223.00)	96,774.25	3,834,292.25	(521,223.00)	3,313,069.25	3,881,745.00
Total General Fund		4,792,943.00	4,801,443.00	970,999.00	5,222,525.29	5,282,655.29	2,140,142.02	(481,212.29)	(1,169,143.02)	6,738,842.83	(481,212.29)	6,257,630.54	5,513,666.24
Gas Tax & Traffic Cong.	20	923,016.69	923,016.69	222,651.31	923,016.69	923,016.69	217,289.62	-	5,381.69	1,895.98	-	1,895.98	7,042.94
Local Transportation	21	(168,469.87)	(82,884.87)	(83,488.05)	173,625.00	201,690.00	-	(284,574.87)	(83,488.05)	449,448.42	(284,574.87)	164,873.55	365,960.37
Fines - Traffic Safety	24	88,000.72	88,000.72	96,725.82	88,000.72	88,000.72	69,412.29	-	27,313.53	86,148.40	-	86,148.40	113,461.93
Road, Street & Transit - Restricted		842,547.54	928,132.54	235,889.08	1,184,642.41	1,212,707.41	286,681.91	(284,574.87)	(50,792.83)	537,492.80	(284,574.87)	252,917.93	486,465.24
Total Road, Streets and Transit		842,547.54	928,132.54	235,889.08	1,184,642.41	1,212,707.41	286,681.91	(284,574.87)	(50,792.83)	537,492.80	(284,574.87)	252,917.93	486,465.24
Fire Assessment Spec. Rev	30	230,750.00	230,750.00	95,636.21	142,424.90	142,424.90	47,740.57	88,325.10	47,895.64	375,220.07	88,325.10	463,545.17	404,402.16
Landfill Access Fee - Debt Service	31	216,000.00	216,000.00	92,000.03	181,620.93	181,620.93	177,484.28	34,379.07	(85,484.25)	(34,659.39)	34,379.07	(280.32)	(142,285.38)
Developer Impact Fees	32	16,000.00	16,000.00	254.28	-	-	-	16,000.00	254.28	92,194.80	16,000.00	108,194.80	394,465.33
Special Revenue - Restricted		462,750.00	462,750.00	187,890.52	324,045.83	324,045.83	225,224.85	138,704.17	(37,334.33)	432,755.48	138,704.17	571,459.65	656,582.11
Total Special Revenue		462,750.00	462,750.00	187,890.52	324,045.83	324,045.83	225,224.85	138,704.17	(37,334.33)	432,755.48	138,704.17	571,459.65	656,582.11
Spec Grants Capital Outlay	60	2,511,470.00	2,511,470.00	(85,768.30)	2,511,470.00	2,511,470.00	419,094.06	-	(504,862.36)	-	-	-	(504,862.36)
Community Development Grants	65	5,950.00	5,950.00	4,728.08	-	-	327.29	5,950.00	4,400.79	250,862.00	5,950.00	256,812.00	260,218.29
Special Grants - Capital Projects		2,517,420.00	2,517,420.00	(81,040.22)	2,511,470.00	2,511,470.00	419,421.35	5,950.00	(500,461.57)	250,862.00	5,950.00	256,812.00	(244,644.07)
Special Grants - Operating & Capital Projects		2,517,420.00	2,517,420.00	(81,040.22)	2,511,470.00	2,511,470.00	419,421.35	5,950.00	(500,461.57)	250,862.00	5,950.00	256,812.00	(244,644.07)
Water Operating	70	1,602,343.05	1,602,343.05	877,074.45	1,602,343.05	1,602,343.05	503,284.53	-	373,789.92	-	-	-	395,837.31
Water Capital Projects	71	305,000.00	305,000.00	686.98	305,000.00	305,000.00	22,761.48	-	(22,074.50)	-	-	-	(22,074.53)
Water Debt Servicing	72	262,456.25	262,456.25	262,456.25	262,456.25	262,456.25	37,681.87	-	224,774.38	215,346.75	-	215,346.75	311,774.38
Water Reserves	74	585,700.70	585,700.70	322,427.55	-	-	-	585,700.70	322,427.55	5,587,286.97	585,700.70	6,172,987.67	5,445,921.80
Water Enterprise		2,755,500.00	2,755,500.00	1,462,645.23	2,169,799.30	2,169,799.30	563,727.88	585,700.70	898,917.35	5,802,633.72	585,700.70	6,388,334.42	6,131,458.96
Sewer Operating	80	1,715,574.12	1,715,574.12	643,362.25	1,715,574.12	1,715,574.12	476,890.28	-	166,471.97	-	-	-	2,005.53
Sewer Capital Outlay	81	3,391,102.52	3,391,102.52	-	3,391,102.52	3,391,102.52	132,173.98	-	(132,173.98)	-	-	-	(382,357.84)
Sewer Debt Servicing	82	(2,926,258.80)	(2,926,258.80)	126,843.72	(2,926,258.80)	(2,926,258.80)	11,851.19	-	114,992.53	27,002.82	-	27,002.82	70,603.68
Sewer Reserves	84	183,082.16	183,082.16	254,914.32	-	-	-	183,082.16	254,914.32	3,153,168.83	183,082.16	3,336,250.99	3,311,649.52
Sewer Enterprise Fund		2,363,500.00	2,363,500.00	1,025,120.29	2,180,417.84	2,180,417.84	620,915.45	183,082.16	404,204.84	3,180,171.65	183,082.16	3,363,253.81	3,001,900.89
Total Enterprise Funds		5,119,000.00	5,119,000.00	2,487,765.52	4,350,217.14	4,350,217.14	1,184,643.33	768,782.86	1,303,122.19	8,982,805.37	768,782.86	9,751,588.23	9,133,359.85
Agency Trust - Cash	90	-	-	-	-	-	(49,149.90)	-	49,149.90	-	-	-	48,814.17
Agency Funds		-	-	-	-	-	(49,149.90)	-	49,149.90	-	-	-	48,814.17
Total Agency Funds		-	-	-	-	-	(49,149.90)	-	49,149.90	-	-	-	48,814.17
All Funds Combined		13,734,660.54	13,828,745.54	3,801,503.90	13,592,900.67	13,681,095.67	4,206,963.56	147,649.87	(405,459.66)	16,942,758.48	147,649.87	17,090,408.35	15,594,243.54

Approval: _____

David Simmen, City Mayor

12/10/2013 5:06 PM