



City Council Regular Meeting
AGENDA

Civic Center Council Chamber ♦ 300 Seminary Avenue ♦ Ukiah, CA 95482
December 6, 2017 - 6:00 PM

1 ROLL CALL

2 PLEDGE OF ALLEGIANCE

3 PROCLAMATIONS/INTRODUCTIONS/PRESENTATIONS

3.a. [Appointment of New Mayor and Vice Mayor, and Council Reorganization](#)

Recommended Action: Nominate and appoint the positions of Mayor and Vice Mayor for 2018 for immediate seating and Council reorganization.

[Attachment 1 - Reso 2011-44 Council Rotation Guidelines](#)

3.b. [Presentation of Employee Recognition Awards](#)

Recommended Action: Receive presentation.

[None](#)

3.c. [Introduction of New Employee - Tyler Anliker, Buyer, Finance Department - Purchasing Division](#)

Recommended Action: The City Council will welcome new team member Tyler Anliker to the City of Ukiah.

[None](#)

3.d. [Presentation of 2017 City of Ukiah Leadership Academy Graduates](#)

Recommended Action: Receive presentation and award certificates to Leadership Academy graduates.

[None](#)

3.e. [Status Report, Discussion and Possible Action Regarding the Ukiah Valley Sanitation District's Litigation Against the City of Ukiah Related to the Operation of the Sanitary Sewer System](#)

Recommended Action: Receive status report. If desired, discuss and provide direction to Staff and/or consider any action(s) related to the matter.

[Attachment 1 - UVSD Litigation Update Box Files location](#)

4 PETITIONS AND COMMUNICATIONS

5 APPROVAL OF MINUTES

5.a. [Approval of the November 15, 2017, Regular Meeting Minutes](#)

Recommended Action: Approve the Minutes of November 15, 2017, a Regular Meeting, as submitted.

[Attachment 1 - November 15, 2017, Draft Minutes](#)

6 RIGHT TO APPEAL DECISION

Persons who are dissatisfied with a decision of the City Council may have the right to a review of that decision by a court. The City has adopted Section 1094.6 of the California Code of Civil Procedure, which generally limits to ninety days (90) the time within which the decision of the City Boards and Agencies may be judicially challenged.

7 CONSENT CALENDAR

The following items listed are considered routine and will be enacted by a single motion and roll call vote by the City Council. Items may be removed from the Consent Calendar upon request of a Councilmember or a citizen in which event the item will be considered at the completion of all other items on the agenda. The motion by the City Council on the Consent Calendar will approve and make findings in accordance with Administrative Staff and/or Planning Commission recommendations.

7.a. [Notification of Purchase of Professional Services from Crawford & Associates for On-Call Planning Services in the Amount of Up To \\$20,000](#)

Recommended Action: Receive Report for the Purchase of Professional Services from Crawford & Associates for On-Call Planning Services in the Amount of Up To \$20,000.

[Attachment 1 - C#1718128 - Crawford - Planning Services](#)

7.b. [Report of Acquisition of Professional Services from Alpha Analytical Laboratories, Inc. in the Amount of \\$34,887.80, for Quarterly Water Sampling and Completion of Chemical Examination Reports for the Ukiah Landfill](#)

Recommended Action: Receive Report of Acquisition of Professional Services from Alpha Analytical Laboratories, Inc. in the amount of \$34,887.80.

[Attachment 1 - Alpha Analytical invoices](#)

7.c. [Award the Purchase of a New 2018 Altec Model AT40-G Telescopic Articulating Aerial Device with an Insulated Boom Truck to Altec Industries, Inc., Dixon, California in the Amount of \\$168,965.00 \(EUD\)](#)

Recommended Action: Award Purchase of a new 2018 Altec Model AT40-G Telescopic Articulating Aerial Device with an insulated boom in the amount of \$168,965.

[Attachment 1 - Bucket Truck - NJPA Contract - Altec Quote 388002-1](#)

[Attachment 2 - Bucket Truck Vehicle Replacement Justification](#)

7.d. [Approve the Purchase of a New Cat 242D Skid Steer Loader from Peterson CAT in the Amount of \\$62,269.96](#)

Recommended Action: Approve the purchase a new Caterpillar Model 242D Skid Steer in the amount of \$62,269.96.

[Attachment 1 - Vehicle Replacement Justification CAT](#)

Attachment 2 - Peterson Quote

- 7.e. Notification of Contract with NHA Advisors, LLC for Financial Advisory Services in the Amount of \$19,500
Recommended Action: Receive report.
Attachment 1 - COU No. 1617-119 - NHA Advisors, LLC
Attachment 2 - Amendment 1 - COU No. 1617-119-A1 - NHA Advisors, LLC
- 7.f. Consideration of the Viability of Energy Storage for the Electric Utility and Target Setting for Electric Energy Storage Systems as per AB2514, and Adopt Corresponding Resolution (EUD)
Recommended Action: Adopt a Resolution regarding the viability of energy storage for the City of Ukiah.
Attachment 1 - Energy Storage Cost Effectiveness Methodologies Report
Attachment 2 - Energy Storage Fact Sheets, etc.
Attachment 3 - Energy Storage Data Sheets
Attachment 4 - Resolution - Energy Storage
- 7.g. City Council to Consider Authorizing the City Manager to Sign Applicant's Agent Resolution for Non-State Agencies with the Governor's Office of Emergency Services
Recommended Action: Authorize the City Manager to sign Applicant's Agent Resolution.
Attachment 1 - Cal OES 130
- 7.h. Approve the Purchase of a New Toro Groundsmaster 4010-D Wide Area Mower from Turf Star, Inc. in the Amount of \$84,902.50, and Approve Corresponding Budget Amendment
Recommended Action: Approve the purchase of a new Toro Groundsmaster 4010-D Wide Area Mower from Turf Star, Inc. in the amount of \$84,902.50 and approve corresponding budget amendment.
Attachment 1 - Vehicle Replacement Justification TORO
Attachment 2 - Toro Quote

8 AUDIENCE COMMENTS ON NON-AGENDA ITEMS

The City Council welcomes input from the audience. If there is a matter of business on the agenda that you are interested in, you may address the Council when this matter is considered. If you wish to speak on a matter that is not on this agenda, you may do so at this time. In order for everyone to be heard, please limit your comments to three (3) minutes per person and not more than ten (10) minutes per subject. The Brown Act regulations do not allow action to be taken on audience comments in which the subject is not listed on the agenda.

9 COUNCIL REPORTS

10 CITY MANAGER/CITY CLERK REPORTS

11 PUBLIC HEARINGS (6:15 PM)

- 11.a. Consideration of Proposal to Adjust Solid Waste Rates, Hold a Public Hearing on the Proposed Adjusted Rates, and Adoption of Resolutions Establishing Adjusted Rates
Recommended Action: Consideration of Proposal to Adjust Solid Waste Rates, Hold a Public Hearing on the Proposed Adjusted Rates, and Adoption of Resolutions Establishing Adjusted Rates

Attachment 1 - Resolution Adopting Transfer Station Tipping Fees

Attachment 2 - Resolution Adopting Solid Waste Collection Rates

- 11.b. Continued Public Hearing and Possible Adoption of a Resolution to Establish the Gobbi Street Underground District No. 3. Gobbi Street from Orchard Avenue to State Street Including Sections of Main Street, Marshall Street and Leslie Street, Its Boundaries and Proposed Schedule (EUD)

Recommended Action: Adopt Resolution establishing Gobbi Street Underground District No. 3, and approve boundaries and proposed timeline.

Attachment 1 - Gobbi Boundary Map - State Street to Orchard Avenue, Including Marshall

Attachment 2 - Gobbi Street Boundary Discription

Attachment 3 - Gobbi Street Timeline

Attachment 4 - Resolution - Gobbi Street Underground District No. 3

- 11.c. Public Hearing to Consider Adoption of a Resolution Amending the Fee Schedule for the Planning and Building Divisions of the Community Development Department, Including Renewal of Cannabis Related Business Use Permits, Recorded Subdivision Map Modifications, and a Minimum Building Permit Fee

Recommended Action: Staff recommends adoption of a Resolution establishing new Community Development Department fees associated with Cannabis Related Business Use Permit Renewals and Recorded Subdivision Map Modifications and increasing the minimum fee for a building permit.

Attachment 1 - Community Development Department Fee Resolution and Schedule

Attachment 2 - Community Development Department Fees Analysis 11-29-17

- 11.d. Consideration and Possible Introduction for Cannabis Related Business Zoning Ordinance

Recommended Action: Conduct a public hearing and consider introducing the Cannabis Related Business Ordinance by title only.

Attachment 1 - Cannabis Business Ordinance Version 1 CLEAN

Attachment 2 - Cannabis Business Ordinance Version 1 REDLINE

Attachment 3 - Cannabis Business Ordinance Version 2 CLEAN

Attachment 4 - Cannabis Business Ordinance Version 2 REDLINE

Attachment 5 - Cannabis Business Ordinance Version 3 CLEAN

Attachment 6 - Cannabis Business Ordinance Version 3 REDLINE

Attachment 7 - Comparison Table

12 UNFINISHED BUSINESS

- 12.a. Discussion and Possible Introduction of the Proposed Cannabis Cultivation Ordinance

Recommended Action: Staff requests that the Council introduce either Version 1 or Version 2, by title only, of the Cannabis Cultivation Ordinance as presented or, alternatively, provide direction to staff and continue this item to a date certain.

Attachment 1 - Cannabis Cultivation Ordinance Version 1 CLEAN

Attachment 2 - Cannabis Cultivation Ordinance Version 1 REDLINE

Attachment 3 - Cannabis Cultivation Ordinance Version 2 CLEAN

Attachment 4 - Cannabis Cultivation Ordinance Version 2 REDLINE

- 12.b. [Receive Presentation and Provide Direction Regarding the City of Ukiah's Sewer Lateral Policy](#)
Recommended Action: Receive presentation and provide direction to staff regarding the City's current Sewer Lateral Policy and the potential need to update the policy.
[Attachment 1 - Sewer Lateral Diagram](#)

13 NEW BUSINESS

- 13.a. [Consideration of a Restructuring Proposal for the Community Development Department and Corresponding Budget Amendment](#)
Recommended Action: Approve Community Development Department Restructuring Proposal and Corresponding Budget Amendment.
[Attachment 1 - Associate Planner- Housing Job Description](#)
[Attachment 2 - Building Inspector Job Description](#)
[Attachment 3 - Community Development Technician Job Description](#)
- 13.b. [Presentation of the City of Ukiah Budget Story](#)
Recommended Action: Receive Presentation
[Attachment 1 - City of Ukiah Budget Story 2018](#)
- 13.c. [Approval of Agreement for Bond and Disclosure Counsel Services and Corresponding Budget Amendment](#)
Recommended Action: Approve and authorize the City Manager to negotiate and execute an agreement with The Weist Law Firm for bond and disclosure counsel services related to the refunding of the City-issued 2006 wastewater revenue bond issue.
[Attachment 1 - Weist Law Ukiah Proposal for Bond Counsel Services](#)

14 CLOSED SESSION – CLOSED SESSION MAY BE HELD AT ANY TIME DURING THE MEETING.

- 14.a. [Conference with Legal Counsel – Existing Litigation \(Cal. Gov't Code Section 54956.9\(d\)\(1\)\)](#)
[Name of case: City of Ukiah v. Questex, LTD, et al, Mendocino County Superior Court, Case No. SCUK- CVPT-15-66036 \(Palace Hotel\)](#)

Recommended Action: Confer in Closed Session
None
- 14.b. [Conference with Legal Counsel – Existing Litigation \(Government Code Section 54956.9\(d\)\(1\)\)](#)
[Name of case: Ukiah Valley Sanitation District v. City of Ukiah, Sonoma County Superior Court, Case No. SCV 256737 \(UVSD\)](#)

Recommended Action: Confer in Closed Session
None
- 14.c. [Conference with Real Property Negotiators](#)

(Cal. Gov't Code Section 54956.8)
Property: 429 South Dora St. Ukiah, CA 95482
Negotiator: Sage Sangiacomo, City Manager;
Negotiating Parties: City of Ukiah and Ukiah Unified School District;
Under Negotiation: Price & Terms of Payment

Recommended Action: Confer in Closed Session
None

Please be advised that the City needs to be notified 72 hours in advance of a meeting if any specific accommodations or interpreter services are needed in order for you to attend. The City complies with ADA requirements and will attempt to reasonably accommodate individuals with disabilities upon request. Materials related to an item on this Agenda submitted to the City Council after distribution of the agenda packet are available for public inspection at the front counter at the Ukiah Civic Center, 300 Seminary Avenue, Ukiah, CA 95482, during normal business hours, Monday through Friday, 8:00 am to 5:00 pm.

I hereby certify under penalty of perjury under the laws of the State of California that the foregoing agenda was posted on the bulletin board at the main entrance of the City of Ukiah City Hall, located at 300 Seminary Avenue, Ukiah, California, not less than 72 hours prior to the meeting set forth on this agenda.

December 1, 2017
Kristine Lawler, City Clerk



AGENDA SUMMARY REPORT

SUBJECT: Appointment of New Mayor and Vice Mayor, and Council Reorganization

DEPARTMENT: City Council

PREPARED BY: Kristine Lawler

ATTACHMENTS:

[Attachment 1 - Reso 2011-44 Council Rotation Guidelines](#)

Summary: Council will appoint a new Mayor and Vice Mayor with the assistance of Resolution No. 2011-44, which gives guidelines for the annual rotation and seating arrangement; after which the Council will take their new seats on the Dais.

Background: In December 2006, the City Council established a seniority-based rotation appointment of the Mayor and Vice Mayor. In September 2011, the Mayoral Rotation and Seating Arrangement for Council was updated and Resolution 2011-44 outlining the changes was adopted (Attachment #1).

Per Resolution 2011-44, the naming of the Mayor and Vice Mayor takes place annually at the first regular meeting in December. Currently, Mayor Brown and Vice Mayor Doble were both appointed in December 2016 to their respective positions.

Discussion: Using the table below,

RECOMMENDED ACTION: Nominate and appoint the positions of Mayor and Vice Mayor for 2018 for immediate seating and Council reorganization.

BUDGET AMENDMENT REQUIRED: No

CURRENT BUDGET AMOUNT: N/A

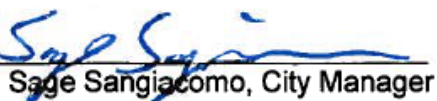
PROPOSED BUDGET AMOUNT: N/A

FINANCING SOURCE: N/A

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH: N/A

Approved:


Sage Sangiacomo, City Manager

CITY COUNCIL	ELECTED	VOTES	EXPIRES	LAST TERM AS MAYOR
Douglas F. Crane	11/2016	3,669	11/2020	2015
Stephen G. Scalmanini	11/2016	2,845	11/2020	2016
Jim O. Brown	11/2014	1,791	11/2018	2017
Kevin Doble	11/2014	1,561	11/2018	None
Maureen Mulheren	11/2014	1,368	11/2018	None

Resolution 2011-44 (Attachment #1) provides for the following rotations:

Vice Mayor Doble to Mayor – as a Councilmember who has not previously served as Mayor and who received the second most votes at the initial election in 2014.

Councilmember Mulheren to Vice Mayor – as a Councilmember who has not previously served as Mayor or Vice Mayor.

Councilmembers Scalmanini and Crane to move one seat to their left – as the remaining councilmembers shall move one seat to their left.

This leaves the one remaining seat on the far south of the Dais for outgoing Mayor Brown to rotate into as Councilmember.

Having stated the above provisions, Resolution 2011-44 also asserts that the Council has the ultimate discretion to elect or not elect any Councilmember for any office at the December meeting.

RESOLUTION NO. 2011-44**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UKIAH
AMENDING RULES GOVERNING COUNCIL MEETINGS****WHEREAS,**

1. The City Council has adopted by resolution Procedures of Conduct for City Council Meetings, last revised on July 20, 2005 ("Procedures"); and
2. The City Council has determined to revise the rules governing the Mayoral Rotation and Seating Arrangement for Council.

NOW, THEREFORE, BE IT RESOLVED that the title and Section 7 of the Procedures are amended as follows:

TITLE: City of Ukiah City Council Meeting Procedures

SECTION 7. VOTING PROCEDURE**I. Mayoral Rotation and Seating Arrangement for Council**

It is the policy of the City Council that the office of Mayor be rotated insofar as possible among the members of the City Council and that the Mayor shall serve a term of one year or until a successor is appointed. The rotation is based on seniority. The Vice Mayor shall replace the outgoing Mayor. It is the intent and desire of the City Council to allow every member the opportunity to serve as Mayor, and consideration is given to those members of the Council who have not previously served as Mayor unless all members have so served.

The City Council shall, at its first regular meeting in the month of December, meet and choose one of its members as Mayor, and one of its members as Vice Mayor. The Mayor's seat shall be filled by the most senior member in length of uninterrupted service who has not previously served as Mayor. The Councilmember selected as Mayor, however, shall have served at least one year as a member of the City Council.

Where all Councilmembers have served a term as Mayor, the person to be selected as Mayor shall be the person who has not served as Mayor for the longest period of time. If the person who has not served as Mayor for the longest period of time declines the position, then the person who has not served as Mayor for the longest period of time other than the declining Councilmember or Councilmembers shall be selected.

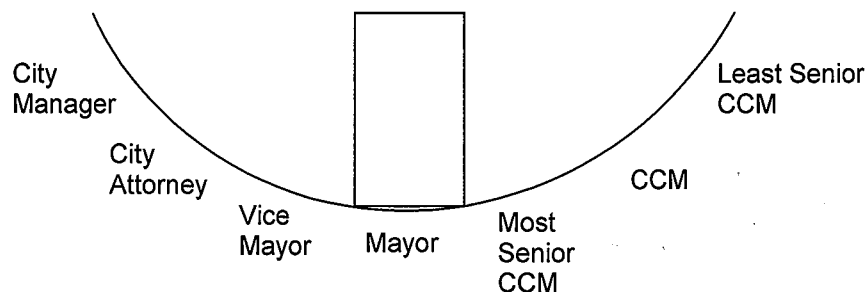
When a selection of Mayor is to be made from a Councilmember who has not yet served as Mayor, the person who is otherwise qualified and has served on the Council the longest without being Mayor shall be selected as Mayor. In the case where two or more persons qualified to be selected as Mayor have served the same amount of time as a Councilmember without being Mayor, the person selected shall be the person who received the most votes at their initial election.

At the time of selection of the Mayor in any given year, the individual who would qualify to be selected as Mayor in the next following year, using the criteria above, shall be named Vice Mayor for the current year.

If a Councilmember declines to serve as Vice Mayor, the Council will decide by formal action where the member will fit into the rotation at the December meeting. The Council has the ultimate discretion to elect or not elect any Councilmember for any office at the December meeting.

The Mayor and Councilmembers shall be seated as follows, seating assignments given from the perspective facing the audience:

- A. The Mayor and Councilmembers shall sit in the five of seven furthest rightward positions on the dais.
- B. The Mayor's position shall be the fourth from the right or center of the dais.
- C. The Vice Mayor shall be seated immediately to the Mayor's left or left hand side.
- D. Following the installation of new Councilmembers into office, Councilmembers leaving office shall immediately step down from the dais. Incumbent Councilmembers shall then assume any positions vacated to their left. Newly elected or appointed Councilmembers shall be seated at the far right of the dais. If more than one Councilmember is newly elected, they shall be seated in order of votes cast, with the lowest vote getter being seated furthest right and the highest vote getter being seated to the left.
- E. Except as described in subsection F below, following the annual rotation of the Vice Mayor, the exiting Vice Mayor shall move right to the Mayor's position in the center of the dais, the newly selected Vice Mayor shall move to the Mayor's left hand side, and the remaining Councilmembers shall move one seat to their left.
- F. Following the annual rotation of the Vice Mayor during general election years, the newly elected Councilmembers shall remain in the furthest right seats and only incumbent Councilmembers shall rotate positions as described in subsection E above.
- G. To the extent that the foregoing rules do not address Councilmember seating changes or rotations, the City Council shall determine the seating location by formal action of the same at a regular, special, or adjourned meeting.



BE IT FURTHER RESOLVED that the amended version of Section 7 as contained in this Resolution shall replace Section 7 in the City Council Meeting Procedures as it read prior to the adoption of this Resolution.

PASSED AND ADOPTED this 2nd day of November, 2011, by the following roll call vote:

AYES: Councilmember Landis, Thomas, Crane, Baldwin, and Mayor Rodin

NOES: None

ABSTAIN: None

ABSENT: None



Mari Rodin, Mayor

ATTEST:



JoAnne Currie, City Clerk



AGENDA SUMMARY REPORT

SUBJECT: Presentation of Employee Recognition Awards

DEPARTMENT: Economic Development

PREPARED BY: Shannon Riley

ATTACHMENTS:

None

Summary: The Mayor will present selected employees with Exceptional Employee awards.

Background: The City of Ukiah prioritizes the retention and attraction of outstanding employees and recognizes their role in our goal of providing exceptional customer service. The Exceptional Employees Program, through a nomination process, recognizes and awards those employees or teams of employees who have truly gone above and beyond.

Once each quarter, nominations are considered from the categories of field crews, public safety, and administration.

Discussion: The recipients for the third quarter of 2017 are as follows:

Joan Kelly, Environmental Lab Tech III: Joan's dedication to her job is readily apparent the moment you visit the lab at the Wastewater Treatment Plant. The lab's level of sophistication, cleanliness and organization are a

RECOMMENDED ACTION: Receive presentation.

BUDGET AMENDMENT REQUIRED: No

CURRENT BUDGET AMOUNT: n/a

PROPOSED BUDGET AMOUNT: n/a

FINANCING SOURCE: n/a

PREVIOUS CONTRACT/PURCHASE ORDER NO.: n/a

COORDINATED WITH: Sheri Mannion, Human Resources Director

Approved: _____

Sage Sangiacomo, City Manager

stark contrast to most people's expectations of a "wastewater lab". Joan's meticulous nature has garnered respect from her peers, other municipalities, as well as the regulatory community.

Joan has also been a tireless advocate in the development of wastewater laboratory regulations and for Ukiah and other small communities throughout the region.

Tony De Lapo, School Resource Officer: Tony was nominated for his exemplary work on September 13, 2017 at Ukiah High School, when he effectively diffused a potentially volatile situation on campus. School staff observed his actions with a student who was defiant and verbally aggressive, noting that the "interaction should have been filmed as a training guide for how to use body language, intelligent authority, humor and patience in dealing with a very agitated person".

Anthony Brochini and Kenzie Kornegay, Lifeguards: In an exceptionally kind and generous act, Anthony purchased a bicycle for a disabled woman who was a regular visitor of the municipal pool after noting her transportation struggles. This incredibly selfless act had a tremendous impact on this woman, as well as his peers. In particular, Kenzie took the time to acknowledge this act and the profound effect it had on this woman and the team at the Municipal Pool. Her social media post reflected her admiration for this gesture and her pride in working for the City.

There are no Attachments to this Agenda Item.



AGENDA SUMMARY REPORT

SUBJECT: Introduction of New Employee - Tyler Anliker, Buyer, Finance Department - Purchasing Division

DEPARTMENT: Finance

PREPARED BY: Mary Horger

ATTACHMENTS:

None

Summary: The Finance Department is pleased to introduce the new Buyer, Tyler Anliker, to the Purchasing Division.

Background: The City of Ukiah's Finance Department is pleased to introduce Tyler Anliker, who has been hired as a Buyer for the Purchasing Division. Tyler comes to the City from Mendocino Community Health Clinic, where he worked as a Buyer. Tyler's role as Buyer will provide critical support to the increased need for procurement services as the City grows, and projects increase. His prior purchasing experience has already proven to be a great advantage as he learns the ropes of Public Procurement.

Discussion: Tyler was born in Ukiah, and has lived here all of his life. He is an avid sports fan, and also loves time recording music, playing disc golf, and spending time with his family. Tyler has already demonstrated his eagerness to learn, providing procurement assistance to all City departments. He looks forward to growing as a valued team member to the City of Ukiah.

RECOMMENDED ACTION: The City Council will welcome new team member Tyler Anliker to the City of Ukiah.

BUDGET AMENDMENT REQUIRED: No

CURRENT BUDGET AMOUNT: N/A

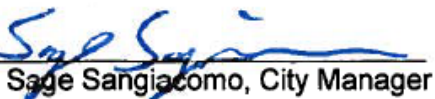
PROPOSED BUDGET AMOUNT: N/A

FINANCING SOURCE: N/A

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH: N/A

Approved: _____


Sage Sangiacomo, City Manager

There are no Attachments to this Agenda Item.



AGENDA SUMMARY REPORT

SUBJECT: Presentation of 2017 City of Ukiah Leadership Academy Graduates

DEPARTMENT: Economic Development

PREPARED BY: Shannon Riley

ATTACHMENTS:

None

Summary: The City Council will award certificates to the graduates of the City of Ukiah Leadership Academy, an internal training program.

Background: The City Manager is pleased to announce the completion of the first-ever Ukiah Leadership Academy. This innovative program was developed as a result of input on the employee satisfaction surveys and to help address the need for succession planning.

Over the course of this year, 13 participants from various departments have attended monthly sessions, culminating in the presentation of their “class project” in the City Council Chambers.

Discussion: While all City employees have opportunities for technical training related to their specific positions, it can be difficult to obtain the “soft skills” associated with a leadership position. This program seeks to provide that. Attendees heard firsthand from upper management in the organization about topics like navigating communication with the community, the media and the elected officials, leading vs. managing, and more.

RECOMMENDED ACTION: Receive presentation and award certificates to Leadership Academy graduates.

BUDGET AMENDMENT REQUIRED: No

CURRENT BUDGET AMOUNT: n/a

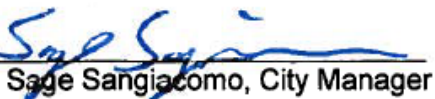
PROPOSED BUDGET AMOUNT: n/a

FINANCING SOURCE: n/a

PREVIOUS CONTRACT/PURCHASE ORDER NO.: n/a

COORDINATED WITH: n/a

Approved:


Sage Sangiacomo, City Manager

The Academy allows the City to develop talent internally and provide additional opportunities for advancement to those team members who have already invested in the agency. It will improve communication between departments and, ultimately, the City's service to the community.

Each session was held at a different City facility and included a tour of that location. "Homework" projects included practicing agenda summary reports. Each participant selected a topic that would make City operations more efficient in some way, researched that topic, and developed an agenda summary report and a presentation around it. Strong work was done by these team members, and some of these projects may result in actual presentations to Council in the future.

The intention is to have an annual Leadership Academy, with a new group of participants starting each spring.

The 2017 participants were:

Jake Burgess, Recreation Supervisor
Ashley Cocco, Deputy City Clerk
Cedric Crook, Detective Sergeant
Mario Dogali, Water/Sewer Service Attendant
Alan Hodge, WWTP Lead Senior Operator
Mary Horger, Procurement Manager
Dave Kirch, Fleet Maintenance Supervisor
Lori Martin, Billing and Customer Service Manager
Kathy Norris, Finance Services Specialist
Cindy Sauers, Electric Design Support
Eric Singleton, Fire Captain
Andrew Stricklin, Engineering Analyst
Noble Waidelich, Patrol Sergeant

The City Manager would like to recognize the achievements of these individuals.

There are no Attachments to this Agenda Item.



AGENDA SUMMARY REPORT

SUBJECT: Status Report, Discussion and Possible Action Regarding the Ukiah Valley Sanitation District's Litigation Against the City of Ukiah Related to the Operation of the Sanitary Sewer System

DEPARTMENT: Administration

PREPARED BY: Ashley Cocco

ATTACHMENTS:

[Attachment 1 - UVSD Litigation Update Box Files location](#)

Summary: Staff will provide the latest status report on the Ukiah Valley Sanitation District's Litigation against the City of Ukiah related to the operation of the sanitary sewer system.

The City of Ukiah continues to request that the District consider a change in process outside of litigation to resolve the dispute and restore a working relationship, recognizing there is simply too much at stake for the ratepayers, system operations, and the community.

Background: Chronological History of Recent Correspondence and Activity:

In September 2013, the Ukiah Valley Sanitation District (UVSD) filed a claim for damages with the City, and one month later filed its lawsuit. In its lawsuit, the District seeks damages for alleged breaches of the various agreements between the City and the District related to the operation of the sanitary sewer system, starting with the original 1955 agreement.

RECOMMENDED ACTION: Receive status report. If desired, discuss and provide direction to Staff and/or consider any action(s) related to the matter.

BUDGET AMENDMENT REQUIRED: No

CURRENT BUDGET AMOUNT: N/A

PROPOSED BUDGET AMOUNT: N/A

FINANCING SOURCE: N/A

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH: N/A

Approved:


Sage Sangiacomo, City Manager

The lawsuit will have significant adverse financial impacts to both agencies, as well as the ratepayers and the community, and the City is seeking an alternative to litigation to resolve this dispute. Attached is the letter that was sent on September 14, 2016, by the City Council to the District Board, formally requesting that the District drop the lawsuit with terms that would allow the District to refile if agreement cannot be reached (UVSD Litigation Update Box File #1), as well as an informational piece that details the background/impacts (UVSD Litigation Update Box File #2).

On September 21, 2016, the City Council received a presentation (UVSD Litigation Update Box File #3) from staff that explained the relationship between the two agencies and provided responses to some of the most frequently asked questions about this matter to better inform the public about the consequences of the litigation. This information along with a video link to the September 21st presentation/discussion are accessible at <http://www.cityofukiah.com/projects/uvsd-vs-cou/>.

The UVSD submitted a letter dated September 20, 2016, (UVSD Litigation Update Box File #4) which inaccurately asserts that the City's request is for the District to drop the lawsuit until after the recycled water project funding is received. In fact, the City's request is for the District to dismiss its lawsuit and that the City and District devote their time, money and resources to solving the costly issues confronting the sewer system and improving their working relationship. The City's goal is to eliminate the lawsuit altogether. The City has offered to include terms that would allow the District to refile the lawsuit if the parties fail to reach agreement, but the City never suggested that the District would simply refile the lawsuit once State funding was obtained. Also, the City never suggested that dismissing the lawsuit is all that would be necessary to obtain State funding. In addition to dismissal of the lawsuit, there would have to be an agreement between the City and the District regarding the recycled water project that would satisfy the State Water Resources Control Board.

At the conclusion of the September 21st discussion, the Council directed the City Manager to contact the UVSD District Manager to explore possible alternatives. The City Manager attempted to contact the District Manager by email, but due to a reported medical leave, Mr. McMichael was not available to provide a timely/detailed response. On October 5th, the City Attorney received an email correspondence from Duncan James (Attorney representing the District) responding to the City Manager's email to Mr. McMichael. Mr. James indicated in the email that the District had accepted the City's request to meet and formed a committee consisting of Frank McMichael, District Manager; Jim Ronco, Board Chair; Bob Page, Board Member; and legal counsel. The City Manager issued a supplemental memo to the City Council for the October 5th City Council meeting regarding this email exchange and included a recommendation to Council for the formation of a City Council ad hoc committee to meet with the District (UVSD Litigation Update Box File #5). At the City Council meeting, Mr. Doug Losak with the Law Offices of Duncan James delivered and read aloud a letter containing some additional allegations, but in the end, agreed to meet with the City. The City Council formed an ad hoc committee consisting of Councilmembers Crane and Doble. The City immediately made efforts to schedule the first meeting between the District's committee and the City's ad hoc.

At the October 19, 2016, meeting, the City Council discussed the latest correspondence from the District including the District's request to hold the ad hoc meetings in private and require the City to consent to a confidentiality agreement. The City Manager provided the Council with the correspondence to date from the District regarding the confidentiality condition (UVSD Litigation Update Box File #6) for consideration. At the time of the meeting, the District had not provided a draft of the proposed confidentiality agreement. By consensus, the City Council continued to object to private meetings that do not provide the public with the opportunity to be informed. However, the City Council did direct the ad hoc to meet with the District's ad hoc to discuss the process for such meetings and report back to the City Council at its regular meeting on November 2, 2016.

Prior to the ad hoc meeting, the City Attorney received a letter from Duncan James' Office regarding the District's request for a confidentiality agreement for the ad hoc meetings along with a draft of the agreement (UVSD Litigation Update Box File #7). The City Attorney issued a response (UVSD Litigation Update Box File #8) indicating that such agreement would need to be discussed at the first joint ad hoc meeting and ultimately

considered by the City Council.

In addition, the City Council received correspondence from the District Manager related to the recycled water project dated October 21st (UVSD Litigation Update Box File #9). Most of the questions referenced in the letter had already been either answered or provided to the District. Nonetheless, City staff welcomed the dialogue and discussion in a sincere effort to move this critical project forward. Staff provided a response to the District Manager on October 27, 2016 (UVSD Litigation Update Box File #10).

On October 28, 2016, the City's ad hoc met with the District's ad hoc. At the meeting, the District presented the City with a take-it-or-leave-it condition imposing confidentiality on the ad hoc discussions.

On November 2nd and 4th, the City Council considered the District's confidentiality condition on the ad hoc discussions and approved a letter (UVSD Litigation Update Box File #11) that confirmed agreement to the condition if the District Board would agree to either stay further proceedings in the lawsuit or dismiss the lawsuit without prejudice. The City's proposal, if accepted, would halt the costly litigation fees currently being incurred by both agencies, but would not preclude the District from terminating the stay or refiling the lawsuit if the District wasn't satisfied with the discussions/negotiations. The District issued a response to the City's proposal on November 8, 2016 (UVSD Litigation Update Box File #12) that continues to impose a confidentiality condition on the joint ad hoc meetings. The District further stated "the lawsuit needs to otherwise remain in motion" except to provide a limitation on any discovery requests for a period of 4 weeks.

It's important to note that the District's legal team has predominately utilized the Public Information Act (PRA) rather than formal discovery to obtain information. Because the City of Ukiah is a public agency, the District's attorneys have used the PRA process to obtain information, which does not require the District to justify its requests by showing how they are relevant to the issues in the case. In a typical lawsuit, the discovery process is used to obtain documents and is overseen and controlled by the court to prevent burdensome or oppressive requests. The City continues to expense a tremendous amount of staff resources responding to the District's PRA requests for information dating back to 1955. To date, the District has submitted over 41 requests (with multiple parts) under the PRA process. The City has diligently been responding to the requests for the past 12 months. Suspension of the formal discovery process will not prevent the continued practice by the District nor will it limit the escalating litigation expenses during this proposed period.

With regard to the recycled water project, the City received additional correspondence from the District Manager indicating the need for more information (UVSD Litigation Update Box File #13). However, the correspondence did not identify any specific questions or information that had not otherwise been provided. The City Manager issued a response on November 15th (UVSD Litigation Update Box File #14) and included a BOX link to all relevant information on the recycled water project (<https://cityofukiah.box.com/v/uvsdpointsofinterest>). Most, if not all, of the information and/or documents have already been provided to the District. Furthermore, the City Manager requested a determination from the District regarding its position on the project and offered to provide any other information and/or presentations that would be necessary for a determination.

On November 16th, the City Council instructed the City Attorney to contact the lawyers for the Ukiah Valley Sanitation District to work out the details for mediating the outstanding disputes including selecting a mediator. Furthermore, and as a first step in the mediation, the City Council requested the District to provide a detailed written response and any counter proposals to the City's written proposal that was submitted to the District in March 2014, during the original mediation between the City and the District. On November 17th, the City Attorney sent correspondence to the UVSD's lawyer to initiate mediation as directed (UVSD Litigation Update Box File #15). As of the publication of the report for the December 7th City Council meeting, the District had not responded.

Additional correspondence between the City and District had also been exchanged related to the recycled water project (UVSD Litigation Update Box File #16 & #17). Despite continued attempts to engage and provide the

District with information, the District had yet to conclude that the recycled water project is the superior alternative of disposing treated wastewater. In an effort to bring this item to a conclusion, the City Manager proposed in a December 1st correspondence to the District Manager a joint meeting between the City Council and the District Board to discuss and resolve any remaining questions/issues related to the project. As of the publication of the report for the December 7th City Council meeting, the District had not responded.

Related to the Fiscal Year 16/17 Budget, the District has not yet identified the District's timeline for their previously identified budget review process that reportedly extends through various staff, committee and District Board stages before a final joint meeting with the City can be scheduled. The previously approved continuing resolution for the budget was scheduled to expire on December 31, 2016. The City had made inquiries as to the District's progress and anticipated review timeline (UVSD Litigation Update Box File #18). Staff recognized some level of District review was underway given recent engagement (since November 11th) on the budget, but the District Manager had not provided a timeline for completion of their review and/or indicated readiness for a joint budget meeting. As of the publication of the report for the December 7th City Council meeting, the District had not responded.

At the December 7th City Council meeting, the Council adopted a resolution to secure funding for the construction of the recycled water system using water revenues as an alternate to the City's wastewater revenues. While this was a less desirable option for securing project funding, it was considered a better alternative to losing the project funds altogether. The Ukiah Valley Sanitation District's lawsuit remains the only impediment to securing project funding with the wastewater revenues, given the City must be able to demonstrate to the State an unconstrained revenue source to guarantee repayment of the loan funds. City staff reported that they were vetting the details of the water revenue alternative with the State Water Resources Control Board. The UVSD continued to be unresponsive to the City Manager's proposal for a joint meeting between the City Council and the District Board to discuss and resolve any remaining questions/issues related to the recycled water project.

Related to the Fiscal Year 16/17 Budget, the City Council and the District Board approved a continuing budget resolution at their respective meetings on December 7th and December 27th. The City's continuing resolution was set to expire on January 18, 2017, unless otherwise extended. The City requested a joint meeting with the District Board prior to the expiration of the resolution. While the District had taken action to extend the continuing resolution beyond December 31, 2016, it had yet to identify a timeline for the completion of its budget review or response to the City's request for a joint meeting.

At the January 4, 2017, City Council meeting, the City Manager and staff reported that terms for mediation continue to be discussed and the District had not responded to the City's requests for a joint meeting on the Fiscal Year 16/17 budget or the recycled water project. It was further reported that the City received a notice from the District Chair related to communication in the absence of the District Manager due to an extended medical leave (UVSD Litigation Update Box File #19).

At the January 18, 2017, City Council meeting, the City Manager and staff reported that terms for mediation continue to be discussed and the District had not responded to the City's continued requests for a joint meeting on the Fiscal Year 16/17 budget or the recycled water project.

Development of the City's wastewater operating budget is a joint process between the City and the Ukiah Valley Sanitation District (UVSD). The process had been delayed significantly despite efforts by the City to move it forward expeditiously. In the interim, the City had been operating its wastewater enterprise on a continuing resolution, carrying forward the adopted appropriations from Fiscal Year 2015-16. At its meeting of December 7, 2016, the City Council determined that continuing to do so impeded its ability to effectively, efficiently, and responsibly provide wastewater services to the citizens of Ukiah and the UVSD and voted to move the budget process forward with its consideration and potential adoption at its regularly scheduled meeting on January 18, 2017. The City notified UVSD of its intentions and again called on it to schedule a meeting with the City Council

to complete the budget review process. As of the January 18th City Council meeting, the UVSD continued to be unresponsive to the requests to meet. As such, the City Council unilaterally considered and approved the FY 16-17 Wastewater Budget (UVSD Litigation Update Box File #20).

At the February 1, 2017, City Council meeting, the City Manager and staff reported that terms for mediation continue to be discussed with a location and mediator agreed to, but a date not finalized. Furthermore, the District had not responded to the City's continued requests for a joint meeting on the Fiscal Year 16/17 budget or the recycled water project.

At the February 15, 2017, City Council meeting, the City Attorney reported that a date (May 11th) had been finalized for the first session of mediation. In addition, the City had accepted the District's conditions that the mediation be subject to a confidentiality agreement in addition to the Evidence Code mediation privilege and to conduct the mediation in Santa Rosa using a mediator from the Judicial Arbitration and Mediation Service (JAMS). The City Manager also reported the District had not responded to the City's continued requests for a joint meeting on the Fiscal Year 16/17 budget or the recycled water project.

At the March 1, 2017, City Council Meeting, the City Manager reported that the District remains nonresponsive to the requests for a joint meeting on the Fiscal Year 16/17 budget and recycled water project.

At the March 15, 2017, City Council Meeting, the City Manager reported the District continues to remain nonresponsive to the City's requests for a joint meeting on the Fiscal Year 16/17 budget and recycled water project. The City Manager also reported that District Manager McMichael had responded to the City's request for a staff meeting to prepare the bid package to rebid the installation of the barscreen at the Wastewater Treatment Plant as previously directed by the City Council and District Board. The barscreen meeting took place on the morning of March 15th.

At the April 5, 2017, City Council Meeting, the City Manager reported that the District continues to remain nonresponsive to the City's requests for a joint meeting on the Fiscal Year 16/17 budget and recycled water project. At the District's March 16, 2017 Board meeting, the City Manager reiterated the City's request for the joint meeting during public comment on non-agenda items. In addition, the City continues to be available and responsive to budget and billing inquiries from Mr. Dickerson and public information requests from the District's legal counsel, although none have been received in the past two weeks.

At the April 19, 2017, City Council Meeting, the City Manager reported that the District continues to remain nonresponsive to the City's requests for a joint meeting on the Fiscal Year 16/17 budget and recycled water project. In addition, the City has provided the District with a timeline for the City's proposed FY 17-18 Budget process and has sought input on how/when the District would prefer to coordinate the development and joint review of next year's FY 17-18 wastewater budget (UVSD Litigation Update Box File #21).

At the May 3, 2017, City Council Meeting, the City Manager reported that the UVSD continues to be nonresponsive to the City's ongoing requests for a joint meeting on the FY 16-17 Budget and recycled water project. In addition, the District has been nonresponsive to the City's request to engage in the development and joint review of the FY 17-18 wastewater budget. Furthermore, it was reported that the District was unwilling to provide details related to the maintenance of customer billing accounts as demonstrated by the District's refusal to share refund calculations and methodology related to a sizable refund reportedly authorized by the District at their January 19, 2017, board meeting. Given the District's uncooperative approach regarding account information through customary administrative communication, the City was forced to seek the information through a Public Records Act (PRA) request. Since the May 3rd meeting, the District has provided a response to the PRA request which is currently being reviewed by City staff.

At the May 17, 2017, City Council Meeting, the City Manager reported that mediation regarding the litigation resumed on May 11, 2017, and continues with the efforts remaining confidential due to the rules established for the meetings. In addition, the District remains nonresponsive to the City's ongoing request for a joint meeting

on the FY 16-17 budget and recycled water project. The District also continues to be nonresponsive to the City's numerous requests for engagement in the development and joint review of the FY 17-18 wastewater budget. Correspondence has been sent to the District detailing the budget development schedule and budget related items on the City Council's agenda, inclusive of the following dates:

- March 13-17: Budget Training in Munis
- March 20-31: First-round budget meetings
- March 31: Deadline for personnel requests for budget
- Friday April 7: Budget entry due. Budget will be locked to departments to allow for further processing and analysis by Finance
- April 17-28: Second-round budget meetings
- Wednesday, May 17: Budget 101 with Council
- May 19: Comment period on budget document closes
- June 7: First budget hearing and workshop with Council
- June 14: Final budget hearing with Council and adoption (tentative)

At the June 7, 2017, City Council Meeting, the City Manager reported the District continues to be nonresponsive to the City's request for a joint meeting regarding the current year budget, the recycled water project and the development of next fiscal year's budget. The City Attorney also reported that the mediation process is ongoing.

At the June 21, 2017, City Council Meeting, the City Manager again reported that the District continues to be unresponsive to the City's request for a joint meeting regarding the current year budget, the recycled water project and the development of next fiscal year's budget. In addition, Director White has sent correspondence to the District regarding the need for joint approval of the barscreen installation bid, given the \$100,000 Participation Agreement threshold for capital items. The City Council considered and approved the item at the June 21st meeting, but the District will need to approve the project if it is to proceed.

At the July 5, 2017, City Council meeting, the City Manager again reported that the District continues to be unresponsive to the City's request for a joint meeting regarding the current year budget, the recycled water project and the development of next fiscal year's budget. Given the continued lack of response from the District, the City Council, at its meeting of June 21, 2017, approved the Fiscal Year 17-18 budget inclusive of the budget for wastewater. The City continues to seek cooperation from the District, but delaying approval of the budget impedes the City's ability to effectively, efficiently, and responsibly provide wastewater services to the citizens of Ukiah and the UVSD.

In addition, the District had not yet considered the barscreen installation bid which requires joint approval. Director White has sent correspondence to the District regarding the need for joint approval of the barscreen installation bid, given the \$100,000 Participation Agreement threshold for capital items. The City Council considered and approved the item at the June 21st meeting, but the District will need to approve the project if it is to proceed.

The City Manager also reported the second mediation date is scheduled for July 14, 2017.

Furthermore, UVSD Director Marshall has contacted the City requesting a tour be scheduled for the District's new interim manager. The City is responding to coordinate the request.

At the July 19, 2017, City Council meeting, the City Manager again reported that the District continues to be unresponsive to the City's request for a joint meeting regarding the Fiscal Year 16-17 budget, 17-18 budget, and the recycled water project. In addition, a tour of the Wastewater Treatment Plant was given to the new District Manager and UVSD Board Member Marshall. Mediation meetings continue, but no public reports are available. The candidate filing period for 3 of the 5 District Board seats for the November 7th Election is open from July 17 - August 11.

At the August 2nd, 2017, City Council meeting, the City Manager again reported that the District continues to be unresponsive to the City's request for a joint meeting regarding the Fiscal Year 16-17 budget, 17-18 budget, and the recycled water project. City representatives attended the UVSD Board Meeting on July 20, 2017, and again requested cooperation from the District.

Regarding the barscreen rebid, the City Manager reported: On June 21st, the City Council approved the award of contract to Fort Bragg Electric for the installation of a barscreen at the Wastewater Treatment Plant. The award was contingent upon the District taking corresponding action of which they were informed. Due to an extended delay and no response from the UVSD, the City requested an extension of the expiring bid from the contractor to afford the District additional time to take action. The District approved the contract at its July 20, 2017, Board Meeting and the project will proceed.

Regarding the litigation Impact, the City Manager reported: Staff completed an updated estimate of legal related expenses associated with the Ukiah Valley Sanitation District. Estimates demonstrated that the Ukiah Valley Sanitation District is closing in on \$4 million dollars of legal related expenses with over \$3.3 million directly paid to the Law Offices of Duncan James (UVSD Litigation Update Box File #22). In defense of the District's legal actions, the City has expended approximately \$814,000. On a cost per account base evaluation, this equates to \$1,225.55 per District customer account and \$207.39 per City customer account.

At the August 16, 2017, City Council meeting, the City Manager again reported that the District continues to be unresponsive to the City's request for a joint meeting regarding the Fiscal Year 16-17 budget, 17-18 budget, and the recycled water project. However, discussions related to mediation continue. Furthermore, City representatives continue to attend the UVSD Board Meetings in an effort to seek an improved working relationship.

At the September 6, 2017, City Council meeting, the City Manager again reported that the District continues to be unresponsive to the City's request for a joint meeting regarding the Fiscal Year 16-17 budget, 17-18 budget, and the recycled water project. With regard to mediation, representatives of the City of Ukiah and the Ukiah Valley Sanitation District continue to have meetings, but because of the confidential nature of mediations, the parties cannot reveal any further information. On the administrative front, the City Manager and Joe Tait, the new District Manager had a meeting on August 24, 2017. While the meeting was an initial meet and greet, both Mr. Tait and the City Manager expressed a desire to improve the working relationship between the two agencies. Earlier in the week, Mr. Tait also met with engineering staff to review operational processes and procedures.

During this reporting period, the City responded to the District's request for a draw on available, unencumbered District funds held by the City in the amount of \$4,544,482. Pursuant to the Participation Agreement, as amended and the Financing Agreement between the City of Ukiah and the Ukiah Valley Sanitation District, the City issued a check on August 30, 2017, per the District's final instructions received on that same day.

At the September 20, 2017, City Council meeting, the City Manager again reported that the District continues to be unresponsive to the City's request for a joint meeting regarding the Fiscal Year 16-17 budget, 17-18 budget, and the recycled water project.

During the previous reporting period, the City responded to the District's request for a draw on available, unencumbered District funds held by the City in the amount of \$4,544,482. Pursuant to the Participation Agreement, as amended and the Financing Agreement between the City of Ukiah and the Ukiah Valley Sanitation District, the City issued a check on August 30, 2017, per the District's final instructions received on that same day.

Over the course of the two weeks leading up to the City Council meeting on September 20th, the District made a number of false claims related to their draw on District funds in an effort to justify their continued legal action

against the City. The press release that fully describes this issue is included in the Litigation Files as UVSD Litigation Update Box File #23.

Mediation continues, but the litigation activities are escalating as the March 2018 trial date nears. The high cost of litigation could be avoided if the District were to agree to focus on mediation efforts and put a hold on the trial. The City's Director of Finance gave an updated presentation on the impacts of the District's litigation (UVSD Litigation Update Box File #24).

The City Council had previously requested the District put a hold on litigation activities over a year ago and the District opposed the request. The City Council issued a new request on September 21, 2017 (UVSD Litigation Update Box File #25) in hopes the parties could agree to focus efforts on resolution and stay the litigation activities in an effort to avoid the high costs a trial.

At the October 4, 2017, City Council meeting, the City Manager again reported that the District continues to be unresponsive to the City's request for a joint meeting regarding the Fiscal Year 16-17 budget, 17-18 budget, and the recycled water project. As of mid September 2017, the Ukiah Valley Sanitation District had spent nearly \$4,126,971 in legal fees, with \$3,426,487 paid directly to the Law Offices of Duncan James. Litigation activities were reported to be escalating as a trial date nears. The mounting legal expenses could be avoided if the District were to agree to focus on mediation efforts and put a hold on the litigation. As of that meeting, the District had not responded to the most recent request from the City Council to put the litigation on hold. In addition, the paid advertisements from the District continued through this period across multiple media platforms with a continued attempt on justifying their litigation.

At the October 18, 2017, City Council meeting, the City Manager again reported that the District continues to be unresponsive to the City's request for a joint meeting regarding the Fiscal Year 16-17 budget, 17-18 budget, and the recycled water project. As of mid September 2017, the Ukiah Valley Sanitation District had spent nearly \$4,232,610 in legal fees, with \$3,524,988 paid directly to the Law Offices of Duncan James. On a cost-per-utility customer account evaluation, this equates to \$1,321 per District customer account.

Litigation activities continue and are quickly escalating as a trial date nears. The mounting legal expenses could be avoided if the District were to agree to focus on mediation efforts and put a hold on the litigation. The City had previously made this request and issued a new request following the conclusion of the last City Council meeting (UVSD Litigation Update Box File #25). Unfortunately, mediation efforts are significantly being displaced by the litigation. To date, the District has not responded directly to the most recent request from the City Council to put the litigation on hold and focus all efforts on mediation.

At a special meeting on October 11, 2017, the Ukiah Valley Sanitation District voted in favor of contract amendments to their contract for legal services with Law Office of Duncan James. In addition, the Board voted to change their regular meeting time to the 3rd Wednesdays of the month at 6pm which is in direct conflict with the regular City Council meetings.

The District continues to utilize a paid media consultant and paid ads in the Ukiah Daily Journal, Hometown Shopper and social media to justify the continued legal action against the City. The ads contain false, partial and manipulated information.

The City's Finance Director again reported on the impacts litigation has on the refinancing of the wastewater treatment plant bonds. A current review by Director Buffalo demonstrates that refinancing would not be feasible given the litigation in that the rates would not be advantageous due to a diminished rating. In addition, it would be difficult to secure insurance and underwriting given the risk to investors created by the District's litigation efforts.

At the November 1, 2017, City Council meeting, the City Manager again reported that the District continues to be unresponsive to the City's request for a joint meeting regarding the Fiscal Year 16-17 budget, 17-18 budget,

and the recycled water project.

The City of Ukiah continues to contend that the lawsuit is unnecessary, and is seeking cooperation with the District to settle the dispute outside of litigation. As of the end of September 2017, the Ukiah Valley Sanitation District had spent nearly \$4,232,610 in legal fees, with \$3,524,988 paid directly to the Law Offices of Duncan James. On a cost-per-utility customer account evaluation, this equates to \$1,321 per District customer account.

During this period, litigation activities continued and escalated as the trial date nears with a number of depositions completed and scheduled. Mediation efforts were significantly being displaced by the litigation. The District had not responded directly to the most recent request from the City Council to put the litigation on hold and focus all efforts on mediation (UVSD Litigation Update Box Filet #25).

The District continued to utilize a paid media consultant and paid ads in the Ukiah Daily Journal, Hometown Shopper and social media to justify the continued legal action against the City. The ads contained false, partial and manipulated information.

At the November 15, 2017, City Council meeting, the City Attorney reported that there was a case management conference at which the court continued the trial date from March 29th to June 22nd while the City and District continue to be engaged in on-going settlement negotiations. The court ordered a mandatory settlement conference to occur not later than January 5th, and continued the case management conference to January 8th, to report to the court on the status.

Discussion: At the December 6, 2017, City Council meeting, Staff will provide the latest status report on Ukiah Valley Sanitation District's litigation against the City of Ukiah related to the operation of the sanitary sewer system. The Council may elect to discuss the matter further and, if desired, provide direction to Staff and/or consider any related action(s).

As part of this agenda item, the Council does not intend to consult with legal counsel regarding the litigation itself and does not intend to waive evidentiary privileges for attorney-client communication or attorney work product.

UVSD Litigation Update Box Files located at:

<https://cityofukiah.box.com/v/UVSDlitigationUpdates>



AGENDA SUMMARY REPORT

SUBJECT: Approval of the November 15, 2017, Regular Meeting Minutes

DEPARTMENT: Clerk/Admin

PREPARED BY: Kristine Lawler

ATTACHMENTS:

[Attachment 1 - November 15, 2017, Draft Minutes](#)

Summary: Council will consider approving the Minutes of November 15, 2017, a Regular Meeting.

Background: N/A

Discussion: N/A

RECOMMENDED ACTION: Approve the Minutes of November 15, 2017, a Regular Meeting, as submitted.

BUDGET AMENDMENT REQUIRED: No

CURRENT BUDGET AMOUNT: N/A

PROPOSED BUDGET AMOUNT: N/A

FINANCING SOURCE: N/A

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH: Kristine Lawler, City Clerk

Approved: _____


Sage Sangiacomo, City Manager

**CITY OF UKIAH
CITY COUNCIL MINUTES
Regular Meeting
CIVIC CENTER COUNCIL CHAMBERS
300 Seminary Avenue
Ukiah, CA 95482
November 15, 2017
6:00 p.m.**

1. ROLL CALL

2. PLEDGE OF ALLEGIANCE

Ukiah City Council met at a Regular Meeting on November 1, 2017, having been legally noticed on November 9, 2017. Mayor Brown called the meeting to order at 6:01 p.m. Roll was taken with the following **Councilmembers Present:** Stephen G. Scalmanini, Douglas F. Crane, Maureen Mulheren, Kevin Doble, and Jim O. Brown. **Staff Present:** Sage Sangiacomo, City Manager; David Rapport, City Attorney; and Kristine Lawler, City Clerk.

MAYOR BROWN PRESIDING.

The Pledge of Allegiance was led by Vice Mayor Doble.

Mayor Brown led a moment of silence for former Councilmember and Mayor, Benj Thomas. Councilmember Crane commented on having served with Benj on the Council and appreciated his insights and kind heart.

3. PROCLAMATIONS/INTRODUCTIONS/PRESENTATIONS

a. Status Report, Discussion and Possible Action Regarding the Ukiah Valley Sanitation District's Litigation Against the City of Ukiah Related to the Operation of the Sanitary Sewer System – Administration.

Presenter: Sage Sangiacomo, City Manager.

4. PETITIONS AND COMMUNICATIONS

5. APPROVAL OF MINUTES

a. Approval of the November 1, 2017, Regular Meeting Minutes.

b. Approval of the November 6, 2017, Special Meeting Minutes.

Motion/Second: Crane/Doble to approve Minutes of November 1, 2017, a regular meeting, with the mentioned administrative correction; and November 6, 2017, a Special meeting, as submitted. Motion **carried** by the following roll call votes: AYES: Scalmanini, Crane, Mulheren, Doble and Brown. NOES: None. ABSENT: None. ABSTAIN: None.

6. RIGHT TO APPEAL DECISION

7. CONSENT CALENDAR

Public Comment: Barry Vogel.

a. Report of Disbursements for the Month of October 2017 - Finance.

- b. Approval of Notice of Completion for the Perkins Street Underground District #2 Project, Specification No. 14-15, and Approval of Final Payment of the 5% Retention to Coastsides Concrete (EUD) – *Electric Utility*.
- c. Approve the Purchase of Printing Services (COU No. 1718-145) for the Activities and Recreation Guide from Wesco Graphics in the Amount of \$45,127.62 Plus Tax – *Community Services*.
- d. Approval of Ukiah Valley Fire District and City of Ukiah Employee Transfer Agreement (COU No. 1718-146) – *Administration and Fire*.
- e. ~~Possible Adoption of an Ordinance of the City Council of the City of Ukiah Amending Section 3951 of Article 1 to Chapter 6 in Division 4 of the Ukiah City Code, Regarding the Requirements for Notice of a Proposed Utility Rate Change – Finance. – Pulled by public citizen, Barry Vogel, and placed as Agenda Item 13b.~~
- f. Notification to City Council of Amendment No. 2 for Contract #1617-220 (COU No. 1617-220-A2), with Lee Mechanical, Inc. for the Repair of 54-inch Valve Bearing for a Total Contract Amount of \$15,989.56 (EUD) – *Electric Utility*.

Motion/Second: Crane/Doble to approve Consent Calendar Items 7a-d, and 7f, as submitted. Motion **carried** by the following roll call votes: AYES: Scalmanini, Crane, Mulheren, Doble, and Brown. NOES: None. ABSENT: None. ABSTAIN: None.

8. **AUDIENCE COMMENTS ON NON-AGENDA ITEMS**

No public comment was received.

9. **COUNCIL REPORTS**

Presenters: Councilmembers Crane and Scalmanini.

8. **AUDIENCE COMMENTS ON NON-AGENDA ITEMS - Continued**

Public Comment: Barry Vogel – Garbage and collection rate change. (*Mr. Vogel submitted a Public Record Act request to the clerk.*)

10. **CITY MANAGER/CITY CLERK REPORTS**

Presenters: Sage Sangiacomo, City Manager; Kirk Thomsen, Interim Fire Chief; and Kristine Lawler, City Clerk.

13. **NEW BUSINESS**

b. Possible Adoption of an Ordinance of the City Council of the City of Ukiah Amending Section 3951 of Article 1 to Chapter 6 in Division 4 of the Ukiah City Code, Regarding the Requirements for Notice of a Proposed Utility Rate Change – Finance (From Consent Calendar Agenda Item 7e.)

Presenter: David Rapport, City Attorney.

Public Comment: Barry Vogel.

Motion/Second: Crane/Scalmanini to adopt the Utility Rate Change Ordinance. Motion **carried** by the following roll call votes: AYES: Scalmanini, Crane, Mulheren, Doble, and Brown. NOES: None. ABSENT: None. ABSTAIN: None.

ORDINANCE 1184

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF UKIAH AMENDING SECTION 3951 OF ARTICLE 1 TO CHAPTER 6 IN DIVISION 4 OF THE UKIAH CITY CODE, REGARDING THE REQUIREMENTS FOR NOTICE OF A PROPOSED UTILITY RATE CHANGE

11. PUBLIC HEARINGS 6:15 PM)

a. Discussion and Possible Adoption of Resolution Amending Aviation Fuel Prices at the Ukiah Regional Airport.

Presenter: Greg Owen, Airport Manager.

PUBLIC HEARING OPENED AT 6:27 P.M.

Public Comment: *No public comment was received.*

PUBLIC HEARING CLOSED AT 6:30 P.M.

Motion/Second: Crane/Scalmanini to adopt the Resolution (2017-53) amending the aviation fuel prices at the Ukiah Regional Airport. Motion **carried** by the following roll call votes: AYES: Scalmanini, Crane, Mulheren, Doble, and Brown. NOES: None. ABSENT: None. ABSTAIN: None.

b. Conduct a Public Hearing and Adopt Resolution to Establish the Gobbi Street Underground District No. 3 Gobbi Street from Orchard Ave. to State Street Including Sections of Main Street and Leslie Street, Its Boundaries, Proposed Schedule. (EUD)

Presenter: Mel Grandi, Electric Utility Director.

PUBLIC HEARING OPENED AT 6:31 P.M.

Public hearing was continued to later in the meeting due to technical difficulties.

12. UNFINISHED BUSINESS

a. Conduct Interviews, Review the Nomination Received, and Adopt a Resolution Making an Appointment to the Parks, Recreation, and Golf Commission.

Presenter: Kristine Lawler, City Clerk.

Public Comment: Henry Sadowski and John Johns.

Motion/Second: Mulheren/Crane to approve the nomination and adopt the proposed resolution (2017-54) appointing Henry Sadowski to the Parks, Recreation, and Golf Commission with a term ending November 15, 2020. Motion **carried** by the following roll call votes: AYES: Scalmanini, Crane, Mulheren, Doble, and Brown. NOES: None. ABSENT: None. ABSTAIN: None.

11. PUBLIC HEARINGS - Continued

b. Conduct a Public Hearing and Adopt Resolution to Establish the Gobbi Street Underground District No. 3 Gobbi Street from Orchard Ave. to State Street Including Sections of Main Street and Leslie Street, Its Boundaries, Proposed Schedule. (EUD)

Presenter: Mel Grandi, Electric Utility Director.

Public hearing was continued to later in the meeting due to additional technical difficulties.

12. UNFINISHED BUSINESS - Continued

b. Discussion and Request for Direction on the Proposed Cannabis Cultivation Ordinance.

Presenters: Darcy Vaughn, Assistant City Attorney, and Craig Schlatter, Community Development Director.

Public Comment: Pinky Kushner; Nicole Gilentzer, Ukiah Unified School District; and Don Crawford.

Council Consensus to direct staff to bring the ordinance for introduction at the December 6, 2017, meeting, and include language defining an immature plant as a plant that hasn't flowered and is no more than a foot high and a foot wide. Councilmembers wishing to submit additional language to be considered, will do so as soon as possible.

RECESS 7:34 – 7:44 P.M.

11. PUBLIC HEARINGS - Continued

b. Conduct a Public Hearing and Adopt Resolution to Establish the Gobbi Street Underground District No. 3 Gobbi Street from Orchard Ave. to State Street Including Sections of Main Street and Leslie Street, Its Boundaries, Proposed Schedule. (EUD)

Presenters: Mel Grandi, Electric Utility Director; Al Smatsky, Electric Projects Designer; and Diann Lucchetti, Administrative Secretary.

PUBLIC HEARING CONTINUED FROM 6:31 P.M. (Earlier in the meeting.)

Public Comment: John Kuhry, Economic Development and Financing Corporation (EDFC).

PUBLIC HEARING CLOSED AT 8:03 P.M.

Motion/Second: Doble/Crane to continue the public hearing to the December 6, 2017, City Council meeting, for modifications to include Marshall Street and notifications to property owners. Motion **carried** by the following roll call votes: AYES: Scalmanini, Crane, Mulheren, Doble, and Brown. NOES: None. ABSENT: None. ABSTAIN: None.

12. UNFINISHED BUSINESS - Continued

c. Receive Report Regarding the Economic Development and Financing Corporation (EDFC); Consideration of Request for Funding from EDFC; and Request for Authorization for the City Manager to Negotiate and Execute Performance Agreement Between the City of Ukiah and EDFC.

Presenter: Shannon Riley, Deputy City Manager.

EDFC Representative: Diane Simmons, Economic Development Financing Corporation (EDFC) Program Director.

Public Comment: John Kuhry, EDFC Boardmember.

Motion/Second: Crane/Doble to approve the expenditure to the Economic Development and Financing Corporation (EDFC) (\$12,000 for the 17/18 fiscal year), and authorize the City Manager to negotiate and execute Performance Agreement (*COU No. 1718-147*) between the City of Ukiah and EDFC. Motion **carried** by the following roll call votes: AYES: Scalmanini, Crane, Mulheren, Doble, and Brown. NOES: None. ABSENT: None. ABSTAIN: None.

Council Consensus directs staff to work with EDFC and the other jurisdictions to create a better performance agreement before the February budget/goal priority setting workshop.

13. NEW BUSINESS - Continued

a. Discussion of the Fiscal Year 2018-19 Budget Development Schedule.

Presenter: Daphne Harris, Finance Management Analyst.

Council Consensus to accept the budget development and adoption schedule for the 2018-19 fiscal year.

CITY COUNCIL ADJOURNED TO CLOSED SESSION AT 9:10 P.M.

14. CLOSED SESSION

a. Conference with Legal Counsel – Existing Litigation

(*Cal. Gov't Code Section 54956.9(d)(1)*)

Name of case: *City of Ukiah v. Questex, LTD, et al, Mendocino County Superior Court, Case No.*

SCUK- CVPT-15-66036 (Palace Hotel)

b. Conference with Legal Counsel – Existing Litigation

(Government Code Section 54956.9(d)(1))

Name of case: *Ukiah Valley Sanitation District v. City of Ukiah*, Sonoma County Superior Court,
Case No. SCV 256737 (UVSD)

c. Conference with Real Property Negotiators

(Cal. Gov't Code Section 54956.8)

Property: 429 South Dora St. Ukiah, CA 95482

Negotiator: Sage Sangiacomo, City Manager;

Negotiating Parties: City of Ukiah and Ukiah Unified School District;

Under Negotiation: Price & Terms of Payment

15. ADJOURNMENT

There being no further business, the meeting adjourned at 9:40 p.m.

Kristine Lawler, City Clerk



AGENDA SUMMARY REPORT

SUBJECT: Notification of Purchase of Professional Services from Crawford & Associates for On-Call Planning Services in the Amount of Up To \$20,000

DEPARTMENT: Community Development

PREPARED BY: Craig Schlatter

ATTACHMENTS:

[Attachment 1 - C#1718128 - Crawford - Planning Services](#)

Summary: Council will Receive Notification of Purchase of Professional Services from Crawford & Associates in the Amount of up to \$20,000 for On-Call Planning Services.

Background: In the years following the economic recovery, the Planning Division of the Community Development Department has seen a steady increase in the number of current planning project applications. Approximately two months ago, the Division was processing a total of 17 applications at that time. Since then, the number is averaging between 15 to 20 projects during any given period. For the Division to focus on long-term planning while also ensuring applications for new development are processed in a timely manner, additional on-call planning services that can be immediately available and deployed are needed.

Discussion: The contract between the City and Crawford & Associates is for an amount of up to \$20,000 (please see Attachment 1). This is a standard contract ceiling for the City of Ukiah. A budget amendment is not requested at this time because Staff does not feel the amount of on-call planning services will exceed the

RECOMMENDED ACTION: Receive Report for the Purchase of Professional Services from Crawford & Associates for On-Call Planning Services in the Amount of Up To \$20,000.

BUDGET AMENDMENT REQUIRED: No

CURRENT BUDGET AMOUNT: \$14,000 - Acct #10023100.52100

PROPOSED BUDGET AMOUNT: \$14,000

FINANCING SOURCE: N/A

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH: Mary Horger, Procurement Manager

Approved: _____


Sage Sangiacomo, City Manager

budgeted amount of \$14,000 or that costs could not be covered through targeted savings from other line items in the Department's approved operational allocation.

COU No. 1718128

AGREEMENT FOR PROFESSIONAL CONSULTING SERVICES

This Agreement, made and entered into this 13th day of October, 2017 ("Effective Date"), by and between CITY OF UKIAH, CALIFORNIA, hereinafter referred to as "City" and Crawford & Associates, Inc., a corporation organized and in good standing under the laws of the state of California, hereinafter referred to as "Consultant".

RECITALS

This Agreement is predicated on the following facts:

- a. City requires consulting services related to on-call planning services.
- b. Consultant represents that it has the qualifications, skills, experience and properly licensed to provide these services, and is willing to provide them according to the terms of this Agreement.
- c. City and Consultant agree upon the Scope-of-Work and Work Schedule attached hereto as Attachment "A", describing contract provisions for the project and setting forth the completion dates for the various services to be provided pursuant to this Agreement.

TERMS OF AGREEMENT

1.0 DESCRIPTION OF PROJECT

- 1.1 The Project is described in detail in the attached Scope-of-Work (Attachment "A").

2.0 SCOPE OF SERVICES

- 2.1 As set forth in Attachment "A".
- 2.2. Additional Services. Additional services, if any, shall only proceed upon written agreement between City and Consultant. The written Agreement shall be in the form of an Amendment to this Agreement.

3.0 CONDUCT OF WORK

- 3.1 Term. The term of this agreement begins on the Effective Date and shall continue for an indefinite term and until terminated in accordance with paragraph 7.09.
- 3.2 Time of Completion. Consultant shall commence performance of services as required by the Scope-of-Work upon receipt of a Notice to Proceed from City. Consultant shall complete each task to the City's reasonable satisfaction, even if contract disputes arise or Consultant contends it is entitled to further compensation.

4.0 COMPENSATION FOR SERVICES

- 4.1 Basis for Compensation. For the performance of the professional services of this Agreement, Consultant shall be compensated on a time and expense basis at a guaranteed maximum amount of \$20,000. Labor charges shall be based upon hourly billing rates for the various classifications of personnel employed by Consultant to perform the Scope of Work as set forth in the attached Attachment B, which shall include

all indirect costs and expenses of every kind or nature, except direct expenses. The direct expenses and the fees to be charged for same shall be as set forth in Attachment "B". The specifics of the requested services, time frame, and costs will be established with each service requested by the City under the Scope of Work identified in Attachment "A".

- 4.2 Changes. Should changes in compensation be required because of changes to the Scope-of-Work of this Agreement, the parties shall agree in writing to any changes in compensation. "Changes to the Scope-of-Work" means different activities than those described in Attachment "A" and not additional time to complete those activities than the parties anticipated on the date they entered this Agreement.
- 4.3 Sub-contractor Payment. The use of sub-consultants or other services to perform a portion of the work of this Agreement shall be approved by City prior to commencement of work. The cost of sub-consultants shall be included within guaranteed not-to-exceed amount set forth in Section 4.1.
- 4.4 Terms of Payment. Payment to Consultant for services rendered in accordance with this contract shall be based upon submission of monthly invoices for the work satisfactorily performed prior to the date of the invoice less any amount already paid to Consultant, which amounts shall be due and payable thirty (30) days after receipt by City. The invoices shall provide a description of each item of work performed, the time expended to perform each task, the fees charged for that task, and the direct expenses incurred and billed for. Invoices shall be accompanied by documentation sufficient to enable City to determine progress made and to support the expenses claimed.

5.0 ASSURANCES OF CONSULTANT

- 5.1 Independent Contractor. Consultant is an independent contractor and is solely responsible for its acts or omissions. Consultant (including its agents, servants, and employees) is not the City's agent, employee, or representative for any purpose.

It is the express intention of the parties hereto that Consultant is an independent contractor and not an employee, joint venturer, or partner of City for any purpose whatsoever. City shall have no right to, and shall not control the manner or prescribe the method of accomplishing those services contracted to and performed by Consultant under this Agreement, and the general public and all governmental agencies regulating such activity shall be so informed.

Those provisions of this Agreement that reserve ultimate authority in City have been inserted solely to achieve compliance with federal and state laws, rules, regulations, and interpretations thereof. No such provisions and no other provisions of this Agreement shall be interpreted or construed as creating or establishing the relationship of employer and employee between Consultant and City.

Consultant shall pay all estimated and actual federal and state income and self-employment taxes that are due the state and federal government and shall furnish and pay worker's compensation insurance, unemployment insurance and any other benefits required by law for himself and his employees, if any. Consultant agrees to indemnify and hold City and its officers, agents and employees harmless from and against any claims or demands by federal, state or local government agencies for any such taxes or benefits due but not paid by Consultant, including the legal costs associated with defending against any audit, claim, demand or law suit.

Consultant warrants and represents that it is a properly licensed professional or professional organization with a substantial investment in its business and that it maintains its own offices and staff which it will use in performing under this Agreement.

- 5.2 Conflict of Interest. Consultant understands that its professional responsibility is solely to City. Consultant has no interest and will not acquire any direct or indirect interest that would conflict with its performance of the Agreement. Consultant shall not in the performance of this Agreement employ a person having such an interest. Consultant shall not use any information, not available to the general public, which Consultant receives in the course of providing services under this Agreement in representing any other clients of the Consultant and shall decline to provide services to any other of its clients, if any such client has any interest in or will be affected by a planning matter for which Consultant has provided services pursuant to this Agreement. If the City Manager determines that the Consultant has a disclosure obligation under the City's local conflict of interest code, the Consultant shall file the required disclosure form with the City Clerk within 10 days of being notified of the City Manager's determination.

6.0 INDEMNIFICATION

- 6.1 Insurance Liability. Without limiting Consultant's obligations arising under Paragraph 6.2 Consultant shall not begin work under this Agreement until it procures and maintains for the full period of time allowed by law, surviving the termination of this Agreement insurance against claims for injuries to persons or damages to property, which may arise from or in connection with its performance under this Agreement.

A. Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. Insurance Services Office ("ISO) Commercial General Liability Coverage Form No. CG 20 10 10 01 and Commercial General Liability Coverage – Completed Operations Form No. CG 20 37 10 01.
2. ISO Form No. CA 0001 (Ed. 1/87) covering Automobile Liability, Code 1 "any auto" or Code 8, 9 if no owned autos and endorsement CA 0025.
3. Worker's Compensation Insurance as required by the Labor Code of the State of California and Employers Liability Insurance.
4. Errors and Omissions liability insurance appropriate to the consultant's profession. Architects' and engineers' coverage is to be endorsed to include contractual liability.

B. Minimum Limits of Insurance

Consultant shall maintain limits no less than:

1. General Liability: \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage including operations, products and completed operations. If Commercial General Liability Insurance or other form with a general aggregate limit is used, the general aggregate limit shall apply separately to the work performed

under this Agreement, or the aggregate limit shall be twice the prescribed per occurrence limit.

2. Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage.
3. Worker's Compensation and Employers Liability: Worker's compensation limits as required by the Labor Code of the State of California and Employers Liability limits of \$1,000,000 per accident.
4. Errors and Omissions liability: \$1,000,000 per occurrence.

C. Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of the City, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects to the City, its officers, officials, employees and volunteers; or the Consultant shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

D. Other Insurance Provisions

The policies are to contain, or be endorsed to contain, the following provisions:

1. General Liability and Automobile Liability Coverages
 - a. The City, its officers, officials, employees and volunteers are to be covered as additional insureds as respects; liability arising out of activities performed by or on behalf of the Consultant, products and completed operations of the Consultant, premises owned, occupied or used by the Consultant, or automobiles owned, hired or borrowed by the Consultant for the full period of time allowed by law, surviving the termination of this Agreement. The coverage shall contain no special limitations on the scope-of-protection afforded to the City, its officers, officials, employees or volunteers.
 - b. The Consultant's insurance coverage shall be primary insurance as respects to the City, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees or volunteers shall be in excess of the Consultant's insurance and shall not contribute with it.
 - c. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the City, its officers, officials, employees or volunteers.
 - d. The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

2. Worker's Compensation and Employers Liability Coverage

The insurer shall agree to waive all rights of subrogation against the City, its officers, officials, employees and volunteers for losses arising from Consultant's performance of the work, pursuant to this Agreement.

3. Professional Liability Coverage

If written on a claims-made basis, the retroactivity date shall be the effective date of this Agreement. The policy period shall extend from the Effective Date to one year after the termination of this Agreement.

4. All Coverages

Each Insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City.

E. Acceptability of Insurers

Insurance is to be placed with admitted California insurers with an A.M. Best's rating of no less than A- for financial strength, AA for long-term credit rating and AMB-1 for short-term credit rating.

F. Verification of Coverage

Consultant shall furnish the City with Certificates of Insurance and with original Endorsements effecting coverage required by this Agreement. The Certificates and Endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The Certificates and Endorsements are to be on forms provided or approved by the City. Where by statute, the City's Workers' Compensation - related forms cannot be used, equivalent forms approved by the Insurance Commissioner are to be substituted. All Certificates and Endorsements are to be received and approved by the City before Consultant begins the work of this Agreement. The City reserves the right to require complete, certified copies of all required insurance policies, at any time. If Consultant fails to provide the coverages required herein, the City shall have the right, but not the obligation, to purchase any or all of them. In that event, the cost of insurance becomes part of the compensation due the contractor after notice to Consultant that City has paid the premium.

G. Subcontractors

Consultant shall include all subcontractors or sub-consultants as insured under its policies or shall furnish separate certificates and endorsements for each sub-contractor or sub-consultant. All coverage for sub-contractors or sub-consultants shall be subject to all insurance requirements set forth in this Paragraph 6.1.

6.2 Indemnification. Notwithstanding the foregoing insurance requirements, and in addition thereto, Consultant agrees, for the full period of time allowed by law, surviving the

termination of this Agreement, to indemnify the City for any claim, cost or liability that arises out of, or pertains to, or relates to any negligent act or omission or the willful misconduct of Consultant in the performance of services under this contract by Consultant, but this indemnity does not apply to liability for damages for death or bodily injury to persons, injury to property, or other loss, arising from the sole negligence, willful misconduct or defects in design by the City, or arising from the active negligence of the City.

"Indemnify," as used herein includes the expenses of defending against a claim and the payment of any settlement or judgment arising out of the claim. Defense costs include all costs associated with defending the claim, including, but not limited to, the fees of attorneys, investigators, consultants, experts and expert witnesses, and litigation expenses.

References in this paragraph to City or Consultant, include their officers, employees, agents, and subcontractors.

7.0 CONTRACT PROVISIONS

- 7.1 Ownership of Work. All documents furnished to Consultant by City and all documents or reports and supportive data prepared by Consultant under this Agreement are owned and become the property of the City upon their creation and shall be given to City immediately upon demand and at the completion of Consultant's services at no additional cost to City. Deliverables are identified in the Scope-of-Work, Attachment "A". All documents produced by Consultant shall be furnished to City in digital format and hardcopy. Consultant shall produce the digital format, using software and media approved by City.
- 7.2 Governing Law. Consultant shall comply with the laws and regulations of the United States, the State of California, and all local governments having jurisdiction over this Agreement. The interpretation and enforcement of this Agreement shall be governed by California law and any action arising under or in connection with this Agreement must be filed in a Court of competent jurisdiction in Mendocino County.
- 7.3 Entire Agreement. This Agreement plus its Attachment(s) and executed Amendments set forth the entire understanding between the parties.
- 7.4 Severability. If any term of this Agreement is held invalid by a court of competent jurisdiction, the remainder of this Agreement shall remain in effect.
- 7.5 Modification. No modification of this Agreement is valid unless made with the agreement of both parties in writing.
- 7.6 Assignment. Consultant's services are considered unique and personal. Consultant shall not assign, transfer, or sub-contract its interest or obligation under all or any portion of this Agreement without City's prior written consent.
- 7.7 Waiver. No waiver of a breach of any covenant, term, or condition of this Agreement shall be a waiver of any other or subsequent breach of the same or any other covenant, term or condition or a waiver of the covenant, term or condition itself.
- 7.8 Termination. This Agreement may only be terminated by either party: 1) for breach of the Agreement; 2) because funds are no longer available to pay Consultant for services

provided under this Agreement; or 3) City has abandoned and does not wish to complete the project for which Consultant was retained. A party shall notify the other party of any alleged breach of the Agreement and of the action required to cure the breach. If the breaching party fails to cure the breach within the time specified in the notice, the contract shall be terminated as of that time. If terminated for lack of funds or abandonment of the project, the contract shall terminate on the date notice of termination is given to Consultant. City shall pay the Consultant only for services performed and expenses incurred as of the effective termination date. In such event, as a condition to payment, Consultant shall provide to City all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs and reports prepared by the Consultant under this Agreement. Consultant shall be entitled to receive just and equitable compensation for any work satisfactorily completed hereunder, subject to off-set for any direct or consequential damages City may incur as a result of Consultant's breach of contract.

- 7.9 Execution of Agreement. This Agreement may be executed in duplicate originals, each bearing the original signature of the parties. Alternatively, this Agreement may be executed and delivered by facsimile or other electronic transmission, and in more than one counterpart, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. When executed using either alternative, the executed agreement shall be deemed an original admissible as evidence in any administrative or judicial proceeding to prove the terms and content of this Agreement.

8.0 NOTICES

Any notice given under this Agreement shall be in writing and deemed given when personally delivered or deposited in the mail (certified or registered) addressed to the parties as follows:

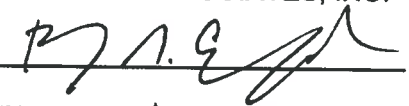
CITY OF UKIAH
DEPT. OF COMMUNITY DEVELOPMENT
300 SEMINARY AVENUE
UKIAH, CALIFORNIA 95482-5400

CRAWFORD & ASSOCIATES, INC.
ATTN: JULIE PRICE
100 NORTH PINE STREET
UKIAH, CALIFORNIA 95482

9.0 SIGNATURES

IN WITNESS WHEREOF, the parties have executed this Agreement the Effective Date:

CRAWFORD & ASSOCIATES, INC.

BY: 

10/13/2017
Date

PRINT NAME: BENJAMIN CRAWFORD

46-0779018
IRS IDN Number

CITY OF UKIAH

BY: 

SAGE SANGIACOMO
CITY MANAGER

11-13-17
Date

COU No. 1718128

ATTEST

CITY CLERK

Date

ATTACHMENT A – SCOPE OF WORK

Services will include the following:

- Assistance with the processing of complex current planning applications including major use permits, major site development permits, and subdivisions.
- The review and preparation of CEQA and NEPA environmental assessments, initial studies and negative declarations including but not limited to, aesthetics, air quality, water quality, biological resources, noise, traffic, etc.
- Attend public hearings as needed.
- Provide inter-agency coordination as needed.
- All other relevant assignments related to planning as requested.

ATTACHMENT B

Crawford & Associates, Inc.

2017 Fee and Lab Schedule

Fee Schedule		Services & Lab Schedule		Unit	Cost
Professional Hourly Fees		Services & Costs			
Principal	\$175	Per Diem (Varies per County)	Day		\$125-\$175.00
Senior Civil Engineer	\$165	Traffic Control-Major (DBE and/or PW)	Day		\$2,250.00
Senior Project Manager	\$165	Traffic Control-Minor (DBE and/or PW)	Day		\$1,000.00
Project Manager	\$155	Traffic Control-Major (Non DBE or PW)	Day		\$1,500.00
Civil Designer	\$145	Traffic Control-Minor (Non DBE or PW)	Day		\$700.00
Planner	\$145	Nuclear Density Tests	Test		\$5.00
Environmental Specialist	\$140	Hand Auger	Day		\$150.00
Senior Engineer/Geologist	\$130	Steel Liners	Liner		\$6.50
Staff Engineer II/Geologist II	\$120	Core Machine with Generator	Day		\$2,000.00
Staff Engineer I/Geologist I	\$110	Coring Bit Charge	Inch		\$2.00
Drafting	\$90	Backfill	Bag		\$5.00
Project Assistant	\$65	Classification & Index			
Technician - PW	\$95	Moisture Content	ASTM D2216		\$35.00
Technician – Non PW	\$85	Moisture & Density	ASTM D2216 & D2937		\$55.00
Reimbursable		Sieve Analysis to #200	ASTM D6913		\$140.00
Mileage is billed at \$0.60/Mile		#200 Wash	ASTM D1140		\$100.00
CASQA SWPPP Template \$32.00		Hydrometer Analysis	ASTM D422		\$175.00
Outside costs are billed at cost plus 15% markup		Plasticity Index	ASTM D4318		\$215.00
		Strength			
		Direct Shear (CD – 3 pt) Peak Only	ASTM D3080		\$450.00
		Unconfined Compression	ASTM D2166		\$150.00
		Compaction Curves and Stability			
		4-inch Mold	ASTM D698/D1557		\$250.00
		6-inch Mold	ASTM D698/D1557		\$275.00
		R-Value	CTM301		\$325.00
		Consolidation and Expansion			
		One Dimension Consolidation No Time-Rate	ASTM D2435		\$300.00
		One Dimension Consolidation Time-Rate	ASTM D2435		\$420.00
		Expansion Index	ASTM D4829		\$210.00
		Chemical and Corrosion			
		pH & Resistivity	CTM643		\$100.00
		Sulfate Content	CTM417		\$50.00
		Chloride Content	CTM422		\$50.00
		Extras			
		Rush testing: add 50%. This guarantees your sample(s) will get top priority.			
		Additional testing costs available upon request			
Rates are applicable through Dec 31, 2017. An escalation factor of 3%/year will apply for work completed after 2017.					



Julie Price, QISP
Project Manager/Planner/Environmental Specialist



Biography

Julie Price is a graduate of the University of California, Davis, with a Bachelor of Science degree in Environmental and Resource Science. Julie has 19 years' experience working with local, state and federal agencies managing environmental compliance and permitting issues, including 6 years as a planner and SMARA administrator with the County of Mendocino, 7 years in private industry managing industrial and commercial projects, and 6 years as a planning consultant for both private clients and public agencies.

Her experience includes project management, preparation of technical studies and reports (CEQA initial studies, mitigated negative declarations, staff reports, feasibility studies, initial site assessments); permit processing (land use permits, variances, major and minor subdivisions, surface mining permits, SWRCB Industrial and Construction Stormwater Permits and 401 Certifications, CDFW 1600 agreements, Army Corps Section 404 permits); preparation of plans (Storm Water Pollution Prevention Plans, mitigation and monitoring plans, hazardous materials business plans, surface mine reclamation plans, revegetation plans); program development; and permit compliance management (coordination, monitoring and reporting).

Types of projects include: industrial/commercial/civic/residential site development; residential and commercial subdivisions; development in floodplains; solid waste, recycling and composting facilities; construction site stormwater management; industrial facility stormwater management; surface mining operations; habitat restoration, enhancement, and fish passage projects.

Julie is certified as a Trainer of Record (TOR) and Qualified Industrial Stormwater Practitioner (QISP) for California's Industrial General Permit.

Professional Training

- Advanced CEQA. AEP. 2016.
- Advanced CEQA. AEP. 2017.
- Industrial General Permit Trainer of Record Training. CASQA. 2016.
- New Industrial General (Stormwater) Permit. State Water Quality Control Board. 2015.
- Low Impact Development. County of Mendocino. 2014.
- Recycling and Greenhouse Gas Emissions. CA Resource Recovery Association. 2012.
- West Coast Annual Organics Recycling Conference. Biocycle. 2012.
- West Coast Annual Organics Recycling Conference. Biocycle. 2009.
- Low Impact Development. UC Davis Extension. 2008.
- Professional Grant Proposal Writing. The Grant Institute. 2007.
- Habitat Restoration. UC Davis Extension. 2007.
- Environmentally Sensitive Streambank Stabilization. International Erosion Control Association. 2006.
- Innovative Restoration: Applied Processes & Technologies for Stabilizing Streambanks and Restoring Rivers. International Erosion Control Association. 2006.
- Floodplain Management and Duties of the Local Administrator. FEMA and Dept. of Water Resources. 2004.
- Salmon, Water Quality & Land Use Planning Workshop, Five Counties Salmonid Conservation Program (5C). 2003.
- Low Maintenance Roads. UC Cooperative Extension. 2001.
- SMARA Overview. Dept. of Conservation Office of Mine Reclamation. 2001.
- Construction Site Planning and Management for Water Quality Protection. Cal/EPA and NCRWQCB. 2000.

Qualifications

University of California, Davis	Education
B.S. Environmental and Resource Science, 1996	
Association of Environmental Professionals (AEP)	Affiliations
California Native Plant Society (CNPS)	
California Stormwater Quality Association (CASQA)	

Related Experience

Crawford & Associates, Inc.

2015-Present

As Project Manager, Planner and Environmental Specialist, provide planning, permitting and stormwater consulting services to public agencies and private clients, including cities and counties. Tasks include project management; preparation of permit applications (local, DFW, SWQCB, ACOE), CEQA initial studies, staff reports and conditions of approval; coordination and review of technical studies (botanical, biological, cultural, noise, air, GHG, traffic, etc.); coordination of subconsultants; preparation and implementation of Mitigation and Monitoring Plans; preparation of annual reports to resource agencies; assistance with permit compliance; stormwater monitoring and technical assistance (site inspections, reporting, training).

C&S Waste Solutions, Inc.**2008-2015**

As Director of Regulatory Affairs, managed regulatory and community affairs for solid waste hauler. Tasks included managing permits (land use, stormwater, air quality, hazardous materials, solid waste, etc.) for 8 businesses (5 facilities); performing monthly inspections; monitoring and reporting; research and development of new programs; managing a pilot food waste recycling program; managing construction of a recycling facility; managing a recycling outreach and education program; organizing data into reports for local agencies; working closely with local and State agency staff; making presentations to City Councils, Planning Commission and Board of Supervisors.

Rau and Associates, Inc.**2005-2008**

As an Environmental Planner, provided consulting services to public agencies and private clients. Tasks include: preparation of Mining and Reclamation Plans, CEQA Initial Studies, permit applications (County/City, DFW, SWQCB, ACOE), erosion control plans, Exceedance Response Action (ERA) technical reports and SWPPPs; coordination and review of technical studies (botanical, biological, cultural, noise, air, GHG, traffic, etc.); work closely with civil engineers and geologists during design and monitoring phases; implementation of Mitigation and Monitoring Plans and preparation of annual reports to resource agencies; assistance with permit compliance; stormwater monitoring and technical assistance (site inspections, reporting, training); floodplain elevation certificates.

County of Mendocino Department of Planning & Building**2000-2005**

As a Planner I and Planner II, processed major and minor use permit applications, variances, subdivisions, coastal development permits and surface mining applications; prepared CEQA initial studies, mitigated negative declarations and staff reports; reviewed building permit and business license applications for compliance with zoning code; reviewed development within the 100-year floodplain; acted as the Planning Dept. representative on the County Archaeological Commission; was the SMARA Administrator for all County surface mining activities, overseeing regulatory compliance of the County's 28 surface mines; worked on the draft grading ordinance and MS4 Stormwater Management Plan (SWMP).

County of Mendocino Farm Advisor/University of California Cooperative Extension**1996-2000**

As an Agricultural Technologist, Research Assistant and Master Gardener, assisted UCCE advisors from Mendocino, Lake and Sonoma Counties on wide range of applied research projects and provided technical assistance to the public regarding pests and diseases of the garden and landscape. Projects included viticulture (varietal trials, cultural practices, brix analysis, leaf water potential, water conservation); integrated pest management; rangeland water quality (monitoring and lab analysis of water samples, sediment delivery assessments, ranch planning for water quality).



AGENDA SUMMARY REPORT

SUBJECT: Report of Acquisition of Professional Services from Alpha Analytical Laboratories, Inc. in the Amount of \$34,887.80, for Quarterly Water Sampling and Completion of Chemical Examination Reports for the Ukiah Landfill

DEPARTMENT: Public Works

PREPARED BY: Rick Seanor

ATTACHMENTS:

[Attachment 1 - Alpha Analytical invoices](#)

Summary: Council will receive a report regarding the acquisition of services for quarterly water sampling and preparation of chemical examination reports for the Ukiah Landfill from Alpha Analytical in the amount of \$34,887.80.

Background: In accordance with the Waste Discharge Requirements issued by the North Coast Regional Water Quality Control Board (NCRWQCB), the City is mandated to complete quarterly water sampling and analysis for the Ukiah Landfill.

Discussion: The Public Works Department requested Alpha Analytical Laboratories, Inc. to conduct quarterly

RECOMMENDED ACTION: Receive Report of Acquisition of Professional Services from Alpha Analytical Laboratories, Inc. in the amount of \$34,887.80.

BUDGET AMENDMENT REQUIRED: No

CURRENT BUDGET AMOUNT: \$200,000 in account number 70024500.52100 - contracted services for the Sanitary Disposal Site

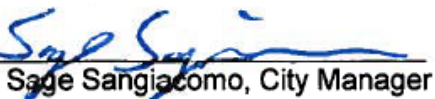
PROPOSED BUDGET AMOUNT: N/A

FINANCING SOURCE: N/A

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH: Sage Sangiacomo, City Manager; Tim Eriksen, Director of Public Works / City Engineer; Mary Horger, Procurement Manager

Approved: _____


Sage Sangiacomo, City Manager

water sampling and to prepare chemical examination reports for the Ukiah Landfill. In addition to the regular quarterly water sampling, for this quarter Alpha Analytical completed the sampling for "constituents of concern". These "constituents of concern" which include Organochlorine Pesticides and PCBs, Chlorinated Herbicides, Organophosphorous Compounds, Semivolatile Organic Compounds, and Benzidines are only sampled every five (5) years. The additional cost for sampling of the "constituents of concern" resulted in a total sampling and report cost of \$34,887.80 (please see Attachment 1 for a copy of the invoices). In conjunction with these chemical examination reports, EBA Engineering analyzes the data to prepare and submit the required detection monitoring report to the NCRWQCB. Had staff anticipated the cost exceeding \$20,000, this testing cost would have been brought to Council for approval prior to as required by Section 1522 of the Municipal Code.



INVOICE

Certified Small Business #0001025

Alpha Analytical Laboratories Inc.

e-mail: clientservices@alpha-labs.com

Corporate: 208 Mason St., Ukiah, CA 95482 • Phone: (707) 468-0401 • Fax: (707) 468-5267
 Bay Area: 262 Rickenbacker Circle, Livermore, CA 94551 • Phone: (925) 828-6226 • Fax: (925) 828-6309
 Central Valley: 9090 Union Park Way, Suite 113, Elk Grove, CA 95624 • Phone: (916) 686-5190 • Fax: (916) 686-5192

RECEIVED

Bill To: Ukiah Landfill
 300 Seminary Ave
 Ukiah, CA 95482

Attn: Rick Seanor

NOV 13 2017

**CITY OF UKIAH
 DEPT. OF PUBLIC WORKS**

Invoice #: 7111988-UKIAHLF

Date: 11/13/17

Project ID: Leachate - 5 year COCs

Project No: Leachate - 5 year COCs

PO/Reference:

Order #
 17J2140

Receipt Date
 10/24/17

Terms
 NET 30

Quantity	Analysis/Description	Matrix	Unit Cost	Extended Cost
Alpha Analytical Laboratories, Inc.				
1	OC Pesticides and PCBs by EPA 8081/8082 [10 day]	Water	\$130.00	\$130.00 ✓
1	Organophosphorus Pesticides by EPA 8141 [10 day]	Water	\$190.00	\$190.00 ✓
1	Chlorinated Herbicides by EPA 8151 [10 day]	Water	\$175.00	\$175.00 ✓
1	8270 Regular List Group [10 day]	Water	\$295.00	\$295.00 ✓
1	Silver Dissolved by EPA 200.7 [10 day]	Water	\$175.00	\$175.00 ✓
1	Aluminum Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
1	Total Alkalinity by SM2320B [10 day]	Water	\$15.00	\$15.00 ✓
1	Ammonia by SM4500-NH3 C [10 day]	Water	\$25.00	\$25.00 ✓
1	Arsenic Dissolved by EPA 200.7 [10 day]	Water	\$30.00	\$30.00 ✓
1	Boron Dissolved by EPA 200.7 [10 day]	Water	\$30.00	\$30.00 ✓
1	Barium Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
1	Beryllium Dissolved EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
1	Bicarbonate by SM2320B [10 day]	Water	\$15.00	\$15.00 ✓
1	BOD by SM5210B [10 day]	Water	\$33.00	\$33.00 ✓
1	Calcium Dissolved by EPA 200.7 [10 day]	Water	\$30.00	\$30.00 ✓
1	Carbonate by SM2320B [10 day]	Water	\$15.00	\$15.00 ✓
1	Cadmium Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
1	Chloride by EPA 300.0 [10 day]	Water	\$18.00	\$18.00 ✓
1	Cobalt Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
1	COD by SM5220D [10 day]	Water	\$30.00	\$30.00 ✓
1	Chromium Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
1	Hexavalent Chromium in Water by EPA 7196A [10 day]	Water	\$30.00	\$30.00 ✓
1	Copper Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
1	Iron Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
1	GeoTracker EDT [10 day]	Water	\$84.00	\$84.00 ✓



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RECEIVED

Bill To: Ukiah Landfill
300 Seminary Ave
Ukiah, CA 95482

Attn: Rick Seanor

NOV 13 2017

**CITY OF UKIAH
DEPT. OF PUBLIC WORKS**

Invoice #: 7111988-UKIAHLF

Date: 11/13/17

Project ID: Leachate - 5 year COCs

Project No: Leachate - 5 year COCs

PO/Reference:

Order #
17J2140

Receipt Date
10/24/17

Terms
NET 30

Quantity	Analysis/Description	Matrix	Unit Cost	Extended Cost
Alpha Analytical Laboratories, Inc.				
1	Handling & Disposal [10 day]	Water	\$3.00	\$3.00 ✓
1	Mercury Dissolved by EPA 245.1 [10 day]	Water	\$0.00	\$0.00 ✓
1	Potassium Dissolved by EPA 200.7 [10 day]	Water	\$30.00	\$30.00 ✓
1	Magnesium Dissolved by EPA 200.7 [10 day]	Water	\$30.00	\$30.00 ✓
1	Manganese Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
1	Molybdenum Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
1	Sodium Dissolved by EPA 200.7 [10 day]	Water	\$30.00	\$30.00 ✓
1	Nickel Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
1	Nitrate as N by EPA 300.0 [10 day]	Water	\$18.00	\$18.00 ✓
1	Oil and Grease (HEM) [10 day]	Water	\$50.00	\$50.00 ✓
1	Lead Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
1	Antimony Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
1	Selenium Dissolved by EPA 200.7 [10 day]	Water	\$30.00	\$30.00 ✓
1	Tin Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
1	Total Dissolved Solids by SM2540C [10 day]	Water	\$15.00	\$15.00 ✓
1	Total Suspended Solids by SM2540D [10 day]	Water	\$19.00	\$19.00 ✓
1	Sulfate by EPA 300.0 [10 day]	Water	\$18.00	\$18.00 ✓
1	Thallium Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
1	TPH as Gas & VOAs by EPA 8260B [10 day]	Water	\$195.00	\$195.00 ✓
1	Vanadium Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
1	Zinc Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓

Invoice Total: \$1,758.00 ✓

approved for payment

70024500.52100

Rick Seanor 11-22-2017



INVOICE

Certified Small Business #0001025

Alpha Analytical Laboratories Inc.

e-mail: clientservices@alpha-labs.com

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RECEIVED

Bill To: Ukiah Landfill
300 Seminary Ave
Ukiah, CA 95482

Attn: Rick Seanor

NOV 13 2017

**CITY OF UKIAH
DEPT. OF PUBLIC WORKS**

Invoice #: 7111987-UKIAHLF

Date: 11/13/17

Project ID: Monitoring Wells - 5 year COCs

Project No: Monitoring Wells - 5 year COCs

PO/Reference:

Order #
17J2028

Receipt Date
10/23/17

Terms
NET 30

Quantity	Analysis/Description	Matrix	Unit Cost	Extended Cost
Alpha Analytical Laboratories, Inc.				
5	OC Pesticides and PCBs by EPA 8081/8082 [10 day]	Water	\$130.00	\$650.00 ✓
5	Organophosphorus Pesticides by EPA 8141 [10 day]	Water	\$190.00	\$950.00 ✓
5	Chlorinated Herbicides by EPA 8151 [10 day]	Water	\$175.00	\$875.00 ✓
5	8270 Regular List Group [10 day]	Water	\$295.00	\$1,475.00 ✓
5	Silver Dissolved by EPA 200.7 [10 day]	Water	\$175.00	\$875.00 ✓
5	Aluminum Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
5	Total Alkalinity by SM2320B [10 day]	Water	\$15.00	\$75.00 ✓
5	Ammonia by SM4500-NH3 C [10 day]	Water	\$25.00	\$125.00 ✓
5	Arsenic Dissolved by EPA 200.7 [10 day]	Water	\$30.00	\$150.00 ✓
5	Boron Dissolved by EPA 200.7 [10 day]	Water	\$30.00	\$150.00 ✓
5	Barium Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
1	Small Bailer [10 day]	Water	\$50.00	\$50.00 ✓
5	Beryllium Dissolved EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
5	Bicarbonate by SM2320B [10 day]	Water	\$15.00	\$75.00 ✓
5	Calcium Dissolved by EPA 200.7 [10 day]	Water	\$30.00	\$150.00 ✓
5	Carbonate by SM2320B [10 day]	Water	\$15.00	\$75.00 ✓
5	Cadmium Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
5	Chloride by EPA 300.0 [10 day]	Water	\$18.00	\$90.00 ✓
5	Cobalt Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
5	Conductivity by SM2510B [10 day]	Water	\$10.00	\$50.00 ✓
5	Chromium Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
5	Hexavalent Chromium in Water by EPA 7196A [10 day]	Water	\$30.00	\$150.00 ✓
5	Copper Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
5	Iron Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
1	Field Technician [10 day]	Water	\$770.00	\$770.00 ✓



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Bill To: Ukiah Landfill
 300 Seminary Ave
 Ukiah, CA 95482
 Attn: Rick Seanor

NOV 13 2017

**CITY OF UKIAH
 DEPT. OF PUBLIC WORKS**

Invoice #: 7111987-UKIAHLF
 Date: 11/13/17
 Project ID: Monitoring Wells - 5 year COCs
 Project No: Monitoring Wells - 5 year COCs
 PO/Reference:

Order #
 17J2028

Receipt Date
 10/23/17

Terms
 NET 30

Quantity	Analysis/Description	Matrix	Unit Cost	Extended Cost
Alpha Analytical Laboratories, Inc.				
1	Filters [10 day]	Water	\$125.00	\$125.00 ✓
5	Fluoride by EPA 300.0 [10 day]	Water	\$18.00	\$90.00 ✓
1	GeoTracker EDT [10 day]	Water	\$475.00	\$475.00 ✓
5	Handling & Disposal [10 day]	Water	\$3.00	\$15.00 ✓
5	Mercury Dissolved by EPA 245.1 [10 day]	Water	\$0.00	\$0.00 ✓
5	Potassium Dissolved by EPA 200.7 [10 day]	Water	\$30.00	\$150.00 ✓
5	Magnesium Dissolved by EPA 200.7 [10 day]	Water	\$30.00	\$150.00 ✓
1	Miles [10 day]	Water	\$4.95	\$4.95 ✓
5	Manganese Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
5	Molybdenum Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
5	Sodium Dissolved by EPA 200.7 [10 day]	Water	\$30.00	\$150.00 ✓
5	Nickel Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
5	Total Nitrogen (NO2, NO3, TKN & Calc.) [10 day]	Water	\$45.00	\$225.00 ✓
5	Oil and Grease (HEM) [10 day]	Water	\$50.00	\$250.00 ✓
5	Lead Dissolved by EPA 200.7 [10 day]	Water	\$30.00	\$150.00 ✓
5	pH Water by SM4500-H+ B [10 day]	Water	\$10.00	\$50.00 ✓
5	Antimony Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
5	Selenium Dissolved by EPA 200.7 [10 day]	Water	\$30.00	\$150.00 ✓
5	Tin Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
5	Total Dissolved Solids by SM2540C [10 day]	Water	\$15.00	\$75.00 ✓
5	Sulfate by EPA 300.0 [10 day]	Water	\$18.00	\$90.00 ✓
5	Thallium Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
6	TPH as Gas & VOAs by EPA 8260B [10 day]	Water	\$180.00	\$1,080.00 ✓
5	Vanadium Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
5	Zinc Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓



INVOICE

Certified Small Business #0001025

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Central Valley: 9090 Union Park Way, Suite 113, Elk Grove, CA 95624 • Phone: (916) 686-5190 • Fax: (916) 686-5192

Invoice Total: \$9,964.95 ✓

approved for payment

70024500.52100

Prithi Deano

11-22-2017

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**CITY OF UKIAH
DEPT. OF PUBLIC WORKS**



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Bill To: Ukiah Landfill
300 Seminary Ave
Ukiah, CA 95482

Attn: Rick Seanor

NOV 13 2017

**CITY OF UKIAH
DEPT. OF PUBLIC WORKS**

Invoice #: 7111989-UKIAHLF

Date: 11/13/17

Project ID: Monitoring Wells - 5 year COCs

Project No: Monitoring Wells - 5 year COCs

PO/Reference:

Order #
17J2148

Receipt Date
10/24/17

Terms
NET 30

Quantity	Analysis/Description	Matrix	Unit Cost	Extended Cost
Alpha Analytical Laboratories, Inc.				
2	OC Pesticides and PCBs by EPA 8081/8082 [10 day]	Water	\$130.00	\$260.00 ✓
2	Organophosphorus Pesticides by EPA 8141 [10 day]	Water	\$190.00	\$380.00 ✓
2	Chlorinated Herbicides by EPA 8151 [10 day]	Water	\$175.00	\$350.00 ✓
2	8270 Regular List Group [10 day]	Water	\$295.00	\$590.00 ✓
2	Silver Dissolved by EPA 200.7 [10 day]	Water	\$175.00	\$350.00 ✓
2	Aluminum Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
2	Total Alkalinity by SM2320B [10 day]	Water	\$15.00	\$30.00 ✓
2	Ammonia by SM4500-NH3 C [10 day]	Water	\$25.00	\$50.00 ✓
2	Arsenic Dissolved by EPA 200.7 [10 day]	Water	\$30.00	\$60.00 ✓
2	Boron Dissolved by EPA 200.7 [10 day]	Water	\$30.00	\$60.00 ✓
2	Barium Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
1	Small Bailer [10 day]	Water	\$30.00	\$30.00 ✓
2	Beryllium Dissolved EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
2	Bicarbonate by SM2320B [10 day]	Water	\$15.00	\$30.00 ✓
2	Calcium Dissolved by EPA 200.7 [10 day]	Water	\$30.00	\$60.00 ✓
2	Carbonate by SM2320B [10 day]	Water	\$15.00	\$30.00 ✓
2	Cadmium Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
2	Chloride by EPA 300.0 [10 day]	Water	\$18.00	\$36.00 ✓
2	Cobalt Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
2	Conductivity by SM2510B [10 day]	Water	\$10.00	\$20.00 ✓
2	Chromium Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
2	Hexavalent Chromium in Water by EPA 7196A [10 day]	Water	\$30.00	\$60.00 ✓
2	Copper Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
2	Iron Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
1	Field Technician [10 day]	Water	\$770.00	\$770.00 ✓



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 Attn: Rick Seanor

NOV 13 2017

**CITY OF UKIAH
 DEPT. OF PUBLIC WORKS**

Invoice #: 7111989-UKIAHLF
 Date: 11/13/17
 Project ID: Monitoring Wells - 5 year COCs
 Project No: Monitoring Wells - 5 year COCs
 PO/Reference:

Order #
 17J2148

Receipt Date
 10/24/17

Terms
 NET 30

Quantity	Analysis/Description	Matrix	Unit Cost	Extended Cost
Alpha Analytical Laboratories, Inc.				
1	Filters [10 day]	Water	\$75.00	\$75.00 ✓
2	Fluoride by EPA 300.0 [10 day]	Water	\$18.00	\$36.00 ✓
1	GeoTracker EDT [10 day]	Water	\$221.00	\$221.00 ✓
2	Handling & Disposal [10 day]	Water	\$3.00	\$6.00 ✓
2	Mercury Dissolved by EPA 245.1 [10 day]	Water	\$0.00	\$0.00 ✓
2	Potassium Dissolved by EPA 200.7 [10 day]	Water	\$30.00	\$60.00 ✓
2	Magnesium Dissolved by EPA 200.7 [10 day]	Water	\$30.00	\$60.00 ✓
1	Miles [10 day]	Water	\$4.95	\$4.95 ✓
2	Manganese Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
2	Molybdenum Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
2	Sodium Dissolved by EPA 200.7 [10 day]	Water	\$30.00	\$60.00 ✓
2	Nickel Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
2	Total Nitrogen (NO ₂ , NO ₃ , TKN & Calc.) [10 day]	Water	\$45.00	\$90.00 ✓
2	Oil and Grease (HEM) [10 day]	Water	\$50.00	\$100.00 ✓
2	Lead Dissolved by EPA 200.7 [10 day]	Water	\$30.00	\$60.00 ✓
2	pH Water by SM4500-H+ B [10 day]	Water	\$10.00	\$20.00 ✓
2	Antimony Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
2	Selenium Dissolved by EPA 200.7 [10 day]	Water	\$30.00	\$60.00 ✓
2	Tin Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
2	Total Dissolved Solids by SM2540C [10 day]	Water	\$15.00	\$30.00 ✓
2	Sulfate by EPA 300.0 [10 day]	Water	\$18.00	\$36.00 ✓
2	Thallium Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
3	TPH as Gas & VOAs by EPA 8260B [10 day]	Water	\$180.00	\$540.00 ✓
2	Vanadium Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
2	Zinc Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓



INVOICE

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e-mail: clientservices@alpha-labs.com

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Bay Area: 262 Rickenbacker Circle, Livermore, CA 94551 • Phone: (925) 828-6226 • Fax: (925) 828-6309

Central Valley: 9090 Union Park Way, Suite 113, Elk Grove, CA 95624 • Phone: (916) 686-5190 • Fax: (916) 686-5192

Invoice Total: \$4,624.95 ✓

approved for payment

70024500.52100

Brink Deane

11-22-2017

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NOV 13 2017

**CITY OF UKIAH
DEPT. OF PUBLIC WORKS**



INVOICE

Certified Small Business #0001025

Alpha Analytical Laboratories Inc.

e-mail: clientservices@alpha-labs.com

Corporate: 208 Mason St., Ukiah, CA 95482 • Phone: (707) 468-0401 • Fax: (707) 468-5267

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Central Valley: 9090 Union Park Way, Suite 113, Elk Grove, CA 95624 • Phone: (916) 686-5190 • Fax: (916) 686-5192

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Bill To: Ukiah Landfill
300 Seminary Ave
Ukiah, CA 95482
Attn: Rick Seanor

Invoice #: 7112163-UKIAHLF
Date: 11/15/17

NOV 15 2017

Project ID: Monitoring Wells - 5 year COCs
Project No: Monitoring Wells - 5 year COCs
PO/Reference:

**CITY OF UKIAH
DEPT. OF PUBLIC WORKS**

Order #
17J2369

Receipt Date
10/26/17

Terms
NET 30

Quantity	Analysis/Description	Matrix	Unit Cost	Extended Cost
Alpha Analytical Laboratories, Inc.				
4	OC Pesticides and PCBs by EPA 8081/8082 [10 day]	Water	\$130.00	\$520.00 ✓
4	Organophosphorus Pesticides by EPA 8141 [10 day]	Water	\$190.00	\$760.00 ✓
4	Chlorinated Herbicides by EPA 8151 [10 day]	Water	\$175.00	\$700.00 ✓
4	8270 Regular List Group [10 day]	Water	\$295.00	\$1,180.00 ✓
4	Silver Dissolved by EPA 200.7 [10 day]	Water	\$175.00	\$700.00 ✓
4	Aluminum Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
4	Total Alkalinity by SM2320B [10 day]	Water	\$15.00	\$60.00 ✓
4	Ammonia by SM4500-NH3 C [10 day]	Water	\$25.00	\$100.00 ✓
4	Arsenic Dissolved by EPA 200.7 [10 day]	Water	\$30.00	\$120.00 ✓
4	Boron Dissolved by EPA 200.7 [10 day]	Water	\$30.00	\$120.00 ✓
4	Barium Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
4	Beryllium Dissolved EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
4	Bicarbonate by SM2320B [10 day]	Water	\$15.00	\$60.00 ✓
4	Calcium Dissolved by EPA 200.7 [10 day]	Water	\$30.00	\$120.00 ✓
4	Carbonate by SM2320B [10 day]	Water	\$15.00	\$60.00 ✓
4	Cadmium Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
4	Chloride by EPA 300.0 [10 day]	Water	\$18.00	\$72.00 ✓
4	Cobalt Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
4	Conductivity by SM2510B [10 day]	Water	\$10.00	\$40.00 ✓
4	Chromium Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
4	Hexavalent Chromium in Water by EPA 7196A [10 day]	Water	\$30.00	\$120.00 ✓
4	Copper Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
4	Iron Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
1	Field Technician [10 day]	Water	\$770.00	\$770.00 ✓
1	Filters [10 day]	Water	\$100.00	\$100.00 ✓



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Bill To: Ukiah Landfill
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 Attn: Rick Seanor

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NOV 15 2017

CITY OF UKIAH

DEPT. OF PUBLIC WORKS

Invoice #: 7112163-UKIAHLF
 Date: 11/15/17

Project ID: Monitoring Wells - 5 year COCs
 Project No: Monitoring Wells - 5 year COCs
 PO/Reference:

Order #
 17J2369

Receipt Date
 10/26/17

Terms
 NET 30

Quantity	Analysis/Description	Matrix	Unit Cost	Extended Cost
Alpha Analytical Laboratories, Inc.				
4	Fluoride by EPA 300.0 [10 day]	Water	\$18.00	\$72.00 ✓
1	GeoTracker EDT [10 day]	Water	\$400.00	\$400.00 ✓
4	Handling & Disposal [10 day]	Water	\$3.00	\$12.00 ✓
4	Mercury Dissolved by EPA 245.1 [10 day]	Water	\$0.00	\$0.00 ✓
4	Potassium Dissolved by EPA 200.7 [10 day]	Water	\$30.00	\$120.00 ✓
4	Magnesium Dissolved by EPA 200.7 [10 day]	Water	\$30.00	\$120.00 ✓
1	Miles [10 day]	Water	\$4.95	\$4.95 ✓
4	Manganese Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
4	Molybdenum Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
4	Sodium Dissolved by EPA 200.7 [10 day]	Water	\$30.00	\$120.00 ✓
4	Nickel Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
4	Total Nitrogen (NO ₂ , NO ₃ , TKN & Calc.) [10 day]	Water	\$45.00	\$180.00 ✓
4	Oil and Grease (HEM) [10 day]	Water	\$50.00	\$200.00 ✓
4	Lead Dissolved by EPA 200.7 [10 day]	Water	\$30.00	\$120.00 ✓
4	pH Water by SM4500-H+ B [10 day]	Water	\$10.00	\$40.00 ✓
4	Antimony Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
4	Selenium Dissolved by EPA 200.7 [10 day]	Water	\$30.00	\$120.00 ✓
4	Tin Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
4	Total Dissolved Solids by SM2540C [10 day]	Water	\$15.00	\$60.00 ✓
4	Sulfate by EPA 300.0 [10 day]	Water	\$18.00	\$72.00 ✓
4	Thallium Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
3	TPH as Diesel/Motor Oil by EPA 8015 [10 day]	Water	\$60.00	\$180.00 ✓
5	TPH as Gas & VOAs by EPA 8260B [10 day]	Water	\$180.00	\$900.00 ✓
4	Vanadium Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
4	Zinc Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓

**alpha**

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Central Valley: 9090 Union Park Way, Suite 113, Elk Grove, CA 95624 • Phone: (916) 686-5190 • Fax: (916) 686-5192

Invoice Total: \$8,322.95 ✓

*approved for payment**70024500.52100**Dink Leano, 11-22-2017***RECEIVED****NOV 15 2017****CITY OF UKIAH
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Bill To: Ukiah Landfill
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Ukiah, CA 95482
Attn: Rick Seanor

NOV 16 2017

**CITY OF UKIAH
DEPT. OF PUBLIC WORKS**

Invoice #: 7112375-UKIAHLF
Date: 11/16/17

Project ID: Monitoring Wells - 5 year COCs
Project No: Monitoring Wells - 5 year COCs
PO/Reference:

Order #
17J2261

Receipt Date
10/25/17

Terms
NET 30

Quantity	Analysis/Description	Matrix	Unit Cost	Extended Cost
Alpha Analytical Laboratories, Inc.				
5	OC Pesticides and PCBs by EPA 8081/8082 [10 day]	Water	\$130.00	\$650.00 ✓
5	Organophosphorus Pesticides by EPA 8141 [10 day]	Water	\$190.00	\$950.00 ✓
5	Chlorinated Herbicides by EPA 8151 [10 day]	Water	\$175.00	\$875.00 ✓
5	8270 Regular List Group [10 day]	Water	\$295.00	\$1,475.00 ✓
5	Silver Dissolved by EPA 200.7 [10 day]	Water	\$175.00	\$875.00 ✓
5	Aluminum Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
5	Total Alkalinity by SM2320B [10 day]	Water	\$15.00	\$75.00 ✓
5	Ammonia by SM4500-NH3 C [10 day]	Water	\$25.00	\$125.00 ✓
5	Arsenic Dissolved by EPA 200.7 [10 day]	Water	\$30.00	\$150.00 ✓
5	Boron Dissolved by EPA 200.7 [10 day]	Water	\$30.00	\$150.00 ✓
5	Barium Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
1	Small Bailer [10 day]	Water	\$50.00	\$50.00 ✓
5	Beryllium Dissolved EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
5	Bicarbonate by SM2320B [10 day]	Water	\$15.00	\$75.00 ✓
5	Calcium Dissolved by EPA 200.7 [10 day]	Water	\$30.00	\$150.00 ✓
5	Carbonate by SM2320B [10 day]	Water	\$15.00	\$75.00 ✓
5	Cadmium Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
5	Chloride by EPA 300.0 [10 day]	Water	\$18.00	\$90.00 ✓
5	Cobalt Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
5	Conductivity by SM2510B [10 day]	Water	\$10.00	\$50.00 ✓
5	Chromium Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
5	Hexavalent Chromium in Water by EPA 7196A [10 day]	Water	\$30.00	\$150.00 ✓
5	Copper Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
5	Iron Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
1	Field Technician [10 day]	Water	\$770.00	\$770.00 ✓



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Attn: Rick Seanor

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NOV 16 2017

CITY OF UKIAH

DEPT. OF PUBLIC WORKS

Invoice #: 7112375-UKIAHLF
Date: 11/16/17

Project ID: Monitoring Wells - 5 year COCs
Project No: Monitoring Wells - 5 year COCs
PO/Reference:

Order #
17J2261

Receipt Date
10/25/17

Terms
NET 30

Quantity	Analysis/Description	Matrix	Unit Cost	Extended Cost
Alpha Analytical Laboratories, Inc.				
1	Filters [10 day]	Water	\$125.00	\$125.00 ✓
5	Fluoride by EPA 300.0 [10 day]	Water	\$18.00	\$90.00 ✓
1	GeoTracker EDT [10 day]	Water	\$487.00	\$487.00 ✓
5	Handling & Disposal [10 day]	Water	\$3.00	\$15.00 ✓
5	Mercury Dissolved by EPA 245.1 [10 day]	Water	\$0.00	\$0.00 ✓
5	Potassium Dissolved by EPA 200.7 [10 day]	Water	\$30.00	\$150.00 ✓
5	Magnesium Dissolved by EPA 200.7 [10 day]	Water	\$30.00	\$150.00 ✓
1	Miles [10 day]	Water	\$4.95	\$4.95 ✓
5	Manganese Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
5	Molybdenum Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
5	Sodium Dissolved by EPA 200.7 [10 day]	Water	\$30.00	\$150.00 ✓
5	Nickel Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
5	Total Nitrogen (NO ₂ , NO ₃ , TKN & Calc.) [10 day]	Water	\$45.00	\$225.00 ✓
5	Oil and Grease (HEM) [10 day]	Water	\$50.00	\$250.00 ✓
5	Lead Dissolved by EPA 200.7 [10 day]	Water	\$30.00	\$150.00 ✓
5	pH Water by SM4500-H+ B [10 day]	Water	\$10.00	\$50.00 ✓
5	Antimony Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
5	Selenium Dissolved by EPA 200.7 [10 day]	Water	\$30.00	\$150.00 ✓
5	Tin Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
5	Total Dissolved Solids by SM2540C [10 day]	Water	\$15.00	\$75.00 ✓
5	Sulfate by EPA 300.0 [10 day]	Water	\$18.00	\$90.00 ✓
5	Thallium Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓
4	TPH as Diesel/Motor Oil by EPA 8015 [10 day]	Water	\$60.00	\$240.00 ✓
6	TPH as Gas & VOAs by EPA 8260B [10 day]	Water	\$180.00	\$1,080.00 ✓
5	Vanadium Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓



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alpha

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Bill To: Ukiah Landfill
300 Seminary Ave
Ukiah, CA 95482
Attn: Rick Seanor

NOV 16 2017

**CITY OF UKIAH
DEPT. OF PUBLIC WORKS**

Invoice #: 7112375-UKIAHLF
Date: 11/16/17

Project ID: Monitoring Wells - 5 year COCs
Project No: Monitoring Wells - 5 year COCs
PO/Reference:

Order #
17J2261

Receipt Date
10/25/17

Terms
NET 30

Quantity	Analysis/Description	Matrix	Unit Cost	Extended Cost
Alpha Analytical Laboratories, Inc.				
5	Zinc Dissolved by EPA 200.7 [10 day]	Water	\$0.00	\$0.00 ✓

Invoice Total: \$10,216.95 ✓

approved for payment
70024500.52100
Rick Seanor
11-22-2017



AGENDA SUMMARY REPORT

SUBJECT: Award the Purchase of a New 2018 Altec Model AT40-G Telescopic Articulating Aerial Device with an Insulated Boom Truck to Altec Industries, Inc., Dixon, California in the Amount of \$168,965.00 (EUD)

DEPARTMENT: Electric Utility

PREPARED BY: Diann Lucchetti

ATTACHMENTS:

[Attachment 1 - Bucket Truck - NJPA Contract - Altec Quote 388002-1](#)

[Attachment 2 - Bucket Truck Vehicle Replacement Justification](#)

Summary: Council will consider awarding the purchase of a new Altec Telescopic Articulating Aerial truck with an insulated boom for the Electric Utility Department (EUD) to Altec Industries, Inc. in the amount of \$168,965.00.

Background: Included in the Fiscal Year 2017-2018 Budget, Council approved the replacement of a 2004 F-550 Single Bucket Truck (Electric Fund 80026120.80100). This truck will be utilized as a first responder 24/7 for all call-outs including emergencies and outages.

Compliance Requirements: As of December 2008, the California Air Resources Board (CARB) established the 2008 California Statewide Truck and Bus Rule which, with variance according to vehicle type, size and usage, require that on-road diesel heavy trucks and buses in California be retrofitted, re-powered, or replaced to reduce particulate matter (PM) emissions by at least 85%. Retrofitting the engines with CARB-approved diesel particulate filters requires an expensive upgrade and restricts vehicle availability.

RECOMMENDED ACTION: Award Purchase of a new 2018 Altec Model AT40-G Telescopic Articulating Aerial Device with an insulated boom in the amount of \$168,965.

BUDGET AMENDMENT REQUIRED: No

CURRENT BUDGET AMOUNT: \$170,000.00; FY 17/18; 80026120.8100

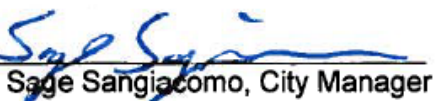
PROPOSED BUDGET AMOUNT: N/A

FINANCING SOURCE: N/A

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH: Mary Horger, Procurement Manager

Approved:


Sage Sangiacomo, City Manager

The Department considered many factors in making the recommendation to replace the existing bucket truck. These include:

1. The trucks condition and equipment's age
2. Mechanic's evaluation and recommendation
3. Articulating aerial boom condition after being utilized as the first responder 24/7
4. Dielectric break down and reliability
5. CARB compliance costs (\$25,000 to \$28,000) plus operational impacts/restrictions

Operational changes and safety:

- 1.) The extended cab option/addition will free up more locker space for better accessibility and organization of tools, equipment and materials needed in the field.
- 2.) Redesigning and relocating the locker compartments that are most frequently utilized to the curbside of the truck out of traffic will give our employees a safer work environment.

In accordance with Ukiah Municipal Code Section 1522, purchase may be made through cooperative purchasing agreements. Purchasing obtained a bid based on pricing through the National Joint Powers Alliance (NJPA) contract (Attachment 1) which is a national, competitively bid cooperative purchasing agreement.

Discussion: It is Staff's recommendation to award the purchase of 2018 Altec Model AT40G Telescopic Articulating Aerial Device with an Insulated Boom to Altec Industries, Inc. in the amount of \$168,965.00. The Vehicle Justification Worksheet is attached (Attachment 2).

November 6, 2017
Our 88th Year

Ship To:

CITY OF UKIAH CA
300 SEMINARY AVE
UKIAH, CA 95482
US

Bill To:

CITY OF UKIAH CA
300 SEMINARY AVE
UKIAH, CA 95482
United States

Attn:
Phone:
Email:

Altec Quotation Number: 388002 - 1
Account Manager: Randy Ecker
Technical Sales & Support: Mohammad Shehadeh

<u>Item</u>	<u>Description</u> <u>Unit</u>	<u>Qty</u>
1.	ALTEC Model AT40-G telescopic articulating Aerial device with ISO-Boom. A. ISO Boom: the inner telescopic fiberglass boom maintains full dielectric integrity even with the fiberglass inner boom fully retracted. B. Hydraulic platform leveling system. C. Hydraulic tool circuit at the platform. D. Emergency lowering valve at the platform. E. Single handle control at the platform with a safety interlock system. F. Two (2) operators and maintenance/parts manuals. G. Working height: 45.6 feet H. Side reach: 29.7 feet I. Low-power fiber-optic control system (FOC-L). J. Continuous rotation	1
2.	AT40G Unit Model	1
3.	Post style pedestal mounting	1
4.	Poly Hydraulic Reservoir, Pedestal Mounted, 7 Gallon (Includes Sight Gauge)	1
5.	Single One-Man End-Mounted Platform With 180 Degree Rotator, 24 X 30 X 42. Platform is rated at 400 pounds. Control panel on platform dashboard provides controls for auxiliary functions. Includes emergency stop (push-pull) switch and rocker switches, which operate platform leveling, platform rotation, tools, and battery selector (for fiber-optic controls system). Composite fiberglass platform mounting bracket. (AT40G)	1
6.	Platform Leveling At Lower Controls. AT40-G	1
7.	Two (2) Platform Steps	1
8.	Soft nylon reinforced vinyl platform cover for a 24 x 30 inch platform	1

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UTILITY EQUIPMENT AND BODIES SINCE 1929

<u>Item</u>	<u>Description</u>	<u>Qty</u>
9.	Scuff Pad With Step, 24" x 30"	1
10.	4-Function Single Handle Fiber-Optic Controller.	1
11.	Engine Start/Stop at the upper controls actuated through the Fiber-Optic controls system with Secondary Stowage System (AT40G)	1
12.	Manual lowering valve located at the boomtip. For use in emergency situations to allow the operator to lower the boom to the ground	1
13.	Powder coat unit Altec White.	1
14.	Additional Unit Option Provide custom articulating arm cylinder to limit side reach to 26.5ft and limit downward motion in lieu of a mechanical arm stop. Unit manuals to reflect custom cylinder part number	1
15.	Additional Unit Option Federal Signal #420221-02 Strobe light, installed on bracket at rear of turret, to include a guard, wired to switch panel in cab	1
<u>Unit & Hydraulic Acc.</u>		
16.	HVI-22 Hydraulic Oil (Standard).	9
17.	Standard Pump For PTO	1
18.	Hot shift PTO for automatic transmission	1
19.	Altec recommends any connection made to the tool circuit be done with Non-Conductive hose. If ordering a Hose reel, Altec recommends ordering a hose reel with Non-Conductive hose. The lower tool circuit hoses may be, or become, conductive. Death or serious injury could occur if the unit becomes energized while lower tool circuit is in use.	1
20.	Install Tool Circuit with Quick Disconnects, Below Rotation (Male Pressure, Female Return) 5 GPM, 2000 PSI	1
<u>Body</u>		
21.	Dakota Body	1
22.	Steel Body	1
23.	Treadplate Steel Floor 12 gauge	1
24.	Low-Side General Service (LGS)	1
25.	Finish Paint Body Altec White (Applies To Steel And Aluminum)	1
26.	Undercoat Body	1
27.	108" Estimated Body Length (Engineering To Determine Final Length)	1
28.	94" Body Width	1

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<u>Item</u>	<u>Description</u>	<u>Qty</u>
29.	Custom Body Compartment Height 42 inches. 27 inches from floor to top of body	1
30.	Custom Body Compartment Depth 18 inches	1
31.	Custom Body Cargo Retaining Option Metal tailboard, 6"H rectangular tubing, installed rear, to include two (2) 4-way fairleads on street side (front and rear) for use with wire reel. - Tailboard slide channels made from 7 gauge steel. Cap the top of the left side. Right side channel will need hole and tethered lockable pin	1
32.	Custom Body Lighting To include: - Four (4) Truck-Lite 80162C lights in each vertical compartment. Two (2) each side of door. - Four (4) Truck-Lite 80162C lights in curb side horizontal compartment. Two (2) above each shelf on back wall. - Four (4) Truck-Lite 80162C lights in street side horizontal compartment. Two (2) above top shelf on back wall. One (1) each side of bottom shelf. - One (1) Truck-Lite 80162C light in hotstick compartment, installed at rear street side corner. - Two (2) Truck-Lite 80162C lights in each compartment top box. Install above the door hinge. - Each compartment including top boxes to have individual door switches. Not required in hotstick box. - Use screws to install lights, not pop rivets - The compartment lights should be tucked in the corner as much as possible. Minimize the cutout in the shelves.	1
33.	Stainless Steel Rotary Paddle Latches With Keyed Locks	6
34.	All Locks Keyed Alike Including Accessories (Preferred Option)	1
35.	Custom Master Body Locking System master locking system that will accommodate a PG&E #2 padlock	1
36.	Gas Shock (Gas Spring) Rigid Door Holders On All Vertical Doors installed with metal nuts and nylock nut on pivot bolt. All vertical doors to have opening limited to 90 degrees from body.	1
37.	Custom Body Door Holders All horizontal doors to open fully. Do not install chains. Provide rubber bumpers on body to prevent open door from hitting the side of the body.	1
38.	Custom Body Chock Holders One (1) installed each side, forward of wheels on street side, rear of wheels on curb side - To fit Scientific Development W75 wheel chocks. - Weld to body at front and rear. - Wheel chock holders must have reinforcement.	1
39.	Custom Body Hotstick Shelf Option 108"L shelf. Hotstick insert using PVC pipe, - Two (2) 2" dia., One (1) 2.5" dia., One (1) 3" dia., One (1) 4" dia. - 98"L, installed flush against front body panel, recessed 8" from rear door.	1

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UTILITY EQUIPMENT AND BODIES SINCE 1929

<u>Item</u>	<u>Description</u>	<u>Qty</u>
	- The upper tubes may be 1/2" above clear vertical opening. - Lower shelf 4" from bottom of compartment with 3" clear vertical opening below hotstick tubes running full length of body, with vertical divider. - The full width of the shelf should be cut back to clear the door latch, not notched. - Sheet metal tool stop on the left side of the through shelf, 22" from the rear end panel. - Access door at rear, bottom hinged, weather proof/water tight with rotary latch and fixed striker. Padding installed on door to protect hot sticks. Provide a guard for the door latch inside the box.	
40.	1st Vertical (SS) - B-Line Channel Installed In Compartment 32"W Compartment	1
41.	Custom 1st Vertical (SS) Compartmentation 32"W Compartment, - Unistrut mounted on rear and side walls at top and middle of compartment, welded to minimum 3/16" thick reinforcement plate. - Three (3) unistrut hooks at top of compartment (1-1-1) - Three (3) unistrut hooks at midpoint (1-1-1)	1
42.	1st Horizontal (SS) - Adjustable Shelf With Slots, No Dividers Provided 54"W x 24"H	1
43.	1st Horizontal (SS) - B-Line Channel Installed In Compartment	1
44.	Rear Vertical (SS) - B-Line Channel Installed In Compartment	1
45.	Custom Rear Vertical (SS) Compartmentation 22"W Compartment, - Unistrut mounted on rear and side walls at top and middle of compartment, welded to minimum 3/16" thick reinforcement plate. - Three (3) unistrut hooks at top of compartment (1-1-1) - Three (3) unistrut hooks at midpoint (1-1-1)	1
46.	1st Vertical (CS) - B-Line Channel Installed In Compartment	1
47.	Custom 1st Vertical (CS) Compartmentation 32"W Compartment, drawers with dividers 4"OC full available height of compartment, to include the following drawers at minimum, arranged from top to bottom as follows: - One (1) 4"H drawer - Two (2) 6"H drawers - One (1) 8"H drawer - One (1) 12"H drawer Drawers to maximize the space available in the compartment. Add additional 4"H drawers at top to fill in available space.	1
48.	Custom 1st Horizontal (CS) Compartmentation 54"W x 24"H, - Two (2) fixed shelves. - Top shelf will have longitudinal dividers, 4"OC, which are 6"H at rear and 3"H near compartment door. One (1) latitudinal divider, centered, running from left compartment wall and stopping 13" from right compartment wall, creating 20 square "bins" and 3 full depth "bins". - Bottom shelf, will have longitudinal dividers, 4"OC, which are 6"H at rear and 3"H near compartment door. Two (2) latitudinal divider, equally spaced, running from left compartment wall and stopping 13" from right compartment wall, creating 30 square "bins" and 3 full depth "bins". - Provide ten (10) diagonal dividers each for the top and bottom shelves.	1

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<u>Item</u>	<u>Description</u>	<u>Qty</u>
49.	Rear Vertical (CS) - B-Line Channel Installed In Compartment	1
50.	Custom Rear Vertical (CS) Compartmentation 22"W Compartment, - Unistrut mounted on rear and side walls at top and middle of compartment, welded to minimum 3/16" thick reinforcement plate. - Three (3) unistrut hooks at top of compartment (1-1-1) - Three (3) unistrut hooks at midpoint (1-1-1)	1
51.	Body Frame Designed For ATG Subbase	1
52.	Custom Tailshelf Dimensions/Material 12 gauge treadplate tailshelf, as short as possible while extending 2" past the rear of the platform (not including controls) angled side skirts to bottom of body, welded to body, to include: - Light channel to be 8"H x 3/16" thick x minimum 2"D to guard rear backup/work lights. - Wiring tabs underneath - Frame extensions to be mounted per Ford Body Builder Guide recommendations. - Build up the rear springs as necessary to ensure that the tailshelf is within 1" of level side to side.	1
53.	Steel Cross Storage Located Between Tailshelf Floor And Top Of Chassis Frame Rail, With Drop Down Doors And Keyed Latches On Streetside And Curbside, As Wide As Possible	1
54.	Treadplate Steel Tailshelf	1
55.	Steel Top Opening Storage Box, One (1) Treadplate Lid, Gas Props, Hasp Lock, Handle Parallel To Ground And Centered (2 Handles for Boxes Greater Than 108") 37"L x 20"W x 16"H, installed in the front cargo area curbside in between the pedestal and cargo wall	1
56.	Additional Steel Top Opening Storage Box Fuse Boxes, 12"L x 16"W x 24"H with 12 Ga. treadplate top opening lid with hat channel reinforcement and 30lb gas struts. - Adjustable latch that will accept a PG&E #2 lock. - 12"H egg crate dividers on 4 inch centers. - Installed in curb side cargo area. Bolted to cargo floor on 1/4" spacers. - Handle on the top of the lid.	2
57.	Additional Steel Horizontal Storage Box Storage box, 84"L x 15.65"H x Full width of compartment including drip rail and vertical rain deflector at front edge of door, with liftup access doors, 60lb gas struts, - 78.5"W x 10.5"H clear opening, access from ground - 12 Ga. tread plate top extending over edge to form drip rail - Rotary style paddle latches keyed to match body - Welded to top of street side compartments	1
58.	Additional Steel End Opening/Hotstick Box Hydraulic Tool Storage Box, 108"L x 15.65"H x Full width of compartment including drip rail, 12 Ga. tread plate top extending over edge to form drip rail, - Rear drop down access door with rotary latch and fixed striker keyed to match body. - Side lift-up access doors, 60lb gas struts, 78.5"W x 10.5"H clear opening. - Vertical rain deflector at front edge of door. Welded to top of curb side compartments. - Down turned pipe elbow installed at front of box. To serve as a vent. - Three (3) pieces of vertical unistrut, evenly spaced on back wall.	1

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<u>Item</u>	<u>Description</u>	<u>Qty</u>
59.	Custom Uni-Strut (B-Line Style) Unistrut hook rails with minimum 3/16" backing plates, installed in the following locations: - Curb side cargo area, fore and aft of the fuse box. - Face of the fuse box facing in towards the bed area.	1
60.	Additional Body Option Four (4) drain holes in each compartment bottom with plugs and splash guards.	1
61.	Additional Body Option Caulk and seal all attaching points for body accessories	1
62.	Additional Body Option automotive bulb type weather stripping on all doors	1
63.	Additional Body Option minimize the length of exposed threads in compartments and around the body. Two threads exposed is required by PG&E. Self drilling screws will not be accepted	1
64.	Additional Body Option provide a minimum of 3" tire chain clearance around the fender panel wheel cutout	1
65.	Additional Body Option Fuel filler installed in street side rear wheel well panel with bolt on rock guard in wheel well area.	1
66.	Additional Body Option all doors on compartments and boxes (except the fuse box and rear drop down doors) must be double paneled. Provide a stiffening rib between the inner and outer panel.	1
67.	Additional Body Option 8"H body crossmembers, do not notch.	1
68.	Additional Body Option 1/4" thick x 7"W x 27"L reinforcement plate for wire reel installed on street side cargo wall.	1
69.	Additional Body Option 1" square tubing, approximately 48"L, installed at curb side front of body. Installed approximately 7.5" in from curb side edge and 3" below the compartment top box. This will be used to route wires from the satellite.	1
70.	Additional Body Option Body will be spring mounted at front with standard tabs, welded at rear. Provide sill plates along frame rails to keep body off rivets.	1

Body and Chassis Accessories

71.	ICC Underride Protection	1
72.	Custom Towing Device - Design strength for 10,000lb gross trailer weight and 2,000lb vertical load. - 2" x 2" receiver style hitch - Buyers BH82000 combination ball/pintle hitch, PM87 pintle hitch mount and hitch pin. Center of eye to ground to be 24" with unit complete but unloaded. - Reinforce with 1/2" material to chassis frame. - Two (2) 5/8" diameter weld on D-rings. Working load 6,000lbs minimum. Breaking strength 18,000lbs minimum.	1
73.	Pair Of Tow Hooks (20,000 LB Rating Each) Installed on street side, rear frame extension. The bolts that secure the hooks must have adequate clearance to be	1

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<u>Item</u>	<u>Description</u>	<u>Qty</u>
	tightened/torqued.	
74.	Rear Torsion Bar Installed On Chassis over frame style, rear torsion bar. Mounting bolts need to be installed with the head of the bolt on the inside of the frame so that the bolts do not interfere with any wiring or hoses	1
75.	Appropriate counterweight added for stability.	1
76.	Sauber Breakaway Step Installed At Rear Distance from ground to step and step to top of tailshelf should not exceed 22 inches	2
77.	Custom Access Step removable platform access step installed in the bed area	1
78.	Platform Rest, Rigid with Rubber Tube	1
79.	Boom Rest for a Telescopic Unit Installed in street side bed area as close to compartments as possible. Cradle should be located such that the upper boom stows over the wire reel and maintains 2" of clearance from the street side ladder rack and side pack. - Boom tie down strap with overcenter type latch - Standard plastic insert in boom rest saddle.	1
80.	Mud Flap Without Altec Logo (Pair)	1
81.	Custom Wheel Chocks Scientific Development W75 wheel chocks, pair	1
82.	Custom Grab Handle Grab handle made from 1" OD material with flatbar and gussets, one (1) installed each side of tailshelf, outboard of cable step. Welded to tailshelf and body.	2
83.	Custom Slope Indicator Reiker level indicator, p/n 1017SPL2-5/10 installed steetside, front of body. Altec plastic equivalent to Reiker installed on the inside of the driver's side door below the handle	1
84.	Custom Cone Holder fold over type to hold a 28" cone. Should have a door latch retainer underneath and pin through the hinge as a secondary retainer. Installed on top of street side tailshelf, should not interfere with hotstick door. Drill two (2) holes on the front flange for use with a bungee cord. The cone holder should tilt rearward and stay in that position without any cones.	1
85.	Water Cask Bracket Only, For 3 or 5 Gallon (Wire Type) installed on curb side of tailshelf facing curb side. Include SCE style ratcheting strap	1
86.	Custom Wire Rack/Reel Wire Reel, Hogg Davis part number 816208 or equal, installed street side, cargo area. - Fixed mount tied into side pack with backing plates. - Ensure that the heavy duty threads on the take up reel are well lubricated before installation. - Reel must have adequate clearance to rotate at full extension and regardless of its adjustment and basket stow angle. - Heavy duty adjustable rope brake.	1
87.	Additional Chassis Cab Option Center Console, should be as large as possible with standard size cup holders (should fit an insulated coffee mug), clip board/writing surface	1

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<u>Item</u>	<u>Description</u>	<u>Qty</u>
	on top and should store file folders. Mounted to floor using nutserts or by utilizing the existing bolts in the floor.	
88.	Custom Ladder Storage as follows: Street side ladder rack to be minimum 102.5"L long X 4" high X 20" wide with rear roller and reinforced lockable restraint accessible from rear of truck (adjustable in height to accept 3.25"-7.5" high ladders), saddle to be 5" deep. Angled, to raise front of rack as high as possible, to allow an 11ft x 6in extension ladder to extend over the cab, and to not interfere with boom rotation. Both ends are to be adjustable to accept 18" - 22" wide ladders (set at 22"W for delivery). One (1) installed each side, top of compartments, welded down: a. 3" wide x 1/4" thick High Density Polyethylene (HDPE) liner to run the ENTIRE LENGTH of each side. Bevel the front and rear edges to 45 degrees. Bolted down with recessed bolts. Curb side ladder rack to be an steel adjustable width ladder rack with hook style hold down. Angled, to raise front of rack as high as possible, to allow an 11ft x 6in extension ladder to extend over the cab, and to not interfere with boom rotation. Should accept 18"-22" wide ladders.	1
89.	Safety Harness & 4.5 FT Lanyard (Medium To X-large)	1
90.	Custom Fire Extinguisher 5lb fire extinguisher with Amerex heavy duty box type vehicle bracket, shipped loose	1
91.	Triangular Reflector Kit, Shipped Loose	1
92.	Soft Vinyl Lanyard Pouch	1
93.	Vinyl manual pouch for storage of all operator and parts manuals	1
94.	Additional Body/Chassis Accessory Exhaust extension to keep exhaust even with side of body	1
95.	Additional Body/Chassis Accessory grab handle made from 1" OD material with flatbar and gussets, installed one (1) on each side inboard of access step.	2
96.	Additional Body/Chassis Accessory Provide shielding to prevent hydraulic fluid leaks on exhaust.	1
97.	Additional Body/Chassis Accessory Indian Backpack carrying rack, p/n 85460, Forestry Suppliers, Inc. (800) 647-5368, shipped loose with mounting hardware.	1
98.	Additional Body/Chassis Accessory Cat Eye Tire Pressure System installed on rear wheels	1
99.	Additional Body/Chassis Accessory DEF filler should be installed at the street side front of the body on a 45 degree bracket	1

Electrical Accessories

100.	Lights and reflectors in accordance with FMVSS #108 lighting package. (Complete LED, including LED reverse lights)	1
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<u>Item</u>	<u>Description</u>	<u>Qty</u>
101.	Altec Standard Amber LED Strobe Light with Brush Guard Installed on bracket at rear of turret, to include a guard, wired to switch panel in cab.	1
102.	4-Corner Strobes, Amber, LED, Two (2) Surface Mounted Lights In Grille, Two (2) Round Lights At Rear	1
103.	Directional Light Bar, Amber, LED, 51" Long	1
104.	Post Mounted Spot Light, LED, 6" Diameter with Chrome Housing, Installed on Streetside of Cab (Unity)	1
105.	Custom Post/Roof Spotlight Spot light, installed centered top of cab, as far forward as possible, with stops adjusted to 180 degrees rotating on passenger side. When handle is facing rear, spotlight should face front. When handle rotates to the curb side, light should rotate to street side.	1
106.	Custom Spot Light Truck-Lite 81380 LED work lamp installed on the curb side of the pedestal. Wired to master switch in cab and individual switch at rear of tailshelf.	1
107.	Remote Spot/Flood Light, Night Ray, Incandescent, Par 36 Bulb, 50,000 CP Flood Light / 100,000 CP Spot Light, with Hand-Held Hard-Wired Remote to include: - One (1) installed in the curb side bed area on a vertical tube with multiple pinning positions, - one (1) installed on a fixed bracket at the top rear of the street side ladder rack, stiffen the fixed bracket as necessary and protect wires with loom. - Controls installed below dash. Label the controls "Left" and "Right" with "Night Ray" in the middle. - Wired with coiled wire for extension	2
108.	Single tone back up alarm installed between the chassis frame rails at the rear of the chassis. To work in conjunction with chassis reverse drive system	1
109.	Altec Standard Multi-Point Grounding System	5
110.	Straight Stainless Steel Grounding Lug installed curb side front	1
111.	PTO Hour Meter, Analog, with 10,000 Hour Display	1
112.	Custom Electric Trailer Plug Pollak, 6-way pin style	1
113.	Ford Upfitter Switches (Supplied With Chassis)	1
114.	Custom Electric Winch/Accessory - Warn M12000 electric winch and Ranch Hand winch bumper, full brush guard type mount, black, includes: - Remote control, stored behind seat in cab. - E-Stop, installed on brush guard to kill all winch operations. - 500 amp fuse, holder, and cover in main battery line to winch. - Two (2) Part Snatch Block - Reinstall factory provided tow hooks, installed as close to frame as possible. Do not use aftermarket hooks.	1

Wired to chassis batteries. Secure the winch wiring away from the radiator,

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<u>Item</u>	<u>Description</u>	<u>Qty</u>
115.	Power Distribution Module Is A Compact Self-Contained Electronic System That Provides A Standardized Interface With The Chassis Electrical System. (Includes Operator's Manual)	1
116.	Install Chassis (OEM) Supplied Backup Camera in Final Assembly	1
117.	Install secondary stowage system.	1
118.	PTO Indicator Light Installed In Cab	1
119.	Cab Interior Light, LED, Dome Style, Red/White installed over driver seat in cab, close and parallel to the visor. Tie into switch on Ford dome light.	1
120.	Additional Electrical Accessory all auxiliary lighting to be wired ignition hot	1
121.	Additional Electrical Accessory Electrical Installation: - All wiring, both internal and external, to be loomed and fully protected. Loom to be securely fastened to the inside of compartment walls with metal clips. (Do not use glue on clips.) - Install rubber or plastic grommets when wiring passes through compartment walls and frame rails. - All junction boxes are to be weather tight and covered. - Special attention should be placed in the quality of wiring, trucks should be highly uniform from one truck to the next, anything less than that uniformity and high quality will be rejected. - All grounds for lighting to be bolted, not riveted. - Apply non-corrosive spray to battery terminals and circuit breaker terminals. - Secure all wiring every 18 inches. Compartment light wiring every 8 inches. - Strip caulk where wires enter the wire tube in the first vertical.	1

Finishing Details

122.	Powder Coat Unit Altec White	1
123.	Finish Paint Body Accessories Above Body Floor Altec White	1
124.	Altec Standard; Components mounted below frame rail shall be coated black by Altec. i.e. step bumpers, steps, frame extension, pintle hook mount, dock bumper mounts, D-rings, receiver tubes, accessory mounts, light brackets, under-ride protection, etc. Components mounted to under side of body shall be coated black by Altec. i.e. Wheel chock holders, mud flap brackets, pad carriers, boxes, lighting brackets, steps, and ladders.	1
125.	Additional Heavy Duty Black Undercoating, To be Applied from Behind the Chassis Cab to the Rear of the Truck, Inside the Wheel Wells, Along the Undersurface of the Body, Subbase and Outrigger Frames, ICC Bumpers not used for Access Steps, and Frame Rails	1
126.	Apply Non-Skid Coating to all walking surfaces	1
127.	English Safety And Instructional Decals	1
128.	Vehicle Height Placard - Installed In Cab	1

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<u>Item</u>	<u>Description</u>	<u>Qty</u>
129.	Placard, HVI-22 Hydraulic Oil	1
130.	Dielectric test unit according to ANSI requirements.	1
131.	Stability test unit according to ANSI requirements. Inside dual tire must remain in contact with the ground.	1
132.	Non-Focus Factory Build	1
133.	Delivery Of Completed Unit	1
134.	Inbound Freight	1
135.	Additional Finishing Detail ensure the truck remains level after settling, side to side. Shim the rear axle as needed to achieve the correct pinion angle after settling.	1
136.	Additional Finishing Detail Licensing, Exempt Plates	1
137.	Additional Finishing Detail Ship Lower Boom Lifting Eye Shackle loose	1
138.	AT40G FA Installation	1

Chassis

139.	Chassis	1
140.	Altec Supplied Chassis	1
141.	2018 Model Year	1
142.	Ford F550	1
143.	4x4	1
144.	60 Clear CA (Round To Next Whole Number)	1
145.	Extended Cab (Larger Cab With Half-Length Rear Doors Or No Rear Doors)	1
146.	Chassis Cab	1
147.	Chassis Color - White	1
148.	Ford 6.7L Power Stroke Diesel	1
149.	Ford Torqshift 6-Speed (6R140) Automatic Transmission (w/PTO Provision)	1
150.	GVWR 19,500 LBS	1
151.	7,000 LBS Front GAWR	1
152.	14,706 LBS Rear GAWR	1
153.	225/70R19.5 Front Tire	1

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<u>Item</u>	<u>Description</u>	<u>Qty</u>
154.	225/70R19.5 Rear Tire	1
155.	Hydraulic Brakes	1
156.	Park Brake In Rear Wheels	1
157.	Ford E/F250-550 Single Horizontal Right Side Exhaust	1
158.	98R - Operator Commanded Regeneration (OCR)	1
159.	No Idle Engine Shut-Down Required	1
160.	50-State Emissions	1
161.	Clean Idle Certification	1
162.	Ford 40 Gallon Fuel Tank (Rear)	1
163.	Ford 7.2 Gallon DEF Tank (Mid Mount)	1
164.	AM/FM Radio	1
165.	Air Conditioning	1
166.	Backup Camera, OEM Supplied	1
167.	Keyless Entry	1
168.	Power Door Locks	1
169.	Power Windows	1
170.	Block Heater	1
171.	Power Mirrors with Heated Glass	1
172.	Running Boards (Supplied By Chassis OEM)	1
173.	Trailer Brake Controller (Factory Installed)	1
174.	Vinyl Split Bench Seat	1
<u>Additional Pricing</u>		
175.	Standard Altec Warranty: One (1) year parts warranty, one (1) year labor warranty, ninety (90) days warranty for travel charges, limited lifetime structural warranty	1

Altec Industries, Inc.

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BY _____

Mohammad Shehadeh

Notes:

- 1 Altec Standard Warranty:
- One (1) year parts warranty.
- One (1) year labor warranty.
- Ninety (90) days warranty for travel charges.

Warranty on structural integrity of the following major components is to be warranted for so long as the initial purchaser owns the product: Booms, boom articulation links, hydraulic cylinder structures, outrigger weldments, pedestals, subbases and turntables.

Altec is to supply a self-directed, computer based training (CBT) program. This program will provide basic instruction in the safe operation of this aerial device. This program will also include and explain ANSI and OSHA requirements related to the proper use and operation of this unit.

Altec offers its standard limited warranty with the Altec supplied components which make up the Altec Unit and its installation, but expressly disclaims any and all warranties, liabilities, and responsibilities, including any implied warranties of fitness for a particular purpose and merchantability, for any customer supplied parts

Altec designs and manufactures to applicable Federal Motor Vehicle Safety and DOT standards

- 2 Altec takes pride in offering solutions that provide a safer work environment for our customers. In an effort to focus on safety, we would encourage you to consider the following items:

Outrigger pads (When Applicable)
Fall Protection System
Fire extinguisher/DOT kit
Platform Liner (When Applicable)
Altec Sentry Training
Wheel Chocks

The aforementioned equipment can be offered in our new equipment quotations. If you find that any of these items have not been listed as priced options in the body of your quotation and are required by your company, we would encourage you to contact your Altec Account Manager and have an updated quotation developed for you. These options must be listed as individual options in the body of the quotation for them to be supplied by Altec.

- 3 Altec Extended Warranty Option:

Labor/Material/Expense for 1 Year. Price to be quoted

An Altec Extended Warranty is an extension of Altec's Limited Warranty, that protects you from the repair cost associated with defects of materials and workmanship beyond the first year of ownership.

A number of packages are available and can be quoted upon request.

- 4 Unless otherwise noted, all measurements used in this quote are based on a 40 inch (1016mm) chassis frame height and standard cab height for standard configurations.
- 5 F.O.B. - Customer Site
- 6 Changes made to this order may affect whether or not this vehicle is subject to F.E.T. A review will be made at the time of invoicing and any applicable F.E.T. will be added to the invoice amount.
- 7 Price does not reflect any local, state or Federal Excise Taxes (F.E.T). The quote also does not reflect any local title or licensing fees. All appropriate taxes will be added to the final price in accordance with regulations in effect at time of invoicing.
- 8 Interest charge of 1/2% per month to be added for late payment.
- 9 Delivery: 330-360 days after receipt of order PROVIDING:
A. Order is received within 14 days from the date of the quote. If initial timeframe expires, please contact your Altec representative for an updated delivery commitment.
B. Chassis is received a minimum of sixty (60) days before scheduled delivery.
C. Customer approval drawings are returned by requested date.
D. Customer supplied accessories are received by date necessary for compliance with scheduled delivery.
E. Customer expectations are accurately captured prior to releasing the order. Unexpected additions or changes made at a customer inspection will delay the delivery of the vehicle.
- Altec reserves the right to change suppliers in order to meet customer delivery requirements, unless specifically identified, by the customer, during the quote and or ordering process.
- 10 Trade-in offer is conditional upon equipment being maintained to DOT (Department of Transportation) operating and safety standards. This will include, but is not limited to tires, lights, brakes, glass, etc. All equipment, i.e., jibs, winches, pintle hooks, trailer connectors, etc., are to remain with unit unless otherwise agreed upon in writing by both parties. ALTEC Industries reserves the right to re-negotiate its trade-in offer if these conditions are not met.
- All reasonable and necessary expenses required of ALTEC Industries to execute transportation of the trade-in will be invoiced to the customer for payment if these conditions are not met to maintain DOT standards.
- Customer may exercise the option to rescind this agreement in writing within sixty (60) days after receipt of purchase order. After that time ALTEC Industries will expect receipt of trade-in vehicle upon delivery of new equipment as part of the terms of the purchase order unless other arrangements have been made.
- 11 This quotation is valid until NOV 10, 2017. After this date, please contact Altec Industries, Inc. for a possible extension.
- 12 After the initial warranty period, Altec Industries, Inc. offers mobile service units, in-shop service and same day parts shipments on most parts from service locations nationwide at an additional competitive labor and parts rate. Call 877-GO-ALTEC for all of your Parts and Service needs.
- 13 Please email Altec Capital at finance@altec.com or call 888-408-8148 for a lease quote today.
- 14 Please direct all questions to Randy Ecker at (707) 678-0800

Quoted for: City of Ukiah
Customer Contact: Tim Santo
Phone: /Fax: /Email: 707-467-5778 / Tsanto@CityofUkiah.com
Quoted by: Mohammad Shehadeh
Phone: /Fax: /Email: 707-678-7306 / mohammad.shehadeh@altec.com
Altec Account Manager: Randy Ecker

REFERENCE ALTEC MODEL

AT37-G	Articulating Telescopic Aerial Device (Insulated)	\$86,068
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(A.) NJPA OPTIONS ON CONTRACT (Unit)

1	AT40-G-BASE	40' Boom Height (AT40-G) requires ISO option	\$1,933
2	AT37-G-EDC	Secondary Stowage System	\$1,112
3	AT37-G-ISO	ISO boom - MUST QUOTE for 40' boom height (n/a on base model)	\$4,575
4	AT37-G-AWD	All Wheel Drive	\$5,069
5			
6			

(A1.) NJPA OPTIONS ON CONTRACT (General)

1	CH	Cone Holder, Fold Over Post Style	\$236
2	LR	Ladder Rack - Sloped Aluminum Ladder Rack, Curbside, 102" - 108" L Body	\$518
3	RL	COMPARTMENT LIGHTS in Body Compartments (Rope Style) (6 Compartments)	\$510
4	SPOT	ONE (1) POST-MOUNTED SPOTLIGHT. Mounted on Driver's Side of Chassis.	\$275
5	SPOT2	TWO (2) DECK-MOUNTED SPOTLIGHTS. Mounted on Boom Support to Illuminate	\$449
6	SPOT3	FOUR (4) POINT STROBE SYSTEM (Recessed, LED)	\$477
7	ECB	ENGINE BLOCK HEATER OEM. 110-VAC	\$97
8	FE	FORD POWER EQUIPMENT (Power Locks and Power Windows)	\$945

NJPA OPTIONS TOTAL: \$102,264

(B.) OPEN MARKET ITEMS (Customer Requested)

1	UNIT	ADD Scuff Pad with Step, ADD Custom Articulating arm cylinder stop	\$660
2	UNIT & HYDRAULIC ACC	Tool Circuit Below Rotation	\$400
3	BODY	Body: LGS 108" Body, Tailshelf, 84"L x 16"H x 18"W Storage Box, Two (2) 12"L x 24"H x 16"W Fuse Box, 108"L x 16"H x 18"W Tool Storage Box, Unistrut Hook Rails, B-Line Channel, 37"L x 20"W x 16"H Top Opening Box, Drawer set in Streetside Vertical	\$16,949
4	BODY & CHASSIS ACC	Buyers BH82000 Hitch w/D-Rings, Pair of Tow Hooks, Sauber Steps, Removable Platform Access Step, Scientific Development W75 Chocks ILO Standard Rubber Chocks, Water Cask Bracket, Wire Reel Hogg Davis, Center Console, Custom Ladder Rack 102.5"L x 4"H x 20"W ILO Standard option, Exhaust Extension, Shielding to prevent leaks on exhaust, Indian backpack carrying rack, Cat Eye Tire Pressure System, DEF Filler Bracket, Reiker Level Indicators, 1"OD Grab Handles ILO Standard	\$8,346
5	ELECTRICAL	LED FMVSS Lights ILO Incandescent, 51"L Directional Lightbar, Night Ray Incandescent Flood Light, Straight Stainless Steel Grounding Lug, PTO Hour Meter, 12k LB Electric Winch Kit with Ranch Hand Guard, Power Distribution Module, FA Secondary Stowage, Cab Interior Light Dome Style, Custom Electrical Standards	\$11,984
6	FINISHING	Finishing Paint Touchup	\$2,117
7	CHASSIS	2018 Ford F550 w/OEM Backup Camera ILO Standard Option	\$8,296
8	OTHER	Regional Build and Inbound Freight	\$4,569

OPEN MARKET OPTIONS TOTAL: \$53,321

SUB-TOTAL FOR UNIT/BODY/CHASSIS: \$155,585

Delivery to Customer: \$350

Estimated Sales Tax (8.375%) \$13,030

TOTAL FOR UNIT/BODY/CHASSIS: \$168,965

(C.) ADDITIONAL ITEMS (items are not included in total above)

1		Ford SYNC	\$330
2			
3			
4			

****Pricing valid for 45 days****

NOTES

PAINT COLOR: White to match chassis, unless otherwise specified

WARRANTY: Standard Altec Warranty - One (1) year parts warranty One (1) year labor warranty Ninety (90) days warranty for travel charges (Mobile Service) Limited Lifetime Structural Warranty. Chassis to include standard warranty, per the manufacturer. (Parts only warranty on mounted equipment for overseas customers)

TO ORDER: To order, please contact the Altec Inside Sales Representative listed above.

CHASSIS: Per Altec Commercial Standard

DELIVERY: No later than **330-360** days ARO, FOB Customer Location

TERMS: Net 30 days

BEST VALUE: Altec boasts the following "Best Value" features: Altec ISO Grip Controls for Extra Protection, Only Lifetime Warranty on Structural Components in Industry, Largest Service Network in Industry (Domestic and Overseas), Altec SENTRY Web/CD Based Training, Dedicated/Direct Gov't Sales Manager, In-Service Training with Every Order.

TRADE-IN: Equipment trades must be received in operational condition (as initial inspection) and DOT compliant at the time of pick-up. Failure to comply with these requirements, may result in customer bill-back repairs.

BUILD LOCATION: Dixon, CA



Attachment 2

Fleet Vehicle

Justification

Proposed Vehicle: 2018 Ford F550 Single Bucket Truck

Department: Electric Utility Department

Area of use: Electric Department

Prepared by: Tim Santo, Interim Electric Supervisor; Dave Kirch, Fleet Maintenance Supervisor

1 VEHICLE PURPOSE

Need for vehicle within Department fleet

This vehicle is used for the COUEUD operation maintenance and construction of substation and hydroelectric plant. It's di-electric components are crucial for high voltage operational switching and grounding within the substation and at the hydroelectric plant.

2 REPLACEMENT JUSTIFICATION

This vehicle is 13 years old and is currently in the CARB low usage category. To bring this vehicle into carb compliance it must be retrofitted with a diesel particulate filter or the engine must be replaced to meet today's emission standards. A new vehicle of this type has a build time of 300 days placing us one year closer to maximum low usage hours.

Since this aerial lift truck was used 24/7 as the trouble truck for 9 plus years the boom should be of concern by utility standards.

The new Altec AT40G aerial lift bucket will have a higher working height placing the lineman in the optimum working position for field operation.

2.1 Current Vehicle

Description, Mileage, Funding Source and Market Value

The vehicle being replaced is #2222, a 2004 Ford F550 Altec AT37G single

bucket aerial lift. The mileage is 56,675 miles and 2705 hours on it. The truck was bought in 2004 with the Electric Utility capital funds. The value of this vehicle approximately \$10,000

2.2 Maintenance Costs

Overall Condition, Maintenance Costs, Out of Service Time, Parts Availability, and Associated Safety Issues

Overall Mechanical Condition: This vehicle is in fair mechanical condition but as stated above is soon to be out of CARB compliance

Maintenance Costs: For the past year this vehicle has incurred approximately \$2,000 in parts and labor costs

Out of Service Time: This vehicle is currently in service

Parts Availability: Not all OEM parts are available

Associated Safety Issues: None

2.3 Shared Resources

Define any resources currently available within the City of Ukiah fleet which could be utilized for this purpose.

This vehicle is highly specialized for “hot work” with multiple layers of dielectric components relied upon to work in high voltage situations safely. In order to perform “hot work” safely these dielectric components must be tested annually in order to provide the necessary protection/isolation for the lineworker. Employees are trained annually in order to operate this approved aerial device in a safe manner.

No resources are available within the City fleet to be utilized for this type work.

3 PROPOSED VEHICLE SPECIFICATIONS

Proposed Vehicle Specifications
2018 Ford F550 Super Duty Truck with Altec AT40G single bucket aerial lift

4 ALTERNATIVE FUEL AND CARB REGULATIONS

4.1 Alternative Fuels Availability

Proposed Vehicle Alternative Fuels Availability
None recommended

4.2 CARB STANDARDS

CARB STANDARDS
CARB regulations do apply to this vehicle and will meet 2017 Diesel emissions standards.



AGENDA SUMMARY REPORT

SUBJECT: Approve the Purchase of a New Cat 242D Skid Steer Loader from Peterson CAT in the Amount of \$62,269.96

DEPARTMENT: Public Works

PREPARED BY: Mary Horger

ATTACHMENTS:

[Attachment 1 - Vehicle Replacement Justification CAT](#)

[Attachment 2 - Peterson Quote](#)

Summary: Council will consider approving the purchase a new Cat 242D Skid Steer Loader from Peterson CAT in the amount of \$62,269.96.

Background: The Public Works Street Department and Water/Sewer Maintenance Department need to replace their 1995 New Holland LX665 skid steer. Please refer to the Fleet Vehicle Justification provided as Attachment 1.

This equipment is used for street maintenance activities, sidewalk repairs, maintenance and repair of water and sewer mains, and debris cleanup from multiple construction activities. It was originally purchased in 1995, and currently has approximately 2,459 hours on it and is in good mechanical condition.

The California Air Resource Board (CARB) has designated this equipment as low usage, due to the Tier 0

RECOMMENDED ACTION: Approve the purchase a new Caterpillar Model 242D Skid Steer in the amount of \$62,269.96.

BUDGET AMENDMENT REQUIRED: No

CURRENT BUDGET AMOUNT: Streets - 10024220.80100: \$30,000; Water – 82024414.80100: \$30,000; Sewer – 84024421.80100: \$30,000

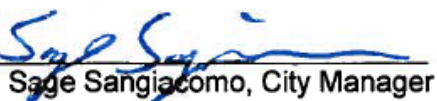
PROPOSED BUDGET AMOUNT: N/A

FINANCING SOURCE: Streets, Water and Sewer Funds

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH: Dave Kirch, Fleet Maintenance Supervisor

Approved: _____


Sage Sangiacomo, City Manager

engine, and therefore is limited to 200 hours per year, and will be up for mandatory replacement in 2019. If the unit does go over 200 hours, the equipment would be immediately removed from the CARB system, and the City would be forced to replace it.

This fall, CARB announced that CARB credits would be given if the City replaces 8% of the fleet (which works out to 2 pieces of equipment) by December 31, 2017. Receipt of these CARB credits will extend the life of the Tier 1 fleet (Tier 1 represents most of the City's heavy equipment fleet), which would delay the replacement requirement of the Tier 1's. The replacement of this Skid Steer is one of the two pieces' equipment that will meet the 8% requirement.

Discussion: Staff requested a quote (see Attachment 2) from Petersen Cat for a new Caterpillar Model 242D Skid Steer in the amount of \$62,269.96. The pricing is based on the National Joint Powers Alliance Contract, a national competitively bid cooperative purchasing agreement. Per Ukiah Municipal Code Section 1522, the purchase may be made through cooperative purchasing agreements. Caterpillar is a proven manufacturer for heavy equipment, and Petersen Cat has a service center in nearby Willits. The CAT 242D is EPA Tier IV final compliant diesel, and is 73 horse power.

It is staff's recommendation that Council approve the purchase a new Caterpillar Model 242D Skid Steer in the amount of \$62,269.96, split equally between Streets, Water and Sewer operations.



Fleet Vehicle Justification

Proposed Vehicle: 2018 CAT 242D Skid Steer Tractor

Department: Water/Sewer/Street Maintenance Crew

Area of use: Water/Sewer/Street Maintenance

Prepared by: David Kirch, Fleet and Plant Maintenance Supervisor

1 VEHICLE PURPOSE

Need for vehicle within Department fleet

This tractor will be used for street maintenance activities, sidewalk repairs, maintenance and repair of Water and Sewer Mains and debris cleanup from all above-mentioned construction activities

2 REPLACEMENT JUSTIFICATION

2.1 Current Vehicle

Description, Mileage, Funding Source and Market Value

The tractor being replaced is a 1995 New Holland LX665 skid steer. Currently it has approximately 2459 hours on it. It was purchased in 1995 with general fund. The equipment is in good condition with estimated value of \$5,000-\$7,000

2.2 Maintenance Costs

Overall Condition, Maintenance Costs, Out of Service Time, Parts Availability, and Associated Safety Issues

Overall Mechanical Condition: This equipment is in good mechanical condition.

Maintenance Costs: For the past year this equipment has incurred approximately \$2640 in parts and labor

Out of Service Time: This equipment is designated low usage as it has a Tier 0 engine and does not comply with California Air Resource Board (CARB). It is limited to 200 hours per year.

Parts Availability: Parts are available

Associated Safety Issues: None

2.3 Shared Resources

Define any resources currently available within the City of Ukiah fleet which could be utilized for this purpose.

No resources are recommended as this equipment is not CARB compliant. By replacing this equipment we will gain CARB credits to extend other equipment in our fleet before they will have to be replaced.

3 PROPOSED VEHICLE SPECIFICATIONS

Proposed Vehicle Specifications
2018 CAT 242D Skid Steer and EPA Tier IV Final Compliant diesel 73hp

4 ALTERNATIVE FUEL AND CARB REGULATIONS

4.1 Alternative Fuels Availability

Proposed Vehicle Alternative Fuels Availability
None recommended

4.2 CARB STANDARDS

CARB STANDARDS
CARB regulations do apply to this equipment and will meet 2018 diesel emissions standards.

ATTACHMENT 2



July 21, 2017

CITY OF UKIAH A/P
300 SEMINARY AVE
UKIAH
California
95482

Attention: DAVID KIRCH

RE: Quote 141843-01

Dear Sir,

We would like to thank you for your interest in our company and our products, and are pleased to quote the following for your consideration. Based on NJPA pricing. Contract# 032515

One (1) New Caterpillar Model: 242D Compact Construction Equipment

MACHINE SPECIFICATIONS

242D SSL TIER 4 FINAL HRC	388-8242
LANE 2 - AVAILABLE FROM SANFORD FACTORY	
LANE 3 - AVAILABLE FROM SANFORD FACTORY	
Available for AM-N, Europe, Turkey, Israel, Puerto Rico & South Korea	
PRODUCT LINK, CELLULAR PL240	441-4818
LANE 2 ORDER	0P-9002
PACKAGE, PERFORMANCE, (H3)	467-8084
CONTROL, ISO, PROP, WT	485-0415
ROPS, OPEN (C1)	418-5775
BATTERY, HEAVY DUTY, 850 CCA	361-6386
LIGHTS, HALOGEN	495-1672
SEAT BELT, 3"	258-4096
FAN, COOLING, DEMAND	486-6956
TIRES, 10/16.5 GA 8PR	422-3343
QUICK COUPLER, MANUAL	388-8298
BUCKET, MP, 66", SG, BOCE	426-6490
H55E HAMMER, PIN-ON	437-5717
TOOL, IN LINE CHISEL H55E	423-8310
BRACKET, MOUNTING	269-7807
LINES, CONNECTING	269-7271
KIT, WATER TANK	447-0347
TWO SPEED WITH RIDE CONTROL	388-8129
SEAT,AIR SUSPENSION,VINYL,HEAT	345-6349
DISPLAY, ADVANCED, LCD, CAMERA	416-9265
LIGHTS, BEACON	309-1325

SELL PRICE	\$57,457.86
EXT WARRANTY	Included
NET BALANCE DUE	\$57,457.86
MENDOCINO CO. TAX (CITY OF UKIAH) (8.375%)	\$4,812.10
AFTER TAX BALANCE	\$62,269.96

WARRANTY

Standard Warranty: 12 Month, Unlimited Hours Standard Warranty

Extended Warranty: 242-60 MO/1000 HR PREMIER (Tier 4)

F.O.B/TERMS: Willits

Accepted by _____ on _____

Signature

This Quote is valid for 30 days, after which time we reserve the right to re-quote. If there are any questions, please do not hesitate to contact me.

Sincerely,
Jack Drew
Machine Sales Representative
Peterson CAT
JWDrew@petersoncat.com



AGENDA SUMMARY REPORT

SUBJECT: Notification of Contract with NHA Advisors, LLC for Financial Advisory Services in the Amount of \$19,500

DEPARTMENT: Finance

PREPARED BY: Mary Horger

ATTACHMENTS:

[Attachment 1 - COU No. 1617-119 - NHA Advisors, LLC](#)

[Attachment 2 - Amendment 1 - COU No. 1617-119-A1 - NHA Advisors, LLC](#)

Summary: Council will receive a report regarding a contract with NHA Advisors, LLC for financial advisory services in the amount of \$19,500.

Background: On September 2, 2016, the City entered into an agreement in the amount of \$8,000 with NHA Advisors, LLC for municipal advisory and consulting for the Wastewater Enterprise. Please see Attachment 1 for a copy of the agreement. The agreement covered analyzing the State Revolving Fund loan commitment at the time and existing 2006 Bonds.

Discussion: On October 11, 2017, the City executed Amendment 1 to the existing agreement, increasing the contract amount to \$19,500, to allow for additional analysis regarding the wastewater finances, as well as other City finance objectives. Please see Attachment 2 for a copy of the agreement. Further, the amendment allows NHA Advisors to serve as financial adviser for any debt financing done by the City, including a potential refunding (refinance) of the existing sewer bonds of 2006.

RECOMMENDED ACTION: Receive report.

BUDGET AMENDMENT REQUIRED: No

CURRENT BUDGET AMOUNT: \$8,000 10013400.52100.UVSDL; \$11,500 10013400.52100

PROPOSED BUDGET AMOUNT: N/A

FINANCING SOURCE: N/A

PREVIOUS CONTRACT/PURCHASE ORDER NO.: COU No. 1617-119; A1

COORDINATED WITH: Daniel Buffalo, Finance Director

Approved: _____


Sage Sangiacomo, City Manager

AGREEMENT FOR
PROFESSIONAL CONSULTING SERVICES

This Agreement, made and entered into this 2nd day of September, 2016 ("Effective Date"), by and between CITY OF UKIAH, CALIFORNIA, hereinafter referred to as "City" and NHA Advisors, LLC, a limited liability company, organized and in good standing under the laws of the state of California, hereinafter referred to as "Consultant".

RECITALS

This Agreement is predicated on the following facts:

- a. City requires consulting services related to Wastewater Municipal Advisory Consulting Services.
- b. Consultant represents that it has the qualifications, skills, experience and properly licensed to provide these services, and is willing to provide them according to the terms of this Agreement.
- c. City and Consultant agree upon the Scope-of-Work and Work Schedule attached hereto as Attachment "A", describing contract provisions for the project and setting forth the completion dates for the various services to be provided pursuant to this Agreement.

TERMS OF AGREEMENT

1.0 DESCRIPTION OF PROJECT

- 1.1 The Project is described in detail in the attached Scope-of-Work (Attachment "A").

2.0 SCOPE OF SERVICES

- 2.1 As set forth in Attachment "A".
- 2.2. Additional Services. Additional services, if any, shall only proceed upon written agreement between City and Consultant. The written Agreement shall be in the form of an Amendment to this Agreement.

3.0 CONDUCT OF WORK

- 3.1 Time of Completion. Consultant shall commence performance of services as required by the Scope-of-Work upon receipt of a Notice to Proceed from City and shall complete such services until the project is complete. Consultant shall complete the work to the City's reasonable satisfaction, even if contract disputes arise or Consultant contends it is entitled to further compensation.

4.0 COMPENSATION FOR SERVICES

- 4.1 Basis for Compensation. For the performance of the professional services of this Agreement, Consultant shall be compensated on a time and expense basis not to exceed a guaranteed maximum dollar amount of \$8,000. Labor charges shall be based upon hourly billing rates for the various classifications of personnel employed by Consultant to perform the Scope of Work as set forth in the attached Attachment A,

COU No. 1617119

which shall include all indirect costs and expenses of every kind or nature, except direct expenses. The direct expenses and the fees to be charged for same shall be as set forth in Attachment A. Consultant shall complete the Scope of Work for the not-to-exceed guaranteed maximum, even if actual time and expenses exceed that amount.

- 4.2 Changes. Should changes in compensation be required because of changes to the Scope-of-Work of this Agreement, the parties shall agree in writing to any changes in compensation. "Changes to the Scope-of-Work" means different activities than those described in Attachment "A" and not additional time to complete those activities than the parties anticipated on the date they entered this Agreement.
- 4.3 Sub-contractor Payment. The use of sub-consultants or other services to perform a portion of the work of this Agreement shall be approved by City prior to commencement of work. The cost of sub-consultants shall be included within guaranteed not-to-exceed amount set forth in Section 4.1.
- 4.4 Terms of Payment. Payment to Consultant for services rendered in accordance with this contract shall be based upon submission of monthly invoices for the work satisfactorily performed prior to the date of the invoice less any amount already paid to Consultant, which amounts shall be due and payable thirty (30) days after receipt by City. The invoices shall provide a description of each item of work performed, the time expended to perform each task, the fees charged for that task, and the direct expenses incurred and billed for. Invoices shall be accompanied by documentation sufficient to enable City to determine progress made and to support the expenses claimed.
- 5.0 ASSURANCES OF CONSULTANT
- 5.1 Independent Contractor. Consultant is an independent contractor and is solely responsible for its acts or omissions. Consultant (including its agents, servants, and employees) is not the City's agent, employee, or representative for any purpose.

It is the express intention of the parties hereto that Consultant is an independent contractor and not an employee, joint venturer, or partner of City for any purpose whatsoever. City shall have no right to, and shall not control the manner or prescribe the method of accomplishing those services contracted to and performed by Consultant under this Agreement, and the general public and all governmental agencies regulating such activity shall be so informed.

Those provisions of this Agreement that reserve ultimate authority in City have been inserted solely to achieve compliance with federal and state laws, rules, regulations, and interpretations thereof. No such provisions and no other provisions of this Agreement shall be interpreted or construed as creating or establishing the relationship of employer and employee between Consultant and City.

Consultant shall pay all estimated and actual federal and state income and self-employment taxes that are due the state and federal government and shall furnish and pay worker's compensation insurance, unemployment insurance and any other benefits required by law for himself and his employees, if any. Consultant agrees to indemnify and hold City and its officers, agents and employees harmless from and against any claims or demands by federal, state or local government agencies for any such taxes or benefits due but not paid by Consultant, including the legal costs associated with defending against any audit, claim, demand or law suit.

COU No. 1617119

Consultant warrants and represents that it is a properly licensed professional or professional organization with a substantial investment in its business and that it maintains its own offices and staff which it will use in performing under this Agreement.

- 5.2 Conflict of Interest. Consultant understands that its professional responsibility is solely to City. Consultant has no interest and will not acquire any direct or indirect interest that would conflict with its performance of the Agreement. Consultant shall not in the performance of this Agreement employ a person having such an interest. If the City Manager determines that the Consultant has a disclosure obligation under the City's local conflict of interest code, the Consultant shall file the required disclosure form with the City Clerk within 10 days of being notified of the City Manager's determination.

6.0 INDEMNIFICATION

- 6.1 Insurance Liability. Without limiting Consultant's obligations arising under Paragraph 6.2 Consultant shall not begin work under this Agreement until it procures and maintains for the full period of time allowed by law, surviving the termination of this Agreement insurance against claims for injuries to persons or damages to property, which may arise from or in connection with its performance under this Agreement.

A. Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. Insurance Services Office ("ISO) Commercial General Liability Coverage Form No. CG 20 10 10 01 and Commercial General Liability Coverage – Completed Operations Form No. CG 20 37 10 01.
2. ISO Form No. CA 0001 (Ed. 1/87) covering Automobile Liability, Code 1 "any auto" or Code 8, 9 if no owned autos and endorsement CA 0025.
3. Worker's Compensation Insurance as required by the Labor Code of the State of California and Employers Liability Insurance.
4. Errors and Omissions liability insurance appropriate to the consultant's profession. Architects' and engineers' coverage is to be endorsed to include contractual liability.

B. Minimum Limits of Insurance

Consultant shall maintain limits no less than:

1. General Liability: \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage including operations, products and completed operations. If Commercial General Liability Insurance or other form with a general aggregate limit is used, the general aggregate limit shall apply separately to the work performed under this Agreement, or the aggregate limit shall be twice the prescribed per occurrence limit.
2. Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage.

COU No. 1617119

3. Worker's Compensation and Employers Liability: Worker's compensation limits as required by the Labor Code of the State of California and Employers Liability limits of \$1,000,000 per accident.
4. Errors and Omissions liability: \$1,000,000 per occurrence.

C. Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of the City, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects to the City, its officers, officials, employees and volunteers; or the Consultant shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

D. Other Insurance Provisions

The policies are to contain, or be endorsed to contain, the following provisions:

1. General Liability and Automobile Liability Coverages

- a. The City, its officers, officials, employees and volunteers are to be covered as additional insureds as respects; liability arising out of activities performed by or on behalf of the Consultant, products and completed operations of the Consultant, premises owned, occupied or used by the Consultant, or automobiles owned, hired or borrowed by the Consultant for the full period of time allowed by law, surviving the termination of this Agreement. The coverage shall contain no special limitations on the scope-of-protection afforded to the City, its officers, officials, employees or volunteers.
- b. The Consultant's insurance coverage shall be primary insurance as respects to the City, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees or volunteers shall be in excess of the Consultant's insurance and shall not contribute with it.
- c. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the City, its officers, officials, employees or volunteers.
- d. The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

2. Worker's Compensation and Employers Liability Coverage

The insurer shall agree to waive all rights of subrogation against the City, its officers, officials, employees and volunteers for losses arising from Consultant's performance of the work, pursuant to this Agreement.

3. Professional Liability Coverage

If written on a claims-made basis, the retroactivity date shall be the effective date of this Agreement. The policy period shall extend one year from completion of work.

4. All Coverages

Each Insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City.

E. Acceptability of Insurers

Insurance is to be placed with admitted California insurers with an A.M. Best's rating of no less than A- for financial strength, AA for long-term credit rating and AMB-1 for short-term credit rating.

F. Verification of Coverage

Consultant shall furnish the City with Certificates of Insurance and with original Endorsements effecting coverage required by this Agreement. The Certificates and Endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The Certificates and Endorsements are to be on forms provided or approved by the City. Where by statute, the City's Workers' Compensation - related forms cannot be used, equivalent forms approved by the Insurance Commissioner are to be substituted. All Certificates and Endorsements are to be received and approved by the City before Consultant begins the work of this Agreement. The City reserves the right to require complete, certified copies of all required insurance policies, at any time. If Consultant fails to provide the coverages required herein, the City shall have the right, but not the obligation, to purchase any or all of them. In that event, the cost of insurance becomes part of the compensation due the contractor after notice to Consultant that City has paid the premium.

G. Subcontractors

Consultant shall include all subcontractors or sub-consultants as insured under its policies or shall furnish separate certificates and endorsements for each sub-contractor or sub-consultant. All coverage for sub-contractors or sub-consultants shall be subject to all insurance requirements set forth in this Paragraph 6.1.

- 6.2 Indemnification. Notwithstanding the foregoing insurance requirements, and in addition thereto, Consultant agrees, for the full period of time allowed by law, surviving the termination of this Agreement, to indemnify the City for any claim, cost or liability that arises out of, or pertains to, or relates to any negligent act or omission or the willful misconduct of Consultant in the performance of services under this contract by Consultant, but this indemnity does not apply to liability for damages for death or bodily injury to persons, injury to property, or other loss, arising from the sole negligence, willful misconduct or defects in design by the City, or arising from the active negligence of the City.

COU No. 1617119

"Indemnify," as used herein includes the expenses of defending against a claim and the payment of any settlement or judgment arising out of the claim. Defense costs include all costs associated with defending the claim, including, but not limited to, the fees of attorneys, investigators, consultants, experts and expert witnesses, and litigation expenses.

References in this paragraph to City or Consultant, include their officers, employees, agents, and subcontractors.

7.0 CONTRACT PROVISIONS

- 7.1 Ownership of Work. All documents furnished to Consultant by City and all documents or reports and supportive data prepared by Consultant under this Agreement are owned and become the property of the City upon their creation and shall be given to City immediately upon demand and at the completion of Consultant's services at no additional cost to City. Deliverables are identified in the Scope-of-Work, Attachment "A". All documents produced by Consultant shall be furnished to City in digital format and hardcopy. Consultant shall produce the digital format, using software and media approved by City.
- 7.2 Governing Law. Consultant shall comply with the laws and regulations of the United States, the State of California, and all local governments having jurisdiction over this Agreement. The interpretation and enforcement of this Agreement shall be governed by California law and any action arising under or in connection with this Agreement must be filed in a Court of competent jurisdiction in Mendocino County.
- 7.3 Entire Agreement. This Agreement plus its Attachment(s) and executed Amendments set forth the entire understanding between the parties.
- 7.4 Severability. If any term of this Agreement is held invalid by a court of competent jurisdiction, the remainder of this Agreement shall remain in effect.
- 7.5 Modification. No modification of this Agreement is valid unless made with the agreement of both parties in writing.
- 7.6 Assignment. Consultant's services are considered unique and personal. Consultant shall not assign, transfer, or sub-contract its interest or obligation under all or any portion of this Agreement without City's prior written consent.
- 7.7 Waiver. No waiver of a breach of any covenant, term, or condition of this Agreement shall be a waiver of any other or subsequent breach of the same or any other covenant, term or condition or a waiver of the covenant, term or condition itself.
- 7.8 Termination. This Agreement may only be terminated by either party: 1) for breach of the Agreement; 2) because funds are no longer available to pay Consultant for services provided under this Agreement; or 3) City has abandoned and does not wish to complete the project for which Consultant was retained. A party shall notify the other party of any alleged breach of the Agreement and of the action required to cure the breach. If the breaching party fails to cure the breach within the time specified in the notice, the contract shall be terminated as of that time. If terminated for lack of funds or abandonment of the project, the contract shall terminate on the date notice of termination is given to Consultant. City shall pay the Consultant only for services

performed and expenses incurred as of the effective termination date. In such event, as a condition to payment, Consultant shall provide to City all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs and reports prepared by the Consultant under this Agreement. Consultant shall be entitled to receive just and equitable compensation for any work satisfactorily completed hereunder, subject to off-set for any direct or consequential damages City may incur as a result of Consultant's breach of contract.

- 7.9 Execution of Agreement. This Agreement may be executed in duplicate originals, each bearing the original signature of the parties. Alternatively, this Agreement may be executed and delivered by facsimile or other electronic transmission, and in more than one counterpart, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. When executed using either alternative, the executed agreement shall be deemed an original admissible as evidence in any administrative or judicial proceeding to prove the terms and content of this Agreement.

8.0 NOTICES

Any notice given under this Agreement shall be in writing and deemed given when personally delivered or deposited in the mail (certified or registered) addressed to the parties as follows:

CITY OF UKIAH
DEPT. OF FINANCE
300 SEMINARY AVENUE
UKIAH, CALIFORNIA 95482-5400

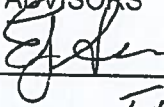
NHA ADVISORS
ERIC SCRIVEN, PRINCIPAL
4040 CIVIC CENTER DRIVE, SUITE 200
SAN RAFAEL, CA 94903

9.0 SIGNATURES

IN WITNESS WHEREOF, the parties have executed this Agreement the Effective Date:

NHA ADVISORS

BY:



9-6-16

Date

PRINT NAME: Eric J. Scriven

IRS IDN Number

CITY OF UKIAH

BY:


SAGE SANGIACOMO
CITY MANAGER

9-14-16

Date

ATTEST


CITY CLERK

9-14-16

Date

NHA | ADVISORS

Strategy. Innovation. Solutions.

4040 Civic Center Drive, Suite 200
San Rafael, CA 94903

Office: 415.785.2025
www.NHAadvisors.com

ATTACHMENT "A"

August 15, 2016

Dan Buffalo
Finance Director
City of Ukiah
300 Seminary Avenue
Ukiah, CA 95482

RE: City of Ukiah Wastewater Municipal Advisory and Consulting Project

This letter specifies the terms of the engagement between NHA Advisors, LLC, located at 4040 Civic Center Drive, Suite 200, San Rafael, CA 94903 and City of Ukiah, located at 300 Seminary Avenue, Ukiah, CA 95482.

This engagement between City of Ukiah and NHA Advisors, LLC shall become effective as of the date of its acceptance as provided below.

Scope of Municipal Advisory Activities to be Performed

Services are detailed in Exhibit A, attached hereto.

Independent Registered Municipal Advisor ("IRMA")

If acting in the capacity of an Independent Registered Municipal Advisor ("IRMA") with regard to the IRMA exemption of the SEC Rule, NHA Advisors, LLC will review all third party recommendations submitted to NHA Advisors, LLC in writing by the City of Ukiah.

Term of Engagement Agreement

The commencement date of the agreement is August 15, 2016 and the end date is upon completion of the Project. Any extensions must be mutually agreed upon by all parties in writing.

Termination of Engagement Agreement

City of Ukiah may terminate at any time and without cause upon written notification to NHA Advisors, LLC.

NHA Advisors, LLC may terminate upon 45 days' written notice to City of Ukiah and shall include in such notice the reasons for termination.

In the event of termination, NHA Advisors, LLC shall be entitled to compensation for services performed to the effective date of termination; City of Ukiah, however, may condition payment of such compensation upon NHA Advisors, LLC delivering to City of Ukiah any or all documents, photographs, computer software, video and audio tapes, and other materials provided to NHA Advisors, LLC or prepared by or for NHA Advisors, LLC or the City of Ukiah in connection with this Agreement.

Compensation and Out-of-Pocket Expenses

Compensation for the municipal advisory activities to be performed for this engagement is provided in Exhibit B, attached hereto.

Fiduciary Duty

NHA Advisors, LLC is registered as a Municipal Advisor with the SEC and Municipal Securities Rulemaking Board ("MSRB"). As such, NHA Advisors, LLC has a fiduciary duty to City of Ukiah and must provide both a Duty of Care and a Duty of Loyalty that entails the following.

Duty of Care:

- a) exercise due care in performing its municipal advisory activities;
- b) possess the degree of knowledge and expertise needed to provide City of Ukiah with informed advice;
- c) make a reasonable inquiry as to the facts that are relevant to City of Ukiah's determination as to whether to proceed with a course of action or that form the basis for any advice provided to City of Ukiah; and
- d) undertake a reasonable investigation to determine that NHA Advisors, LLC is not forming any recommendation on materially inaccurate or incomplete information; NHA Advisors, LLC must have a reasonable basis for:
 - i. any advice provided to or on behalf of City of Ukiah;
 - ii. any representations made in a certificate that it signs that will be reasonably foreseeably relied upon by City of Ukiah, any other party involved in the municipal securities transaction or municipal financial product, or investors in City of Ukiah securities; and
 - iii. any information provided to City of Ukiah or other parties involved in the municipal securities transaction in connection with the preparation of an official statement.

Duty of Loyalty:

NHA Advisors, LLC must deal honestly and with the utmost good faith with City of Ukiah and act in City of Ukiah's best interests without regard to the financial or other interests of NHA Advisors, LLC. NHA Advisors, LLC will eliminate or provide full and fair disclosure (included

herein) to Issuer about each material conflict of interest (as applicable). NHA Advisors, LLC will not engage in municipal advisory activities with City of Ukiah as a municipal entity, if it cannot manage or mitigate its conflicts in a manner that will permit it to act in City of Ukiah's best interests.

Conflicts of Interest and Other Matters Requiring Disclosures

- As of the date of the Agreement, there are no actual or potential conflicts of interest that NHA Advisors, LLC is aware of that might impair its ability to render unbiased and competent advice or to fulfill its fiduciary duty. If NHA Advisors, LLC becomes aware of any potential conflict of interest that arise after this disclosure, NHA Advisors, LLC will disclose the detailed information in writing to City of Ukiah in a timely manner.
- The fee paid to NHA Advisors, LLC increases the cost of investment to City of Ukiah. The increased cost occurs from compensating NHA Advisors, LLC for municipal advisory services provided.
- NHA Advisors, LLC does not act as principal in any of the transaction(s) related to this Agreement.
- During the term of the municipal advisory relationship, this agreement will be promptly amended or supplemented to reflect any material changes in or additions to the terms or information within this agreement and the revised writing will be promptly delivered to City of Ukiah.
- NHA Advisors, LLC does not have any affiliate that provides any advice, service, or product to or on behalf of the client that is directly or indirectly related to the municipal advisory activities to be performed by NHA Advisors, LLC;
- NHA Advisors, LLC has not made any payments directly or indirectly to obtain or retain the City of Ukiah's municipal advisory business;
- NHA Advisors, LLC has not received any payments from third parties to enlist [Firm Name's] recommendation to City of Ukiah of its services, any municipal securities transaction or any municipal finance product;
- NHA Advisors, LLC has not engaged in any fee-splitting arrangements involving NHA Advisors, LLC and any provider of investments or services to City of Ukiah;
- NHA Advisors, LLC does not have any conflicts of interest from compensation for municipal advisory activities to be performed, that is contingent on the size or closing of any transactions as to which NHA Advisors, LLC is providing advice;
- NHA Advisors, LLC does not have any other engagements or relationships that might impair NHA Advisors, LLC ability either to render unbiased and competent advice to or on behalf of City of Ukiah or to fulfill its fiduciary duty to the City of Ukiah, as applicable; and
- NHA Advisors, LLC does not have any legal or disciplinary event that is material to City of Ukiah's evaluation of the municipal advisory or the integrity of its management or advisory personnel.

Legal Events and Disciplinary History

NHA Advisors, LLC does not have any legal events and disciplinary history on its Form MA and Form MA-I, which includes information about any criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation. City of Ukiah may electronically access NHA Advisors, LLC's most recent Form MA and each most recent Form MA-I filed with the Commission at the following website: www.sec.gov/edgar/searchedgar/companysearch.html.

There have been no material changes to a legal or disciplinary event disclosure on any Form MA or Form MA-I filed with the SEC.

Recommendations

If NHA Advisors, LLC makes a recommendation of a municipal securities transaction or municipal financial product or if the review of a recommendation of another party is requested in writing by City of Ukiah and is within the scope of the engagement, NHA Advisors, LLC will determine, based on the information obtained through reasonable diligence of NHA Advisors, LLC whether a municipal securities transaction or municipal financial product is suitable for City of Ukiah. In addition, NHA Advisors, LLC will inform City of Ukiah of:

- the evaluation of the material risks, potential benefits, structure, and other characteristics of the recommendation;
- the basis upon which NHA Advisors, LLC reasonably believes that the recommended municipal securities transaction or municipal financial product is, or is not, suitable for City of Ukiah; and
- whether NHA Advisors, LLC has investigated or considered other reasonably feasible alternatives to the recommendation that might also or alternatively serve the City of Ukiah objectives.

If City of Ukiah elects a course of action that is independent of or contrary to the advice provided by NHA, NHA Advisors, LLC is not required on that basis to disengage from City of Ukiah.

Record Retention

Effective July 1, 2014, pursuant to the Securities and Exchange Commission (SEC) record retention regulations, NHA Advisors, LLC is required to maintain in writing, all communication and created documents between NHA Advisors, LLC and City of Ukiah for 5 years.

If there are any questions regarding the above, please do not hesitate to contact NHA Advisors, LLC. If the foregoing terms meet with your approval, please indicate your acceptance by executing both copies of this letter and returning one copy.

Sincerely,

NHA Advisors, LLC

By: _____

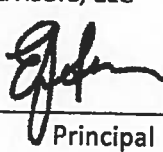
 
Principal

Exhibit A

City of Ukiah

Wastewater Enterprise – Municipal Advisory and Consulting Project

Objective Statement & Scope of Service

Objective: City is currently subject to a lawsuit from an adjacent special district with respect to joint operations of a wastewater treatment plant. This litigation will jeopardize an already committed source of low cost funding the City of Ukiah has secured to construct State of California Department of Water Quality *mandated* improvements. Additionally, City of Ukiah has existing wastewater system-related bonds outstanding which, absent current litigation, can be refinanced to provide significant savings. Consultant will provide quantitative analysis that will provide estimated, avoidable costs to the City of Ukiah wastewater ratepayers if the litigation continues and the beneficial financing opportunities are lost.

Existing Conditions: City has secured 2 tranches of State Revolving Fund funding. Tranche 1 totals approximately \$35.5 million and includes about \$10 million of grant monies and \$25.5 million of low cost loan. Terms of the loan are 1.00% for a 30-year term. Tranche 2 totals approximately \$16 million and would include \$6 million of grant monies and \$11 million of low cost loan (same terms). Tranche 2 is dependent upon City “taking down” Tranche 1.

Additionally, City has approximately \$63 million of outstanding wastewater enterprise debt (the “2005 Bonds”). Terms of this debt are rates ranging from 4.00-4.75%, 2036 final maturity and annual, approximately level, payment of \$4.86 million.

Scope of Service / Analysis: If litigation cannot be resolved, this will jeopardize and likely eliminate opportunity to utilize already committed SRF monies for the mandated new improvements, as well as taking advantage of the 2005 Bonds refinancing opportunity.

Therefore, Scenario A shall assume the following:

- a. SRF loan commitment will be retracted and project funding will encompass just the the cost to fund to upgrade the treatment plant to improve its treatment standard. The system will continue to discharge into the Russian River. The cost of this project is estimated at \$25-30 million. Based upon litigation, an investment grade (i.e. “BBB-” or better) credit rating may not be possible. This may necessitate “alternative” sources of financing such as a private placement or selling non-rated bonds in the public market. Sourcing and structuring financing for such a loan may require additional time and, thus, may necessitate a refreshing of the contracted price of the improvements, depending upon the terms of the contractor’s firm pricing guarantee.
- b. 2005 Bonds may not have ability to be placed at rates that produce enough savings to make a refinancing worthwhile and, therefore, current annual payment structure would remain in place.
- c. As noted above, the discharge will continue to flow to the Russian River in this Scenario. This is not a permanent solution. Therefore, this Scenario A, shall also estimate the

future cost—estimated as the difference between today's current full project cost (shown below in Scenario B) and the cost for just this interim solution in Scenario A. This cost difference is estimated at \$23-28 million and would be estimated to be incurred in 5 years. This cost would be assumed to grow by CPI during this 5-year period and be funded using a similar method of finance as the earlier financing.

If litigation is resolved, Scenario B shall assume the following

- a. Financial metrics of the wastewater utility credit would produce an "A"-category rating and be a strong candidate for bond insurance. This credit category is assumed and full credit analysis to verify this fact is beyond the scope of this analysis.
- b. SRF loan commitment would remain in place and be utilized for both tranches of funding
- c. 2005 Bond refinancing would produce significant savings

Deliverable: Consultant shall provide a memorandum to City Staff outlining objective, assumptions, methods and results of the foregoing Scenarios A and B options analyses, as well as include a side by side comparison of same. Also, at option of City, Consultant may also provide and present a power point presentation summarizing this memorandum to Staff and City Council.

Exhibit B

**City of Ukiah
Wastewater Enterprise – Municipal Advisory and Consulting Project
Compensation**

Compensation Schedule: For work described within Exhibit A Scope of Services, Consultant will be compensated based on the hourly rate schedule shown to the right, but such compensation shall not exceed \$7,500.

Staff Allocation	Hourly Rate
Principal	\$275
Vice President	\$225
Associate	\$175
Analyst	\$125
Administrative	\$75

Out-of-Pocket - All expenses will be billed directly at cost to the City. Expenses will be limited to typical expenses necessary for completion of the services required, for example typical charges will include copying, mailing, shipping, and data purchase (if not provided by others). California travel will not be expensed for this Scope of Services. The maximum expense total will not exceed \$500. No reimbursable expense shall be incurred without prior written approval of City.

CITY OF UKIAH

CONSULTANT (NHA ADVISORS LLC)

By: _____
Dan Buffalo, Finance Director

By:   _____
Eric J. Scriven, Principal

ATTACHMENT 2

CITY OF UKIAH
AMENDMENT NO. 1
TO
CONTRACT #1617119
BETWEEN
NHA ADVISORS, LLC and THE CITY OF UKIAH

This Amendment No. 1 entered on October 11, 2017, revises the Agreement for Professional services dated September 2, 2016, between the City of Ukiah and NHA Advisors, LLC, a limited liability company, for professional services relating to municipal advisory consulting services.

This Amendment No. 1 amends the following sections of the Agreement as follows:

I. 2.0 SCOPE OF SERVICES.

Section 2.3 is added and shall read as follows:

- 2.3 Additional services to be provided by Consultant include those set forth in Attachment B, attached hereto.

II. 4.0 COMPENSATION FOR SERVICES

Section 4.1 is revised to read as follows:

For the performance of the Scope of Services set forth in Attachments A and B, Consultant shall be compensated on a time and expense basis not to exceed \$19,500.00. Labor charges shall be based upon hourly billing rates for the various classifications of personnel employed by Consultant to perform the Scope of Work as set for in Attachments A (at the hourly rates set forth in Exhibit B) and B (at hourly rates set forth in Attachment B), which shall include all indirect costs and expenses of every kind or nature, except direct expenses. The direct expenses and fees to be charged for the same shall be as set forth in Exhibit B to Attachment A. Consultant shall complete the Scope of Work for the not-to-exceed amount even if time and expenses exceed that amount.

Except as expressly amended by this Amendment, all other terms remain unchanged and in full force and effect.

IN WITNESS WHEREOF, THE PARTIES HAVE EXECUTED THIS AMENDMENT ON THE EFFECTIVE DATE:

NHA ADVISORS, LLC

BY: 

DATE: 10-11-17

PRINT NAME: Eric J. Scriven

CITY OF UKIAH

BY: 

DATE: 10-16-17

SAGE SANGIACOMO, CITY MANAGER

ATTEST

BY: 

DATE: 10-16-17

KRISTINE LAWLER, CITY CLERK

ATTACHMENT B

OBJECTIVE, SCOPE OF SERVICES AND COMPENSATION SCHEDULE FINANCIAL ADVISORY SERVICES

Objective

City seeks to determine feasibility of various financing options for past, current, and future debt issues, including options to finance or refinancing capital projects and other eligible activities of the City.

Scope of Service – Task 1 – Pre-Issuance Financial Consulting Services

Consultant will work with City staff and other parties to analyze, coordinate, facilitate, and manage a process that creates a thorough understanding by City Council and staff of the City's financing and/or refinancing options and all considerations related thereto to meet City's Objective.

Tasks

- Work with City staff and consultants to develop information and presentation material that describes current conditions and options for meeting City Objectives
- Develop financing plan to address considerations and cash flow options
- Assist with the education process of City Council and other stakeholders
- Develop and present policy questions related to the implementation of financing plan
- Analyze budgetary impacts of the various policy and financing options
- Work with City staff to develop long-term cash flow model, as required
- Assist in the drafting of any reports or presentations to City council
- Attend City staff meetings or participate in conference calls, as requested by staff
- Make presentations to City Council, as requested

Scope of Service – Task 2 – Bond Issuance / Loan Placement (if applicable)

Consultant will provide all services required to implement and execute the City's selected option, if any, upon tasking to do so.

Compensation Schedule

For services described within this ATTACHMENT B as Task 1, Consultant will be compensated based upon the hourly rate schedule provided in the table to the right. Consultant will invoice City, at time of City's determination, of whether to proceed or not with a financing project for professional time and documented and approved expenses incurred during completion of Task 1 up to that point in time. All direct out-of-pocket expenses will be charged at cost and will not include California travel-related expenses.

Staff Allocation	Hourly Rate
Principal	\$275
Vice President	\$225
Associate	\$175
Analyst	\$125
Administrative	\$ 75

For services described within this ATTACHMENT B as Task 2, Consultant shall be compensated based upon the type of funding source, size and credit characteristic, and actual time spent to manage the funding process to a successful closing. This fee shall be determined upon City's tasking of Consultant of Task 2 Services.

Independent Registered Municipal Advisor Duties and Disclosures

Consultant will continue to serve in the capacity of Independent Registered Municipal Advisor ("IRMA") to the City to provide financial advice, assistance, representation for solicited and unsolicited financing proposals from banking and financial institutions as well as general financial consulting services.

Consultant serving as the IRMA to the City will act in accordance with its fiduciary duty in the following manner:

- The IRMA will work solely in the interest of the City
- The IRMA has the duty to fairly assess whether the financing terms and covenants are favorable to the City
- The IRMA has a duty to fairly assess whether the rates and yields are favorable
- The IRMA will represent the City with sufficient knowledge of the bond market to negotiate the transaction for the City's best interest

Under the Municipal Securities Rulemaking Board (the "MSRB") regulations effective on July 1, 2014, the IRMA is required to disclose certain conflicts of interest to their clients. In accordance with those proposed regulations Consultant make the following disclosures:

- Consultant may serve other clients, but none whose activities within the corporate limits of City or whose business, regardless of location, would place Consultant in a "conflict of interest," as that term is defined in the Political Reform Act, codified at California Government Code Section 81000 *et seq.*
- Consultant shall not employ any City official in the work performed pursuant to this Agreement. No officer or employee of City shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.*
- Consultant hereby warrants that it is not now, nor has it been in the previous 12 months, an employee, agent, appointee, or official of the City. If Consultant was an employee, agent, appointee, or official of the City in the previous twelve months, Consultant warrants that it did not participate in any manner in the forming of this Agreement. Consultant understands that, if this Agreement is made in violation of Government Code § 1090 *et seq.*, the entire Agreement is void and Consultant will not be entitled to any compensation for services performed pursuant to this Agreement, including reimbursement of expenses, and Consultant will be required to reimburse the City for any sums paid to the Consultant. Consultant understands that, in addition to the foregoing, it may be subject to criminal prosecution for a violation of Government Code § 1090 and, if applicable, will be disqualified from holding public office in the State of California.

- As of the date of the Agreement, there are no actual or potential conflicts of interest that Consultant is aware of that might impair its ability to render unbiased and competent advice or to fulfill its fiduciary duty. If Consultant becomes aware of any potential conflict of interest that arise after this disclosure, Consultant will disclose the detailed information in writing to City in a timely manner.
- The fee paid to Consultant increases the cost of investment to City. The increased cost occurs from compensating Consultant for municipal advisory services provided.
- Consultant does not act as principal in any of the transaction(s) related to this Agreement.
- During the term of the municipal advisory relationship, this agreement will be promptly amended or supplemented to reflect any material changes in or additions to the terms or information within this agreement and the revised writing will be promptly delivered to City.
- Consultant does not have any affiliate that provides any advice, service, or product to or on behalf of the client that is directly or indirectly related to the municipal advisory activities to be performed by Consultant.
- Consultant has not made any payments directly or indirectly to obtain or retain the City's municipal advisory business.
- Consultant has not received any payments from third parties to enlist any recommendation to City of its services, any municipal securities transaction or any municipal finance product.
- Consultant has not engaged in any fee-splitting arrangements involving Consultant and any provider of investments or services to City.
- Consultant does not have any conflicts of interest from compensation for municipal advisory activities to be performed, that is contingent on the size or closing of any transactions as to which Consultant is providing advice.
- Consultant does not have any other engagements or relationships that might impair the Consultant's ability either to render unbiased and competent advice to or on behalf of City or to fulfill its fiduciary duty to the City, as applicable.
- Consultant does not have any legal or disciplinary event that is material to City's evaluation of the municipal advisory or the integrity of its management or advisory personnel.

Legal Events and Disciplinary History

Consultant does not have any legal events and disciplinary history on its Form MA and Form MA-I, which includes information about any criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation. City may electronically access Consultant's most recent Form MA and each most recent Form MA-I filed with the Commission at the following website:

www.sec.gov/edgar/searchedgar/companysearch.html



AGENDA SUMMARY REPORT

SUBJECT: Consideration of the Viability of Energy Storage for the Electric Utility and Target Setting for Electric Energy Storage Systems as per AB2514, and Adopt Corresponding Resolution (EUD)

DEPARTMENT: Electric Utility

PREPARED BY: Diann Lucchetti

ATTACHMENTS:

[Attachment 1 - Energy Storage Cost Effectiveness Methodologies Report](#)

[Attachment 2 - Energy Storage Fact Sheets, etc.](#)

[Attachment 3 - Energy Storage Data Sheets NCPA](#)

[Attachment 4 - Resolution - Energy Storage](#)

Summary: Council will consider adopting a Resolution regarding the viability of energy storage for the City of Ukiah.

Background: On September 29, 2010, the Governor signed AB 2514. This legislation is designed to encourage electric utilities to implement appropriate levels of energy storage that may be cost-effectively implemented.

Pursuant to Public Utilities Code Section 2835(b), each publicly owned electric utility is directed to initiate a process to determine appropriate targets, if any, for the utility to procure viable and cost-effective energy storage systems. If it is determined that viable and cost effective energy storage systems can be deployed by December 31, 2016, and a second target by December 31, 2021, the publicly owned utility shall adopt the procurement targets.

RECOMMENDED ACTION: Adopt a Resolution regarding the viability of energy storage for the City of Ukiah.

BUDGET AMENDMENT REQUIRED: No

CURRENT BUDGET AMOUNT: N/A

PROPOSED BUDGET AMOUNT: N/A

FINANCING SOURCE: N/A

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH: David Rapport, City Attorney

Approved: _____


Sage Sangiacomo, City Manager

Energy storage systems are defined in the legislation to mean "commercially available technology that is capable of absorbing energy, storing it for a period of time, and thereafter dispatching the energy". Further, to be viable, the energy storage system must "be cost effective and either reduce emissions of greenhouse gases, reduce demand for peak electrical generation, defer or substitute for an investment in generation, transmission, or distribution assets, or improve the reliable operation of the electrical transmission grid".

In October of 2014, the City of Ukiah (Ukiah) City Council determined that commercially available energy storage systems were not viable and cost effective at that time, and did not adopt any energy storage targets. Council also directed the Electric Utility Department to reevaluate energy storage systems not less than every three years as required by AB 2514.

Ukiah participated with other utilities in the Northern California Power Association (NCPA)/Southern California Public Power Authority (SCPPA) joint contract with DNV GL to provide an updated evaluation of energy storage technologies. DNV GL recently released the results of their energy storage evaluation.

After reviewing the DNV GL report (Attachment 1-3), and after further consideration, Ukiah finds energy storage systems are not a viable or cost-effective technology to invest in at this time.

With a determination not cost effective, staff is not recommending targets at this time. We will continue to review and identify projects that are cost effective specifically for our utility and energy portfolio as technology advancements are made and market conditions change.

Discussion: RECOMMENDATION:

- a) The City Council of Ukiah finds that commercially available energy storage systems are not currently viable and cost effective for the city and the City is not adopting procurement targets at this time.
- b) Council directs staff to continue to evaluate energy storage systems and look for viable and cost effective systems for the Ukiah Electric Utility.
- c) Council directs staff to formally reevaluate energy storage systems not less than every three years as required by AB 2514.
- d) Adopt a Resolution (Attachment 4) regarding that energy storage systems are not a cost effective viable option at this time for Ukiah Electric Utility.

EXECUTIVE SUMMARY

Public Utilities Code Section 2836(b) requires the governing board of each local publicly owned electric utility to determine appropriate targets for the utility to procure viable and cost-effective energy storage systems to be achieved by December 31, 2016, and December 31, 2020, on or before October 1, 2014. The statute also requires each governing board to reevaluate the determinations made pursuant to this subdivision not less than once every three years, with the first three- year period ending October 1, 2017. To this end, NCPA and SCPPA contracted DNV GL to support their members in re-evaluating energy storage targets, energy storage technologies, as well as cost-effectiveness methodologies that can be used to make storage procurement decisions. This report will focus mainly on describing energy storage cost-effectiveness methodologies.

Assessing the cost-effectiveness of storage presents a unique set of challenges. Energy storage is comprised of a group of technologies that vary in stages of development from traditional systems (eg. pumped hydro) to emerging technologies (eg. adiabatic compressed air). In addition, the performance characteristics of these technologies vary from power (short duration) to energy (long duration), and have extensive differences in sizes, configurations, efficiencies, as well as the number of discharge cycles specific technologies can perform. Finally, when sited at certain locations of the grid, the devices can often perform multiple functions to solve different problems. Each of these variations presents a unique set up challenges when assessing the technology. As utilities and government agencies continue to assess storage cost-effectiveness, the notion that simplified approaches to valuing storage are not adequate and in fact, may even lead to incorrect results.

In this report, DNV GL summarizes the cost-effectiveness methodologies and tools that are being used in the industry. While cost is relatively straightforward, benefits of storage is much harder to quantify due to the reasons above. It is important to caution that the cost-effectiveness analyses may be difficult (and expensive) to perform because they are specific to technology, location and applications. Instead of providing benefit values for each application in general, this report provides several examples of storage use cases to illustrate how storage benefits can be evaluated at the transmission, distribution and behind the meter locations.

These use cases indicate energy storage is cost-effective for a specific subset of assumptions for a range of benefits versus a range of costs. The range of benefits evaluated in these use cases include: market revenue potential, avoided distribution investment and customer bill savings. In each use case evaluated, the cost-effectiveness reaches a breakeven point when the benefits side of the equation being at the upper end of the assumed value range, and the storage cost side being at the lower end of the assumed cost range. While there are specific storage use cases that are cost-effective, one cannot generally conclude that storage is cost-effective for a specific application or for a specific technology at the current prices and benefits.

As part of this project to support POU's AB 2514 compliance, DNV GL includes three deliverables in the appendices.

- Appendix A: Technology specification. DNV GL reviewed seven utility-scale and behind the meter battery technologies: lithium ion (nickel manganese cobalt, Iron phosphate, titanate), vanadium flow batteries, flywheel, compressed air, and thermal energy storage. For each of these technologies,



DNV GL provided a fact sheet to introduce the technology, a summary of its technical parameters, component costs, costs trends, as well as their suitability for various applications. The six technologies examined vary widely in technical parameters and costs. However, the general trend is that costs are coming down for all technologies, especially for lithium ion batteries. Different technologies are suitable for different applications. Lithium ion and flow batteries in general are well-suited for all applications examined. Flywheels have very fast response times, high power ratings and show no degradation for cycling, therefore are most useful for power applications. Compressed air systems can support extremely long duration energy application, in some cases, over a day of continuous energy. For behind-the-meter applications, lithium ion batteries dominate the market to provide customer bill management. Thermal energy, such as ice bear, is a cost-effective solution for bill management when there is a high thermal load.

- Appendix B: AB 2514 target setting for IOUs. CPUC adopted an energy procurement target of 1,325 MW for the three Investor-Owned Utilities in California. In this memo, DNV GL describes the process and rationale used by the California Public Utilities Commission (CPUC) for determining and adopting energy storage procurement targets. Although the CPUC chose not to discuss the thought process that went into developing the targets, some of the major observations with respect to the targets include: (1) the cumulative target is approximately 2% of peak load projected for 2020, and the split targets between the IOUs followed roughly the ratios of projected peak demand of the utilities (2) The growth in targets from 200 MW to 1,325 MW over 4 biennial solicitation cycles amounted to about 35% growth per cycle (or about 15% compounded annual growth rate, compared to much higher growth rates already seen in the adoption of various renewable energy technologies). (3) The target at transmission level appeared to be slightly more than half of the total target, with the other half at the distribution level (divided between utility-side distribution and customer-side behind-the-meter). In addition, the memo provides an update on the progress achieved by the utilities relative to the CPUC procurement targets. All the IOUs are on track to meet their targets; in fact SCE and SDG&E have made rapid progress against their procurement targets (at 90% and 70% respectively) as of early 2017.
- Appendix C ES-Select Overview Presentation. ES-Select is a storage educational and screening tool developed for newcomers to the industry to help them understand the broad landscape of storage costs and benefits. Instead of requiring accurate inputs to provide accurate answers, it is designed to work with the uncertainties of storage and applications characteristics, costs, and benefits and provides answers in some reasonable "ranges." Since the input of the tool is provided in ranges under normal distribution, the output is provided in ranges and the probability distribution of occurrence. ES-Select is not an appropriate tool to use to make decisions about storage deployment under a specific situation, but is a useful screening tool to help understand the range of technologies and applications in general.

1 INTRODUCTION

In 2013, AB 2514 codified Public Utilities Code Section 2836(b) to require the governing board of each local publicly owned electric utility to determine appropriate targets, if any, for the utility to procure viable and cost-effective energy storage systems to be achieved by December 31, 2016, and December 31, 2020, on or before October 1, 2014. The statute also requires each governing board to reevaluate the determinations made pursuant to this subdivision not less than once every three years, with the first three- year period ending October 1, 2017. To this end, NCPA and SCPPA contracted with DNV GL to support their members in re-evaluating energy storage targets, energy storage technologies, as well as cost-effectiveness methodologies that can be used to make storage procurement decisions.

It is not unique for a statute to require utilities to procure emerging energy technologies as long as they are cost-effective. In 2006, SB 1 required utilities to procure cost-effective solar. Compared to storage, evaluating the costs and benefits of solar was more straightforward: there is a predominant technology, the generation profile is comparable, and the cost can simply be quantified and compared with each other based on a straightforward dollar per Watt metric. Unlike solar, assessing the cost-effectiveness of storage presents a unique set of challenges. Energy storage is comprised of a group of technologies that vary in stages of development: from traditional systems, such as pumped hydro that has been deployed for decades, to emerging systems such as adiabatic compressed air, to lithium ion batteries that has been expanding its portfolio of applications in recent years. In addition, the performance characteristics of these multiple technologies vary from power (short duration) to energy (long duration), and differ vastly in configurations, efficiencies, as well as the number of discharge cycles they can perform. Finally, when sited at certain locations of the grid, the devices can often perform multiple functions to solve different problems. Each of these variations presents a unique set up challenges when assessing the technology.

2 ENERGY STORAGE COST-EFFECTIVENESS METHODOLOGIES

At present, there are a wide range of tools and methodologies for evaluating the cost-effectiveness of energy storage. While costs estimates can be relatively straightforward, benefits are much harder to quantify. Performing a rigorous cost-effectiveness analysis depends on many factors, including technology, location, applications, market conditions, local grid conditions, and the available mix of other resources on the grid. On top of these factors, there are numerous tools and methods for evaluating storage benefits. For example, for frequency regulation application, analytical tools such as KERMIT¹, needs to simulate a 4-second change in frequency regulation setpoints to map the pathway (or mileage) of the storage cycles to calculate the performance payments. For capacity value, production cost modeling tools, such as PLEXOS² or PROMOD³, need to simulate the entire market on an hourly basis for a given year to find out the value of storage capacity. When it comes to distribution applications, power flow models for distribution circuits would be needed to analyze steady state circuit performance parameters to test the efficacy of storage to mitigate loading and voltage impacts. Figure 1 shows the time fidelity required for various storage analyses and some of the available tools on the market.

¹ DNV KEMA Renewable Market Integration Tool

² PLEXOS® Integrated Energy Model (PLEXOS)

³ ABB's electric market simulation tool

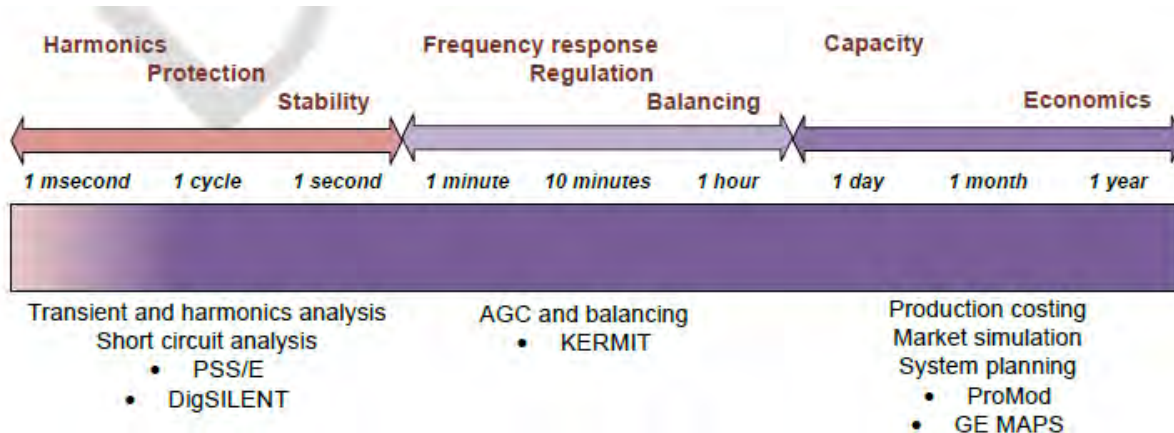


Figure 1 Time Fidelity Required for Storage Analysis and Current Tools

This document provides an overview of the prevailing cost-effectiveness methodologies currently being employed by the industry. A common challenge in developing comprehensive energy storage valuation methodologies is the relatively large number of potential storage applications. Each of these applications can take on varying magnitudes of value depending on the location of the storage device and corresponding system needs. Section 3 of this document contains a comprehensive definition list for each of the applications discussed in this report. Section 4 provides several case studies to illustrate how storage cost-effectiveness studies have been conducted and their associated results. To assist with describing these evaluation methodologies, DNV GL has segmented evaluation methodologies into three application areas: wholesale/transmission-connected, distribution-connected, and behind-the-meter.

2.1 Transmission-Connected Use Cases

For transmission-connected use cases, the benefits used in the cost-effectiveness modelling and evaluation include market revenues, i.e. market-based payments for the provision of Regulation Up (RegUp), Regulation Down (RegDown), Spinning Reserve (SR), Non Spinning Reserve (NSR) and other market services sold into the California Independent System Operator (CAISO) market, as well as local capacity payments from the utility to the storage owner, if any.

For market participation, energy storage valuation methodologies typically attempt to answer the following question: Given a storage device installed at a certain location that is eligible to participate in some number of CAISO markets/services, how should a storage device be operated such that its net benefit from market participation is maximized? For these market participation applications, the benefits are commonly considered only from the perspective of the device operator, and not from the perspective of the market or the utility. The bidding strategy and revenue potential are dependent only on the market prices available in the area in which the device is located. This is unlike a production costing dispatch approach, where devices are operated to minimize the cost to operate the market. Device-level benefits provide a starting point to derive its absolute worth to the utility / market. To derive the full benefits of a storage device to the utility, system level analysis and appropriate corrections are required. However, while evaluating the relative worth between two storage installations to the utility, device level benefits can provide a good indication of which one is better.

Some common assumptions on device level market participation include:

- Perfect Foresight: All inputs to the problem are exactly known before solving – e.g. prices, weather, renewable production, energy transactions while following ramping etc. This enables deterministic formulation, but this situation does not mimic real life. In reality, most inputs other than Day Ahead prices are not known exactly. The storage operator would devise a bidding strategy to maximize the probability of bids getting accepted and net expected benefits given uncertainty in inputs and errors in forecasted parameters.
- Price Taker: It is typically assumed that a storage device is relatively too small to impact the market clearing prices or affect the market price at a given node. The compensation to the device is the volume dispatched times the clearing price of energy or capacity.
- Zero Bid: Operator places \$0 bid in capacity and/or energy markets based on perfect foresight dispatch computed. This implies that the bid is always accepted.
- Hourly Dispatch: Majority of tools do not resolve storage operation at time resolution finer than 1 hour. This primarily functions to reduce computation time, particularly when evaluating large number of scenarios. This assumption ignores the effect of convergence bidding or participation in real time energy imbalance services.

The analysis from the device perspective can typically be performed with spreadsheet modelling which can neglect system level constraints and coordinated operation of other devices in the system. When considering system level impacts, additional, more complex modelling tools are required.

Production cost simulation runs are typically used to determine the dispatch and relate hourly base clearing price for energy and ancillary service payments for a sample set of days that are then extrapolated for a representative year's 8760 market hours. Tools, such as DNV GL's KERMIT, can then be used for the inter-hour resolution needed to estimate the associated pay for performance benefit factors applied to the production simulation ancillary service base clearing prices. While there are other compensation schemes proposed and present within energy storage-based Power Purchase Agreement (PPA) term sheets today, there are not yet clear investment recovery mechanisms for these revenue streams. These potential additional services include: provision of volt-ampere reactive (VAR) to the local Participating Transmission Owner (PTO), blackstart capability, or fixed revenue streams via PPA with an LSE who wants to hedge market risk for their share of Ancillary Services costs.

When looking at the full system benefit, the benefit basis is the impact to system level metrics as solved in a production simulation. The modelled system benefits are estimated through comparing a portfolio without energy storage (usually known as base case) and a portfolio with energy storage included (change case). The primary system-level benefits include:

- (1) Total cost of serving energy (\$) and the average cost of energy (\$/MWh)
- (2) Total quantity of monitored emittants, including nitrogen oxide (NOx) and carbon dioxide (CO₂)
- (3) Number of conventional gas-fired unit starts which could be translated into starting costs and aggregated into total system costs

2.2 Distribution Grid Use Cases

The most frequently noted utility-side distribution connected storage applications are upgrade deferral, distribution operation support, and reliability. Of these applications, the most commonly cited cost-effective distribution application is upgrade deferral.

Upgrade Deferral

Distribution upgrade deferral involves using storage to delay or avoid utility investments that would otherwise be necessary to maintain adequate distribution infrastructure capacity to serve all load requirements. Upgrade deferral may include delaying the replacement of an over-stressed existing distribution transformer at a substation or avoiding the re-conductoring of distribution lines for higher load carrying capacity. When a transformer is replaced with a new, larger transformer, its size is selected to accommodate future load growth over the next 15-year to 20-year planning horizon. The upgrade of a transformer can be deferred by using a storage system to reduce the load on the transformer during peak periods, extending its operational life by several years.

To estimate the number of years of deferral that a given energy storage configuration can provide, a cost-effectiveness model will typically require historical SCADA load data as well as forecasted load growth for the feeder or substation transformer bank being considered. The primary benefits typically used in the cost-effectiveness modelling and evaluation are transmission and distribution (T&D) upgrade deferral (annual carrying charge for the upgrade deferral period) and T&D upgrade avoidance (first-year T&D installed cost avoided). There are several secondary benefits calculated in terms of system performance, but which are not carried forward as part of the financial benefits due to no existing clear means to monetize these system benefits. These secondary benefits ('with' versus 'without' energy storage performance benefits) calculated in the load flow solution include, energy (I^2R and I^2X) loss reduction, reduction in voltage regulation device switching, and reduction in the steady state voltage range.

Going forward, "bundled-use" of an energy storage device deployed for distribution deferral may be possible with appropriate regulatory rules in place. That is, the storage asset could offer multiple bundled applications such as wholesale market participation during time periods (which is typically most of the time) when it is not being used for deferral service (by offsetting peak load on the associated transformer or feeder circuit). In this case, valuation methodology would involve considerations similar to the ones discussed in the previous section on transmission-connected use cases.

Distribution operation (Voltage Support/VAR Support)

Utilities regulate voltage within specified ANSI standard limits by installing and operating tap changing transformers and voltage regulators at the distribution substation and by switching feeder capacitors downstream to follow load changes. This need is pronounced on long, radial lines with high loading or on feeders with high penetration of intermittent PV systems which may be causing unacceptable voltage deviations for neighboring customers. Placing distributed storage closer to affected infrastructure can improve network voltage profile, mitigate fluctuations, and reduce network power losses.¹

Benefit of this application is typically attributed to avoided cost of additional voltage regulation equipment or system upgrades. In the case of avoided voltage regulation equipment as the only energy storage application, this benefit is typically nominal and not significant enough to justify energy storage at its current prices. However, if storage can avoid the need for extensive re-conductoring which would otherwise

be required to correct a voltage deviation issue, the associated avoided cost benefit can make energy storage a cost-effective solution. While hourly resolution for the load flow simulations is typically adequate for assessing steady state voltage performance, the transient voltage concerns would require a higher time resolution and dynamic-capable electric system model to 1) capture the PV intermittency-related impact on transient voltages and 2) test the efficacy of a transient-response-speed capable energy storage system.

Outage Mitigation / Reliability

A storage system can effectively support customer loads when there is a total loss of power from the source utility. This support requires a storage system and customer loads to island during the utility outage and resynchronize with the utility when power is restored. The energy capacity of the storage system relative to the size of the load it is supplying determines the time duration that the storage can serve that load. This time can be extended by supplementing the storage system with on-site diesel gen-sets that can continue supporting the load for long-duration outages that are beyond the capacity of the storage system.¹

It is however difficult to assess the value of reliability. The value of reliability can be quantified by the avoided cost of customers at risk of losing electricity service. This can be gauged from their willingness-to-pay for different types of interruption events at different time of day, day of week, season and geographical regions. These avoided costs can vary widely among different electricity customers. There have not been recent surveys that collect this type of data, so reliability values would be difficult to quantify. The most recent comprehensive study on reliability benefits were documented in an LBNL report in 2009 that uses data from 1989 to 2005⁴.

2.3 Behind-the-meter Use Cases

2.3.1 Customer Bill Savings

The primary benefit for cost-effectiveness modelling and evaluation of behind-the-meter use cases is customer bill reduction through removal or reduction of demand charges applicable to some general commercial and industrial rate categories, and shifting PV output to reduce energy related charges. When installed alongside PV generation, energy storage capacity can be used to shift PV output to maximize coincident reduction in net load demand. Given that the benefits for this use case are strictly from the perspective of the retail customer, any incentives available to retail customers to encourage deployment of PV/storage systems also enter the benefits calculation as a reduction in capital expenditure (CAPEX) initial investment cost. Three common incentive programs for Californian customers include:

1. The California Self Generation Incentive Program (SGIP), applicable to energy storage
2. The California Solar Initiative (CSI), applicable to PV, for the Use Case sensitivities that include customer-sited PV
3. The Federal Investment Tax Credit (FITC), applicable to energy storage and PV, for the Use Case sensitivities that include customer-sited PV

⁴ Michael J. Sullivan, Matthew Mercurio, Josh Schellenberg, "Estimated Value of Service Reliability for Electric Utility Customers in the United States," LBNL, June 2009

There are commercial tools available that can calculate customer bill savings, including DNV GL's Microgrid Optimization Tool and LBNL's DER-CAM. These tools typically calculate customer bill savings using the customer's load shape, electric tariffs, PV generation, and storage operation algorithm to calculate demand and energy charge savings.

2.3.2 Capacity Dispatch

Capacity dispatch is another commercially popular benefit category. The storage system could perform in utility or ISO capacity dispatch programs such as Demand Response, Local Capacity Resource (LCR), or Forward Capacity Market (FCM). Under these programs, the storage system would be notified ahead of time of the volume and duration of capacity required and the price of that service. Capacity dispatch may involve storage discharging (equivalent to load reduction) during peak or congested hours of the day such as early or late evening. Storage may also provide capacity service by charging (equivalent to load increase) to mitigate renewables over-generation. Such programs are being piloted in California.

Due to the deterministic nature of capacity dispatch scheduling, this application can be easily bundled with the Demand Charge Reduction (DCR) application. Storage control algorithm would need to co-optimize storage operation between these two applications to maximize revenue potential over the day. Commercial tools such as Microgrid Optimizer can model these bundled applications to demonstrate cost-effectiveness.

2.3.3 Other Customer benefits

In addition to customer bill savings and capacity dispatch revenue, storage can offer additional value in improving power quality and reliability. As noted above, these benefits are difficult to quantify and may vary widely depending on the individual customer's electrical needs.

2.4 Storage ES-Select

DNV GL acknowledges the difficulty for an industry newcomer to make decisions about storage given the complexity of the storage costs and benefits. To this end, DNV GL developed ES-Select for decision makers new to the industry to understand the broad landscape of storage. Instead of requiring accurate inputs to provide accurate answers, it is designed to work with the uncertainties of storage and applications characteristics, costs, and benefits and provides answers in some reasonable "ranges." ES-Select applies the Monte Carlo analysis to randomly choose hundreds of possible values within the provided ranges of input parameters, assuming a normal distribution. Consequently, the provided answers also have a range but the probability of occurrence of the answer within the provided range does not necessarily have a normal distribution.

To further educate and help decision makers on their options for energy storage or their applications and markets, ES-Select offers a wide variety of charts to compare the "ranges" of answers over a wide set of criteria, such as price and cost components, cycle life, size, efficiency, cash flow, payback, benefit range, and market potential.

The key characteristic that needs to be kept in mind when using ES-Select is that in developing this educational/consulting/screening tool, "simplicity" had far more priority than "accuracy." This decision support tool is made for the initial screening purpose when most facts are still unknown to the user, but some decisions still need to be made based on what is already known.

Another design principle in ES-Select is not to confuse the user by asking hard to answer questions upfront, but rather assume the most likely answers and allow the user to overwrite them if s/he has different answers. In other words, every question has a default answer that is often in the form of a range that would cover most, if not all, cases. The objective behind this design principle is to make the tool useful to both a beginner who needs to be educated on “reasonable” values as well as an experienced user who knows exactly what the problem is and has all of his or her numbers ready for input.

ES-Select was demonstrated to NCPA and SCPPA members in a workshop/webinar on November 2016. A public version of the tool can be downloaded from the US Department of Energy website⁵. The workshop presentation is available in Appendix A of this report.

3 STORAGE APPLICATIONS

A common challenge in developing comprehensive energy storage valuation methodologies is the relatively large number of potential storage applications. Each of these applications can take on varying magnitudes of value depending on the location of the storage device and corresponding system needs. In addition, some storage systems can perform multiple applications that can accrue a number of benefits. In this section, we provide a list of most commonly-cited energy storage applications, bundled applications, and the appropriateness NCPA's selected technologies for a particular application.

3.1 Application Definitions

The following list in Table 1 provides definitions, collated from number of public sources, for the most commonly cited energy storage applications, some of which were covered in more detail earlier in this memo:

Table 1: Energy Storage Application Segments

Wholesale/Transmission Connected	Distribution-Connected	Behind-the-meter
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⁵ <http://www.sandia.gov/ess/tools/es-select-tool/>

1. Provide frequency regulation services 2. Provide spin / non-spin reserves 3. Provide ramping 4. Provide Black Start 5. Avoid renewable curtailment and/or minimum load issues 6. Shift energy 7. Provide capacity 8. Smooth intermittent resource output 9. "Firm" renewable output 10. Improve transmission system operation (short duration performance, inertia, system reliability) 11. Avoid congestion fees	12. Defer system upgrades 13. Improve distribution system operation (Voltage Support/VAR Support) 14. Mitigate outages	15. Customer bill-management: Time-of-use (TOU) energy and demand charge management 16. Maintain power quality 17. Provide uninterruptible power supply
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1. Provide frequency regulation services

Frequency regulation services available to storage include conventional regulation market products, fast regulation, as well as primary frequency response. Regulation involves managing interchange flows with other control areas to closely match scheduled interchange flows and momentary variations in supply or demand within the control area. The primary reason for including regulation in the power system is to maintain the grid frequency by reconciling momentary differences caused by fluctuations in generation and loads.

Typically, regulation is provided by generating units that are online and ready to increase or decrease power as needed. Their output is increased when there is a momentary shortfall of generation relative to demand and reduced when there is a momentary excess of generation.¹

In most markets today, energy storage devices are now allowed to compete with generators in offering regulation services. Due to the fast ramp rate capability of most storage systems, a storage device can be quite valuable as a fast regulation device. In the fast regulation market, conventional plants such as gas turbine units would not be able to participate. CAISO controls the participating devices, which are dispatched according to optimal market operation.

2. Provide spin / non-spin reserves

Operation of an electric grid requires reserve capacity that can be called upon when some portion of the online supply resources become unavailable unexpectedly. Generally, reserves are sized to be at least as large as the single largest supply resource (e.g., the single largest generation unit) serving the system and



reserve capacity is equivalent to 15% to 20% of the normal electric supply capacity. Spinning Reserve refers to generation capacity that is online (and synchronized to the grid system) but unloaded and that can respond within 10 minutes when needed to compensate for generation or transmission outages. Non-Spinning Reserve refers to generation capacity that may be offline or that comprises a block of curtailable and/or interruptible loads and that can be ramped to the required level (and synchronized to the grid system) within 10 minutes.¹

3. Provide ramping

Conventional generation-based load following resources will increase output to follow demand up as system load increases and decreases output to follow demand down as system load decreases. Additionally, when renewables are present the demand on the conventional units to increase or decrease output increases with intermittency of the renewable supplies. In either case, the generator action to increase/decrease output is referred to as ramping. To enable ramping service, a generation unit must be operated at partial load, which is inefficient and requires more fuel per MWh, resulting in increased emissions per MWh relative to the generation unit operated at its design output level. Varying the output of generators will also increase fuel use and air emissions, as well as the need for more generator maintenance and thus higher variable operations and maintenance (O&M) costs. Storage is a well-suited alternative resource to provide ramping because it can operate at partial output levels with relatively modest performance penalties and respond very quickly when output modulation is needed for load following.¹

4. Provide Black Start

Black Start is the procedure to recover from a shutdown of the bulk transmission system which has resulted in major loss of power supply. The black start process involves the starting of individual, isolated power stations (using on-site power that is not dependent on the bulk system to operate, such as a diesel genset) that can then serve to restore power to the ISO balancing authority area following a system outage.² A black-start unit provides energy to help other units restart and provide a reference frequency for synchronization. CAISO obtains black start services from generating units under interim black start agreements or reliability must-run contracts.

Energy storage systems can also provide an active reserve of power and energy within the grid and can be used to energize transmission and distribution lines, as well as provide station power to bring power plants on line after a large failure of the grid. Storage can provide startup power to larger power plants, if the storage system is suitably sited and there is a clear transmission path to the power plant from the storage system's location.¹

5. Avoid energy curtailment and/or minimum load issues

Electricity generation and demand must be kept in balance at all times. When demand drops, it is necessary to ramp down and/or turn off generators. With higher penetration of variable renewable generation, there may be periods of excess generation (supply exceeds demand) which could lead to stability issues, overload, or over voltage constraints. Base-load units can only be ramped down to a minimum generation level in order to keep them online and avoid incurring an extended start-up time if forced to shut off completely. If an excess generation situation still persists after the ramp down of conventional units, it is then necessary to curtail non-firm renewable sources which may otherwise be producing power causing the excess supply condition. Energy storage can be employed as a sink to absorb excess generation during these low net-load (gross demand minus the renewable output) periods, storing



energy which would otherwise be curtailed (wasted), and then supplying the energy back to the system during peak hours.

6. Shift energy

At the transmission and distribution level, electric energy time-shift involves purchasing inexpensive electric energy, available during periods when prices or system marginal costs are low, to charge the storage system so that the stored energy can be discharged or sold at a later time when the prices or costs are high. Alternatively, storage can provide similar time-shift service by storing excess energy production, which would otherwise be curtailed, from renewable sources such as wind PV¹. Operationally, this application is similar to avoiding curtailing excess energy as energy shifting on the transmission scale is performed during periods of over-generation.

7. Provide capacity

Capacity refers to the making power and energy available to given a electric market to serve current and future demand. Resource adequacy capacity requirements ensure sufficient resources are available in the CASIO market for safe and reliable operation of the grid in real time. Resource adequacy capacity is also designed to provide appropriate incentives for the siting and construction of new resources needed for reliability in the future. For a given capacity resource, the net qualifying capacity is the qualifying capacity of a resource adjusted, as applicable, based on: (1) testing and verification; (2) application of performance criteria; and (3) deliverability restrictions. Flexible capacity is defined as the quantity of resource capacity as specified by CAISO to meet maximum three hour ramping and contingency reserves. Depending on the circumstances in a given electric supply system, energy storage can be used as an alternative to buying new central station generation capacity and/or purchasing capacity in the wholesale electricity marketplace.

8. Smooth intermittent resource output

Smoothing intermittent resource output applies to circumstances involving renewable energy-fueled generation whose output change rapidly (over timescales ranging from seconds to minutes) due to transient cloud shadows on the PV array or short-term wind speed variability. With high renewable penetration, power output fluctuation may cause problems like voltage fluctuation and large frequency deviation in electric power system operation.⁵

Energy storage can be used to mitigate rapid output changes from renewable generation due to: a) wind speed variability affecting wind generation and b) shading of solar generation due to clouds. The resulting smooth renewable output offsets the need to purchase or rent highly dispatchable and fast-responding generation such as a simple cycle combustion turbine. Depending on location, smooth renewable energy output may also offset the need for transmission and/or distribution equipment.⁴

9. To "firm" renewable output

Firming is generally referred to renewable intermittency management over a longer time duration than smoothing. Renewables capacity firming applies to circumstances involving renewable energy-fueled generation whose output changes throughout the day due to change of solar insolation or wind speed.⁴ The objective is to use additional dispatchable resources so that the combined output from renewable energy generation plus dispatchable resources is constant throughout the day.⁴



Storage can firm-up renewables output so that electric power can be used when needed, not just when the renewable resource is available.³ The resulting firmed capacity offsets the need to purchase or rent additional dispatchable electric supply resources. Depending on location, firmed renewable energy output may also offset the need for transmission and/or distribution equipment.⁴

10. Improve transmission system operation (short duration performance, inertia, system reliability)

Energy storage used for transmission support improves the transmission system performance by rapidly compensating for real-time electrical anomalies and disturbances such as voltage sag, unstable voltage, and sub-synchronous resonance, resulting in a more stable system. Benefits from transmission support are situation- and location-specific. Transmission Stability Damping increases load-carrying capacity by improving dynamic stability. Sub-synchronous resonance damping increases line capacity by providing active real and/or reactive power modulation at sub-synchronous resonance modal frequencies. For transient power quality and stability applications, storage systems must be capable of sub-second response times.¹

11. Avoid congestion fees

Transmission congestion occurs when available, least-cost energy cannot be delivered to all or some loads because transmission facilities are not adequate to deliver that energy. When transmission capacity additions do not keep pace with the growth in peak electric demand, the transmission system becomes congested. Thus during periods of peak demand, the need and cost for more transmission capacity increases along with transmission access charges. Locational pricing of electricity is employed as a tool to account for congestion when managing supply and demand of electric power in a specific area.¹

Electricity storage can be used to avoid congestion-related costs and charges, particularly when the costs become prohibitive due to significant transmission system congestion. In this service, storage systems would be installed at locations that are electrically downstream from the congested portion of the transmission system. Energy would be stored when there is no transmission congestion, and it would be discharged (during peak demand periods) to reduce peak transmission capacity requirements.¹

12. Defer system upgrades

Upgrade deferral refers to delaying, or avoiding, of a utility investments in required system upgrades, by using energy storage. Energy storage can enable upgrade deferral on the transmission or distribution network. For transmission, installing energy storage downstream from a nearly overloaded transmission node can defer the need for the upgrade by reducing the peak demand seen at the constrained location. A key consideration is that storage can be used to provide enough incremental capacity to defer the need for a large lump investment in transmission equipment. Doing so could reduce overall cost to ratepayers, improve utility asset utilization, allow use of the capital for other projects, and reduce the financial risk associated with lumpy investments. Additionally, the storage device is available to provide other applications when not reserved for deferral operations.¹

Distribution upgrade deferral involves using storage to delay or avoid upgrade investments that would otherwise be necessary to maintain adequate distribution capacity to serve all load requirements. Upgrade deferral may include replacement of an aging or over-stressed existing distribution transformer at a substation or re-conductoring distribution lines with larger wire. When a transformer is replaced with a new, larger transformer, its size is selected to accommodate future load growth over the next 15-year to 20-year



planning horizon. Thus a large portion of this investment is underutilized for most of the new equipment's life. The upgrade of the transformer can be deferred by using a storage system to offload it during peak periods, extending its operational life by several years. If the storage system is containerized, then it can be physically moved to other substations where it can continue to defer similar upgrade decision points and further maximize the return on its investment.¹

13. Improve distribution system operation (Voltage Support/VAR Support)

Utilities regulate voltage within specified ANSI standard limits by installing and operating tap changing transformers and voltage regulators at the distribution substation and by switching feeder capacitors downstream to follow load changes. This need is pronounced on long, radial lines with high loading or on feeders with high penetration of intermittent residential PV systems which may be causing unacceptable voltage deviations for neighboring customers. Placing distributed storage closer to load can improve network voltage profile, mitigate fluctuations, and reduce network power losses.¹

14. Mitigate outages

A storage system can effectively support customer loads when there is a total loss of power from the source utility. This system can be installed at the feeder level, such as community energy storage devices, or customer-sited behind the meter to pick up load when utility service is lost. This support requires the storage system and customer loads to island during the utility outage and resynchronize with the utility when power is restored. The energy capacity of the storage system relative to the size of the load it is supplying determines the time duration that the storage can serve that load. This time can be extended by supplementing the storage system with on-site diesel gen-sets that can continue supporting the load for long-duration outages that are beyond the capacity of the storage system.¹

15. Customer bill management: Time-of-use (TOU) energy and demand charge management

At the customer-sited level, electric storage can be employed to reduce customer energy bills when operating under a time-of-use energy tariff. Customers can charge storage during off-peak time periods when the retail electric energy price is low, then discharge the energy during times when on-peak time of use (TOU) energy prices apply. This application is similar to electric energy time-shift, although electric energy prices are based on the customer's retail tariff, whereas at any given time the price for electric energy time-shift is the prevailing wholesale price.¹

16. Maintain power quality

Energy storage can be applied to protect and compensate for on-site customer loads. Short-term power quality events such as voltage spikes, sags, surges, and frequency deviations, which can damage customer equipment, can be mitigated through proper operation of energy storage. Reactive power compensation can also be employed to improve customer power factor.

17. Provide uninterruptible power supply

Even momentary outages or power quality events can result in large-scale customer financial losses when sensitive electronic or process equipment loads are present. The electric supply to these pieces of equipment can be backed up to an uninterruptible power supply which can seamlessly switch from the utility power supply to energy storage backup when a power quality event or momentary outage occurs. For

long-term outages, the UPS enables ride-through capability ensuring continuous supply of power to critical loads while other conventional back-up generation is brought on-line.

3.2 Shared Applications

One effective way to increase the value of an energy storage asset is to use it in multiple applications such that its capacity, power, or time could be “shared” among them in a coordinated, overlapping manner. If the shared capacities are not overlapping, such as dedicating certain percentages of the capacity to different functions (for example, 20% for back up and 80% for peak shaving), the total value is not necessarily increased and almost the same result can be obtained by buying two smaller storage units. Overlapping shared capacity, power, or time, is what can help stack up different benefits, but proper controls are required to assure the priority of access.

Some of the most common shared applications include:

- Customer bill management combined with capacity dispatch applications such as Demand Response
- Utility upgrade deferral combined with capacity dispatch applications or ISO services such as participation in wholesale markets

3.3 Application Ranking for NCPA’s Selected Storage Technologies

DNV GL developed a ranking system for the various applications that battery energy storage systems may be utilized for within NCPA territory. Within this ranking system, information about each technology is used to ascertain its appropriateness for a particular application. The battery type’s typical size and technical parameters influenced these rankings.

Each considered application was defined by its requirements for power, energy, cycling, and response time. These Application Requirements were scored on a comparative scale. For instance, in the case of the application of Electric Energy Time Shift, the energy capacity of the system is paramount and thus ranked highly. Alternatively, in the case of the application for Frequency Response, the energy capacity of the system is of lesser importance while response time and power capability are the prioritized requirements. Each technology was then defined by its capabilities to meet these requirements for power, energy, cycling, and response time. These technology capabilities were similarly scored on a comparative scale. For instance, Li-ion technology provides nearly instantaneous response time and was thus ranked highest in that parameter. Flow batteries, on the other hand, scored highest for cycling as they are capable of fully discharging daily with less impact on lifetime and degradation.

The Application Requirements and Technology Capability scores were then compared, defining how well-matched a specific technology was for a given application. For instance, if an application required fast response time, the technologies that provide a fast response time would score highest. Scores across each property were then averaged to provide a Technology Application score for each technology providing each application.

This assessment resulted in the application ranking show below, on a scale from 1 – 10, with 10 (indicated by dark green) demonstrating high correlation between application requirements and technology characteristics. Generally, DNV GL finds that a score of 6 or higher will allow a technology to sufficiently meet the requirements of an application. DNV GL’s discussion and additional opinion around these results follows the table.

	Li-Ion NCM	Li-Ion LFP	Li-Ion LTO	VRB	Flywheel	CAES	TES
Electric Energy Time Shift	8	7	7	8	5	8	7
Electric Supply Capacity	8	7	8	8	5	8	6
Regulation	8	8	9	8	8	6	5
Spinning, Non-spin, Supplemental reserves	8	8	9	7	7	6	4
Voltage support / Power Quality	8	9	9	8	9	5	5
Load following / ramping support for renewables	8	8	9	8	7	6	5
Frequency response	8	9	10	7	9	5	4
Transmission and distribution congestion relief	8	7	8	8	6	8	6
Black Start	Y	Y	Y	Y	Y	Y	N
Reliability	Y	Y	Y	Y	N	Y	N

	Li-Ion BTM
Bill management - DCM	9
Bill management - TOU	9
Bill management - Self-supply	9
Customer back up	8

Figure 2 Application Ranking of NCPA's Selected Storage Technologies

Under appropriate conditions, Li-Ion technologies are generally well-suited for all of the applications discussed. NCM and LTO specifically are highly rated across all applications reviewed here. LFP's lower cycle life and energy capacity reduces its ratings for repeated deep discharge usage, as seen in energy time shift and electric supply capacity. LTO, while being highly rated is, however, the most expensive of the three chemistries. As such, NCM is currently the most commonly implemented chemistry. Developments and research are, however, closing these gaps.

Similarly, VRB technology is well suited for all of the applications reviewed. While the system's ability to serve long duration makes it especially attractive for energy applications, VRBs can also support shorter, high power applications. Although the technology is less established than Li-ion, if the deployed systems prove performance to these operational characteristics and costs fall with further development, the technology will be attractive for long duration, utility-scale storage.

Flywheels have very fast response times, high power ratings, and show no degradation for high amounts of cycling. As such, this technology is most useful and cost effective for power applications. Although there are flywheel systems developed to serve for up to an hour at a lower power rating, most flywheels are designed for under a minute of use at a time at very high power. For this reason, energy applications all receive lower ratings in DNV GL's quantitative analysis.

In contrast, CAES systems are designed to support extremely long duration energy applications, in some cases, over a day of continuous energy. Due to this, DNV GL's quantitative assessment ranked CAES highly for the energy applications reviewed. CAES systems, purely based on their design mechanics, have a slow response time, requiring up to 10 minutes to respond to controls and serve the demand. As such, although CAES systems have large power values due to their scale, they are not well suited for applications that require quick responses such as voltage support, frequency response, or ramping for renewables.

Finally, ice energy storage is appropriate for energy time shift and reduction in peak demand due to space cooling. Further, when leveraged and coordinated in a single sub-load area, aggregated systems can provide



both T&D congestion relief as well as be supportive for supply capacity application. Since peak cooling is highly seasonal and aligns with peak demand hours, wide-spread utilization of this technology can also help to delay infrastructure upgrades otherwise required to meet these concentrated peak periods.

4 STORAGE USE CASE STUDIES

It is difficult to determine cost-effectiveness for storage in general because determining benefits for storage often require modelling a specific technology at a specific location. The costs and benefits can vary depending on three main factors:

1. Location of the device on the grid. The device can be installed on the transmission grid, distribution grid or behind the meter. The benefits would vary based on the market prices or tariffs available at that location, as well as the condition of the grid at that location.
2. Storage technology. Storage technologies vary widely from duration, cycle times, efficiency, and physical configuration and constraints. In addition, different vendors offer the same storage technology in very different packages and functionalities. These factors affect the device cost, and the applications it can perform.
3. Applications. Storage technologies can perform 17 applications as outlined in Section 3. Most of these applications would require analysis using a modelling tool with proper time-scale and fidelity. For stacked applications, multiple analytical tools may be needed.

Providing a general value for storage will likely be wrong. Instead, the storage industry has opted to assess storage on an use case basis. The use cases would have defined assumptions such as location, technology, market, and tariffs. The most comprehensive energy storage cost-effectiveness use cases were completed under the CPUC storage proceeding by DNV GL and EPRI in 2013. Subsequently, new storage technologies have become available, storage costs have come down, renewables penetration has increased, and market conditions have changed. The 2013 results could be updated using the same cost-effectiveness methodologies; however, without additional analysis, it is safe to assume that the cost-effectiveness in general are more favorable now than in 2013.

The following sections provide examples of energy storage use cases in the transmission side, distribution side, and customer side level. The value basis for these findings are storage costs versus benefits, such as market revenue potential, avoided transmission and distribution (T&D) investment and customer bill savings versus storage cost. For each of the use cases, it shows that energy storage is cost effective for a specific subset of assumptions under a range of benefits versus a range of costs. The cost-effectiveness reaches a breakeven point when the value side of the equation being at the upper end of the assumed value range, and the storage cost being at the lower end of the assumed cost range.

4.1 Use Case #1: Transmission-connected storage to provide frequency regulation

Under CPUC's AB 2514 proceeding, DNV GL simulated the cost-effectiveness of a transmission-connected fast-responding providing frequency regulation under a performance payment regime. The frequency regulation market requires devices to match 4-second signals. The benefit of this use case is market revenue from CAISO. The case studies found that the breakeven point of the simulation is \$882/kW

(\$3528/kWh) cost for the device. Any storage devices with costs below this level are even more cost competitive and any devices with costs higher are estimated to be not cost effective. Although this study is done for battery device, the operating characteristics are also representative of a flywheel, pumped hydro, or other fast acting storage device. The breakeven cost, that is benefit cost ratio (BCR) of 1, for a flywheel storage device is \$6.44 million (\$965/kW or \$3,860/kWh). The study has assumed FR costs to increase 3% every year, but this has not been observed in the California Independent System Operator (CAISO) market. If regulation costs are twice what they were estimated to be, then the breakeven cost for a battery storage device participating in the CAISO regulation market is \$40.78 million (\$2,039/MW or \$8,156/MWh).

The primary benefit used in the cost-effectiveness modeling and evaluation is market revenue. For the Frequency Regulation Only Use Case modeled, the form of market revenue quantified as a "benefit" is market-based payment for provision of Regulation Up (RegUp) and Regulation Down (RegDown) services sold into the CAISO market. The market pays devices in two ways: capacity payment for the opportunity cost of the committed capacity, and the performance of actual up and down movement of the resource following the signal (mileage).

DNV GL used high resolution production simulation modeling tool PLEXOS with DNV KEMA Renewable Market Integration Tool (KERMIT) tool to estimate the potential revenue stream in a future market scenario that includes Pay for Performance. Production simulation was used to determine the dispatch and related hourly base clearing price for RegUp and RegDown payments for a sample set of days that were then extrapolated for a representative year's 8760 market hours. The KERMIT tool was then used for the inter-hour resolution needed to estimate the associated Pay for Performance Benefit Factor applied to the Production Simulation (production cost based) RegUp and RegDown base clearing prices.

The benefit cost analysis is a pro-forma style analysis that estimates break-even capital costs for the 20 MW, 5 MWh storage device based on a 20 year revenue stream from CAISO regulation market and listed project financing assumptions. In addition, system benefits are estimated by determining the change in California production costs estimated by PLEXOS for the simulations with and without the storage device. Sensitivity analyses examining the influence of the primary factors are reported as well.

For the base case, the breakeven cost (a benefit-cost ratio of 1) for a 20 MW, 5MWh storage device participating in CAISO regulation markets from 2015 to 2035 is \$17.6 million. This represents an \$882/kW (\$3528/kWh) cost for the device. Any storage devices with costs below this level are even more cost competitive and any devices with costs higher are estimated to be not cost effective. For example, a battery storage device with a capital cost of \$600 per kW is estimated to have a 20 NPV of \$7.50 million whereas a battery storage device with a capital cost of \$1,000 per kW is estimated to have a 20 NPV of negative value of \$3.14 million.

The breakeven cost, that is benefit cost ratio (BCR) of 1, for a flywheel storage device is \$6.44 million (\$965/kW or \$3,860/kWh) and the BCR for a flywheel with a capital cost of \$1,500 is 0.66. This is a 9.4% increase in breakeven capital cost compared to the battery storage device indicating higher capital cost projects are feasible. This is because the flywheel device has lower variable O&M costs and does not need to replace a battery stack every 10 years.

If regulation costs are twice what they were estimated to be, then the breakeven cost for a battery storage device participating in the CAISO regulation market is \$40.78 million (\$2,039/MW or \$8,156/MWh). This is a

232% increase compared to the base case results. Using the capital costs CESA provides, the BCR for a battery is 2.18 and 1.33 for a flywheel.

From an operations point of view, the most important factor determining the breakeven cost is the performance of the storage device as that determines what fraction of the approximately \$3 million the storage device is able to obtain. If the performance of the storage device is reduced by 10% (from 98% to 88% for up regulation performance and from 95% to 86% for down regulation performance) then the BCR decreases by 0.11 for a battery and 0.06 for a flywheel. The break-even cost decreases by 14%. The table below summarizes the simulation results of battery and flywheel under the base case and sensitivity cases.

Table 2 Summary Table of Benefits Costs for Scenarios for Regulation Markets

Scenario	Asset Type	Capex (\$/kW)	Regulation Price Multiplier	Performance Multiplier	Benefit to Cost
Base Case	Battery	\$750	1	1	1.09
	Flywheel	\$1,500	1	1	0.66
2x Regulation Price	Battery	\$750	2	1	2.18
	Flywheel	\$1,500	2	1	1.33
P4P Performance Score (Pay for Performance)	Battery	\$750	1	0.9	0.98
	Flywheel	\$1,500	1	0.9	0.6

4.2 Distribution-Connected substation upgrade deferral

Substation upgrade deferral is the delayed investment of additional substation transformer capacity. Storage enables this deferral by reducing substation transformer peak loading during the hours of the years for which the respective equipment would have been overloaded without energy storage. In addition to peak shaving, the storage device can output reactive power to reduce voltage drops and losses across the substation transformer. Lastly, by reducing peak demand overloads on the substation transformed, the useful life of the substation transformer can be extended.

Distributed energy storage is typically not a cost-effective solution when a voltage deviation issue can be solved with traditional distribution voltage regulation equipment such as adding additional capacitors or voltage regulators. As shown in the case study done for the SDG&E (Section 4.2.1), relatively low cost of this traditional solutions as compared to utility scale energy storage at current prices made storage not a cost-effective solution. However, traditional voltage regulation solutions may not be viable or effective at addressing all voltage regulation issues, such as those arising in cases of high PV penetration on constrained feeders. In such cases, if circuit reconductoring is otherwise required, the associated avoided-cost benefit can make energy storage a cost-effective solution. An example of a cost-effectiveness analysis for distributed energy storage being employed to avoid circuit re-conductoring is shown in section 4.2.2.

4.2.1 Use Case #2: SDG&E distribution upgrade deferral

SDG&E contracted DNV GL to perform an independent cost-effectiveness analysis on the highest ranked bid from the 2014 Storage RFP. DNV GL applied its proprietary ES-GRID⁶ modeling tool to assess the cost-

⁶ The ES-GRID tool is an advanced modeling and simulation tool designed to assess the cost-effectiveness of energy storage connected on the distribution system. The tool is customized to a specific system and can assess the cost and benefits of single or bundled storage

effectiveness of the capacity upgrade deferral for each of the defined scenarios. DNV-GL simulated a total of 36 scenarios. As documented in details below, SDG&E found that 35 of 36 scenarios were not reasonably cost effective after applying both quantitative and qualitative evaluation criteria. The NPV savings of the lone cost effective scenario is \$700,000. This NPV in savings is approximately 5% of the total installed cost for the highest ranked storage solution, and approximately 1% of the estimated substation costs, which includes a 30% contingency. This means the entire quantitative value of pursuing the storage solution rests on that solution's actual costs being almost exactly its estimated costs. If the actual costs exceed the estimated costs by 5% or more, the immediate value to customers is entirely eroded. However, if the substation's actual costs are only 1% less than estimated costs – not an implausible outcome given that the substation's estimated costs include a 30 % contingency – there is no immediate value to customers in having installed storage to defer construction of the planned substation. Given these objectively thin margins, SDG&E elected to not pursue the storage solution in this particular instance.

SDG&E identified a planned substation as a potential candidate for deferral by a cost-effective energy storage project. The planned substation is needed to accommodate expected growth of end-use load in one area of SDG&E's distribution service territory, maintain substation and circuit reliability, and reduce area substation loading to optimum operating conditions. The 2014 Storage RFP was designed to determine whether (i) an energy storage project could inject enough power, at the right times of the day and year and at the low voltage side of the existing transformers (where the distribution feeder circuits connect) to reduce power flows across the existing transformers to delay the point in time when the planned substation would need to be constructed, and (ii) the savings associated with deferring the construction of the planned substation would offset the cost of the energy storage project; i.e., would be cost-effective for SDG&E customers.

SDG&E worked with DNV GL to define a set of scenarios and inputs for the ES-GRID model runs. This scenario based approach allows for the cost-effectiveness of the energy storage project to be assessed over the range of bid pricing options, storage power and energy configurations, substation upgrade costs, and transformer bank overload triggers. To compute the number of years of deferral that each energy storage configuration can provide, the model used SDG&E's hourly SCADA load data and forecast load for each of the identified transformers. For each scenario, and across all 10 years of the simulation horizon, ESGRID computed the optimal hourly energy storage dispatch schedule for peak shaving on the impacted transformer bank. For each scenario, the ES-GRID analysis produces the hourly storage dispatch profiles, number of years of deferral, and days that storage would be dispatched for peak shaving. Using the computed deferral period, the model next calculated the net present value (NPV) based on various benefit and cost elements such as capital expenditure, installation cost, fixed and variable O&M costs, storage charging cost, deferral benefit, and deferred/avoided tax payments.

DNV-GL simulated a total of 36 scenarios and found that 35 of 36 scenarios were not reasonably cost effective after applying both quantitative and qualitative evaluation criteria. For the scenarios with 4 MW / 12 MWh storage solution and a 100% loading trigger, the model determined that 12 scenarios were cost effective (i.e., had a positive NPV), and concluded it is possible to defer the planned substation for three years, starting in 2018. For these scenarios, storage is dispatched in a limited number of hours on three

applications. Through scenario development, the tool allows for the direct comparison of multiple scenarios of a particular energy storage use case.

days in 2018, 2019, and 2020. However, at a closer look at these “cost-effective” scenarios, most of them require one or a combination of the following unrealistic characteristics:

- The planned substation cost to fall within the “high” cost category, or 20% over the engineering budget.
- The storage device contained warranty options that were significantly less than the asset’s useful life

Only two scenarios were cost effective using the mid-case substation costs, and a 10-year warranty option. One scenario has an estimated NPV savings of \$700,000, and another has an estimated NVP savings of \$3,000 which is essentially a breakeven case. Removing the breakeven case, the only cost-effective scenario under reasonable assumptions has an NPV savings of \$700,000. This amount is equivalent approximately 5% of the total installed cost for the highest ranked storage solution, and approximately 1% of the estimated substation costs, which includes a 30% contingency. To put this in perspective, the entire quantitative value of pursuing the storage solution rests on that solution’s actual costs being almost exactly its estimated costs. If the actual costs exceed the estimated costs by 5% or more, the immediate value to customers is entirely eroded. Similarly, if the substation’s actual costs are only 1% less than estimated costs – not an implausible outcome give that the substation’s estimated costs include a 30 % contingency – there is no immediate value to customers in having installed storage to defer construction of the planned substation. Given these objectively thin margins, SDG&E elected to not pursue the storage solution in this particular instance.

4.2.2 Use Case #3: CPUC avoided distribution system upgrade for PV integration

For a different distribution-connected use case, storage is found cost-effective for PV integration when re-conductoring costs were high. Distribution upgrades avoidance, including re-conductoring and avoided regulator costs, accounted for the majority of the storage benefits. Distribution system loss savings were found to be only a small portion of the overall benefit. As shown in Figure 3, DNV GL ran 250 cases that were simulated for the distributed energy storage for PV integration Use Case. The break-even case reflects a correctly sized battery with high re-conductoring costs, low deferral value, and medium range storage costs. Sizing storage greater than the line limit needs increases costs with only small incremental benefit, resulting in non-economic cases. Additional benefits not valued here include improved power quality potential and potential improvements to system reliability.

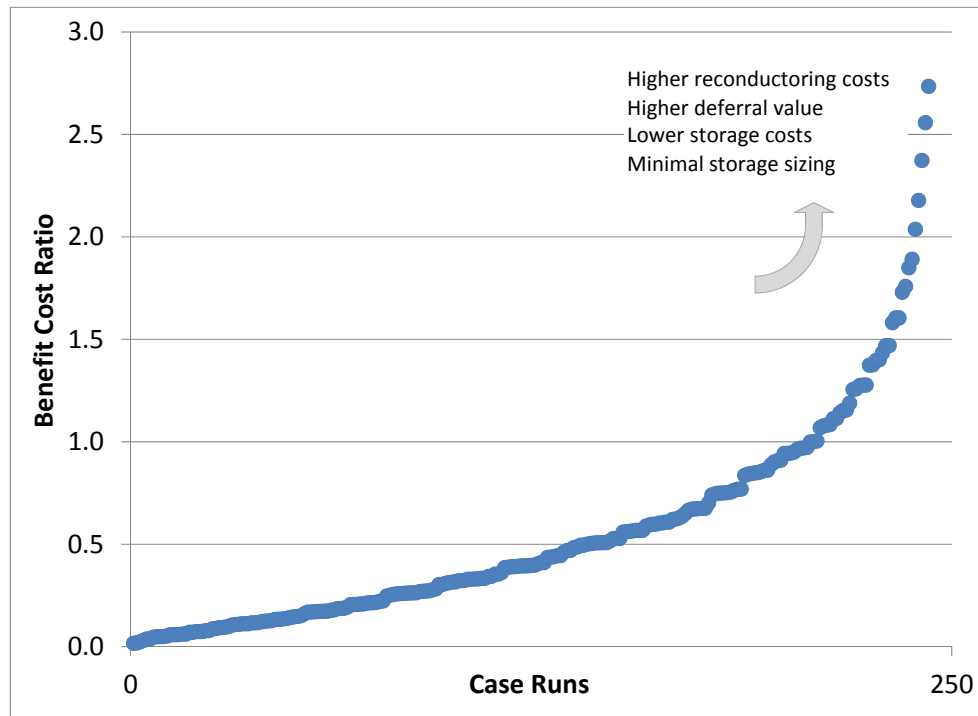


Figure 3 Benefits-Costs for Substation-sited Distributed Energy Storage for PV Integration

Energy storage can be employed by utilities to facilitate the integration of PV generation and mitigate possible negative impacts on the distribution system by:

1. avoiding system upgrades required for PV integration
2. mitigating voltage fluctuations at the primary distribution side resulting from intermittent distributed PV generation
3. reducing distribution system losses through improved utilization of distributed generation
4. deferring upgrade of substation equipment by time-shifting peak PV generation to coincide with system load peak

In the Use Case presented here, the avoided system upgrade is reflected as an avoided investment to re-conductor distribution equipment that would have become overloaded in the presence of reverse power flows from downstream PV generation. Energy storage is presented as an alternative to this equipment upgrade. The cost-effectiveness of energy storage for this Use Case is evaluated based on engineering modeling. In particular, the costs and benefits account for system-wide impacts, observed via time series power flow simulation. Also, the modeling results guide assumptions and evaluate the degree to which energy storage can meet the needs of the stated applications (at different energy storage sizes, for example). For this Use Case, the model simulates power flow over a sample multi-phase distribution test feeder, publicly available from the Institute of Electrical and Electronics Engineers (IEEE) as IEEE 123 Node

Test Feeder.⁷ Simulation results for these systems are obtained using DNV GL's distribution energy storage valuation tool, ES-GRID.

Table 3 summarizes the engineering analysis results for IEEE 123 Node Feeder with PV generation. The results provided for the base case, represent the distribution system performance with PV and without energy storage. The columns to the right present distribution system performance with energy storage. Each column represents performance for the same distribution system, but with the corresponding size and duration of energy storage installed. The engineering analysis results illustrate the ability of energy storage to mitigate overloads of the capacity constrained lateral, eliminate both high and low voltage exceptions, reduce system losses, reduce system peak demand, and reduce voltage regulation tap changed operations.

Table 3: Summary Results for Distribution System Performance with PV and Energy Storage

Metric	Base case	500 kW, 2 HR	500 kW, 4 HR	1000kW, 2HR	1000kW, 4HR	2000kW, 2HR
Peak real power demand (kW)	4,369	4,341	4,341	4,259	4,259	4,145
Line capacity overload (Hours)	662	46	0	0	0	0
Maximum line flow (kW)	405	369	341	341	332	332
Total energy demand (MWh)	16,422	16,453	16,464	16,508	16,511	16,646
Total Losses (MWh)	605	581	568	572	568	627
Tap changes (#)	10,706	10,198	9,998	10,002	9,990	11,723
Maximum voltage (per unit voltage)	1.0568	1.0522	1.0492	1.0492	1.0473	1.0703
Overvoltage events (#)	123	11	0	0	0	356
Minimum voltage (per unit voltage)	0.94487	0.94699	0.94699	0.95178	0.95178	0.94433
Undervoltage events (#)	172	35	24	0	0	30

Drawing on the results of the engineering analysis, a cash flow analysis was run for a series of scenarios, using combinations of the key sensitivities: storage size, storage duration, storage costs, cost of re-conductoring, deferral value, and load growth rate. Six illustrative scenarios are shown in Table 4.

Table 4: Select Financial Results

Scenario #	Size	Deferral	Benefits	Costs	NPV	BCR
150	0.5 MW 4 hr	\$309/kW	2,584	-2,392	192	1.1
177	1 MW 4 hr	\$309/kW	2,867	-4,753	-1,887	0.6
138	0.5 MW 4 hr	\$70/kW	2,399	-1,880	519	1.3
153	0.5 MW 4 hr	\$538/kW	2,761	-2,392	369	1.2
147	0.5 MW 4 hr	\$70/kW	2,399	-2,392	7	1.0

Figure 4 illustrates a cost-effective case, Scenario 150, on the left. The majority of the benefits are due to avoided re-conductoring upgrades. Additional benefit comes from substation upgrade deferral and some loss reduction. Larger energy storage investment, illustrated with Scenario 177, on the right, shows a slight

⁷ "IEEE 123 Node test Feeder," IEEE Power Engineering Society, Power System Analysis, Computing and Economics Committee, Distribution System Analysis Subcommittee.

increase in value. However, the case is not cost-effective, as the incremental cost of sizing energy storage beyond the re-conductoring avoidance application is greater than the incremental benefits.



Figure 4: Cost, Benefits and NPV for Scenarios 150 and 177

Though re-conductoring is the primary benefit of this application, higher substation upgrade costs (and therefore higher deferral values) enable cost-effective cases with higher energy storage costs. Figure 5 illustrates two cases that are cost-effective, one with lower energy storage cost and deferral value (Scenario 138, on the left) and the other with higher energy storage cost and deferral value (Scenario 153, on the right).

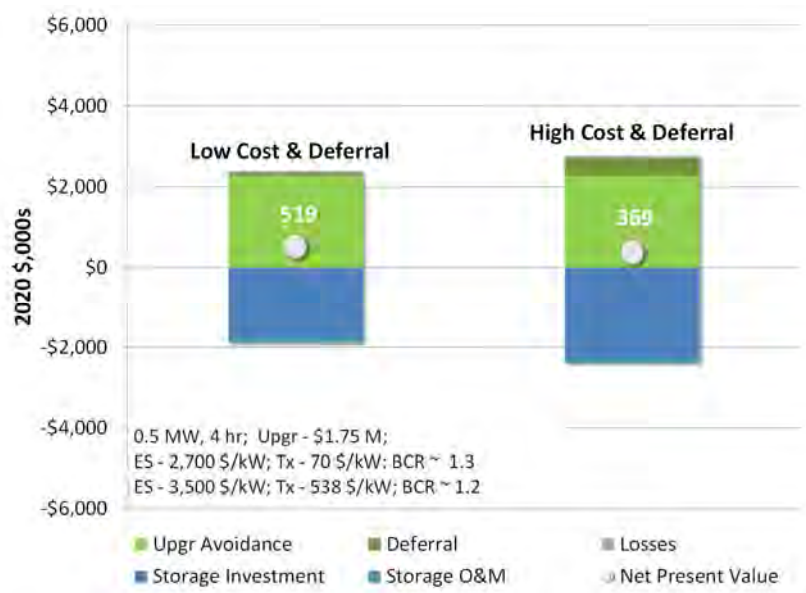


Figure 5 Cost, Benefits and NPV for Scenarios 138 and 153

4.3 Use Case #4: Behind the Meter Storage for Bill Reduction

The primary use of behind the meter storage is for peak demand reduction. DNV GL modelled common area meter of multi-family residence and a school in SDG&E's territory. For the common area meter scenario, tariff switching gives an estimated Internal Rate of Return (IRR) of around 18%-27% depending on storage costs, while maintaining the facility on the same tariff gives an estimated IRR of around 9% -15%. For the school scenario, the best simulated IRR for a combined installation of solar PV and storage is around 17%-23%. The scenario with only storage installation in the school has an estimated IRR of 14%-38%.

Table 5: Financial Results for Different Customer Use Case Scenarios

Storage cost (\$/KW)	Facility Peak	Installed Storage	Installed PV	SGIP	CSI	FITC PV Storage	Acc dep	IRR	NPV
Scenario 1: Storage and Solar PV de-coupled									
Customer Type: Common area meter of multi-family residence									
Primary Function: Demand reduction to shift to different tariff									
Low - \$3000/KW	21	5 KW, 10 KWhr	5 KW	YES	YES	YES	YES	27.03%	\$13,363
Med - \$3500/KW								23.29%	\$12,110
High - \$4500/KW								17.90%	\$9,602
Scenario 2: Storage and Solar PV de-coupled									
Customer Type: Common area meter of multi-family residence									
Primary Function: Demand and energy charge reduction									
Low - \$3000/KW	22.5	5 KW, 10 KWhr	5 KW	YES	YES	YES	YES	14.55%	\$4,692
Med - \$3500/KW								12.17%	\$3,438
High - \$4500/KW								8.56%	\$931
Scenario 3: Storage and Solar PV de-coupled									
Customer Type: School									
Primary Function: Demand and energy charge reduction									
Low - \$3000/KW	900	50 KW, 100 KWhr	50 KW	YES	YES	YES	YES	23.26%	\$164,918
Med - \$3500/KW								21.02%	\$152,382
High - \$4500/KW								17.43%	\$127,310
Scenario 4: Only Storage									
Customer Type: School									
Primary Function: Demand and energy charge reduction									
Low - \$3000/KW	900	50 KW, 100 KWhr	50 KW	YES	NA	NA	No	38.18%	\$91,391
Med - \$3500/KW								25.56%	\$75,215
High - \$4500/KW								14.41%	\$42,864

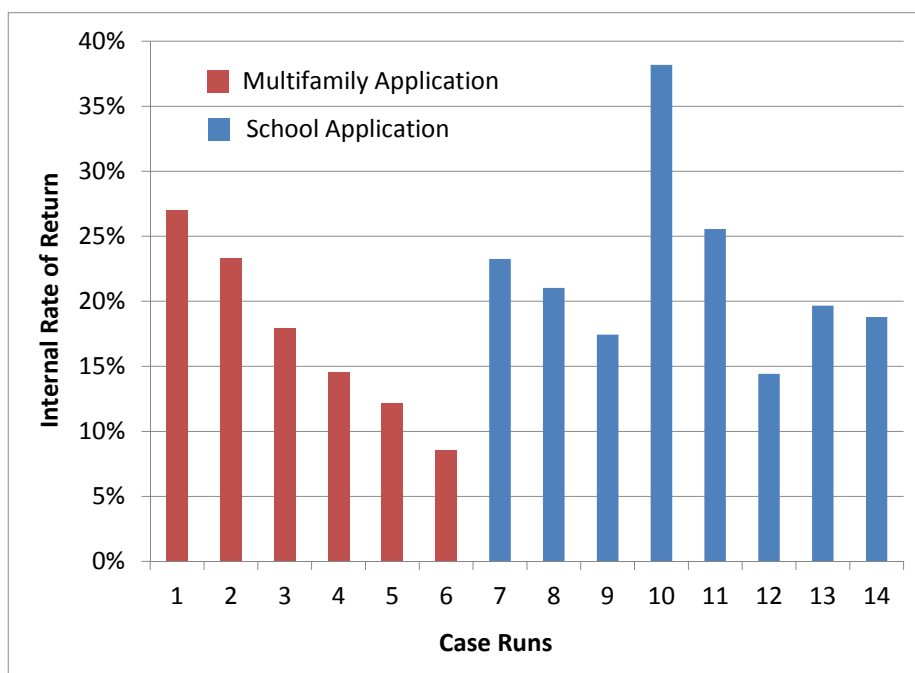
For demand-side use cases the customer savings due to bill reduction required the ability to calculate the specific amount of demand reduced and energy shifted against a sample demand shape that has enough detail to adequately estimate the electric bill impacts. When other customer-side assets like PV are

introduced, the control of energy storage within the model also required substantial controls logic (implemented via linear programming optimization) to answer the deceptively simple question - by how much can electric bill charges be reduced through a given storage system. DNV GL's Microgrid Optimization (MGO) tool was used to perform both the storage use optimization against an annualized demand shape to lower customer electric bill charges.

For the Demand Energy Storage category Use Cases, the primary benefit used in the cost-effectiveness modeling and evaluation is customer electric bill reduction through removal or reduction of Demand Charges applicable to some general commercial and industrial rate categories, and shifting PV output to reduce energy related bill charges. On-site PV was also included in several sensitivities which was added to the bill minimization optimization scheme by using available storage capacity to shift PV output for energy savings and account for any coincident reduction in net load demand. Given that the benefits for this Use Case are strictly from the perspective of the retail customer, retail customer incentives also enter into the 'benefits' calculation as a reduction in capital expenditure (CAPEX) initial investment cost.

Customer owned and operated storage is cost-effective for facilities with high peak demand to base load ratio, under tiered time-of-use (TOU) tariffs with high demand charges. In these cases, the current Self Generation Incentive Program (SGIP) incentives played a significant role in storage cost-effectiveness.

Figure 6: Internal Rate of Return for Multifamily and School Applications





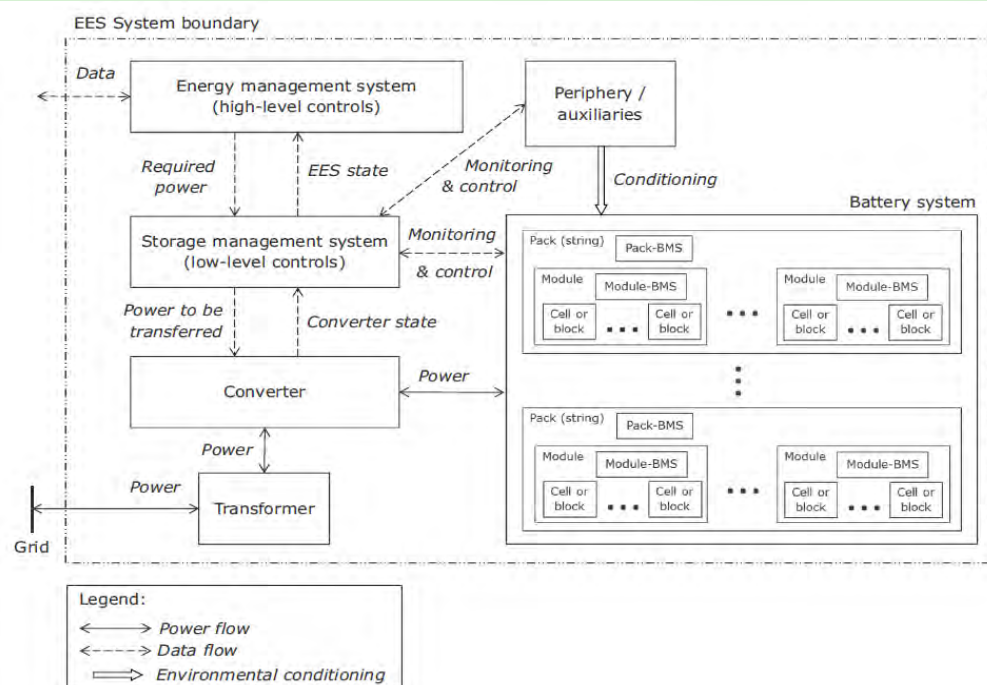
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- [4] Jim Eyer, Garth Corey, *Energy Storage for the Electricity Grid: Benefits and Market Potential Assessment Guide*, February 2010
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Lithium-Ion (Li-Ion) batteries utilize the exchange of Lithium ions between electrodes to charge and discharge the battery. Li-ion is a highly attractive material for batteries because it has high reduction potential, i.e., a tendency to acquire electrons (-3.04 Volt versus a standard hydrogen electrode), and it is lightweight. Li-Ion batteries are typically characterized as power devices capable of short durations (approximately 15 minutes to 1 hour) or stacked to form longer durations (but increasing costs). Rechargeable Li-ion batteries are commonly found in consumer electronic products, such as cell phones and laptops, and are the standard battery found in electric vehicles. In recent years this technology has developed and expanded its portfolio of applications considerably into utility-scale applications which, despite having very different requirements and features from consumer applications, benefit from the scale of manufacturing which lowers costs across markets. Because of its characteristics, Li-Ion technology is well suited for fast-response applications like frequency regulation, frequency response, and short-term (30-minutes or less) spinning reserve applications.

As with all energy storage technologies, Li-Ion batteries do carry some safety risk. Extreme over-heating or thermal runaway could cause fire and the release of toxic or reactive gases. This risk is strongly mitigated by various methods of cooling, including natural convection, forced air cooling, and liquid cooling, which keep the batteries not only at a safe temperature, but also at a temperature optimal for operation.

These risks are being regulated at an industry level, with the development, testing, and updates to safety standards, including recommendations for the appropriate response to fires. All Li-Ion systems being purchased and installed should be certified to such standards.



Parameter/ Technology		Li-Ion BTM		Li-Ion NCM	Li-Ion LFP	Li-Ion LTO
		Residential	C/I			
Power capacity	Minimum	2 kW	250 kW	1 MW	1 MW	1 MW
	Maximum	10 kW	1 MW	35 MW	35 MW	40 MW
Energy Capacity	Minimum duration	20 min	20 min	20 min	20 min	10 min
	Maximum duration	4 hr	4 hr	2 hr	2.5 hr	2 hr
Recharge rates		1C	1C	1C	2C-1C	3C-1C
Round trip efficiency		90%	82-83%	77 - 85%	78-83%	77-85%
Availability	Up-time	97%	97%	97%	97%	96%
	Carve Outs	72 hr/yr	72 hr/yr	72 hr/yr	72 hr/yr	72 hr/yr
Response time		ms	ms	ms	ms	ms
Degradation - Percent of initial capacity lost after 10 years	Energy Applications	40%	30%	30-40%	20-40%	15-25%
	Power Applications	10-20%	10-20%	10-20%	15-25%	5-15%
Expected life (100% DOD, 25°C, 1C)	Years	10	10	10	10	10
	Cycles	3,500	5,000	3,500	2,000	15,000

Lithium Ion

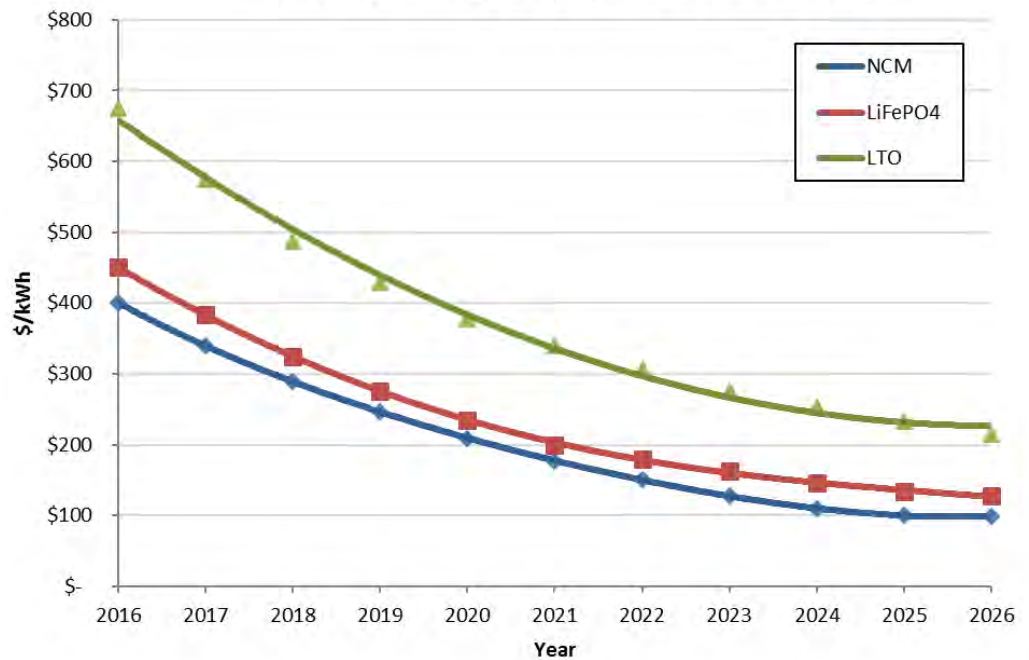
Lithium Ion energy storage systems, while differing across battery chemistries (as detailed later in this document), are generally appropriate for serving energy applications, moderate power applications, and applications requiring a short response time. Further, if charged at the time of the outage, Li-Ion systems can support a black start. Across the board, with an increase in adoption, Li-Ion technologies have reduced in price and improved in operation. However, of the technologies reported on in this project, Li-Ion batteries are some of the most sensitive to temperature. As such, Li-Ion systems are generally installed with cooling and heating systems, which may consume a portion of the useable system capacity.

Li-Ion is, in the current market, the dominating technology found in behind-the-meter (BTM) installations due in part to it's ability to scale to residential and commercial needs with a minimal physical footprint. BTM is used at the customer site to provide back up and bill management services. Bill management applications include electric time shift, to charge during lower time of use (TOU) periods and discharge during more expensive TOU periods; demand charge management (DCM), to discharge the battery in order to reduce peak load; and self-supply, to regulate the use of renewables thus more closely matching the renewable generation to the user load profile. Li-Ion technology is well suited for these applications due to its fast response time and recharge rate. Many systems are currently being designed with limited to no planned customer input or maintenance, but constant monitoring, controls, and service deployment as needed.

Utilities are beginning to investigate the aggregation of BTM storage to support grid services. The burgeoning demand for small scale distributed energy storage highlights the sometimes conflicting needs and requirements of utilities and end use customers, when high demand periods coincide. This poses an interesting controls and contracting challenge, but the flexibility of Li-Ion storage technology is appropriate for these broader and more intricate controls.

Based on DNV GL's quantitative assessment, under appropriate conditions, Li-Ion technologies are generally well-suited for all of the applications discussed. NCM and LTO specifically are highly rated across all applications reviewed here. LFP's lower cycle life and energy capacity reduces its ratings for repeated deep discharge usage, as seen in energy time shift and electric supply capacity. LTO, while being highly rated is, however, the most expensive of the three chemistries. As such, NCM is currently the most commonly implemented chemistry. Developments and research are, however, closing these gaps. The differences in chemistries are discussed further on the following page.

Energy Storage Equipment Cost Trends



Cost Parameter/ Technology	Li-Ion NCM	Li-Ion LFP	Li-Ion LTO
Energy storage equipment cost (\$/kWh)	\$325-\$450	\$350-\$525	\$500-\$850
Power conversion equipment cost (\$/kW)	\$350-\$500	\$350-\$500	\$350-\$500
Power control system cost (\$/kW)	\$80-\$120	\$80-\$120	\$80-\$120
Balance of system (\$/kW)	\$80-\$100	\$80-\$100	\$80-\$100
Installation (\$/kWh)	\$120-\$180	\$120-\$180	\$120-\$180
Fixed O&M cost (\$/kW yr)	\$6-\$11	\$6-\$11	\$6-\$11
Major Maintenance (\$/kW)	\$150 - 400	\$150 - 400	\$150 - 400
Years between major maintenance	5	5	5
Li-Ion BTM	Residential	C/I	
Total installed cost \$/kWh	\$530 - \$765	\$525-\$700	

Lithium Ion – Nickel Manganese Cobalt

LiNiMnCoO_2 (NCM or NMC) is one of the most commonly used chemistries in grid-scale energy systems. This technology demonstrates balanced performance characteristics in terms of energy, power, cycle life, and cost.

Nickel by itself has a high specific energy and poor stability whereas manganese offers low internal resistance with a low specific energy. Combining the two elements enables a high discharge current and leads to a better product. The cathode in this battery typically has a ratio of nickel to cobalt to manganese of 1-1-1 respectively but other combinations are also possible. The three active materials in NCM batteries can be easily blended and offer an economically viable solution for various applications. The NCM chemistry is most beneficial in applications where high battery cycle life, power and stability is required.

NCM batteries have a nominal charge of 4.10V/cell instead of 4.20V/cell, providing a lower energy capacity than Lithium Cobalt Oxide (LiCoO_2) batteries but higher energy density and longer life. NCM chemistry is very common due to these features as it provides an engineering compromise.

Lithium Ion – Iron Phosphate

LiFePO_4 (LFP) can be purchased at a low cost for a high power density, and its chemistry is considered one of the safest available within Li-ion batteries. Due to its very constant discharge voltage, the cell can deliver essentially full power to 100% DOD. However, LiFePO_4 batteries are typically applicable to a more limited set of applications due to its low energy capacity and elevated self-discharge levels.

LFP batteries offer low resistance, high current rating and long cycle life. They also perform well when kept at high voltages for a long time and have higher rates of discharge compared to other Li-ion batteries. The nominal voltage of a LFP cell is 3.20V and has a round-trip efficiency of 92%. Compared to other technologies, a LFP battery can still retain a 90% efficiency when discharge rates are low.

LFP batteries do not need to be fully charged which offers flexibility in installations where multiple cells are connected in parallel. In other words, battery operation is not compromised if multiple batteries in a system have different levels of charge. LFP battery chemistry is not prone to thermal runaway and thus reduces the risk of combustion. LFP batteries have low internal resistance, are more stable when overcharged and can tolerate higher temperatures without decomposing.

Lithium Ion – Titanate

Lithium Titanate ($\text{Li}_4\text{Ti}_5\text{O}_{12}$ or LTO) offers a stable Li-ion chemistry, one of the highest cycle lifetimes reported for Li-ion batteries, and a high power density. LTO battery cells take advantage of nanocrystals that allow the anode to have a larger surface area than other Li-ion battery technologies. The LTO nanocrystals result in an anode with a surface area of 100 m^2/gram , a large increase from traditional carbon or graphite materials with surface areas of 3 m^2/gram . This characteristic allows electrons in an LTO battery to enter and leave the anode quickly and provide a lifecycle that is upwards of 15,000 cycles.

The large anode surface area in LTO batteries also allows them to have a recharge efficiency of 98% which is relatively high. This enables LTO batteries to be charged quickly, requiring less electricity and power compared to other rechargeable batteries. The nanocrystals used in LTO batteries also allow better performance at low temperatures and can be beneficial to customers in areas with cold winters.

LTO cells have a nominal voltage of 2.40V allowing them to have a higher discharge rate than other Li-ion batteries. Their lower operating voltage also results in increased safety. Additionally, because LTO batteries do not use carbon, they do not overheat and significantly reduce any chance of fires. Their low operating voltage as well as cooler operating temperatures make them some of the safest rechargeable battery technologies in the market.

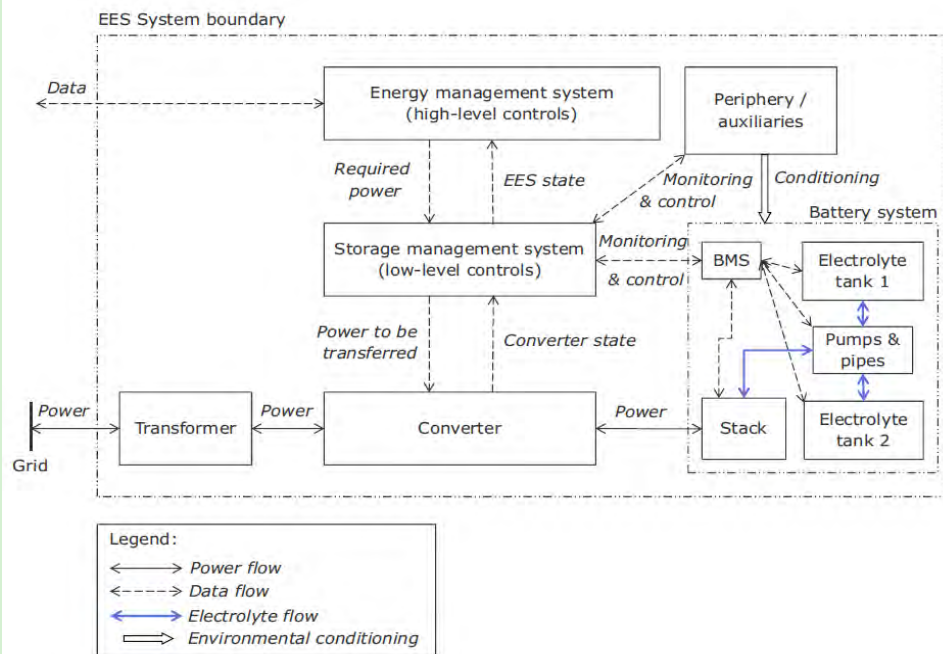
Vanadium Redox

Vanadium Redox batteries (VRB), or Vanadium flow batteries, are based on the redox reaction between the two electrolytes in the system. "Redox" is the abbreviation for "reduction-oxidation" reaction. These reactions include all chemical processes in which atoms have their oxidation number changed. In a redox flow cell, the two electrolytes are separated by a semi-permeable membrane. This membrane permits ion flow but prevents mixing of the liquids. Electrical contact is made through inert conductors in the liquids. As the ions flow across the membrane, an electrical current is induced in the conductors to charge the battery. This process is reversed during the discharge cycle. A general VRB system includes monitoring, control, and management systems, power converter/inverter, and the electrolyte tanks and stack of the batteries themselves. An

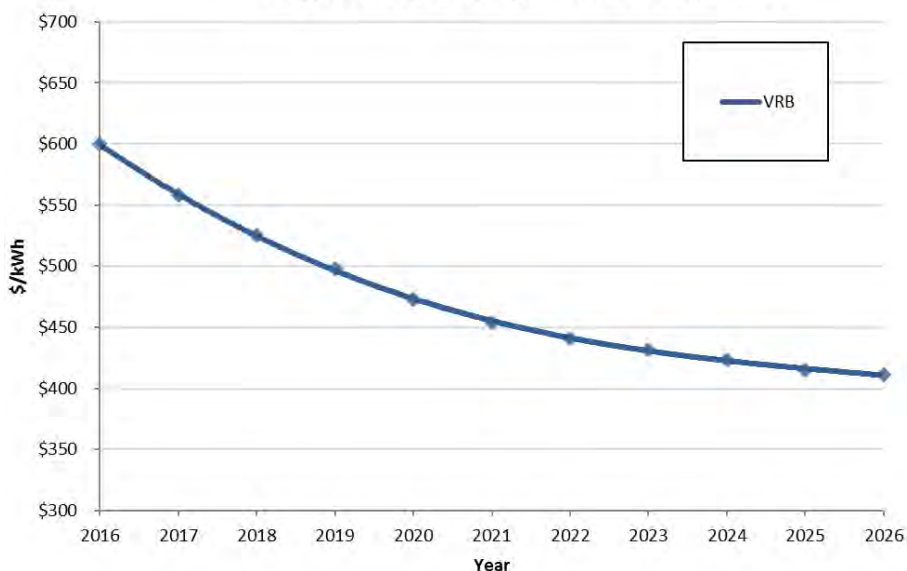
important advantage of VRB technology is that it can be "stopped" without any concern about maintaining a minimum operating temperature or state of charge. This technology can be left uncharged essentially indefinitely without significant capacity degradation.

In VRBs, the liquid electrolyte used for charge-discharge reactions is stored externally and pumped through the cell. This allows the energy capacity of the battery to be increased at low cost. Energy and power are decoupled, since energy content depends on the amount of electrolyte stored. VRB systems are unique in that they use one common electrolyte, which provides opportunities for increased cycle life. These large, liquid solution containers do however limit the VRB to utility or large industrial installations.

Based on DNV GL's quantitative assessment, VRB technology is well suited for all of the applications reviewed. While the system's ability to serve long duration makes it especially attractive for energy applications, VRBs also support shorter, high power applications. VRB's chief limiting factor is cost, requiring more expensive equipment, installations, and maintenance. Additionally, the technology is less mature than Li-Ion systems, but is solidifying its place in the market. As such, the current claimed efficiencies, degradation rates, and expected life will continue to be updated with field data. If the deployed systems prove performance to these operational characteristics and costs fall with further development, the technology will be attractive for long duration, utility-scale storage.



Energy Storage Equipment Cost Trends



Cost Parameter/Technology	VRB
Energy storage equipment cost (\$/kWh)	\$500-\$700
Power conversion equipment cost (\$/kW)	\$500-\$750
Power control system cost (\$/kW)	\$100-\$140
Balance of system (\$/kW)	\$100-\$125
Installation (\$/kWh)	\$140-\$200
Fixed O&M cost (\$/kW yr)	\$7-\$12
Major Maintenance (\$/kW)	\$600 - \$800
Years between major maintenance	8

Flywheel Energy Storage

A flywheel stores energy as the rotational kinetic energy of a spinning mass, i.e. the rotor. The rotor is accelerated by an electric machine acting as a motor during charging, and decelerates when energy is extracted (discharging mode) by the same machine acting as a generator. To reduce friction losses during rotation, in general the rotor spins in a vacuum and magnetic bearings are used to keep the rotor in position.

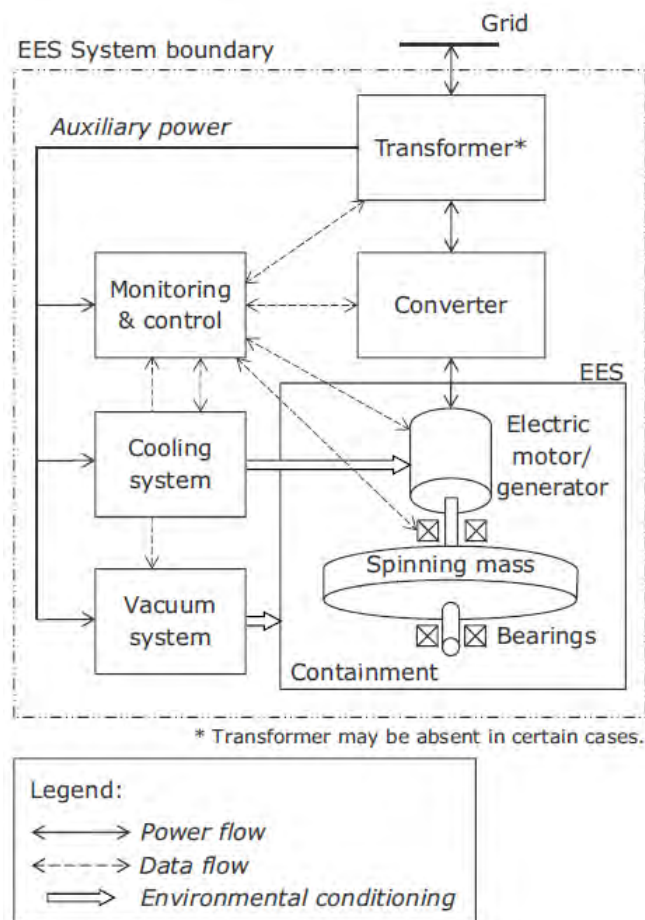
The amount of energy that can be stored is proportional to the mass, the square of the rotational speed and the square of the radius of the rotor. Power rating is determined by the electric motor/generator. Flywheels require external power to maintain its rotational velocity. These idling losses incur a relatively high self-discharge rate. Self-discharge rate is mainly influenced by the bearing technology and the quality of the vacuum.

To stabilize the rotating mass bearings are needed. Modern flywheels often operate fully contact-free levitated by magnetic bearings or a combination of magnetic bearings and high speed roller bearings. Often the bearing system requires peripheral systems like an electronic controller for the active magnetic bearing system. The flywheel-mass rotates under low pressure (often vacuum or even high vacuum) in a containment to reduce friction losses. On the one hand the containment acts as the low pressure vessel, on the other hand it acts as a safety measure in case of a disintegration of the flywheel.

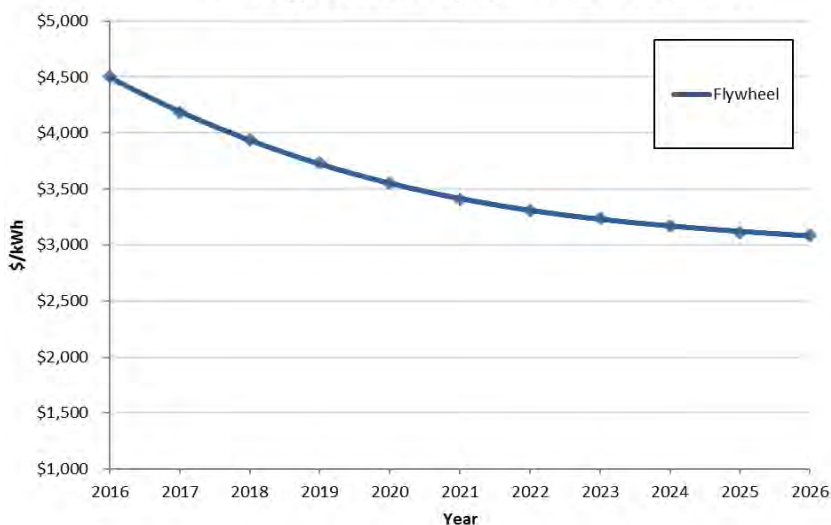
In a flywheel-based energy storage system, each flywheel has its own converter. Multiple converters may then be connected to one transformer.

Flywheels have very fast response times, high power ratings, and show no degradation for high amounts of cycling. As such, this technology is most useful and cost effective for power applications. Although there are flywheel systems developed to serve for up to an hour at a lower power rating, most flywheels are designed for under a minute of use at a time at very high power. For this reason, energy applications all receive low ratings in DNV GL's quantitative analysis.

Due to the short design duration of flywheel systems, the \$/kWh values are much larger in comparison to other storage technology reviewed here. However this is not true of the total system costs, which trend closer to that of the other technologies. Flywheels do not require significant or expensive maintenance, which further positively affects their overall cost. However, systems do vary widely in cost and maintenance, depending on what materials are being used and which of the configurations discussed above are utilized.



Energy Storage Equipment Cost Trends

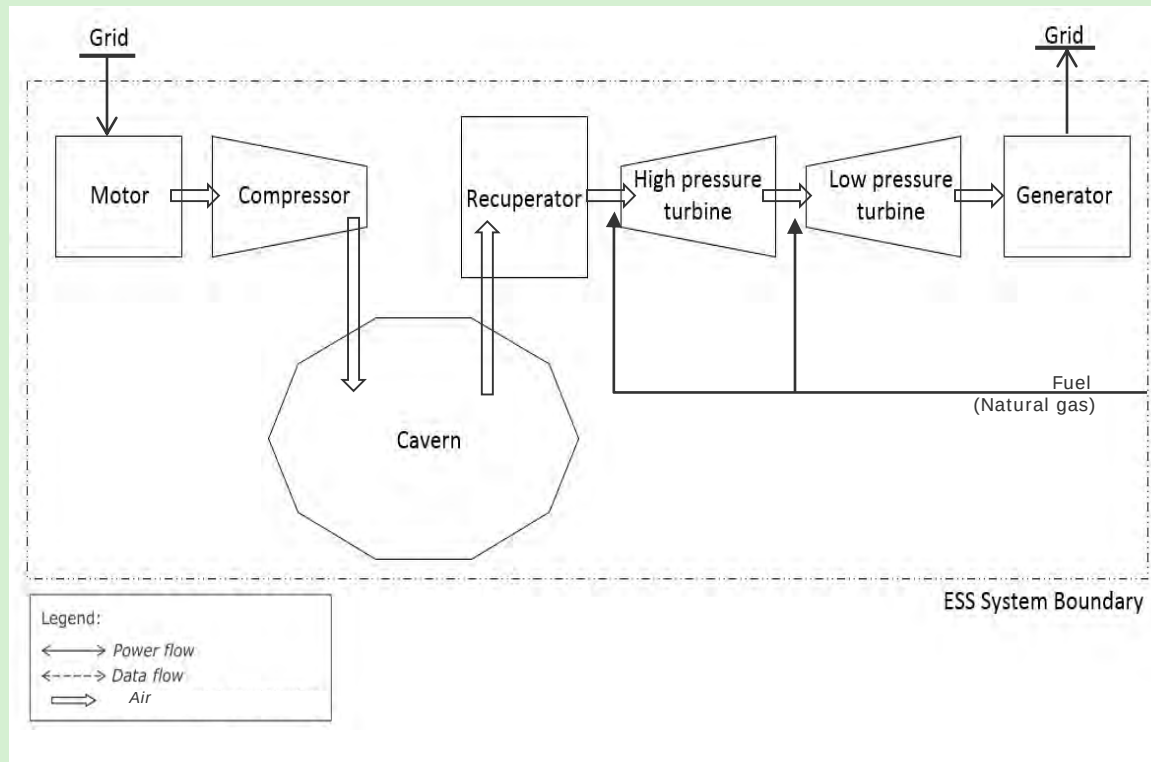


Cost Parameter/ Technology	Flywheel
Energy storage equipment cost (\$/kWh)	\$3,500 - \$5,500
Power conversion equipment cost (\$/kW)	\$350 - \$500
Power control system cost (\$/kW)	\$100-\$140
Balance of system (\$/kW)	\$100-\$125
Installation (\$/kWh)	\$2,000 - \$3,000
Fixed O&M cost (\$/kW yr)	\$4 - \$6
Major Maintenance (\$/kW)	\$200 - \$300
Years between major maintenance	5

Compressed Air Energy Storage

Compressed air energy storage (CAES) stores electricity by compressing air into a reservoir and generates electricity by expanding the compressed air in a gas turbine. The compression is performed by a compressor unit. Depending on the type of CAES, the heat produced during the compression is stored or released into the atmosphere. The compressed air is stored in a suitable geological formation such as salt domes, aquifers or depleted gas fields. The air is released for power generation; it is heated by combustion of natural gas and then expanded in the gas turbine.

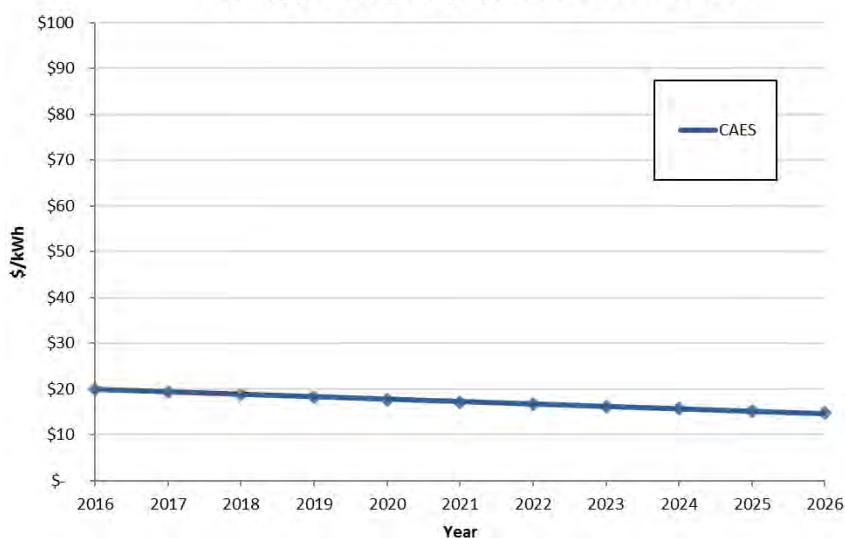
The generation capacity of the CAES is determined by the size of the gas turbines. The compressor and the gas turbines can be dimensioned independently. The size of the geological formation determines the amount of energy that can be stored. Due in part to geological feasibility limitations, CAES has only been permanently successfully implemented in a handful of installations world-wide. Beyond the large-scale cavern systems, CAES is in the developmental and demonstration stages for underwater systems and smaller above-ground tank-based systems. These systems were not examined in detail as they are not yet commercialized.



CAES systems are designed for to support extremely long duration energy applications, in some cases, over a day of continuous energy. Due to this, DNV GL's quantitative assessment ranked CAES highly for all of the energy applications reviewed. CAES systems, purely based on their design mechanics, have a slow response time, requiring up to 10 minutes to respond to controls and serve the demand. As such, although CAES systems have large power values due to their scale, they are not well suited for applications that require quick responses such as voltage support, frequency response, or ramping for renewables.

CAES systems, again due to their large capacities, have a very low \$/kWh cost. However, when the system scale is taken into consideration, the total system cost follows similar trends to other storage technologies. Underground CAES is limited in scope, but has well proven and documented performance, with two systems in operation for over 25 years. As such, the technology has been refined, with any significant cost reductions focused in the newer, developmental technologies.

Energy Storage Equipment Cost Trends



Cost Parameter/ Technology	CAES
Energy storage equipment cost (\$/kWh)	\$10 - \$30
Power conversion equipment cost (\$/kW)	\$400 - \$500
Power control system cost (\$/kW)	\$100-\$140
Balance of system (\$/kW)	\$100 - \$160
Installation (\$/kWh)	\$5 - \$10
Fixed O&M cost (\$/kW yr)	\$3 - \$5
Major Maintenance (\$/kW)	\$70 - 100
Years between major maintenance	4

Thermal Energy Storage

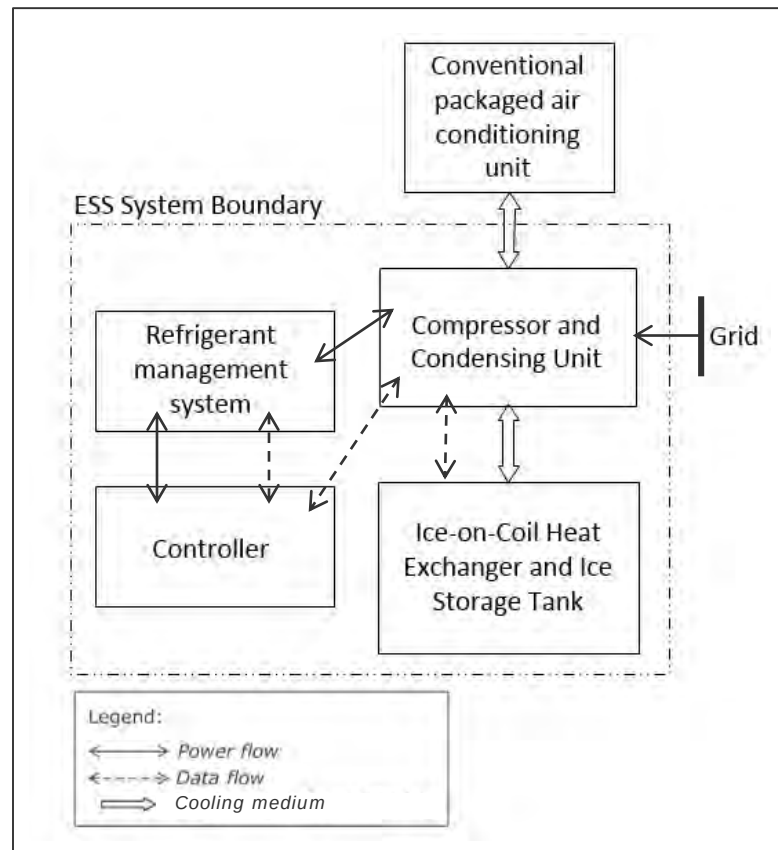
Thermal energy storage is a broad term for a variety of energy storage devices. It covers a wide range of very different technologies, wherein a medium is heated or cooled, and that energy is used at a later time. The energy to heat or cool the medium can come from the grid during off-peak times, renewable production that exceeds current demand, waste heat, or other sources. For the purposes of this report, the thermal energy storage discussed is ice energy storage.

Ice energy storage entails freezing water, or a water-based solution, at night to support space cooling during the day. The freezing process is conducted at night because lower ambient temperatures allow the ice to be made under thermodynamically beneficial conditions. Additionally, energy prices drop during the off-peak night hours. During the day, when temperatures and energy prices rise, the ice is melted and the cool air is circulated in the space. This can either reduce or eliminate the need for a conventional packaged air conditioning unit, dependent on the needs of the space and the local conditions.

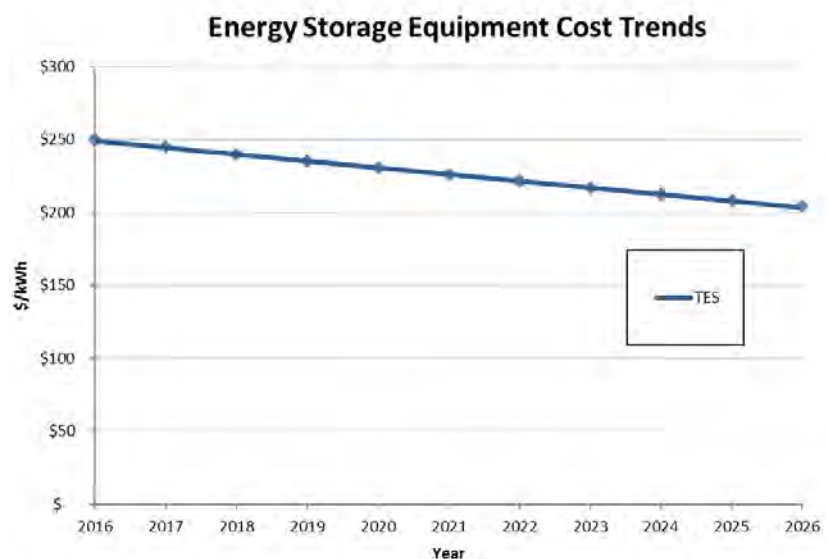
An ice energy storage system is comprised of a compressor and condensing unit, which serves to create and melt the system's ice, an ice storage tank with a heat exchanger, and a control and management system. Often, it is paired with a conventional packaged air conditioning unit, which will send the ice-cooled air into the connected space, controlled in concert with the packaged unit's functions. In cases where no conventional air conditioning unit is in place, a fan installed with the system will directly feed the air into the space.

Ice energy storage is appropriate for energy time shift and reduction in peak demand due to space cooling. DNV GL's quantitative assessment thus gave TES an acceptable rating for this application. This rating is not as high comparatively as observed with other technologies due to its limitations in application to exclusively space cooling and the associated load reduction.

TES is, however, cost competitive, with low initial cost and minimal required maintenance. As such, it may be a good option for facilities, or utilities who host facilities, with the greatest source of demand originating from cooling loads. Since peak cooling is highly seasonal and aligns with peak demand hours, this can further help to delay infrastructure upgrades otherwise required to meet these concentrated peak periods.



Cost Parameter/ Technology	TES
Energy storage equipment cost (\$/kWh)	\$200-\$300
Power conversion equipment cost (\$/kW)	N/A
Power control system cost (\$/kW)	\$80-120
Balance of system (\$/kW)	\$80-100
Installation (\$/kWh)	\$120-\$180
Fixed O&M cost (\$/kW yr)	\$5-\$7
Major Maintenance (\$/kW)	\$100 - \$125
Years between major maintenance	5



Overview of CPUC and IOU Response to AB2514

NCPA and SCPPA

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INTRODUCTION

This document summarizes and supplements the webinar presented to NCPA/SCCPA members on November 29, 2016. The document is divided into two sections:

The first section focuses on policy aspects and describes the process and rationale used by the California Public Utilities Commission (CPUC, or sometimes referred to as the Commission in this memo) for determining and adopting energy storage procurement targets.

The second section focuses on storage procurement efforts by the three major California investor-owned utilities (IOUs) and reports on the progress achieved by the utilities relative to the procurement targets adopted by the CPUC.

1 CPUC POLICIES IN RESPONSE TO AB2514

1.1 Energy Storage Rulemaking Process

In response to AB2514, enacted in September 2010, the CPUC opened a rulemaking to consider energy storage issues as directed by the statute. The rulemaking was divided into two phases and eventually lasted about three years.

The first phase (Phase 1) of the rulemaking was focused on developing a basic framework to understand the various issues around energy storage, as well as to solicit policy related inputs from the parties participating in the rulemaking. Note that at the time the notion of energy storage (in particular in the form of chemical or mechanical storage) relative to the electric grid was an unfamiliar concept and much groundwork needed to be established initially in terms of basic vocabulary, applications, and regulatory issues related to energy storage, before any policy options could be considered in earnest.

The second phase (Phase 2) of the rulemaking began in August 2012 and focused on developing additional details and quantitative analysis, including development of storage use cases, cost-effectiveness studies, and continued work on policy options.

The rulemaking had extensive stakeholder participation, with over fifty organizations (including CAISO, CEC, IOUs, ORA, TURN, CCAs/ESPs, industry groups, various non-profit NGOs) submitting comments or participating in workgroups. Over the course of the rulemaking, an extensive public record was developed that served as the basis for the Commission eventually approval of its decision in October 2013, known as D.13-10-040 (and referred to as the "Decision" in this document), adopting specific energy storage deployment targets to be implemented by the California IOUs.

A wide range of work products were included in the rulemaking's record (summarized below - most of these work product items are still available on the CPUC website¹):

- Scoping memo
- Ten Workshops
- Two Energy Division staff reports (one for each phase)
- Seven detailed use case descriptions
- Two cost-effectiveness studies
- Phase 1 Decision
- Preliminary procurement proposal
- All party meeting
- Multiple rounds of formal comments from parties
- Phase 2 Decision

Following are highlights of specific accomplishments in the each of the two phases.

In Phase 1, the Commission:

- Itemized 21 end uses of storage (see Table 1-1 **Error! Reference source not found.**elow)
- Identified 9 categories of regulatory barriers to storage deployment (see Table 1-2**Error! Reference source not found.** below)

¹ <http://www.cpuc.ca.gov/General.aspx?id=3462>

- Categorized 5 distinct types of storage to be differentiated in terms of policy perspectives
- Recognized distinct flexibility benefits associated with storage in the electric grid
- Received extensive party comments regarding:
 - Advocacy of storage as a preferred resources
 - Proposed storage procurement goals/mandates
 - Wide range of other suggested policy options

Table 1-1 Storage "End Use" Framework (21 End Uses)²

Category	Storage "End Use"
ISO/Market	• Frequency regulation • Spin/non-spin/replacement reserves • Ramp • Black start • Real time energy balancing • Energy price arbitrage • Resource adequacy
Intermittent Generation	• Intermittent resource integration: wind (ramp/voltage support) • Intermittent resource integration: photovoltaic (time shift, voltage sag) • Supply firming
Transmission & Distribution	• Peak shaving: off-to-on peak energy shifting (operational) • Transmission peak capacity support (upgrade deferral) • Transmission operation (short duration performance, inertia, system reliability) • Transmission congestion relief • Distribution peak capacity support (upgrade deferral) • Distribution operation (Voltage Support/VAR Support) • Outage mitigation: micro-grid
Customer	• Time-of-use /demand charge bill management (load shift) • Power quality • Peak shaving (demand response), Back-up power

Table 1-2 Barrier Categories Identified by the CPUC³

1. Lack of definitive operational needs
2. Lack of cohesive regulatory framework
3. Evolving markets and market product definition
4. Resource Adequacy accounting
5. Lack of cost-effectiveness evaluation methods
6. Lack of cost recovery policy
7. Lack of cost transparency and price signals (wholesale and retail)
8. Lack of commercial operating experience
9. Lack of well-defined interconnection process

In Phase 2, the Commission:

² Presentation by Alope Gupta, CPUC, to EUCI (Anaheim), May 19-20, 2014.

³ CPUC (Energy Division), "Energy Storage Phase 2 Interim Staff Report" in OIR R.10-12-007, Jan. 4, 2013.

- Developed seven use cases with detailed descriptions
- Oversaw two cost-effectiveness studies of selected storage use cases
- Issued a preliminary procurement proposal outline
- Approved a decision adopting an energy storage procurement framework

Notably, significant work went into the development of seven detailed use cases with the help of stakeholder workgroups to understand how energy storage could be used in the power grid. Two separate cost-effectiveness studies involving a range of selected storage cases and technologies were completed (one by EPRI, and the other by DNV GL) to assess potential benefits vs. costs of energy storage technologies under various use case and future market/system conditions. The results of both studies were referenced in the Decision. Lastly, in Phase 2, a preliminary proposal with specific procurement targets was floated via Commissioner Peterman's Assigned Commissioner's Ruling (ACR), essentially as a trial balloon.⁴ This was followed by an all-party meeting, where parties provided in person feedback to the assigned commissioner, along with extensive party comments formally submitted to the CPUC.

The feedback on the ACR, as well as various findings based on the extensive record developed during the rulemaking, was captured ultimately into an "Energy Storage Procurement Framework" described in the Decision (D.13-10-040) adopted by the Commission in October 2013. The "Framework" included a seven year procurement energy storage roadmap with specific targets, program goals and eligibility, program rules, guidelines on target flexibility, reporting and program evaluation requirements, and a cost-effectiveness evaluation protocol to be used by the IOUs to report results of procurements to the Commission.

1.2 Highlights of the Energy Storage Decision

Key highlights of the Decision are summarized here. The table below captures the specified procurement targets over time prescribed by the Decision for each utility.

⁴ Commr. Peterman's ACR of June 10, 2013 in CPUC's OIR R.10-12-007.

Table 1-3 CPUC Adopted Energy Storage Procurement Targets (in MWs)⁵

Storage Grid Domain Point of Interconnection	2014	2016	2018	2020	Total
Southern California Edison					
Transmission	50	65	85	110	310
Distribution	30	40	50	65	185
Customer	10	15	25	35	85
Subtotal SCE	90	120	160	210	580
Pacific Gas and Electric					
Transmission	50	65	85	110	310
Distribution	30	40	50	65	185
Customer	10	15	25	35	85
Subtotal PG&E	90	120	160	210	580
San Diego Gas & Electric					
Transmission	10	15	22	33	80
Distribution	7	10	15	23	55
Customer	3	5	8	14	30
Subtotal SDG&E	20	30	45	70	165
Total - all 3 utilities	200	270	365	490	1,325

As can be seen in the table above, the three IOUs together were to procure a total of 1,325 MW of energy storage by 2020, acquired incrementally through four biennial solicitations, starting in 2014 (then again in 2016, 2018, and ending in 2020). In addition to the specified procurement timeline, the targets for each utility were sub-divided into “storage grid domains” based on the storage asset’s point of interconnection to the grid (that is, connected to the transmission network, or connected to the distribution network, or sighted on customer premise on the customer side of the utility meter. Utility ownership of storage assets was capped at 50% of the cumulative target.

The Decision provided a fair amount of procurement flexibility to the utilities in terms of shifting targets between storage grid domain “buckets”, accelerating procurement forward in time, or deferring procurement to a later date in case of available procurement options not being satisfactory or reasonable.

To be eligible for counting toward the targets, the energy storage asset procured by the utility could be based on any commercially available storage technology (that complied with the technology criteria described in AB 2514 – with the exception of pumped hydro larger than 50 MW, which was specifically excluded by the Decision), must be operational before the end of 2024, and must satisfy at least one or more of the three specified project purposes or objectives (listed below), per the Decision:

1. Grid optimization (including peak reduction, contribution to reliability needs, or deferment of transmission and distribution upgrade investments)
2. The integration of renewable energy; or
3. The reduction of greenhouse gas emissions (to 80 percent below 1990 levels by 2050, per California goals).

The Decision allowed the IOUs to count customer-sited or customer-owned energy storage systems toward its procurement target, whether or not the project received incentives from the utility’s customer-side

⁵ CPUC Decision D.13-10-047, p.15.



storage incentive programs (such as PLS or SGIP – discussed later), provided the storage device satisfied one of the project objectives listed above.

Finally, a procurement target was also assigned to ESPs/CCAs equal to 1% of their respective 2020 peak loads.

A key point to note is that the Decision required the utilities to procure storage projects that pass a reasonableness test, as is typically the case in most utility procurements. In other words, the utilities must seek Commission's approval of proposed procurement contracts by demonstrating that the storage project being procured is in the interest of ratepayers and cost-effective (although there is often context-specific discretion exercised by the Commission in judging whether these standards have been).

To the disappointment of some, cost data associated with storage projects procured and deployed was prohibited from disclosure to the public by the utilities. Per the Decision, procurement data was to be considered confidential, in line with long standing practice established about ten years ago in another CPUC decision D.06-66-066 to protect the interest of ratepayers.

1.3 Stakeholder Input to the CPUC

The policy aspects of how the CPUC arrived at its conclusions incorporated in the Decision in terms of the available public record are discussed here.

AB2514 essentially presented two potential policy outcomes to be contemplated by the CPUC while considering the desirability of energy storage procurement: one, adopt specific procurement targets if it was “appropriate” to do so; in addition, or as an alternative, pursue a range of policy options to support or encourage energy storage deployment.

In reviewing the extensive party input received by the CPUC, the stakeholder positions could be summarized into a range of strategic approaches to address AB2514, as listed below (with the most conservative recommendation at the top and the most aggressive approach at the bottom of the list):

1. Business as usual (essentially “do nothing”)
2. Remove barriers to deployment
3. Induce or catalyze market transformation
4. “Directed” long term market development roadmap

With respect to the first approach, some parties argued that it was not at all appropriate for the Commission to be setting targets at the current juncture (in 2013). Their concern was that storage technology was extremely nascent, very little operational experience existed, and a procurement mandate could become counterproductive to storage deployment progress. These parties were more comfortable relying on technology evolution and market forces to drive adoption of energy storage into the grid system in an organic manner.

The second approach supported by some parties encouraged the CPUC to be a bit more pro-active by working to break down regulatory and market barriers (particularly the barriers that had already been identified earlier in the rulemaking) and “levelize the playing field” for energy storage to compete with other alternatives available to the utilities to address specific system needs. These parties also took issue with target setting but seemed to suggest a compromise in that procurement targets could sometimes be appropriate provided certain conditions were met.

Some parties advocated a third approach. While still objecting to formulation of targets, these parties supported the CPUC driving some type of market transformation focused on energy storage, with the expectation that grid needs and market forces would eventually drive storage deployments. As suggested by the parties, the transformation process could be initiated, for example, by encouraging more storage demonstration projects to accelerate gaining storage operational experience.

Finally, the last and the most aggressive strategy listed above suggested by the parties asserted that a long term procurement roadmap with specific targets was appropriate at this time for a variety of reasons (such as large scale storage deployment being critical to meeting California’s 2050 clean energy goals and important in improving cost effectiveness, breaking down deployment barriers, and providing key benefits to ratepayers). These parties believed that this path was similar to the progress already experienced with RPS (Renewable Portfolio Standard), CSI (California Solar Initiative), or DR (Demand Response), where long term targets were set to drive utilities procurements. A wide range of specific targets were presented by these



parties. The high end ranged from 8 to 12 GW (which amounted to about 12 or 18 % of 2020 peak load). One party suggested 4 GW of distributed storage (that is, storage projects spread out near major load pockets, as opposed to developing large, centralized storage plants connected to the transmission grid at some remote point). On the low end, 1 GW was suggested as sufficient to drive learning experience and focused evaluation of storage technologies by the utilities.

Ultimately, the CPUC rejected the first recommendation but essentially adopted some combination of all three more aggressive approaches, including setting long term procurement targets for energy storage deployment.

1.4 Policy Rationale in Support of Procurement Targets

The rationale articulated by the CPUC for adopting the storage procurement framework, as discussed in its Decision, addressed a variety of factors.

The CPUC made findings in the rulemaking that energy storage was a critical technology needed to support California's 2050 clean energy goals and that the technology had the potential to transform the electrical system and provide critical services for 1) grid optimization, 2) integration of renewable power, and 3) minimization of greenhouse gas emissions. It was thus important to push forward with integrating energy storage resources into the power grid.

The CPUC also noted that there were a variety of market/ regulatory barriers impeding the deployment of energy storage and that this situation was not too different from that involving renewable energy technologies at an earlier point in time. The CPUC concluded that the most effective means to deal with these barriers was to develop a long term sustained strategy that would allow the utilities and the industry to work together in bringing forth projects to provide long term benefits. The long term sustained strategy meant adopting storage procurement targets to achieve market transformation.

To recap, a key goal of the Commission's Decision was achieving energy storage market transformation and accelerate the breakdown of market/regulatory barriers, reduction of costs, and deployments of storage into the grid over time. The Decision was adopted by a unanimous vote at the Commission.

The question of how the CPUC arrived at the specific numerical targets is more difficult to address as the CPUC chose not to discuss in its Decision the thought process that went into developing these targets. However, a careful review of the public record and the general context of the rulemaking in 2013 could provide some insights into this.

Several data points related to potential long term storage needs in California had been accumulated before the Commission began contemplating procurement targets. There was the CEC PIER report⁶ suggesting that about 2 to 4 GW of fast acting storage would be needed by 2020 to integrate renewables (in the context of 33% RPS). There was a 2010 KEMA (now DNV GL) study⁷ that examined the impact of 33% RPS on the regulation market and concluded that approximately 1200 MW of energy storage participating in CAISO markets provided a superior result (in terms of emissions) compared to about 4800 MW of conventional

⁶ CEC PIER Final Project Report, "2020 STRATEGIC ANALYSIS OF ENERGY STORAGE IN CALIFORNIA" 2011. <http://www.energy.ca.gov/2011publications/CEC-500-2011-047/CEC-500-2011-047.pdf>.

⁷ KEMA, inc. "Research Evaluation of Wind and Solar Generation, Storage Impact, and Demand Response on the California Grid" 2010. <http://www.energy.ca.gov/2010publications/CEC-500-2010-010/CEC-500-2010-010.pdf>.

resources. Lastly, there were stakeholder recommended targets discussed earlier, ranging anywhere from 0 to 12 GW.

In addition, there was storage deployment activity already in progress among the IOUs.

By the time of the Decision, the IOUs had already installed about 93 MW of energy storage on the grid (see Table 1-4 below), acquired through various programs, mostly experimental or demonstrations/pilots as approved in earlier CPUC decisions.

Also, prior to the Decision, the CPUC had taken other small but significant steps in directing the IOUs to procure or encourage energy storage for commercial operation (see Table 1-4 below). Between the demand side (or customer-side) incentive programs (SGIP, PLS-permanent load shifting) approved in CPUC decisions many months prior to the Decision, as well as the 75 MW energy storage procurement directive to SCE / SDG&E to address the capacity issue in Southern California, there was an aggregate of 140 MW of energy storage procurement already in the works when procurement targets were being considered for the Decision.

Table 1-4 "Pre-existing" Energy Storage Prior to the Decision⁸

"Pre-existing" energy storage deployment - PG&E - SCE - SDG&E	12 MW 30 MW 51 MW	93 MW Total
"Pre-existing" authorized storage procurements - Demand side incentives - SCE Local Capacity Reliability - SDG&E Local Capacity Reliability	65 MW >50 MW >25 MW	140 MW Total

With these various data points on existing and pending storage deployments and potential future needs that could be partially satisfied by energy storage in the background, the CPUC settled on the procurement targets listed in Table 1-3, which could be considered to be in the lower range of the available data points.

It may be interesting to highlight some observations with respect to the adopted procurement targets (Table 1-3):

- The total target of 200 MW in 2014 was just a bit more than 168 MW, which was the sum of 93 MW (the amount of storage already installed by the IOUs prior to the Decision - recall IOUs were allowed to count existing storage projects as credits against the targets) and 75 MW (the amount of storage that the Commission had already directed SCE / SDG&E to procure *before* the Decision in order to address the local capacity shortage anticipated in Southern California). Adding in 65 MW expected from demand side incentive programs yielded a total of 233 MW in "pre-existing" deployed or pending energy storage, a quantity larger than the 2014 target of 200 MW.
- The cumulative target of 1,325 MW was approximately 2% of the peak load projected for 2020.
- The growth in targets from 200 MW to 1,325 MW over 4 biennial solicitation cycles amounted to about 35% growth per cycle (or about 15% compounded annual growth rate, compared to much higher growth rates already seen in the adoption of various renewable energy technologies).

⁸ Presentation by Alope Gupta, CPUC, to EUCI (Anaheim), May 19-20, 2014.

- The split of targets between the IOUs followed roughly the ratios of the projected peak demand of the utilities (with SCE's & PG&E's aggregate demand thought to be approximately equal and several factors larger than SDG&E's).
- The target at transmission level appeared to be slightly more than half of the total target, with the other half at the distribution level (divided between utility-side distribution and customer-side behind-the-meter).

As to whether or how the procurement targets relate to resource planning or system driven needs, the Commission was clear in the Decision that it was not basing the targets on specific system needs but felt it had the discretion to set targets based on perceived policy driven needs to achieve market transformation. It may be helpful to quote at length directly from the Decision on this point to understand the Commission's thinking:

"System need determinations are required in CPUC generation resource procurement proceedings, such as LTPP [Long-Term Procurement Planning]. ...

In other policy areas promoting preferred resources, such as renewables, the California Solar Initiative and demand response, the Commission has not set targets based on a system need determination, but rather administratively determined procurement requirements to meet public policy objectives. To the extent that energy storage is treated akin to a "preferred resource," as it has been designated in D.13-02-015, the Commission has clear precedent to administratively establish storage procurement targets without a system needs determination.

In addition to these precedents, we have considered the criteria articulated in Section 2836.2 [AB2514] in determining the procurement targets adopted today. We have examined through workshops existing energy storage projects, reviewed the available information from CAISO, considered the integration of energy storage technologies with other programs, and proposed targets that we believe would allow for procurement of technologically viable and cost effective storage projects. We adopt the targets presented in Table [3 in this document], since they strike a balance between both achieving realistic targets in fulfillment of approved principles and minimizing costs with proper planning and safeguards.

We agree with parties that being overly prescriptive in a nascent market may have some unintended market consequences. Consequently, we find that it is reasonable to adopt a broad framework initially and add additional details later, if necessary, as more experience is gained and lessons can be applied."⁹

In the longer term, it was hoped that procurement of energy storage would be increasingly tied to need determinations within the Commission's resource planning proceedings.¹⁰

In terms of actual procurement experience and outcomes in the last few years, as will be apparent in the next section, much of the procurement to date in fact has been driven by specific power grid related needs.

⁹ CPUC Decision D.13-10-40, p. 24.

¹⁰ Commr. Peterman's ACR of June 10, 2013 in CPUC's OIR R.10-12-007, p. 15.

2 CA IOU PROCUREMENT PROGRESS RELATIVE TO CPUC TARGETS

This section discusses the utilities' actual progress in procuring energy storage relative to the targets adopted in the Decision.

2.1 IOU Procurement Efforts

Since 2013, there have been multiple different procurement efforts, summarized in Table 2-1 below, where utilities have procured energy storage.

Table 2-1 IOU Procurement Efforts since 2013¹¹

SCE / SDG&E	• LCR (Local Capacity Reliability) RFO
SCE	• Aliso Canyon RFO • Preferred Resources Pilot (PRP) II RFO • Distributed Energy Storage Initiative RFO
All IOUs	• Energy Storage RFOs (2014, 2016) • Customer Incentive Programs • DRAM Auctions • EPIC (R&D) program • General Rate Cases (GRCs)

While some procurement efforts were specifically focused on energy storage, several of these procurement efforts were open ended in that offers based on non-storage resources (such as DG, DR, and in some cases conventional generation), as well as storage resources, were eligible to bid in.

One of the best known solicitation in terms of impact on the storage industry was the local capacity reliability (LCR) RFO that both SCE and SDG&E launched in 2013 to seek new peak capacity. This RFO was driven by the need to address the capacity shortfall triggered by OTC (thermal) and SONGS (nuclear) plant retirements. More recently, the Aliso Canyon RFO was driven by the Aliso Canyon emergency. Of course, all utilities were also engaged in the Decision mandated energy storage solicitations (issued in December 2014) - only one has been completed to date, with next one launched just this month (December 2016, in line with the 2016 cycle as specified in the Decision). In addition, there are on-going customer incentive programs (PLS, SGIP) at all three utilities for encouraging customer side storage deployments, with PLS incentives focused on thermal storage based permanent load shifting and SGIP incentives directed at primarily battery technologies.

Storage based offers are also eligible to bid into recently initiated, and periodically conducted, DR auction market (DRAM). IOUs have procured/deployed some energy storage projects via general rate cases (GRCs) that IOUs file with the CPUC every three years on a staggered basis. Finally, the IOUs have funded a few storage projects via the EPIC R&D program.

¹¹ Table contents compiled by the author.

2.2 Storage Procurement Status

As noted earlier, the utilities had already deployed 93 MW through a variety of experimental programs prior to the Decision, which the IOUs were allowed to count against the target of 1,325 MW.

As of November 2016, even though only one round of energy storage specific solicitation required by the Decision has been completed, the utilities have already procured a total of 735 MW, about 55% of the cumulative targets (see Table 2-2 below).

Table 2-2 IOU Storage Procurement Progress (all data in MWs, except %)¹²
all data in MWs, except %)¹³

	Pre-exist	2020 Cum Target [#]	Under Contract* (to date) [#]	% Completed	Difference vs. Target	Pending RFOs (Dec. 2016)
SCE	30	580	522	90%	58	20
PG&E	12	580	96	16%	484	115
SDG&E	51 [^]	165	117	71%	48	4 + 140
Totals	93	1,325	735	55%	590	139 + 140

* As of Nov 15, 2016 (some recent contracts still pending CPUC approval or rejection)

Includes pre-existing and customer-side storage projects

[^] Includes 40 MW Lake Hodges Pumped Hydro

Note that the total procured to date (“under contract” in above table) includes customer-sited or customer-owned energy storage systems (even if *not* contracted by the utility, such as storage projects receiving incentives from utility’s customer storage incentive programs), which are permitted to be counted by the IOU against its target per the Decision.

As can be seen in the table’s breakdown above, SCE has already contracted 90% of its assigned target. SDG&E has also made substantial progress, procuring about around 70% of its target. PG&E has contracted the smallest quantity to date, at around 16% of its target.

Given where the utilities are at this point in time, with over 55% of the cumulative target procured already, the “difference vs. target” column in the above table shows the portion that still remains to be procured by each IOU per the Decision targets (totaling 590 MW).

The last column “pending RFOs” in the same table shows the amounts that are being sought in the storage RFOs issued by the three IOUs this month (December 2016). SCE is seeking at least 20 MW (at transmission level). PG&E has issued a much larger request, with at least 115 MW (spread into all three domains) of storage projects being sought. SDG&E’s request is a bit more complicated; it is seeking at least 4 MW of distribution-level storage; separately, SDG&E is also soliciting at least 140 MW of “preferred resources”, a category in which energy storage offers are eligible to bid, in competition with offers based on

¹² Table data compiled by the author.

¹³ Table data compiled by the author.



DG, DR, EE, etc., but excludes fossil-based sources - the portion of the 140 MW being sought by SDG&E that may end up being storage is unknown at this point.

2.3 Procurement Drivers

At the time when the Decision was issued, there was uncertainty as to what extent energy storage could satisfy system needs at satisfactory cost effectiveness levels. Contrary to what might have been expected by many at that time, most of the energy storage projects to date in fact have been procured to meet real power grid needs.

The specific system needs have been largely due to reliability issues in Southern California. Before the Decision, the CPUC's resource planning process had already identified a long-term local capacity shortage in Southern California, primarily as a result of OTC retirements, and directed SCE and SDG&E to launch solicitations to seek new capacity assets. Subsequently, the retirement of SONGS further aggravated the capacity shortage. Then more recently, the emergency associated with the Aliso Canyon situation created an additional short term reliability need, again in the form of peak capacity, in SCE's and SDG&E's territories. All of these factors became major drivers for the two IOUs to procure energy storage projects to partially meet the anticipated peak capacity requirements.

The above factors are the primary reason that SCE and SDG&E have been able to make rapid progress against their targets (as noted in **Error! Reference source not found.**), with SCE at 90% and SDG&E at 70% procurement levels. Thus, with respect to PG&E's progress, the progress data should not be seen as an indication of poor execution or underperformance on the part of PG&E. In hindsight, SCE and SDG&E were able to obtain storage assets to partially satisfy the system reliability needs, a situation not really anticipated. Going forward, the proposed retirement of Diablo Canyon plant may help accelerate need-based energy storage procurement in PG&E's territory in line with higher renewables and demand side investments.

Lately, the CPUC has taken a deeper interest in distributed energy resources (DER), with multiple proceedings looking at different DER-related issues to encourage development of DER resources as another tool to address demand reduction and provide "non-wire" alternative to distribution reliability needs and upgrades. Some distributed storage projects have been procured by the utilities for distribution deferral. Given the few contracts issued for deferral project, it appears that the economics have been more challenging for energy storage to meet of the utilities are still learning how best to leverage energy storage for distribution needs.

2.4 Procurement Highlights

The results of the first and most recent procurement effort may be of particular interest to discuss in more detail.

The first formal solicitation for commercial deployment of energy storage was the 2013 SCE LCR RFO. The objective of this RFO was to seek up to 2000 MW of peak capacity, of which at least 50 MW was required to be in the form of energy storage - per the CPUC directive (issued in a separate decision several months before the Decision). Potentially, storage procurement could be even higher than 50 MW as the CPUC had



authorized SCE to procure up to 600 MW in “preferred resources”, a category that included energy storage.¹⁴

SCE received over 1000 offers (recall that this solicitation was all-source that allowed both storage and non-storage bids) and over half¹⁵ of them involved energy storage. That there would be such a large number of storage-based offers was perhaps an unexpected development and suggested the storage industry felt ready to engage in large scale commercial projects.

After completing the required due diligence of the offers received, SCE chose to contract with four storage bidders for a total of 261 MW. Of these four, one contract was with AES for a single, utility-side, large plant of 100 MW (x 4-hour) capacity connected to the transmission grid (due to go online by 2020). The remaining 161 MW (x 4-hour) was contracted with three vendors who planned to aggregate many storage devices installed at different customer sites (on customer side of the utility meter) to deliver the required capacity to SCE (more details later). The three vendors chosen to deliver the 161 MW total capacity were: STEM for 85 MW, AMS for 50 MW, and Ice Energy for 26 MW. All three contracts required customer side projects to begin coming online starting in 2017, with the total contracted capacity to be available by 2020.

At the time of the Decision, there probably was some anxiety about how energy storage will actually stack up in commercial procurements. The results of SCE’s LCR RFO provided some re-assurance that the storage technology and the industry appeared ready for prime time and that storage resources could be competitive with conventional alternatives, at least under specific circumstances and applications.

The most recent RFO, which was triggered by the Aliso Canyon emergency, was also conducted by SCE and launched in May 2016. By September (in less than 5 months), SCE had already selected five different contracts totaling 57 MW on a fast track basis, with the projects required to be online by the end of 2016 or Jan 2017 (not 2020).

The results of this RFO were also considered surprising in that it demonstrated that storage could be deployed quite rapidly on demand, provided of course that the proposed storage project was associated with key favorable conditions, such as the host site being located in the target geography with existing transmission interconnection capacity, etc., to be able to be deployed quickly. Still, these contracts suggested that the industry’s energy storage supply chain could accommodate large quantities on a short notice and that the engineering challenges of design, construction, and O&M for large storage projects could be tackled quickly.

At this point, most of the contracts aggregating to 735 MW procured to date (per Table 2-3) have already been approved by the CPUC (a few are still pending), suggesting that the utilities have been able to demonstrate to the CPUC’s satisfaction that the contracted projects are cost-effective and in the interest of the ratepayers. Some contracts have been rejected by the CPUC for not satisfying the reasonableness test. This outcome could also be regarded as perhaps a positive surprise. An important caveat should be noted here: only a very small portion (a few customer-side projects) of the 735 MW procured has actually been built out and commissioned; it can be argued that the capability of energy storage technology to perform in the field has yet to be proven.

¹⁴ Presentation by Alope Gupta, CPUC, to EUCI (Anaheim), May 19-20, 2014, p.16.

¹⁵ Presentation by Alope Gupta, CPUC, to EUCI (Anaheim), May 19-20, 2014, p.16.

2.5 Procurement Split by Storage Grid Domain

Table 2-3 below shows how the procurements to date are spread out in terms of storage grid domain for each utility. This table illustrates another surprising result in that the customer side projects account for the largest share, almost 49% (or 357 MW), of the total 735 MW contracted to date. This is 80% higher than the aggregate customer-side target (200 MW) assigned to the utilities. More recently, in a decision this year, the CPUC has granted additional flexibility to the utilities to count customer side procurements against transmission or distribution domain targets.

Table 2-3 Storage Procurement Breakdown by Storage Grid Domain (in MWs)¹⁶

	2020 Cum Target	Transmissio n- Connected	Distribution -Connected	Customer- Side	Under Contract* (to date)
SCE	580	310	185	85	522
		157	35	330	
PG&E	580	310	185	85	96
		73	9	14	
SDG&E	165	80	55	30	117
		98	6	13	
Totals	1,325	700	425	200	735
		328	50	357	

Presently, the vast majority of customer-side procurement is in SCE's territory. As discussed later, the contracts involving customer-side storage rely on third party aggregators to offer aggregated "load reduction" for at least 4 hours (in the form of customer-side storage devices discharging for the duration) on demand as dictated by real-time grid conditions.

2.6 Procurement Business Models

The basic business models that have been utilized by the utilities, or could be in the future, as a basis for storage procurement contracts are summarized in Table 2-4 below.

Table 2-4 Business Models Used in Storage Procurement Contracts¹⁷

	Ownership	Contract Type	Contract Terms
1	Third-party (customer-side)	DER Aggregation (load reduction)	Periodic payments, performance penalty
2	Third-party (utility side)	Tolling Contract RA-only Contract	
3	Utility (utility-side)	Design/Build/Transfer, Build/Own/Transfer	Purchase @ transfer (ratebase)
4	Utility (customer-side)	Design/Build/Transfer, Build/Own/Transfer	Purchase @ transfer (ratebase)

¹⁶ Table data compiled by the author.

¹⁷ Table content compiled by the author.

1. Third-Party Owned (customer-side)

The contracts for third-party owned, customer-side storage involve a form of DER aggregation, where the third party aggregator is required to deliver a predictable/contracted amount of load reduction for the required duration (by discharging the storage fleet to offset the load of the host customers associated with the storage fleet). The storage assets are owned by the third party and reside on the customer side of the utility's meter. In terms of finances, the contract typically calls for periodic fixed payments by the utility, with a penalty clause that is triggered if the third party aggregator fails to perform. However, the utility payments are not the only source of revenue available to the third party under this arrangement.

In the case of contracts such as with STEM & AMS, there are other revenue streams involving demand charge reduction, renewable smoothing, backup/reliability service, and other services the third party promises to provide to the host customer. The utility generally has no insight into the value exchanged between the end (host) customer and the third party, and details associated with that value exchange are not part of the contract between the third party and the utility (however, those matters are addressed in the contract between the third party and the host customer).

Even though there may be multiple types of dispatches of the storage devices occurring in line with the services being offered to the host customer, from the utility's perspective, the arrangement is straightforward in that the third party aggregator is committed to deliver a predictable amount of load reduction on demand to offset the system peak, enabling the utility to meet its capacity reliability obligations.

In the case of Ice Energy, the contracted load reduction is achieved through permanent load shifting: the thermal storage asset, again located on customer-side of the meter and owned by the third-party aggregator, routinely stores energy ("charging") during off-peak hours by freezing a suitable liquid solution into "ice"; the storage device releases the stored energy ("discharging") during the high temperature peak hours by circulating and cooling the air through the ice (which reverts back to the liquid state in this process) to alleviate the need for electrical air conditioning. This of course results in demand charge savings to the host customer, while appearing as a relative "load reduction" on the utility's distribution grid.

In both cases, as discussed above with the aggregation contracts, there are multiple revenue streams that accrue to the third party aggregator. The value exchange between the host customer and the third party is used to determine the capacity price the third party would be willing to offer to the utility in order to recover the net cost of the storage asset (after accounting for the other revenue streams from the host customer). In the absence of the host customer revenue stream, presumably the third party's offer price to the utility would be higher. Hence, with customer-side aggregated storage, the utility benefits indirectly through a lower price capacity offer that the third party is able to make because the third party has access to alternative revenue from the host customer to partially offset the total cost of the storage asset.

2. Third-Party Owned (utility-side)

In case of a utility side storage asset, two types of contracts have been generally used by the IOUs: an RA only contract or a tolling contract.

In the former RA only contract case, the third party controls the dispatch of the storage asset under its ownership. Hence, it is up to the third party to estimate how much margin could be earned by dispatching the storage device into ancillary services markets, and then to attempt recovery of the remaining net cost



(after adjusting for the margin) via the long term capacity price that a utility would be willing to commit to under the contract.

In the latter tolling contract case, the utility controls the dispatch of the third-party owned storage asset; hence, it is up to the utility to estimate the margin the asset could earn for bidding ancillary services, and then to determine whether net capacity value of the asset (capacity price offered by the third party minus the margin earned in the markets) is satisfactory compared to other alternatives available to the utility.

Both RA only and tolling contracts involve periodic payments by the utility subject to a non-performance penalty. But the assets are owned and financed by the third party over the life of the contract. In both cases, the utility's risk is thus mitigated in that the storage assets are *not* committed to the utility's capital ratebase; if the third party fails to perform, the utility can of course cancel the contract, with losses born by the third party, and seek alternative suppliers to step in.

3. Utility-Owned (utility-side)

The third model is the more traditional utility-owned purchase of an asset that is financed through the utility's capital ratebase. This approach is sometimes referred to as "build, own, transfer", or "design, build, transfer." A third party, typically an EPC, constructs and commissions the asset while owned and financed by that third party and then transfers the ownership of that asset to the utility. The utility makes a cash payment to the third party and the asset cost is incorporated into the utility's capital ratebase on a depreciating basis over the life of that asset, financed through distribution or transmission charges assessed to end customers.

4. Utility-Owned (customer-side)

This model is similar to the arrangement that currently exists between some members of SCCPA and Ice Energy. However, this option, while permitted by the Decision, has not yet been exercised by the California IOUs in procurements to date.



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ENERGY

ES-Select

An educational Tool for Identifying the Most Feasible Energy Storage Options

Ali Nourai

Public Version available from www.sandia.gov/ess

Nov 2016



ES-Select Workshop Outline

Presentation on the tool features:

- Why was ES-Select created?
- Homepage – hub of all tool features
- Database, features and special algorithms
- Tool Usage overview
- Stacking multiple applications
- Storage feasibility scores
- Comparative charts
- Statistical cash flow and paybacks
- Final Word

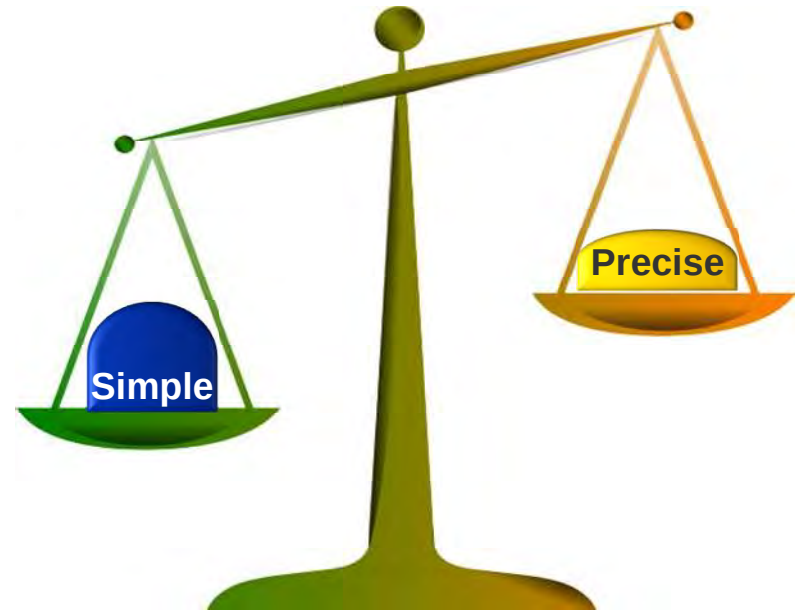
Demonstration

Hands-on trial

ES-Select , Why was it Created?

Problems:

- Many confusing storage applications
- Too many unfamiliar storage options
- High uncertainty (ranges) in technical and financial numbers



Solution: Need a Screening Tool to:

- Accept uncertain inputs as “**ranges**”
- Be **Simple** but reasonably precise
- Rank “**feasibility**” of different storage options for any application
- Handle **Bundled applications** for increased “total” value
- Do an “**apples-to-apples**” comparison of storage options
- Compare against **conventional options**

Start-up Image



ES-Select™ has been created by KEMA
and licensed to the Sandia National
Laboratories for Public Use

INPUTS: Storage Applications and Location on the grid

OUTPUTS: Feasible Storage Options

OTHER FEATURES:

- Assigns Relative Feasibility Scores to Storage Options
- Allows Bundling multiple Grid Applications
- Compares Storage Options
- Treats Uncertainties as Statistical Distributions



Funding was provided by the
Department of Energy through
Sandia National Laboratories and
Pacific Northwest National
Laboratory

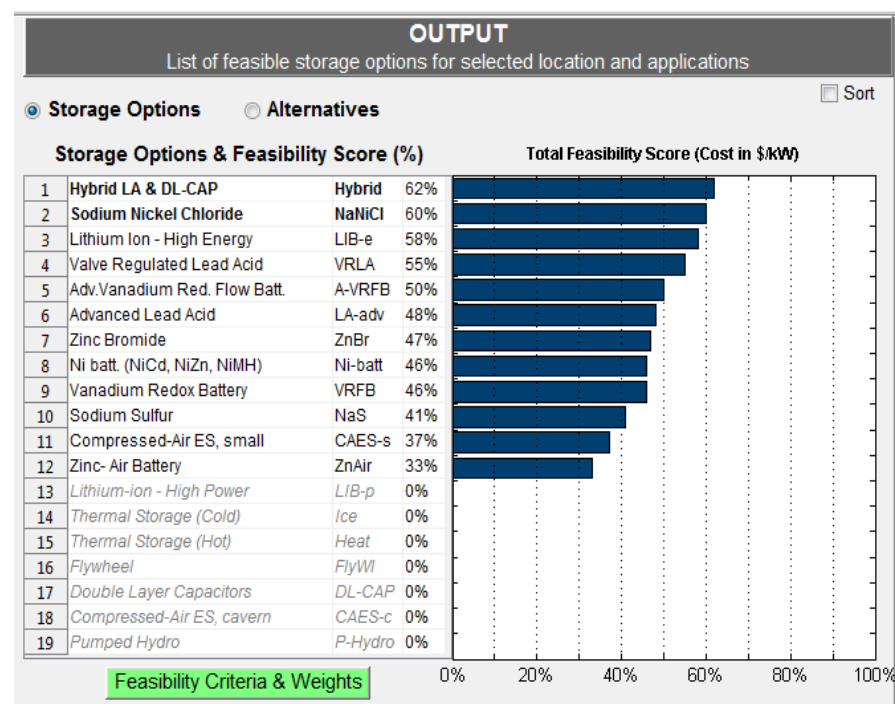
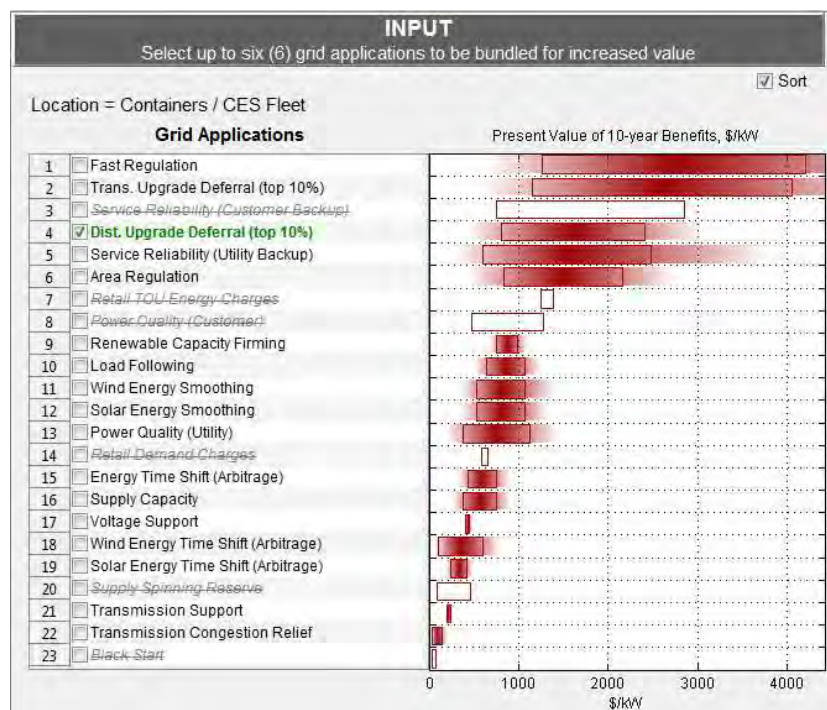


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ES-Select Structure – Home Page (Hub)

Home page, that is the HUB of this tool, has two panels:

1. **INPUT** - where user enters one or more storage applications
2. **OUTPUT** – where the tool shows the a list of the most feasible storage options in decreasing feasibility



ES-Select – Data Bases, Features & Algorithms

Data Bases

Storage Applications

- Definitions
- Benefits & Markets

Storage Technologies

- Characteristics
- Cost Components

HOME PAGE

INPUTS

Select
Multiple
Apps

OUTPUTS

Review
Feasible
Options

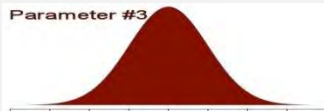
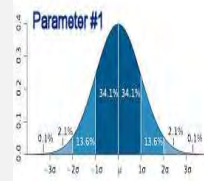
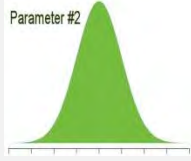
Special ES-Select™ Features

Bundling Multiple Grid Applications

- Application Priorities
- Total Bundle Value

ES Feasibility Scores

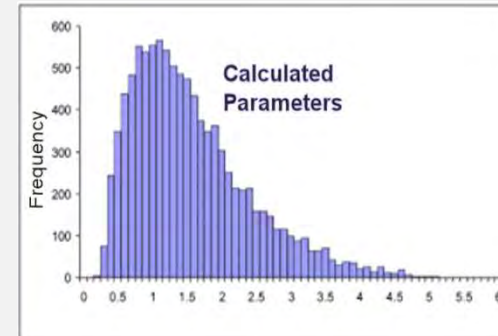
- Criteria & Weights (edit)
- Feasibility Algorithm



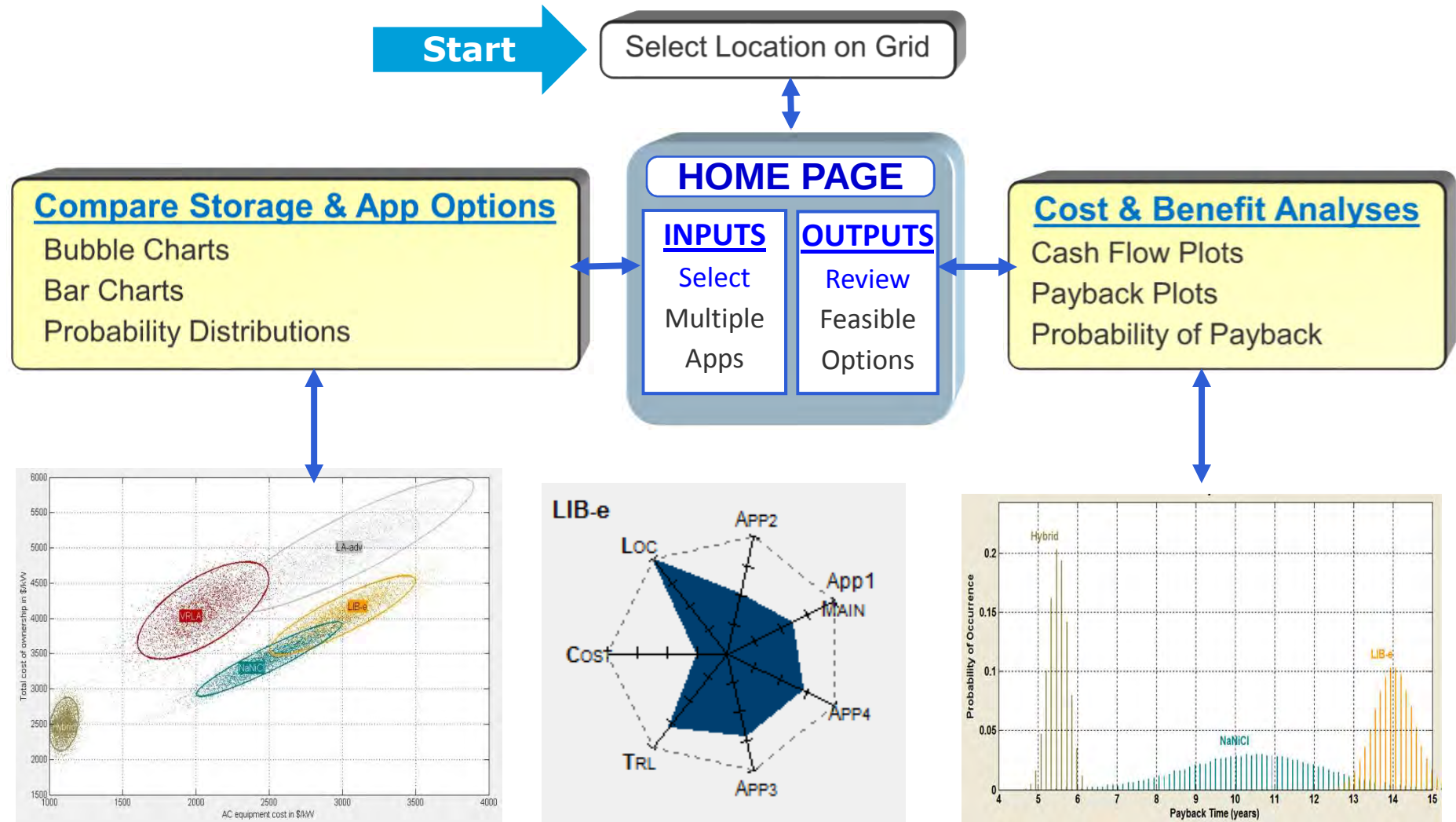
Uncertain
inputs

Probabilistic
outputs

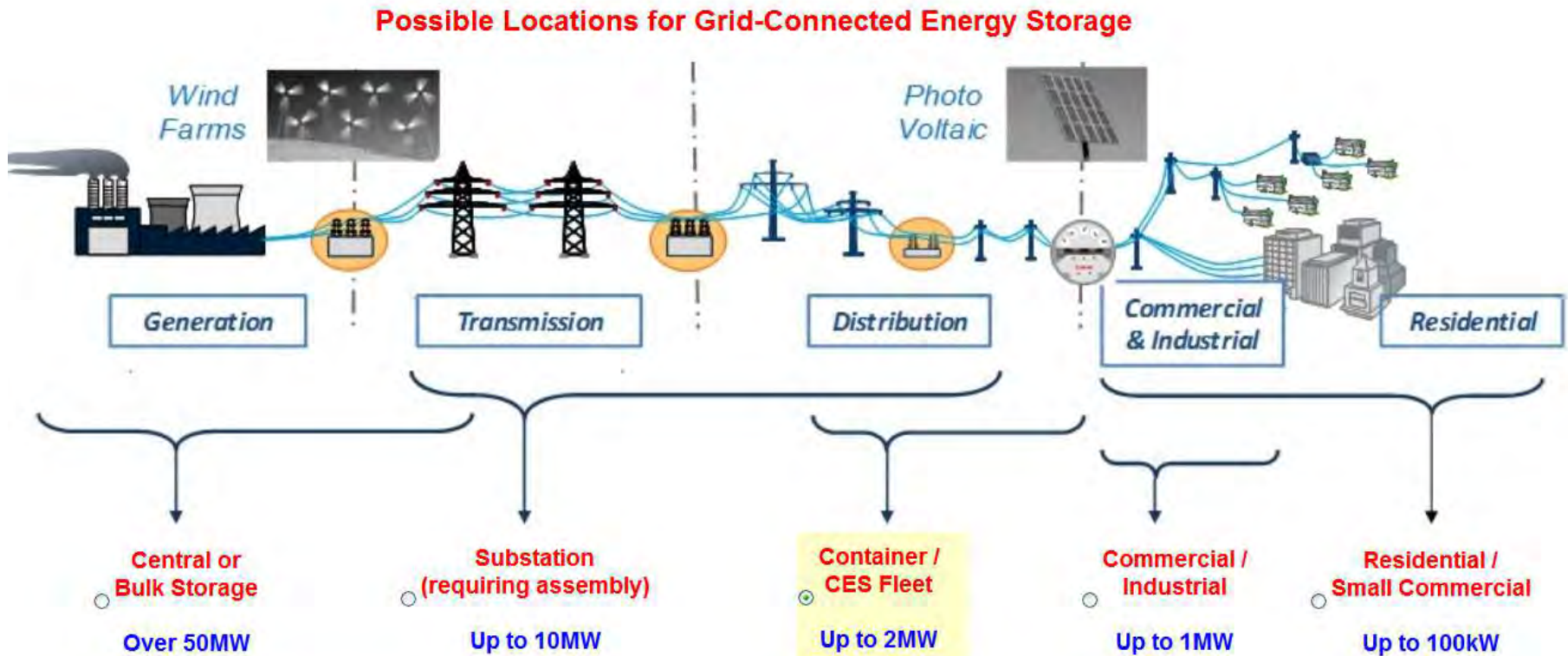
Statistical Process



ES-Select – Tool Usage



Starting the Program – Select Storage Location



NOTE: Each location imposes restrictions on both the number of applications available for that location as well as the ES technologies appropriate for the site. Click on "Location Constraints" for more details.

Impact of Grid Location on Storage & Services

Grid Applications	Central or Bulk	Substation (requiring assembly)	Container / CES Fleet	Commercial / Industrial	Residential / Small Commercial
Energy Time Shift (Arbitrage)	✓	✓	✓	✓	✓
Supply Capacity	✓	✓	✓		
Load Following	✓	✓	✓		

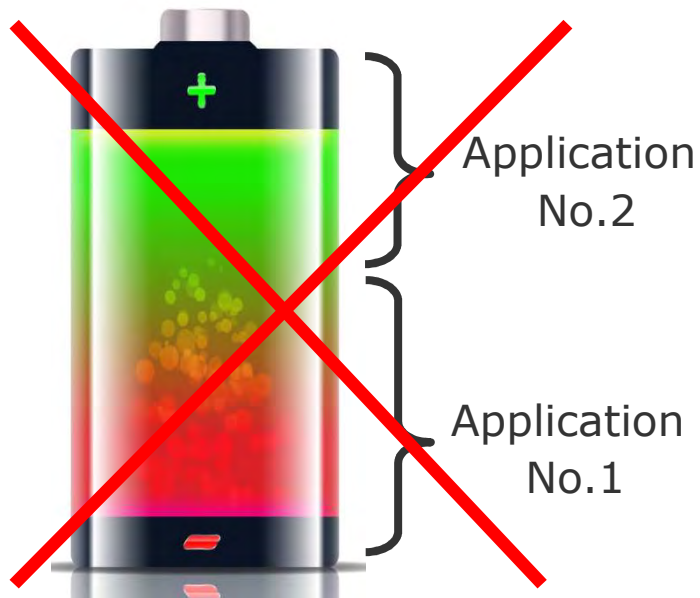
Storage and Alternative Technologies	Central or Bulk	Substation (requiring assembly)	Container / CES Fleet	Commercial / Industrial	Residential / Small Commercial
Lithium-ion - High Power	✓	✓	✓	✓	✓
Lithium Ion - High Energy	✓	✓	✓	✓	✓
Ni batt. (NiCd, NiZn)					

Home Page – Match Storage to Applications



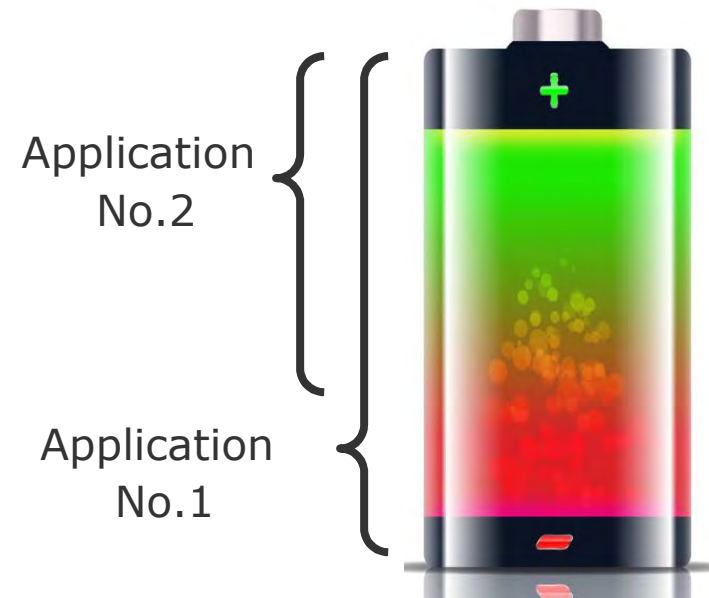
Special Feature 1 - Bundling (Stacking applications)

This is not stacking of Applications – you may as well use two smaller batteries and dedicate each to a single application



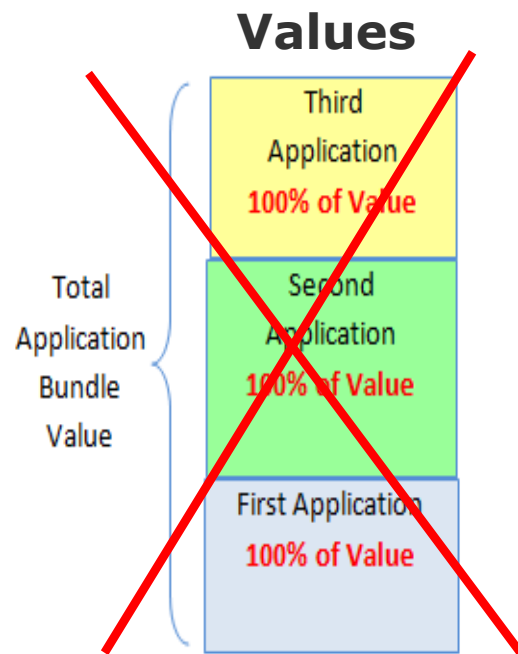
Stacked applications share battery energy –

It is the OVERLAP that increases the total value

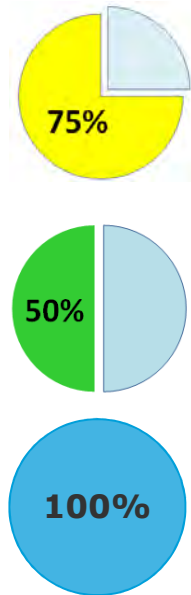


Special Feature 1- Bundling (Utilization factor)

- Application / service values cannot be just stacked up.
- Only a percentage of a service may be realizable in a bundle (utilization factor)
- Operational and business compatibilities need to be considered.



Utilization Factors

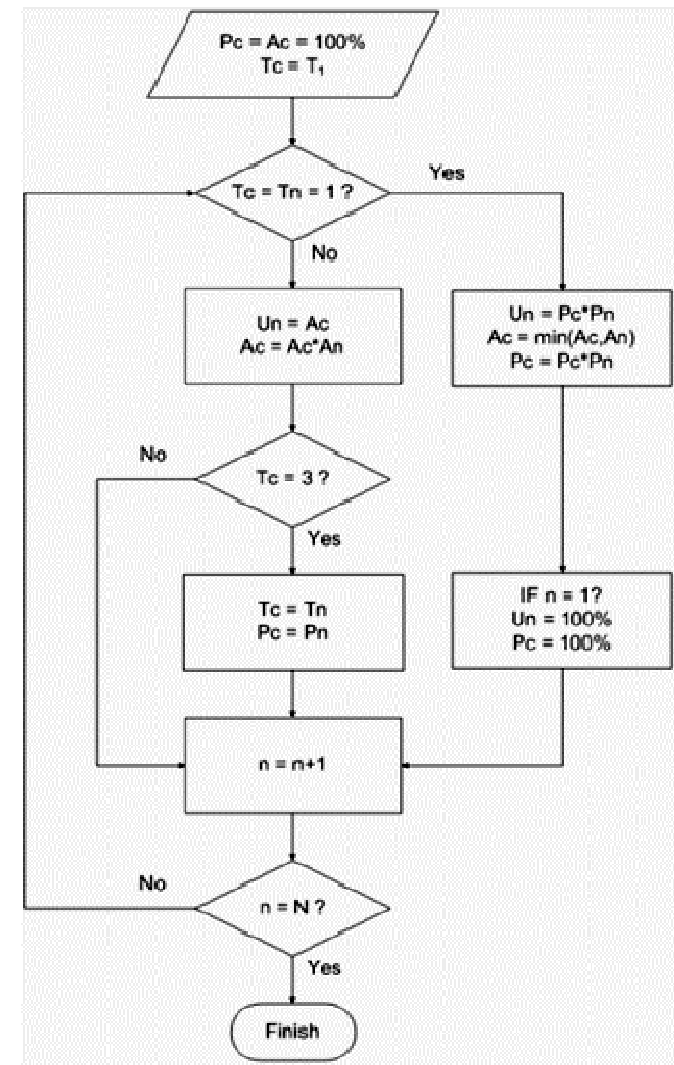
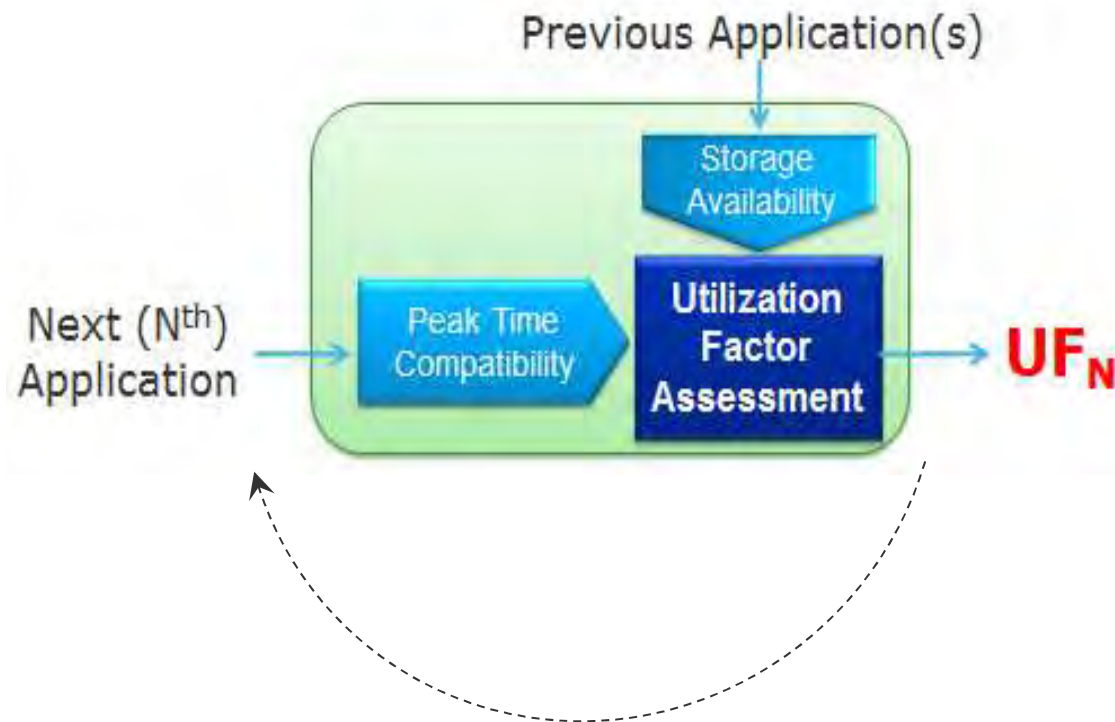


Two basic ways for an additional application to raise the total value:

1. It uses the leftover time from prior application(s)
2. It has peak time alignment with a previous application

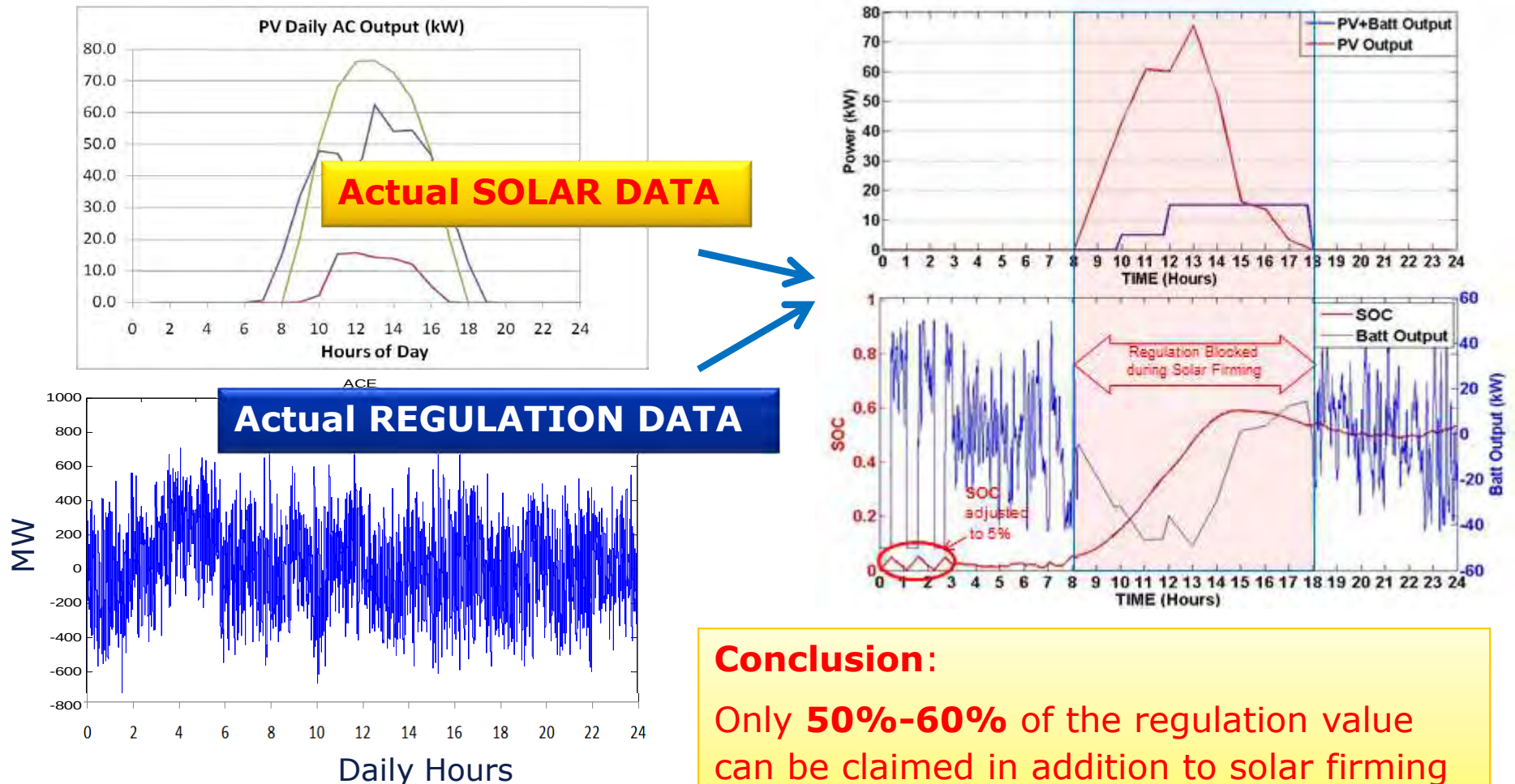
Special Feature 1- Bundling (Algorithm)

Utilization Factor (**UF**) = percentage of an application value that can be realized in a bundle



Fine Tuning Utilization Factors with Actual Data

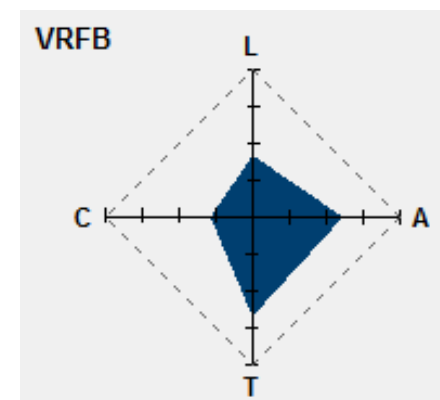
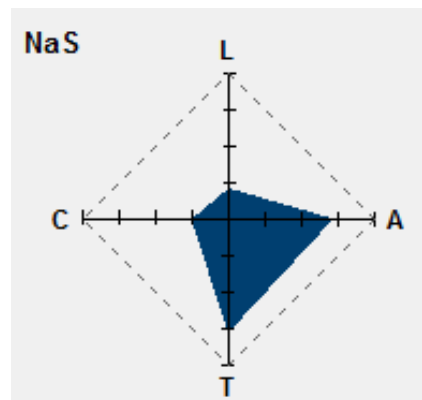
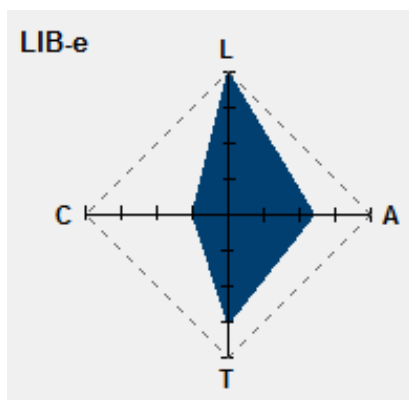
Example: Solar Firming + Frequency Regulation



Special Feature 2 – Storage Feasibility Score

Four criteria are used (user can change the weight of each criterion)

1. How well does it meet **application(s) requirements?** (discharge duration, cycle life, efficiency, etc.)
2. How suitable is it for the selected **grid location?**
3. How much is the installed **cost**? (\$/kW or \$/kWh)
4. How **mature** is the technology?

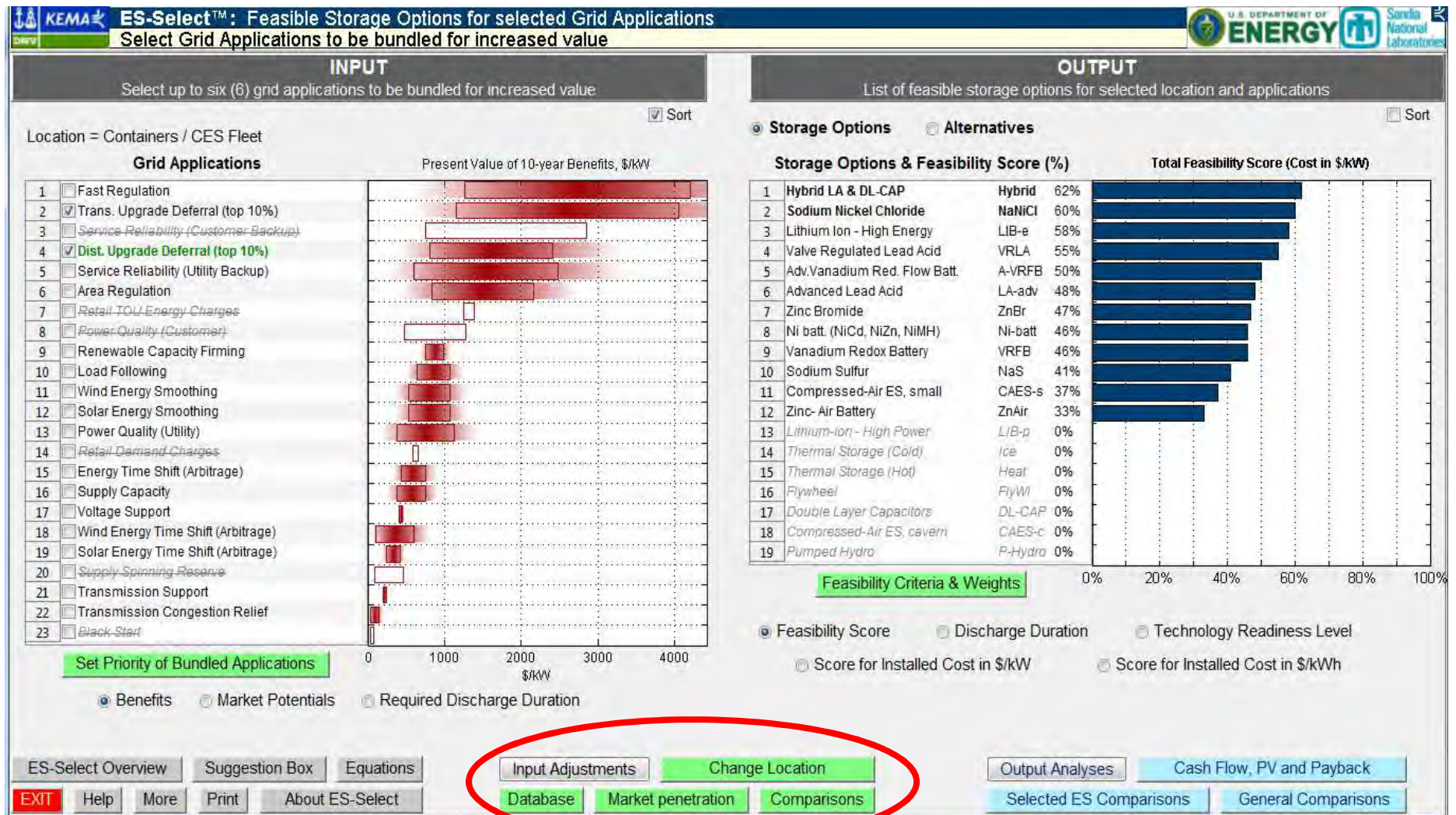


Special Feature 2 - Feasibility Criteria (overview)

Can be done for any grid location

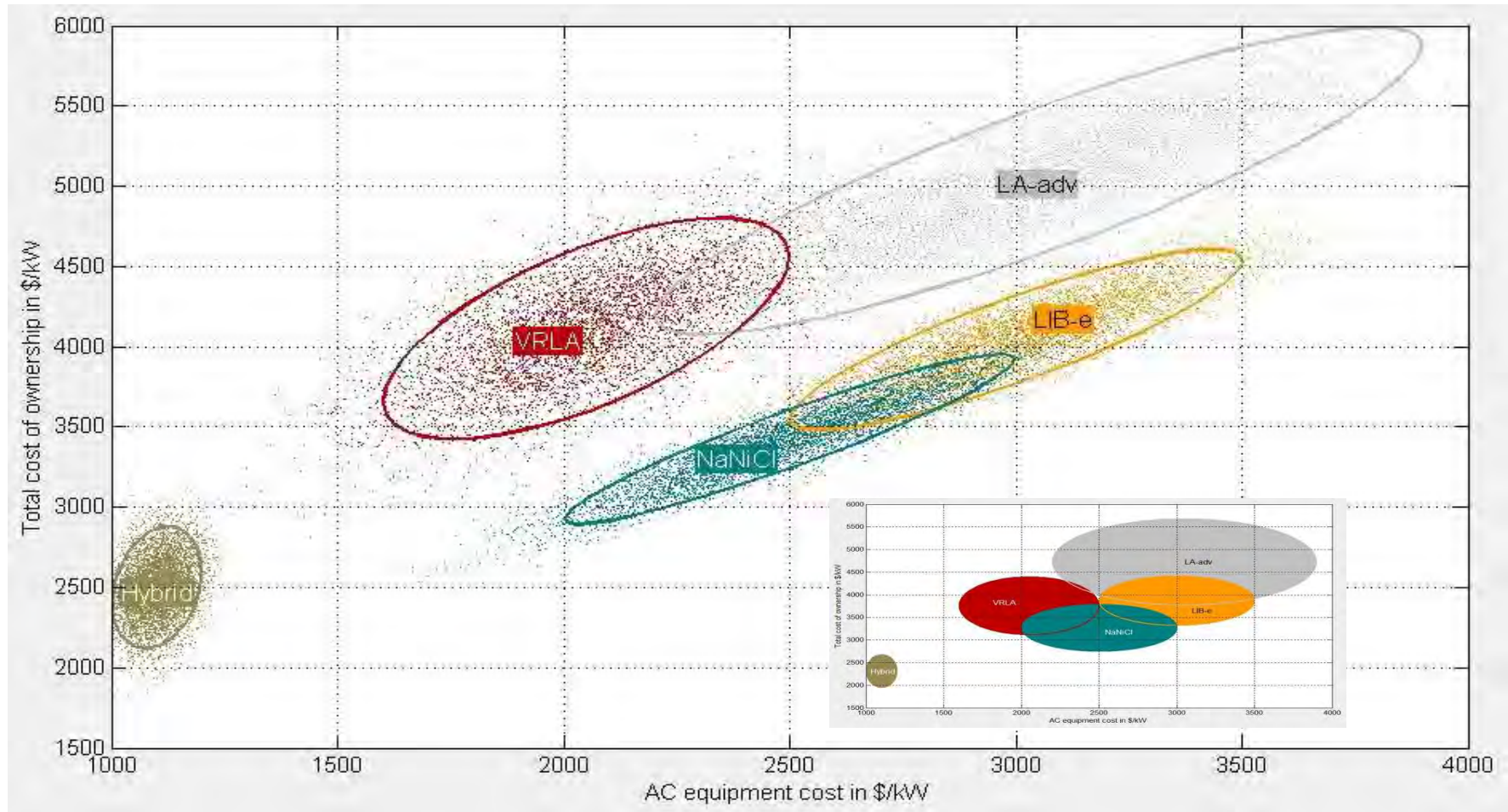
		Edge of the Grid- Utility Side / Up to 2 MW																
		Energy Storage Technologies																
		CAES-c	P-Hydro	NaS	Heat	Ice	ZnAir	A-VRFB	VRFB	CAES-s	LA-adv	VRLA	ZnBr	NaNiCl	Hybrid	LIB-e	Ni-batt	DL-CAP
Grid Applications	Transmission Support	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	Power Quality (Utility)	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	Power Quality (Customer)	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	Area Regulation	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	Fast Regulation	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	Wind Energy Smoothing	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	Solar Energy Smoothing	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	Supply Spinning Reserve	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	Voltage Support	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	Service Reliability (Utility Backup)	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	Service Reliability (Customer Backup)	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	Black Start	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	Renewable Capacity Firming	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	Load Following	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	Transmission Congestion Relief	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	Solar Energy Time Shift (Arbitrage)	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	Dist. Upgrade Deferral (top 10%)	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	Trans. Upgrade Deferral (top 10%)	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	Wind Energy Time Shift (Arbitrage)	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	Energy Time Shift (Arbitrage)	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	Supply Capacity	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	Retail TOU Energy Charges	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	Retail Demand Charges	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●

Home Page – Comparative analysis

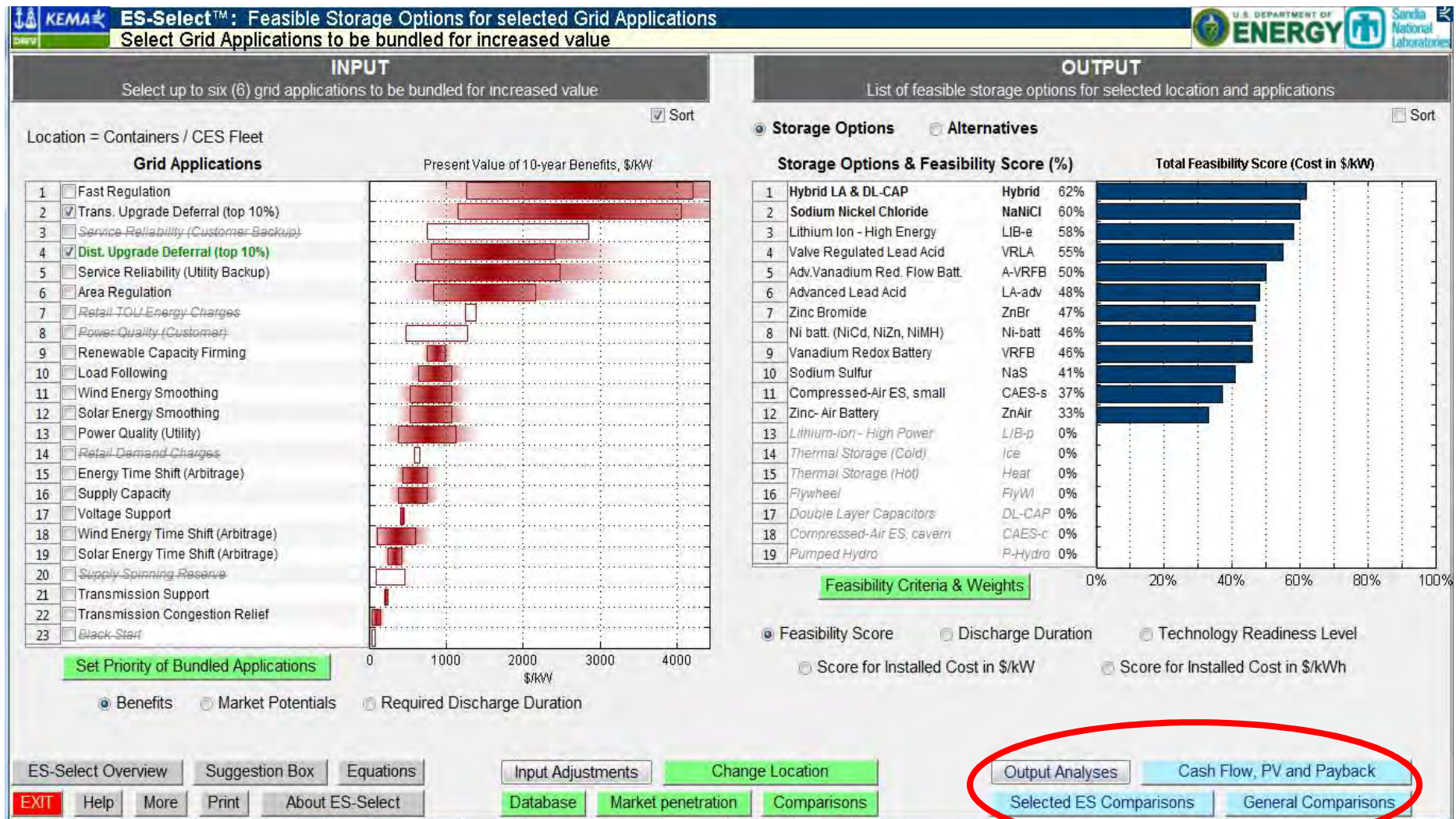


Data Contouring Options

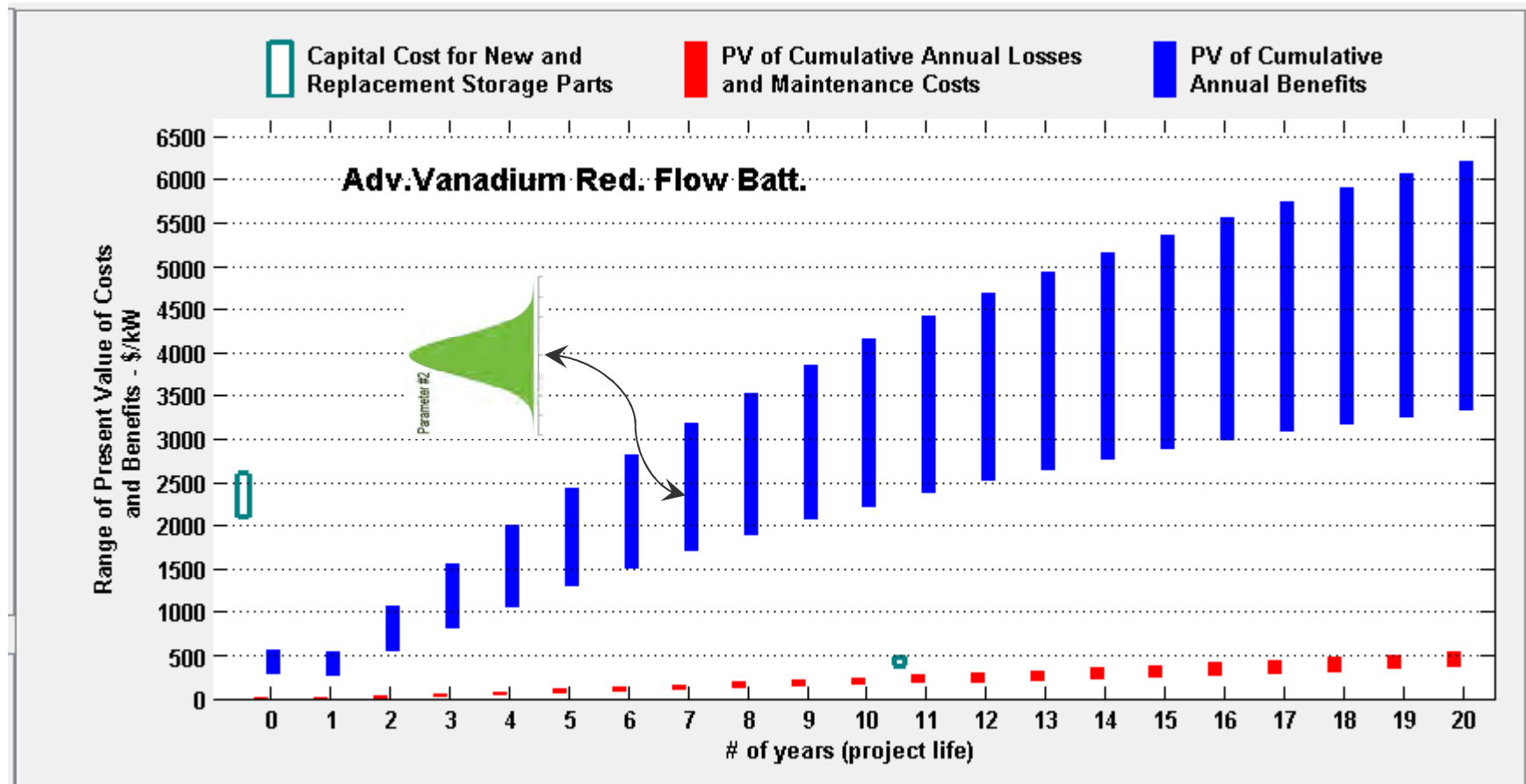
Total cost of ownership vs. storage cost – Contour (95% inclusive)



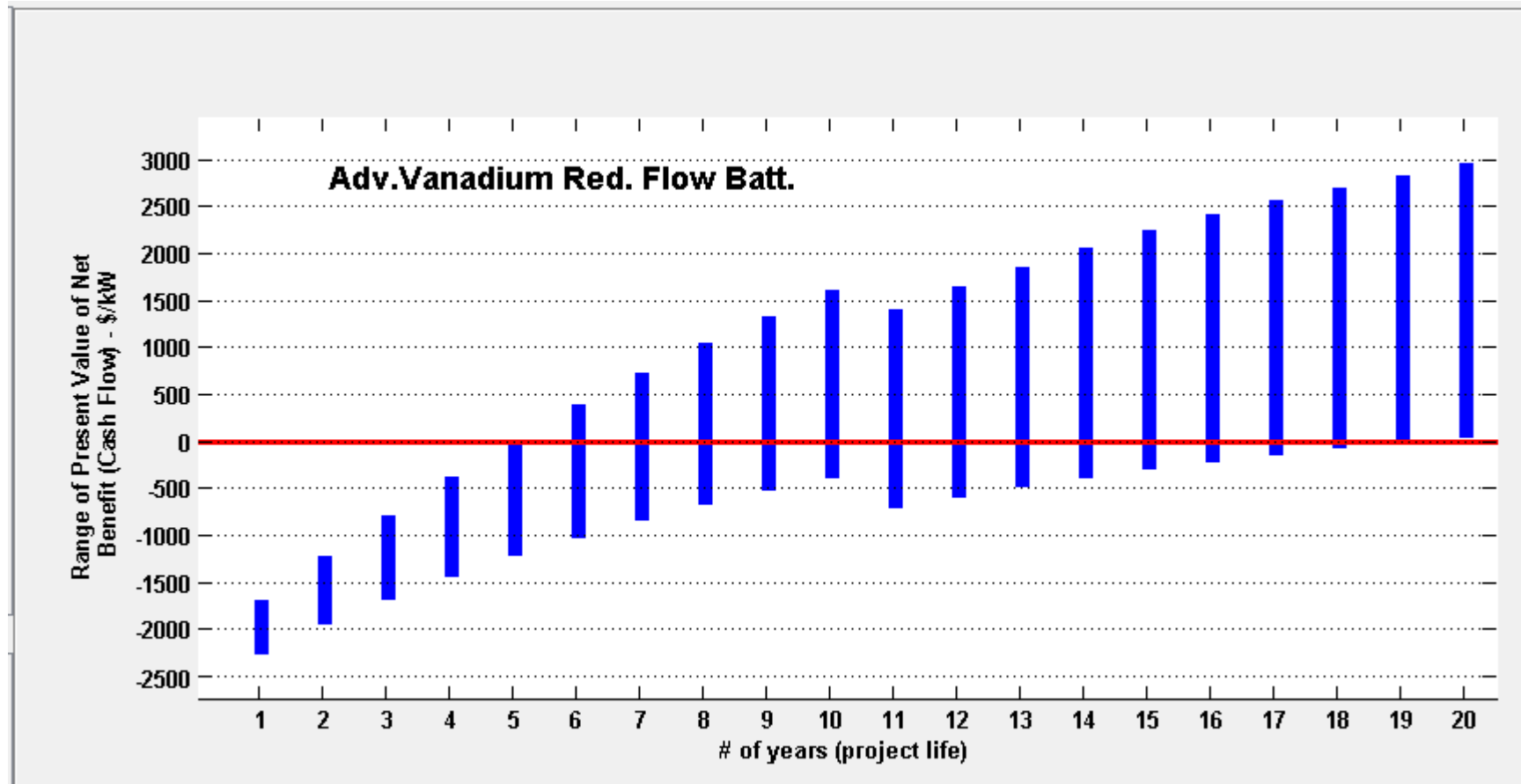
Home Page - Business Analyses



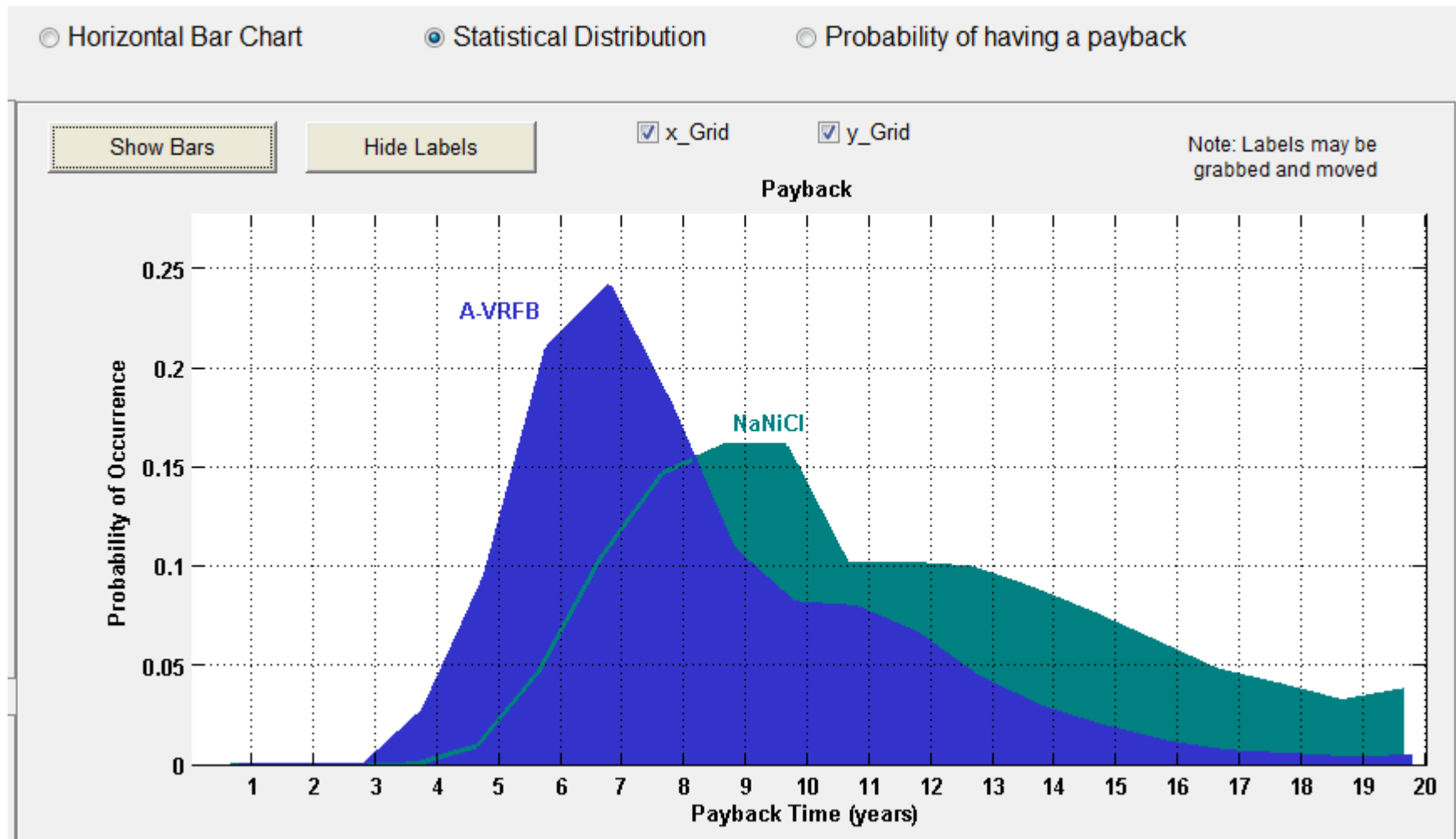
Cash Flow – Statistical



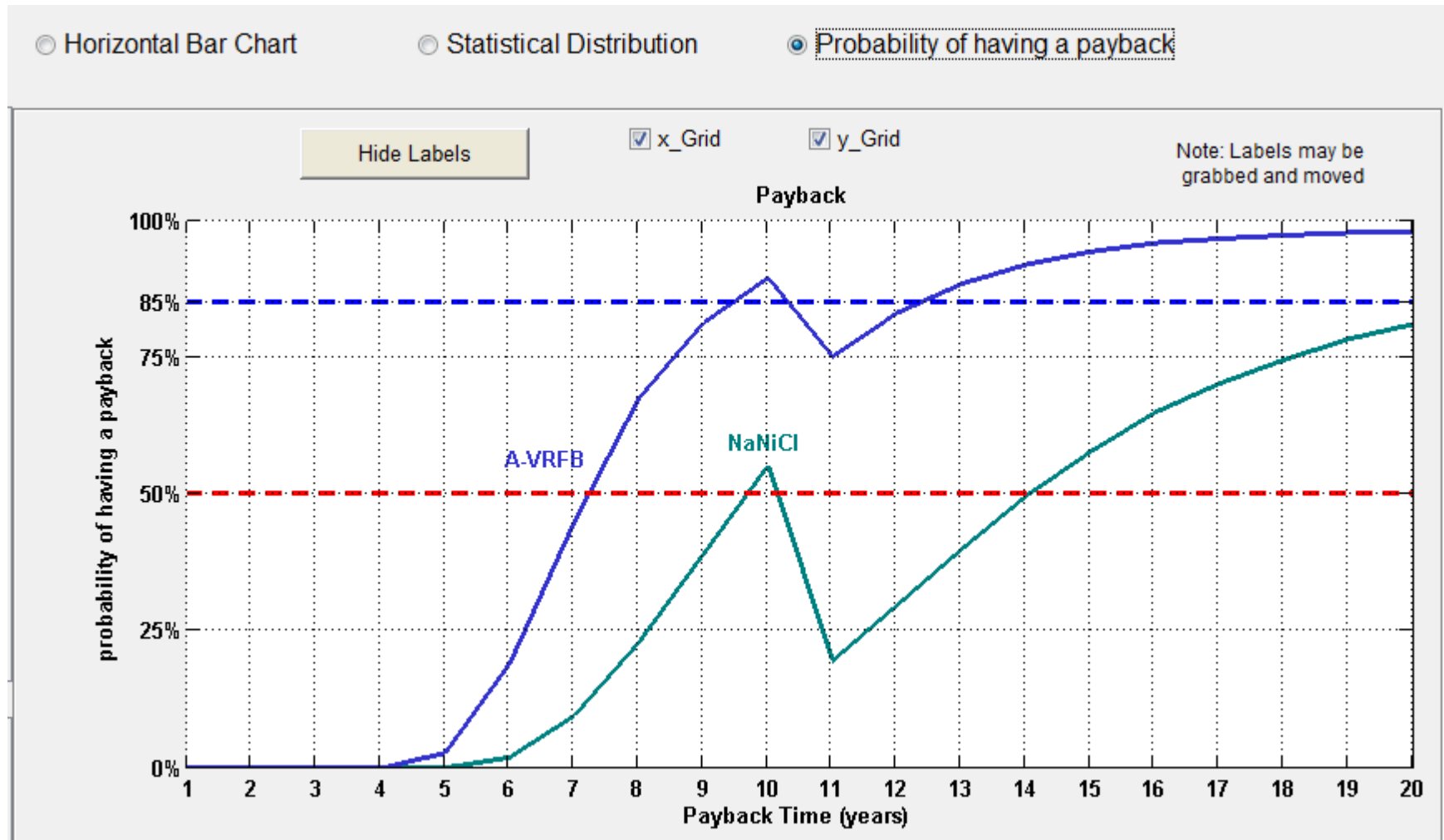
NET Cash Flow – Statistical



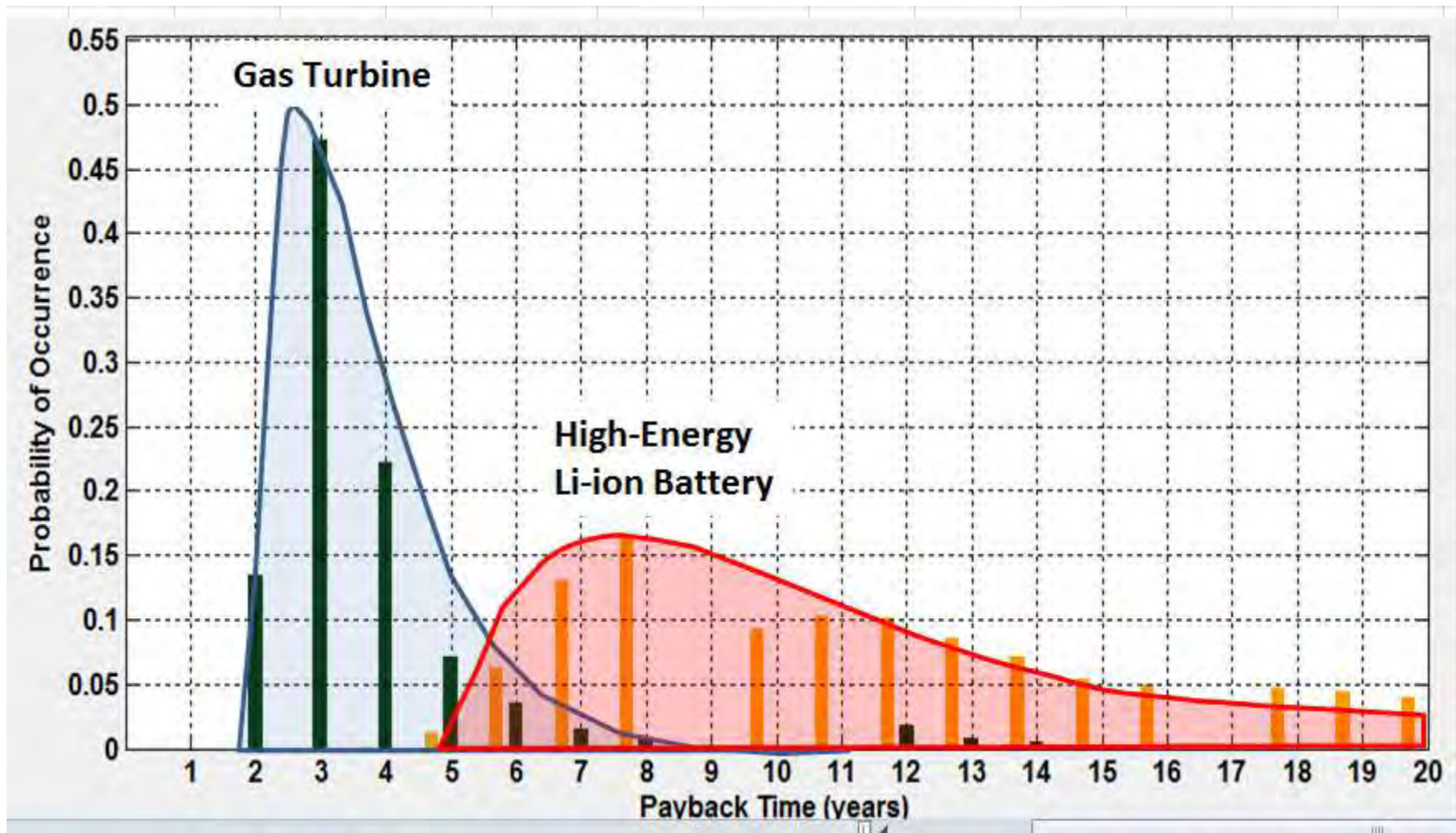
Payback – Probability Distribution



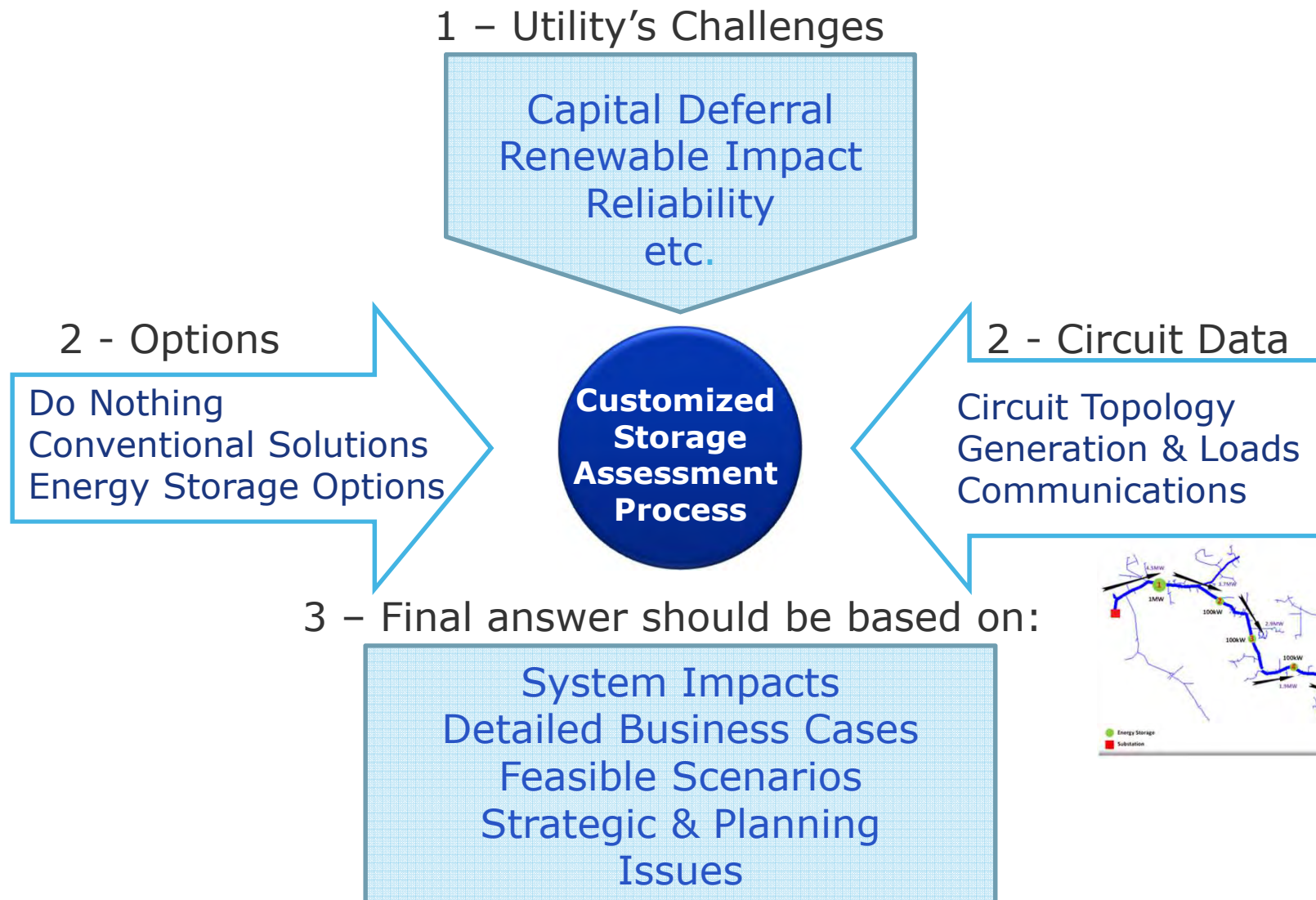
Payback – Probability of having one



Payback – ES against conventional alternatives



Final Word - Selection of ES is only part of a solution



ES-Select

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SAFER, SMARTER, GREENER

Attachment 3

Full energy storage technology name	Abbreviation
Lithium Ion Behind the Meter	Li-Ion BTM
Lithium Nickel Cobalt Manganese Oxide Battery	Li-ion NCM
Lithium Iron Phosphate Battery	Li-ion LFP
Lithium Titanate Battery	Li-ion LTO
Vanadium Redox Flow Battery	VRB
Flywheel Energy Storage	Flywheel
Compressed Air Energy Storage	CAES
Thermal Energy Storage (Ice-based technologies)	TES

Parameter/ Technology		Li-Ion BTM		Li-Ion NCM	Li-Ion LFP	Li-Ion LTO	VRB	Flywheel	CAES	TES	Notes:
Power capacity	Minimum	2 kW	250 kW	1 MW	1 MW	1 MW	200 kW	2 kW	2 MW	10 kW	Based on individual installed units or smallest proposed systems to date for energy storage. Does not include test (non-commercial), demonstration, or decommissioned systems.
	Maximum	10 kW	1 MW	35 MW	35 MW	40 MW	20 MW	20 MW	320 MW	5 MW	Based on largest installed or under construction systems to date for energy storage. Does not include test (non-commercial), demonstration, or decommissioned systems.
Energy Capacity	Minimum duration	20 min	20 min	20 min	20 min	10 min	1 hr	10 s	4 hr	3 hr	Based on average ranges. Does not include surge operation or stand by consumption.
	Maximum duration	4 hr	4 hr	2 hr	2.5 hr	2 hr	8 hr	1 hr	26 hr	6 hr	
Recharge rates		1C	1C	1C	2C-1C	3C-1C	1C-0.25C	1C	2C	3.5C	
Round trip efficiency		90%	82-83%	77 - 85%	78-83%	77-85%	65-78%	75 - 90%	55 - 70%	60 - 99%	Full ESS RTE - i.e. includes PCS, heating/cooling, and self-consumption losses
Availability	Up-time	97%	97%	97%	97%	96%	95%	98%	98%	98%	Availability guarantees being offered
	Carve Outs	72 hr/yr	72 hr/yr	72 hr/yr	72 hr/yr	72 hr/yr	1 wk/yr	72 hr/yr	72 hr/yr	72 hr/yr	Annual planned maintenance carve outs
Response time		ms	ms	ms	ms	ms	ms	ms	mins	mins	
Degradation - Percent of initial capacity lost after 10 years	Energy Applications	40%	30%	30-40%	20-40%	15-25%	5-10%	N/A	N/A	N/A	Applications: Electric Energy Time Shift, Electric Supply Capacity, Spinning, Non-Spinning, and Reserves, T&D Congestion Relief
	Power Applications	10-20%	10-20%	10-20%	15-25%	5-15%	5-10%	N/A	N/A	N/A	Applications; Regulation, Voltage Support, Load Following/Ramping Support, Frequency Response
Expected life (100% DOD, 25°C, 1C)	Years	10	10	10	10	10	10	25	30	10	Based on current manufacturer projections and guarantees; standard maintenance assumed. Full system life, including PCS and balance of plant equipment have been observed in range of 15-25 years for Li-Ion and VRB systems, implying full replacement of energy storage system components.
	Cycles	3,500	5,000	3,500	2,000	15,000	5,000	>100,000	>100,000	3,500	

Cost Parameter/ Technology [1]	Li-Ion NCM	Li-Ion LFP	Li-Ion LTO	VRB	Flywheel	CAES	TES
Energy storage equipment cost (\$/kWh) [2]	\$325-\$450	\$350-\$525	\$500-\$850	\$500-\$700	\$3,500 - \$5,500	\$10 - \$30	\$200-\$300
Power conversion equipment cost (\$/kW) [3]	\$350-\$500	\$350-\$500	\$350-\$500	\$500-\$750	\$350 - \$500	\$400 - \$500	N/A
Power control system cost (\$/kW) [4]	\$80-\$120	\$80-\$120	\$80-\$120	\$100-\$140	\$100-\$140	\$100-\$140	\$80-120
Balance of system (\$/kW) [5]	\$80-\$100	\$80-\$100	\$80-\$100	\$100-\$125	\$100-\$125	\$100 - \$160	\$80-100
Installation (\$/kWh) [6]	\$120-\$180	\$120-\$180	\$120-\$180	\$140-\$200	\$2,000 - \$3,000	\$5 - \$10	\$120-\$180
Fixed O&M cost (\$/kW yr) [7]	\$6-\$11	\$6-\$11	\$6-\$11	\$7-\$12	\$4 - \$6	\$3 - \$5	\$5-\$7
Major Maintenance (\$/kW)	\$150 - 400	\$150 - 400	\$150 - 400	\$600 - \$800	\$200 - \$300	\$70 - 100	\$100 - \$125
Years between major maintenance	5	5	5	8	5	4	5
Installed costs (\$/kW)	\$658- \$1980	\$667- \$2483	\$613- \$2780	\$1340- \$8215	\$565- \$9265	\$660- \$1840	\$1120- \$3100

Typical system [8]	Li-Ion NCM	Li-Ion LFP	Li-Ion LTO	VRB	Flywheel	CAES	TES
Size (kW)	20,000	20,000	20,000	20,000	20,000	100,000	50
Duration (Hour)	2	2	2	4	0.25	24	6
Total Installed costs (\$)	\$ 33,800,000	\$ 35,800,000	\$ 45,300,000	\$ 78,750,000	\$ 48,150,000	\$ 136,000,000	\$ 129,500
Installed costs per kW (\$/kW)	\$ 1,690	\$ 1,790	\$ 2,265	\$ 3,938	\$ 2,408	\$ 1,360	\$ 2,590

Li-Ion BTM	Residential	C/I
Total installed cost \$/kWh	\$530 - \$765	\$525-\$700
Installed costs (\$/kW)	\$177- \$3060	\$175- \$2800

Typical system [8]	Residential	C/I
Size (kW)	5	20
Duration (Hour)	2	2
Installed costs (\$/kW)	\$ 1,295	\$ 1,225

[1] All cost estimates provided in mid-2016 dollars

[2] Energy storage equipment includes the full DC battery system, as applicable, which includes the costs of the energy storage medium, such as Li-Ion battery cells or flow battery electrolyte, internal wiring and connections, packaging and containers, and battery management system (BMS).

[3] PCS equipment includes the inverter, packaging, container and inverter controls. In the case of CAES, PCS is related to the generator cost and associated packaging and controls.

[4] Control system includes supervisory control software, along with the controller and communications hardware required to dispatch and operate energy storage systems.

[5] Balance of system includes site wiring, interconnecting transformer, and additional ancillary equipment.

[6] Installation includes Engineer-Procure-Construct (EPC) costs inclusive of installation parts and labor, permitting, site design, procurement and transportation of equipment.

[7] Fixed O&M costs are provided as real levelized dollars with assumed 20 year project life.

[8] Based on typical systems that have been installed in the U.S. However, depending on specific application that the system is installed for, the size and duration would vary, and the \$/kW cost would vary.

ENERGY STORAGE EQUIPMENT COST TRENDS

Year	Li-Ion NCM	Li-Ion LiFePO4	Li-Ion LTO	VRB	Flywheel	CAES	TES
2016	\$ 400	\$ 450	\$ 675	\$ 600	\$ 4,500	\$ 20	\$ 250
2017	\$ 340	\$ 383	\$ 574	\$ 558	\$ 4,185	\$ 19	\$ 245
2018	\$ 289	\$ 325	\$ 488	\$ 525	\$ 3,938	\$ 19	\$ 240
2019	\$ 246	\$ 276	\$ 429	\$ 498	\$ 3,735	\$ 18	\$ 235
2020	\$ 209	\$ 235	\$ 378	\$ 473	\$ 3,548	\$ 18	\$ 231
2021	\$ 177	\$ 200	\$ 340	\$ 454	\$ 3,405	\$ 17	\$ 226
2022	\$ 151	\$ 180	\$ 306	\$ 441	\$ 3,308	\$ 17	\$ 221
2023	\$ 128	\$ 162	\$ 275	\$ 432	\$ 3,240	\$ 16	\$ 217
2024	\$ 109	\$ 146	\$ 253	\$ 423	\$ 3,173	\$ 16	\$ 213
2025	\$ 100	\$ 134	\$ 233	\$ 415	\$ 3,113	\$ 15	\$ 208
2026	\$ 99	\$ 127	\$ 214	\$ 411	\$ 3,083	\$ 15	\$ 204

*For clarity of cost differentiation, the vertical axis has been constrained to \$0 - \$750.
Flywheel's cost can be viewed by editing the range, as shown in the chart to the right.

PCS COST TRENDS

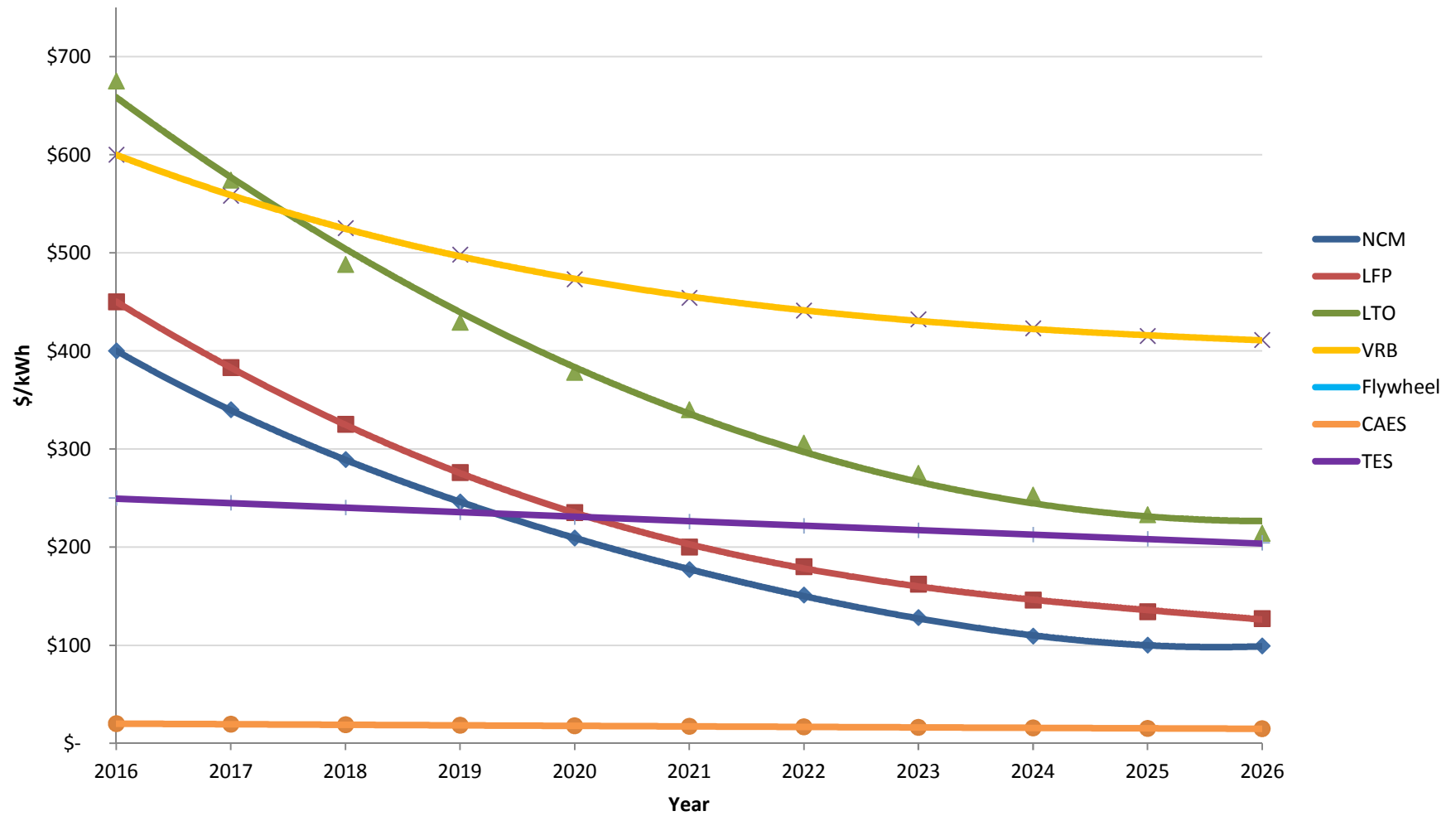
Year	Li-Ion NCM	Li-Ion LiFePO4	Li-Ion LTO	VRB	Flywheel	CAES	TES
2016	\$ 425	\$ 425	\$ 425	\$ 625	\$ 425	\$ 450	N/A
2017	\$ 408	\$ 408	\$ 408	\$ 581	\$ 408	\$ 449	
2018	\$ 396	\$ 396	\$ 396	\$ 541	\$ 396	\$ 447	
2019	\$ 384	\$ 384	\$ 384	\$ 508	\$ 384	\$ 446	
2020	\$ 376	\$ 376	\$ 376	\$ 483	\$ 376	\$ 445	
2021	\$ 369	\$ 369	\$ 369	\$ 463	\$ 369	\$ 443	
2022	\$ 361	\$ 361	\$ 361	\$ 450	\$ 361	\$ 442	
2023	\$ 358	\$ 358	\$ 358	\$ 436	\$ 358	\$ 441	
2024	\$ 354	\$ 354	\$ 354	\$ 427	\$ 354	\$ 439	
2025	\$ 351	\$ 351	\$ 351	\$ 423	\$ 351	\$ 438	
2026	\$ 347	\$ 347	\$ 347	\$ 419	\$ 347	\$ 437	

*PCS cost for CAES is related to generator equipment

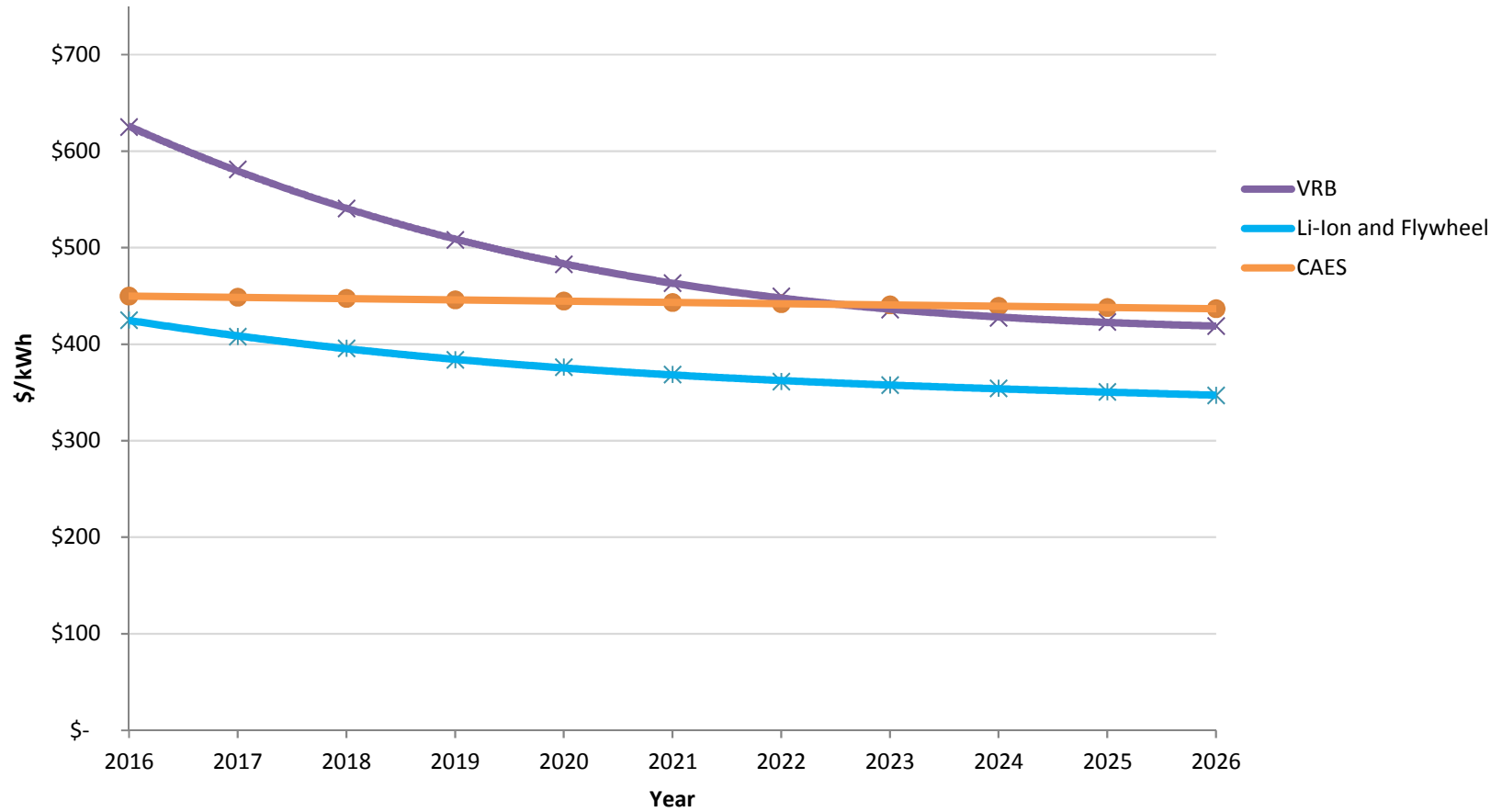
CONTROLS COST TRENDS

Year	Li-Ion NCM	Li-Ion LiFePO4	Li-Ion LTO	VRB	Flywheel	CAES	TES
2016	\$ 100	\$ 100	\$ 100	\$ 120	\$ 120	\$ 120	\$ 100
2017	\$ 99	\$ 99	\$ 99	\$ 116	\$ 116	\$ 116	\$ 99
2018	\$ 98	\$ 98	\$ 98	\$ 113	\$ 113	\$ 113	\$ 98
2019	\$ 97	\$ 97	\$ 97	\$ 111	\$ 111	\$ 111	\$ 97
2020	\$ 96	\$ 96	\$ 96	\$ 108	\$ 108	\$ 108	\$ 96
2021	\$ 95	\$ 95	\$ 95	\$ 106	\$ 106	\$ 106	\$ 95
2022	\$ 94	\$ 94	\$ 94	\$ 104	\$ 104	\$ 104	\$ 94
2023	\$ 93	\$ 93	\$ 93	\$ 102	\$ 102	\$ 102	\$ 93
2024	\$ 92	\$ 92	\$ 92	\$ 101	\$ 101	\$ 101	\$ 92
2025	\$ 91	\$ 91	\$ 91	\$ 100	\$ 100	\$ 100	\$ 91
2026	\$ 90	\$ 90	\$ 90	\$ 99	\$ 99	\$ 99	\$ 90

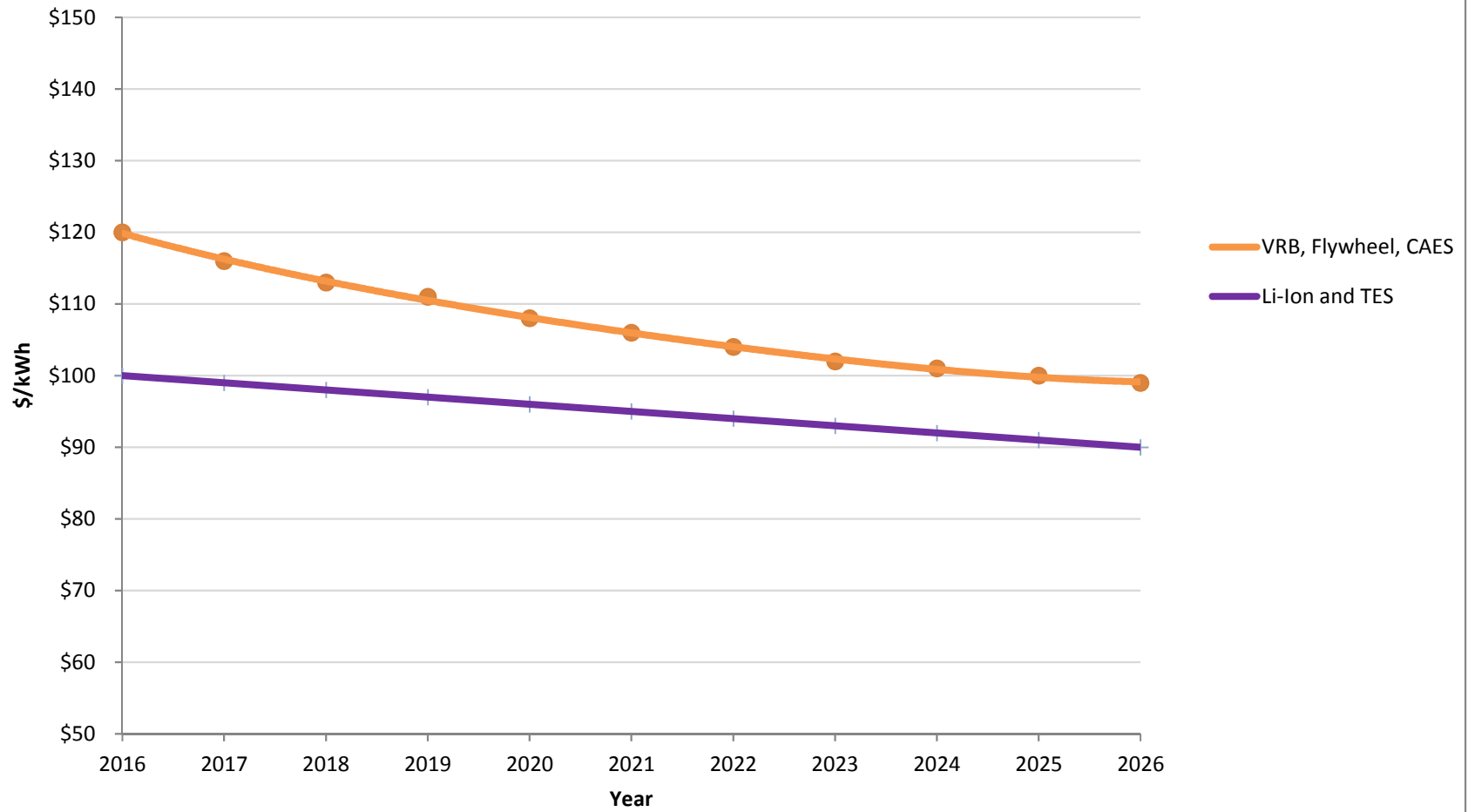
Energy Storage Equipment Cost Trends



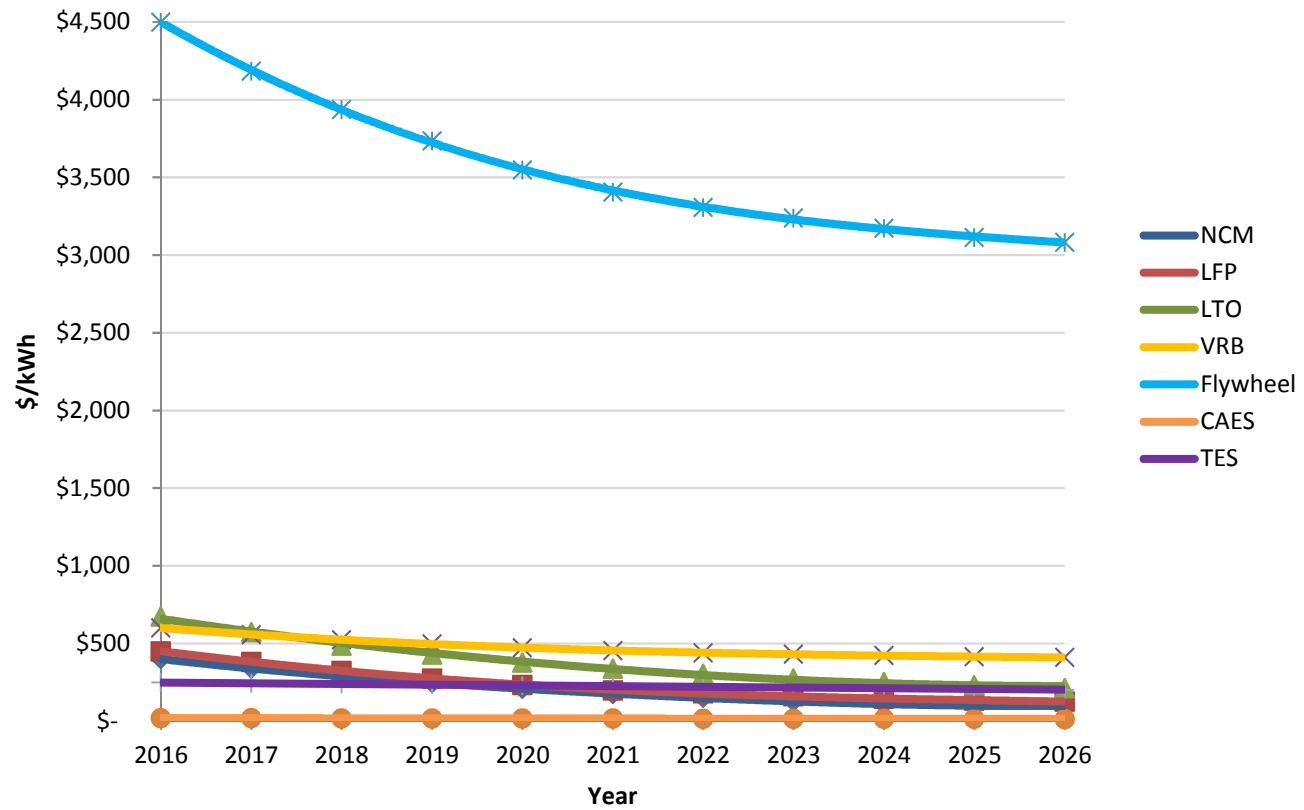
PCS Cost Trends



Control Cost Trends



Energy Storage Equipment Cost Trends



	Li-Ion	Li-Ion	Li-Ion	VRB	Flywheel	CAES	TES
	NCM	LFP	LTO				
Electric Energy Time Shift	8	7	7	8	5	8	7
Electric Supply Capacity	8	7	8	8	5	8	6
Regulation	8	8	9	8	8	6	5
Spinning, Non-spin, Supplemental reserves	8	8	9	7	7	6	4
Voltage support / Power Quality	8	9	9	8	9	5	5
Load following / ramping support for renewables	8	8	9	8	7	6	5
Frequency response	8	9	10	7	9	5	4
Transmission and distribution congestion relief	8	7	8	8	6	8	6
Black Start	Y	Y	Y	Y	Y	Y	Y
Reliability	Y	Y	Y	Y	N	Y	Y

	Li-Ion BTM
Bill management - DCM	9
Bill management - TOU	9
Bill management - Self-supply	9
Customer back up	8

1. Define Application Requirements

Defines requirements for each application

Application / Requirements	Power	Energy	Cycling	Response Time
Electric Energy Time Shift	5	10	4	3
Electric Supply Capacity	8	9	3	3
Regulation	9	3	10	9
Spinning, Non-Spinning, and Reserves	10	5	2	5
Voltage Support	9	2	7	10
Load Following/Ramping Support for Renewables	8	6	6	8
Frequency Response	10	1	7	10
T&D Congestion Relief	7	7	4	3

2. Define Technology Capabilities

Defines capabilities for each performance parameter

Technology / Capability	Power	Energy	Cycling	Response Time
Li-Ion NCM	8	8	7	10
Li-Ion LiFePO4	9	4	8	10
Li-Ion Li4Ti5O12	10	4	9	10
FLYWHEEL	8	0	10	10
VRB	6	9	10	7
CAES	7	10	10	0
TES	2	9	10	2

3. Compute Technology Application Score

Defines how well matched a specific technology is for a given application

Application Score	Li-Ion NCM	Li-Ion LiFePO4	Li-Ion Li4Ti5O12	FLYWHEEL	VRB	CAES	TES
Electric Energy Time Shift	8	7	7	5	8	8	7
Electric Supply Capacity	8	7	8	5	8	8	6
Regulation	8	8	9	8	8	6	5
Spinning, Non-Spinning, and Reserves	8	8	9	7	7	6	4
Voltage Support	8	9	9	9	8	5	5
Load Following/Ramping Support for Renewables	8	8	9	7	8	6	5
Frequency Response	8	9	10	9	7	5	4
T&D Congestion Relief	8	7	8	6	8	8	6

RESOLUTION NO. 2017-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UKIAH REGARDING THE VIABILITY OF ENERGY STORAGE FOR THE CITY OF UKIAH

WHEREAS, on May 16, 2012, the City Council authorized the Electric Utility Director to initiate a process to determine appropriate Energy Storage Capacity Targets in accordance with AB 2514; and

WHEREAS, the law requires the governing board of each publicly-owned utility to initiate a process for determining targets for energy storage systems, if such systems are cost effective; and

WHEREAS, Ukiah recently participated with other utilities in the Northern California Power Association (NCPA)/Southern California Public Power Authority (SCPPA) in a joint contract with DNV GL to provide an updated evaluation of energy storage technologies; and

WHEREAS, DNV GL recently released the results of its energy storage evaluation; and

WHEREAS, based on the results of the DNV GL evaluation, the load shape, geographic location, type of customers served, and existing generation portfolio within the City's service territory, and with a reasonably high load factor and the current low cost of investment in generation, City staff has determined that the economics behind energy storage render it not cost-effective at this time.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS: that the Ukiah City Council does hereby support the staff assessment that no cost-effective energy storage systems are viable for the Ukiah community at this time.

PASSED AND ADOPTED by the Ukiah City Council on December 6, 2017, by the following roll call vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

_____, Mayor

ATTEST:

Kristine Lawler, City Clerk



AGENDA SUMMARY REPORT

SUBJECT: City Council to Consider Authorizing the City Manager to Sign Applicant's Agent Resolution for Non-State Agencies with the Governor's Office of Emergency Services

DEPARTMENT: Community Services

PREPARED BY: Tami Bartolomei

ATTACHMENTS:

[Attachment 1 - Cal OES 130](#)

Summary: City Council to consider authorizing the City Manager to sign Applicant's Agent Resolution for Non-State Agencies with the Governor's Office of Emergency Services (Cal OES) to be eligible to receive recovery funding.

Background: The City of Ukiah experienced some damages from the 2017 winter storms and the events were declared a local emergency by the County of Mendocino, and a State emergency by the Governor. In order for the City of Ukiah to receive disaster recovery funding for any declared disasters when funding is eligible, the City of Ukiah must submit a new resolution every three years (Attachment 1). The City of Ukiah does not have a current resolution on file with Cal OES.

Discussion: By submitting a new resolution to Cal OES the City of Ukiah will then be eligible to receive recovery funds for damages that have been or may be ensued during a declared disaster like the 2017 winter storms. Staff recommends Council approve the City Manager to sign the Agent Resolution.

RECOMMENDED ACTION: Authorize the City Manager to sign Applicant's Agent Resolution.

BUDGET AMENDMENT REQUIRED: No

CURRENT BUDGET AMOUNT: N/A

PROPOSED BUDGET AMOUNT: N/A

FINANCING SOURCE: N/A

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH: Sage Sangiacomo, City Manager

Approved: _____


Sage Sangiacomo, City Manager

DESIGNATION OF APPLICANT'S AGENT RESOLUTION FOR NON-STATE AGENCIES

Cal OES Form 130 Instructions

A Designation of Applicant's Agent Resolution for Non-State Agencies is required of all Applicants to be eligible to receive funding. A new resolution must be submitted if a previously submitted Resolution is older than three (3) years from the last date of approval, is invalid or has not been submitted.

When completing the Cal OES Form 130, Applicants should fill in the blanks on page 1. The blanks are to be filled in as follows:

Resolution Section:

Governing Body: This is the group responsible for appointing and approving the Authorized Agents.
Examples include: Board of Directors, City Council, Board of Supervisors, Board of Education, etc.

Name of Applicant: The public entity established under the laws of the State of California. Examples include: School District, Office of Education, City, County or Non-profit agency that has applied for the grant, such as: City of San Diego, Sacramento County, Burbank Unified School District, Napa County Office of Education, University Southern California.

Authorized Agent: These are the individuals that are authorized by the Governing Body to engage with the Federal Emergency Management Agency and the Governor's Office of Emergency Services regarding grants applied for by the Applicant. There are two ways of completing this section:

1. **Titles Only:** If the Governing Body so chooses, the titles of the Authorized Agents would be entered here, not their names. This allows the document to remain valid (for 3 years) if an Authorized Agent leaves the position and is replaced by another individual in the same title. If "Titles Only" is the chosen method, this document must be accompanied by a cover letter naming the Authorized Agents by name and title. This cover letter can be completed by any authorized person within the agency and does not require the Governing Body's signature.
2. **Names and Titles:** If the Governing Body so chooses, the names **and** titles of the Authorized Agents would be listed. A new Cal OES Form 130 will be required if any of the Authorized Agents are replaced, leave the position listed on the document or their title changes.

Governing Body Representative: These are the names and titles of the approving Board Members.
Examples include: Chairman of the Board, Director, Superintendent, etc. The names and titles **cannot** be one of the designated Authorized Agents, and a minimum of two or more approving board members need to be listed.

Certification Section:

Name and Title: This is the individual that was in attendance and recorded the Resolution creation and approval.
Examples include: City Clerk, Secretary to the Board of Directors, County Clerk, etc. This person **cannot** be one of the designated Authorized Agents or Approving Board Member (if a person holds two positions such as City Manager and Secretary to the Board and the City Manager is to be listed as an Authorized Agent, then the same person holding the Secretary position would sign the document as Secretary to the Board (not City Manager) to eliminate "Self Certification."



AGENDA SUMMARY REPORT

SUBJECT: Approve the Purchase of a New Toro Groundsmaster 4010-D Wide Area Mower from Turf Star, Inc. in the Amount of \$84,902.50, and Approve Corresponding Budget Amendment

DEPARTMENT: Community Services

PREPARED BY: Mary Horger

ATTACHMENTS:

[Attachment 1 - Vehicle Replacement Justification TORO](#)

[Attachment 2 - Toro Quote](#)

Summary: Council will consider approving the purchase a new Toro Groundsmaster 4010-D Wide Area Mower from Turf Star, Inc., in the amount of \$84,902.50, and approve corresponding budget amendment.

Background: The Parks Department needs to replace their 2001 Toro Groundsmaster 4000-D mower. Please refer to the Fleet Vehicle Justification provided as Attachment 1.

This equipment is used to mow the City parks, sport fields, and has also been used to assist the UUSD field mowing, as well as the golf course. It was originally purchased in 2001, and currently has approximately 2,993 hours on it, and is in fair mechanical condition, and is currently in need of a hydrostatic pump replacement.

The California Air Resource Board (CARB) has designated this equipment as low usage, due to the Tier 0 engine, and therefore is limited to 200 hours per year, and will be up for mandatory replacement in 2019. If the unit does go over 200 hours, the equipment would be immediately removed from the CARB system, and the

RECOMMENDED ACTION: Approve the purchase of a new Toro Groundsmaster 4010-D Wide Area Mower from Turf Star, Inc. in the amount of \$84,902.50 and approve corresponding budget amendment.

BUDGET AMENDMENT REQUIRED: Yes

CURRENT BUDGET AMOUNT: Parks - #10022100.80100: \$75,000.00

PROPOSED BUDGET AMOUNT: Parks - #10022100.80100: \$10,000.00

FINANCING SOURCE: Fund Balance Reserve

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH: David Kirch, Fleet Maintenance and Jarrod Meyer, Parks Superintendant

Approved: _____


Sage Sangiacomo, City Manager

City would be forced to replace it.

This fall, CARB announced that CARB credits would be given if the City replaces 8% of the fleet (which works out to two pieces of equipment) by December 31, 2017. Receipt of these CARB credits will extend the life of the Tier 1 fleet (Tier 1 represents most of the City's heavy equipment fleet), which would delay the replacement requirement of the Tier 1's. The replacement of this mower is one of the two pieces of equipment that will help meet the 8% requirement.

Discussion: Staff requested a quote from Turf Star, Inc. for a Toro replacement, as well as Belcorp Ag for a John Deere model. Toro was the only one of the two that has a mower currently available with the 1600 WAM Final T4 engine.

A quote was received (see Attachment 2) from Turf Star, Inc. for a new 2018 Toro Groundsmaster 4010-D all weather cab and EPA Tier IV Compliant diesel 54 hp in the amount of \$84,902.50. The pricing is based on the California Multiple Award Schedule (CMAS) Contract #4-07-51-0020A. This pricing was compared to the National IPA cooperative contract, and the CMAS pricing is about \$1,000 less.

Funds were budgeted and approved in the amount \$75,000 in account #10022100.80100. Additional funds in the amount of \$10,000 will need to be transferred from the Fund Balance Reserve.

It is staff's recommendation that Council approve the purchase of a new Toro Groundsmaster 4010-D mower from Turf Star, Inc. in the amount of \$84,902.50, and approve corresponding budget amendment.



Fleet Vehicle Justification

Proposed Vehicle: 2018 TORO Groundsmaster 4010-D

Department: Parks

Area of use: City Parks

Prepared by: David Kirch, Fleet and Plant Maintenance Supervisor

1 VEHICLE PURPOSE

Need for vehicle within Department fleet

This mower will be used mainly at City Parks, Sport fields and has provided help to UUSD fields and the golf course.

2 REPLACEMENT JUSTIFICATION

2.1 Current Vehicle

Description, Mileage, Funding Source and Market Value

The mower being replaced is a 2001 TORO Groundsmaster 4000-D. Currently it has approximately 2993 hours on it. Was purchased in 2001 with general funds. The equipment is in fair condition with estimated value of \$2,000-\$2,500.

2.2 Maintenance Costs

Overall Condition, Maintenance Costs, Out of Service Time, Parts Availability, and Associated Safety Issues

Overall Mechanical Condition: This equipment is in fair mechanical condition in need of a hydrostatic pump replacement in the range of \$3,250

Maintenance Costs: For the past year this equipment has incurred approximately \$2,703 in parts and labor

Out of Service Time: This equipment is designated low usage as it has a Tier 1 engine and does not comply with California Air Resource Board (CARB). It is limited to 200 hours per year.

Parts Availability: Parts are available

Associated Safety Issues: None

2.3 Shared Resources

Define any resources currently available within the City of Ukiah fleet which could be utilized for this purpose.

No resources are recommended as this equipment is not CARB compliant. By replacing this equipment we will gain CARB credits to extend other equipment in our fleet before they will have to be replaced.

3 PROPOSED VEHICLE SPECIFICATIONS

Proposed Vehicle Specifications
2018 TORO Groundsmaster 4010-D all weather cab and EPA Tier IV Final Compliant diesel 54hp

4 ALTERNATIVE FUEL AND CARB REGULATIONS

4.1 Alternative Fuels Availability

Proposed Vehicle Alternative Fuels Availability
None recommended

4.2 CARB STANDARDS

CARB STANDARDS
CARB regulations do apply to this equipment and will meet 2018 diesel emissions standards.



Quotation for City of Ukiah

Date: October 24, 2017

Quote No:606780-00

Prepared For:	Mary Horger	Quote No:	606780-00
	City of Ukiah	iQuote No:	2247382
	411 West Clay Street	Sales Person:	Mitch Frasier
	Ukiah, CA 95482		mitch.frasier@turfstar.com
			(510) 266-4846

CMAS Pricing

CMAS CONTRACT# 4-07-51-0020A (mowers & grounds equipment)

CMAS CONTRACT# 4-07-78-0036A (vehicles)

Local agencies pay ZERO

State Agencies pay an administrative fee of 1.39%, billed direct by the Department of General Services

Summary

Configuration Name	Qty	Unit Price	Sub Total	Sales Tax	Total
010-Toro Groundsmaster 4010-D All Weather Cab & T4 Compliant Diesel 54HP Yanmar	1	\$78,654.50	\$78,654.50	\$6,194.06	\$84,848.56
020-Jump Drive Service and Parts Manuals CD	1	\$50.00	\$50.00	\$3.94	\$53.94
Totals:			\$78,704.50	\$6,198.00	\$84,902.50



Quotation for City of Ukiah

Date: October 24, 2017

Quote No:606780-00

Configuration Product Details

010-Toro Groundsmaster 4010-D All Weather Cab & T4 Compliant Diesel 54HP Yanmar

Model	Product Description	Qty	Unit Price	Extended	Sales Tax	Total
30636	Groundsmaster 4010-D Cab T4 Compliant Diesel 54HP	1	\$75,630.63	\$75,630.63	\$5,955.91	\$81,586.54
30420	Recycler Kit GM4000	1	\$1,168.68	\$1,168.68	\$92.03	\$1,260.71
108-1450	BLADE SERVICE PACK, 21.7 5 IN (107-0214)	1	\$133.07	\$133.07	\$10.49	\$143.56
93-5974	8 INCH FOAM FILLED WHEEL ASM	8	\$136.15	\$1,089.20	\$85.78	\$1,174.98
131-6691	SEAT COVER, LARGE	1	\$33.77	\$33.77	\$2.66	\$36.43
30706	Cab Light Kit	1	\$439.76	\$439.76	\$34.63	\$474.39
30691	Adapter Kit GM4000/4100 Lights	1	\$159.39	\$159.39	\$12.56	\$171.95
Totals:						\$84,848.56



Quotation for City of Ukiah

Date: October 24, 2017

Quote No:606780-00

Configuration Product Details
020-Jump Drive Service and Parts Manuals CD

Model	Product Description	Qty	Unit Price	Extended	Sales Tax	Total
137-5215	Jump Drive Service and Parts Manuals	1	\$50.00	\$50.00	\$3.94	\$53.94
Totals:						\$53.94



Quotation for City of Ukiah

Date: October 24, 2017

Quote No:606780-00

Standard Terms and Conditions

Prices, including all finance options, are valid for 30 days from date of quotation. Open Account Terms are N30, subject to credit approval. Used and demo equipment is in high demand and availability is subject to change. Delivery is FOB Destination, unless otherwise stated

Office Locations

Northern California:

5646 W Barstow Ave Ste 104
Fresno, CA 93722
Fax: (559) 277-7123

2438 Radley Court
Hayward, CA 94545
Fax: (510) 785-3576

11373 Sunrise Gold Circle
Rancho Cordova, CA 95742
Fax: (800) 241-1997

Southern California:

79-253 Country Club Drive
Bermuda Dunes, CA 92203
Fax: (760) 345-4297

955 Beacon Street
Brea, CA 92821
Fax: (800) 775-8873

2110 La Mirada Ste 100
Vista, CA 92083
Fax: (760) 734-4285

Pacific Northwest:

11175 SW Elligsen Way
Sherwood, OR 97140
Ph: (503) 691-0250

20224 80th Ave South
Kent, WA 98032
Fax: (253) 872-6942

2824 East Garland
Spokane, WA 99207
Fax: (509) 483-7563

TORO®

Groundsmaster® 4000-D/4010-D

WIDE AREA ROTARY MOWERS

FEATURES

- 55 hp (41 kW) Yanmar® engine, Tier 4 Final Compliant, turbo-diesel engine
- Smart Power™ - optimized mowing in all conditions
- Foldable ROPS
- 11' (3.4 m) width of cut
- Full-time 4WD forward and reverse
- All-time traction assist assures full-time 4WD
- 0° uncut circle in turns
- SmartCool™ auto-reversing cooling fan
- HybridDrive™ cutting deck system delivers unmatched reliability
- 4-way adjustable seat and Air Ride Suspension
- InfoCenter™ displays simple operating info while monitoring machine health
- Integrated ControlHub™ with fingertip electronic controls
- Top and rear air intake for increased cooling
- Climate-controlled safety cab with air conditioning and heater (4010-D)
- Isolated operator platform for greater comfort and smoother ride

Operator-friendly and smart by design.

With Smart Power™ technology, high engine torque and patented, HybridDrive™ cutting deck system, the Groundsmaster 4000-D and 4010-D deliver power where you need it most – to cut grass, no matter how tough the conditions. With their excellent trimming capability, you'll maneuver around obstacles with ease. Both mowers can mow a 0° uncut circle, allowing you to mow back and forth patterns without leaving any uncut grass. The patented, parallel hydraulic traction system maintains consistent hydraulic flow between the front and rear wheels to assure full time 4-wheel drive. This allows you to mow with confidence, even on hills and wet grass.

toro.com/4000



Groundsmaster® 4010-D

Groundsmaster® 4000-D

**4
TIER****SMART POWER**



Groundsmaster® 4000-D/4010-D Specifications*



	GROUNDMASTER 4000-D, TIER 4 DIESEL, MODEL 30609 GROUNDMASTER 4010-D, TIER 4 DIESEL, MODEL 30636				
ENGINE	Yanmar® 4-cylinder, liquid-cooled, turbo-charged diesel. 127 cu. in. (2.1 liter) displacement. Engine rated at 55 hp (41 kW) net and 125 ft.-lbs. (169 Nm) torque at 2,000 rpm. 8 quart (7.6 liter) oil capacity. EPA Tier IV Final Compliant				
AIR CLEANER	Dry, replaceable primary and safety elements.				
RADIATOR	Rear-mount, cross-flow, 7-row, 6.3 fins per inch, 9 quart (8.5 liter) capacity.				
FUEL CAPACITY	21 gallons (79.5 liters) diesel fuel. Biodiesel-Ready for use up to B-20(20% biodiesel and 80% petroleum blend)				
TRACTION DRIVE	Parallel hydrostatic, closed loop system with full-time 4WD. Forward/reverse in low (mow) and high (transport) range with full-time, automatic traction assist (forward only) standard on Groundsmaster 4000-D models. Variable displacement piston pump with electronic servo control powers dual speed displacement piston motor drive into double reduction planetary in front, and mechanical axle in rear. SmartPower™ feature controls traction speed to maintain optimal cutting blade speed.				
HYDRAULICS/COOLING	8.75 gallon (33.1 liter) capacity with 10 micron remote spin-on filter. 9 row, single pass cooler, 6.3 fins per inch, that tilts out for cleaning. Variable speed radiator cooling fan with automatic (based on coolant and oil temps) and manual reversing capabilities.				
DIAGNOSTICS	Diagnostic pressure test ports: forward and reverse traction, left, center and right decks, reverse 4WD, lift, steering, charge and deck counterbalance circuits.				
GROUND SPEED	Transport: 0-16.2 mph (0-26.1 km/h) forward, 0-8.1 mph (0-13 km/h) reverse. Mow: 0-8.3 mph (0-13.4 km/h) forward, 0-4 mph (0-6.4 km/h) reverse.				
TIRES	Front: 26 x 12-12, 6-ply tubeless Multi-Trac. Rear: 20 x 10-10, 6-ply tubeless Multi-Trac.				
MAIN FRAME	All welded formed-steel frame with integral tie-down anchors.				
BRAKES	Mechanically actuated, internal wet disc brakes on input to each planetary drive. Individual foot-operated steering brake control of left and right wheel. Lock pedals together and latch to engage parking brake.				
SEAT	4-way adjustable, right armrest travels with seat and suspension.				
STEERING	Power steering with dedicated power source. Steering wheel tilts to desired operator position. Uncut circle: 0" diameter.				
INSTRUMENTATION	InfoCenter™: Onboard LCD display shows gauges, alerts/faults, service reminders, electrical system diagnostics. Indicates fuel level, coolant temp, intake temperature, low oil pressure, alternator, engine hours, engine rpm, hydraulic oil temperature, voltage				
CONTROLS	Tilt steering, ignition switch, throttle switch, foot-operated traction pedal, lockable individual brake pedals, parking brake lock, mow/transport speed selector switch, 3-two position switches for individual deck lift/lower, counterbalance adjustment, tow valves, cup holder, toolbox, radio holder, fan switch and 12-volt power outlet.				
CRUISE CONTROL	Standard				
ELECTRICAL	12-volt, 690 cold cranking amps battery, 80 amp alternator (4010-D). Overload protection with automotive type fuses.				
INTERLOCKS	Prevents engine from starting unless traction pedal is in neutral and deck is disengaged. If operator leaves seat while moving or deck is engaged, traction and / or deck stops, info center alarms and gives message. Mowing only permitted in low range. Traction not allowed if parking brake engaged and pedal moved out of neutral, info center alarms and gives message. Deck transport latches.				
GROUND CLEARANCE	6.5" (16.5 cm)				
OVERALL DIMENSIONS	Height 85" (216 cm) w/ROPS up 93.9" (237 cm) w/ cab	Length 135" (343 cm) w/decks down	Width 136" (346 cm) w/decks down	Transport Width 71" (180 cm) @ 2" (5 cm) HOC	Wheelbase 55.5" (140 cm)
WEIGHT	4205 lbs. (1907 kg) w/ full fluids (GM4000). 4759 lbs. (2159 kg) w/ full fluids (GM4010).				
SAFETY CAB (4010)	MODEL 30636: ROPS certified cab with heat, AC and the following standard features: climate system pressurized cab, heavy-duty pantograph front windshield wiper and washer, front windshield has 38" of visibility, interior mirror, fold away exterior side mirrors, molded front fenders, right and left doors and rear window have tinted (50%) glass, front and rear windows open, quick release window latches act as emergency exit, rubber sound isolator cab mounts and upholstered interior panels and headliner, textured neoprene floor mat, interior dome light.				
SAFETY	Complies with American National Standards Institute (ANSI B71.4-2012) and applicable ISO EN 5395 (CE) (machine directive 89/392, 91/368, 93/44, 84/538, 89/336) requirements; Optional lights. Meets ANSI/ASAE 5279.12 (Lighting and Marking of Agricultural Equipment on Highways). Foldable ROPS, ISO 21299 certified.				
SOUND PRESSURE OPERATOR EAR**	<80 dB when GM4010-D models (30636 & 30635) have "Quiet Mode" activated by Toro Distributor.				
WARRANTY	Two-year limited warranty. Refer to operator's manual for further details.				
ACCESSORIES	Work light, Road lights consisting of dual taillights, dual headlights, slow moving vehicle sign, turn signal, flasher and lights; Sunshade Beacon				
	CUTTING DECKS				
WIDTH OF CUT	Overall: 132" (335 cm), Front: 62" (157.5 cm), Wings: 42" (106.7 cm), Overlap: 7" (12.8 cm).				
MOWING RATE	Mows up to 11.0 acres/h (4.5 hectares/h) at 8.5 mph (13.4 km/h) (assumes no overlap or stops).				
CONSTRUCTION	Welded .100" (25 mm) steel with 7 and 10-gauge steel channel and plate reinforcements, bullnose bumpers.				
DECK DRIVE	Direct mounted hydraulic motor into spindle. Remaining spindle(s) driven by individual B section Kevlar belt. Quick release belt covers.				
HEIGHT-OF-CUT	1"-5" (25-127 mm) in .5" (13 mm) increments.				
SPINDLES	1.25" (3.17 cm) diameter spindle shafts, 9" (22.9 cm) diameter conical ductile iron housing, and 2 greaseable tapered roller bearings.				
BLADES	21.75" (55.2 cm) long, 2.5" (6.4 cm) wide, .25" (.64 cm) thick.				
CASTER WHEELS	8 x 3.50-4, 4-ply, smooth, pneumatic, sealed precision ball bearings.				
GROUND FOLLOWING	6" anti-scalp cups on each blade, adjustable skids on each deck, 4 anti-scalp rollers on front deck and 1 on each wing.				
WING PROTECTION	Bi-directional, impact absorption device on each wing deck.				
RECYCLER KIT	Model 30420 will convert decks into Guardian® Recycler® decks.				
MULCHING KIT	Model 30422.				
SKIDS	Reversible polymeric.				





ROTARY BROOM, MB MODEL HCT**	
TYPE	Windrow type, front mounted hydraulic broom with dual motors. Electric/hydraulic angling, 30° left and right.
BROOM SIZE	32" (81 cm) diameter x 60" (153 cm) wide.
BRUSH	Sectional brush with combination polypropylene/wire radial segments.
WEIGHT	460 lbs. (209 kg)
OPTIONS	Dirt Deflector, Storage Stands.



SUNSHADE	
UNIVERSAL MOUNT SUNSHADE	White, Model 30349
UNIVERSAL MOUNT SUNSHADE	Red, Model 30552



*Specifications and design subject to change without notice.

** Manufactured by M-B Companies Inc.

*** Manufactured by Erskine Attachments.

Note: The Toro Company does not manufacture or sell the snowthrower or rotary broom, nor does Toro guarantee these accessories in any manner whatsoever.



SNOWTHROWER ERSKINE MODEL 2000***	
STAGE	2
WIDTH OF CUT	61" (155 cm)
CUTTING HEIGHT	29" (74 cm)
CUTTING EDGE	3/8" x 3" (9.5 mm x 7.6 cm) bolt-on
SKID SHOES	Adjustable
AUGER DIAMETER	16" (41 cm) open flight
FAN DIAMETER	20" (51 cm) 4-blade
CHUTE ROTATION	Hydraulic 270°
SHEAR PROTECTION	Pressure relief
CASTING DISTANCE	Up to 30' (9.14 m)
APPROXIMATE SHIPPING WT.	850 lbs. (386 kg)
HOSES	Included

TWO-POST ROPS EXTENSION SYSTEM	
GM4000 MODELS	Fits Models 30605 or 30609
TWO-POST ROPS EXTENSION KIT	Base steel frame attached to existing ROPS and includes a white sunshade. Model 31352
EXTERIOR MIRROR	Quantity (1) Part Number 130-5448
INTERIOR MIRROR	Quantity (1) Part Number 130-5449
ABRASION-RESISTANT POLYCARBONATE WIND SCREEN	Improved resistance to golf ball impacts or vandalism. Model 31324
TEMPERED GLASS WINDSHIELD	Similar safety glass used in Toro all-season safety cabs. Model 31325
WINDSHIELD WIPER KIT FOR TEMPERED GLASS WINDSHIELD	For use with the tempered glass windshield only. Not for use with the polycarbonate wind screen. Model 31311
OPERATOR FAN & INTERIOR HEADLINER KIT	Overhead fan with adjustable speeds – mounts directly over operator. Part Number 132-3435
WIRE HARNESS KIT	Required for all electrical accessories such as wipers, lights and fan. Part Number 122-0729



2017 Commercial Technical Manuals and Parts Catalogs on USB Flash Drive

August 1, 2017

Action Required: Read, understand, and communicate to your service team.

Attachments: No attachments for this bulletin.

Announcement: Toro is pleased to announce that the following updated service reference is now available and may be ordered from your Distributor:

- 2017 Commercial Technical and Parts Manuals Flash Drive
Part Number 137-5215



The new **2017 Commercial Technical and Parts Manual Flash Drive** includes all currently available Commercial Service Manuals and all of the available Parts Catalogs for the 2017 line of Toro Commercial products.

Additionally included are:

- all currently available Tier 4 engine manuals,
- 13 maintenance guides and training courses from Toro University,
- a series of 7 Excelsior informational videos,
- 2 additional videos focused on fine-tuning the appearance of fairways,
- the 2017 Toro Performance Parts Catalog, and
- the 2017 Quick Service Reference book.

Some computers, tablets, and other devices may use a non-Acrobat reader program to view documents in PDF format. This flash drive is only compatible with Adobe Acrobat or Acrobat Reader.

See your local supporting distributor for price and ordering details.



AGENDA SUMMARY REPORT

SUBJECT: Consideration of Proposal to Adjust Solid Waste Rates, Hold a Public Hearing on the Proposed Adjusted Rates, and Adoption of Resolutions Establishing Adjusted Rates

DEPARTMENT: Finance

PREPARED BY: Daniel Buffalo

ATTACHMENTS:

[Attachment 1 - Resolution Adopting Transfer Station Tipping Fees](#)

[Attachment 2 - Resolution Adopting Solid Waste Collection Rates](#)

Summary: The Council will consider an adjustment to solid waste rates for the Ukiah Transfer Station and curbside collection, and hold a public hearing to allow for direct communication of rate payers with the Council over the proposed adjusted rate schedule.

Background: In 2016, the City Council adopted a new rate schedule for curbside solid waste collection and the Ukiah Transfer Station. Market conditions, however, have changed considerably, altering the financial model used to support solid waste collection, processing, disposal and recycling. The City's contract franchise hauler, Ukiah Waste Solutions, and transfer station operator, Solid Waste Systems, Inc. (collectively herein referred to as "Company") requested of the City a review of the current state of the market and submitted to it a proposal to address foreseen challenges. City management, working with the solid waste Ad Hoc committee (Ad Hoc) of the City Council (Brown/Mulheren), met with representatives from both firms on multiple occasions to review the evolving conditions in the recycling market, labor market, escalating equipment costs and the inability of the current CPI index used to adjust for inflation to keep up with the relevant economic environment for solid waste

RECOMMENDED ACTION: Consideration of Proposal to Adjust Solid Waste Rates, Hold a Public Hearing on the Proposed Adjusted Rates, and Adoption of Resolutions Establishing Adjusted Rates

BUDGET AMENDMENT REQUIRED: No

CURRENT BUDGET AMOUNT: N/A

PROPOSED BUDGET AMOUNT: N/A

FINANCING SOURCE: N/A

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH: Sage Sangiacomo, City Manager; Tim Eriksen, City Engineer/Public Works Director

Approved: _____


Sage Sangiacomo, City Manager

service, and evaluate the potential impacts to the Company and ratepayers. The result of those meetings is a recommendation by the Ad Hoc for Council to review and consider changes to the contracts with the Company as well as modifications of the current rate schedules for curbside solid waste collection and transfer station operation. As a requirement of Proposition 218 and the City's own proprietary rate setting requirements under Code section 3953, the City, in establishing revised rates for the mandatory collection of residential solid waste, must notify customers of the proposed rates, provide a period of time for them to submit written protests, and hold a public hearing to receive potential protests from affected rate payers and comments from the community.

Discussion: A significant portion of the revenue stream for any solid waste service provider comes from recyclable materials. The Company, in presenting their request for City review of its proposed changes to its contracts and rate structures, cited a dramatic change to market conditions in recycling. Effectively, what once was a viable market for recyclables - driven by demand from China - has been, and continues to be, diminishing greatly. China has begun rejecting many recycling waste streams from the United States and elsewhere. Items such as hard plastic, packaging materials, and various paper products have been or soon may be rejected at port by Chinese firms.

In developing new rate structures adopted by Council in 2016, recycling revenue was a significant component. Revenue lost from changing market conditions may put significant strain on the Company's finances, putting into question its ability to continue effectively providing service to Ukiah. Further, changes to its cost structure – not anticipated in its operations when developing the current rate structure and operating agreements – may put even greater financial strain on the Company. Specifically, these changes to cost include the following:

- Increased demand for buyback services requiring additional personnel
- Increased drive and wait time at the Potrero landfill
- Additional federal and state maintenance regulations at the transfer station
- Additional regulatory reporting requirements requiring additional personnel
- Substantial rising costs in replacement equipment
- Processing costs as more recycling streams are rejected by China.

A cleaner, higher quality recycling stream for remaining recyclables is required. To respond to these challenges and ensure financial solvency in a changing market, the Company requested an across-the-board increase to rates at the transfer station and for all curbside collection. Their proposal asked for changes ranging from 2.82% to 11%, as well as a change to the inflationary index used for subsequent rate changes over the succeeding five years. The City expressed concerns with this request and asked for additional information from the Company. It was provided, and the City made it available on its website, <http://www.cityofukiah.com/rate-increase-notices/>.

City management evaluated the proposal, finding merit in it; however, the solutions offered by the Company were considered to be inequitable to the ratepayers. The primary arguments for change in the transfer station and curbside collection rates were unanticipated costs and market changes to recycling. The latter would affect certain ratepayers more than others. City management returned to the Company its comments and concerns. Together, and working with the Ad Hoc, both parties revised the current rate structure that equitably applies to all residential and commercial ratepayers as well as those who choose to dispose of their solid waste directly at the transfer station.

From that, a compromised proposal was developed by the Company, supported by City management, and vetted by the Ad Hoc. It includes the following provisions:

1. Elimination of the 10- and 20-gallon residential can rate. Because of the limiting market with China, much of what is placed in the blue recycling may be diverted to the landfill in the future. Therefore, these can sizes might become insufficient for many customers to hold the actual waste produced, increasing the potential for

contamination, increasing processing costs, and diminishing the final recyclables quality needed to market the material. Further, lost revenue from recycling activities – used to support a lower rate for 10- and 20-gallon cans – now effectively requires ratepayers of larger can sizes to subsidize the smaller can ratepayers, a potential violation of Prop 218.

The minimum rate for ratepayers using 10- and 20-gallon sizes would be the same as for those using a 32-gallon can. Those customers can keep their smaller can sizes or change them to the 32-gallon size at any time.

Further, upon subsequent review by the Ad Hoc, it is recommended that Council establish a low-income senior financial assistance program to aid existing 10 and 20-gallon customers with 50 percent (50%) the cost of the rate adjustment. Similar guidelines used to establish eligibility for the low-income senior Public Benefit discount program in the electric utility will be used for this new program. Any current electric customer receiving the senior low-income electric discount will automatically be enrolled. Electric Public Benefit program enrollment with trash service of 10 or 20-gallon cans is 91 accounts at present. The program will be funded by the general fund and is estimated to cost between \$2,600 to \$7,500 annually.

2. Increase the minimum charge for curbside collection from \$5.25 to \$10.00. Proper solid waste disposal is required in the City of Ukiah. This fee is intended to ensure service is available to all residential customers. The low-income senior discount program would apply to this adjustment as well.

3. Change the inflationary index used to adjust rates in subsequent years from the Bureau of Labor Statistic (BOL) All-Cities index to the BOL “Water, Sewer and Trash” index. This aligns future potential rate adjustments to an index that is more specific to solid waste collection and disposal activities.

4. Adjust transfer station rates by 5.80%. To offset increased costs mentioned earlier, additional buyback / gate house employee, increased cost to use the Potrero Hills landfill, escalating equipment costs, and operating BMP’s (see Attachment 1 for rate schedule).

5. Decrease the residential solid waste curbside collection rate 1% for 32-, 68-, and 95-gallon cans. This change is intended to ensure that costs are equitably applied to rate payers after elimination of the 10- and 20-gallon cans. This is a reduction to rates for these can sizes.

6. Increase yard bin rates. These are optional services. Increases are to align to market and ensure Company covers cost fully in providing this service.

7. Increase commercial accounts 5.83% across the board in order to account for lost revenues in the recycling market and increased costs mentioned earlier.

8. Add enclosure fee on commercial accounts with structures housing receptacles in order to offset costs of driver having to manually open enclosures and re-position dumpsters for collection. This service and fee are not mandatory, as businesses may choose to lock/unlock the structures themselves.

9. New recycle credit/surcharge in order to account for current market values of processed recycle materials.

10. Execute the existing five-year option in the current agreement with the Company and include another 5-year option. This is to align the agreement term with the Company for curbside collection with that of the transfer station lease.

11. Restart the five-year clock on the rates structure. Best practice in establishing rates under Prop 218 is to identify a five-year rate structure, account for potential changes related to inflationary factors and other concerns, and give the ratepayer sufficient notice to plan for such potential changes. Further, the Ad Hoc recommends amending the current agreements with the Company to include changes to the rate, options to

extend, changes to the inflationary index used, and to strengthen language outlining the Company's requirements to provide marketing and educational materials and resources to customers regarding recycling and proper solid waste disposal.

All other provisions of the current agreements with the Company will remain in effect. Even after these proposed adjustments to rates (see Attachment 2), the curbside collection rates in the City of Ukiah would remain competitive to other similar communities, such as the unincorporated areas of the Ukiah Valley, Willits, Fort Bragg, Clearlake, and Lakeport. From a simple market analysis provided by the Company, a 32-gallon can customer in Ukiah would pay between 7 - 68% percent less than a customer in a neighboring community for the same service. The recommendation of the Ad Hoc is to approve this proposal as recommended by staff and, additionally, create a program to offer assistance to low-income seniors with existing 10 or 20-gallon cans that would pay for one-half to cost of the rate adjustment.

Customers were notified by mail of the proposed changes and given a 45-day "protest period" during which the City may receive written protests. Written protests may be submitted before or at this public hearing. They may be hand delivered, mailed to the City Clerk or personally submitted at the City Council meeting prior to the close of the Public Hearing. To be valid, protests must be in writing, state opposition to the proposed rate increase, and include the property owner's or customer's name and address, as well as the parcel number or address of the property served. Protests must be signed by the property owner or by the tenant directly responsible for payment of the fees subject to the proposed increase. Only one protest will be counted per parcel. While oral comments at the public hearing are welcome, those comments will not qualify as a valid written protest.

As of the date of this staff report, 75 protests have been received. All written protests received can be found here: <https://cityofukiah.app.box.com/folder/40884007078>. The threshold needed for protests to preempt a Council decision on the proposal is fifty percent plus one (a simple majority) of residential City parcels. Staff will continue to perform a validation process for each written protest.

RESOLUTION NO. 2017-**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UKIAH ADOPTING A REVISED RATE SCHEDULE FOR THE UKIAH TRANSFER STATION FOR FIVE-YEAR PERIOD COMMENCING JANUARY 1, 2018- DECEMBER 31, 2022****WHEREAS:**

1. Solid Waste Systems of Ukiah, Inc. ("Company") operates a Transfer Station on Plant Road near Ukiah for the receipt and processing of solid waste ("Operations") from City of Ukiah ("City") and County of Mendocino franchised waste haulers and self-haulers, pursuant to the Second Amended and Restated Transfer Station Agreement ("Transfer Station Agreement"), dated October 7, 2015; and

2. Section 6.1 of the Transfer Station Agreement adopted rates ("Tipping Fees") for Operations, as described in Section 4. Section 6.2 provides for annual modification of Tipping Fees based on increases or decreases in the Consumer Price Index, the Fuel Index and Pass-through Costs. Pass-through Costs include the cost of disposing of solid waste received at the Transfer Station at a properly licensed solid waste landfill; and

3. Section 6.4 of the Transfer Station Agreement provides that every five years, beginning no later than April 2, 2016, for the rates effective on January 1, 2018, and every five years thereafter, the City shall conduct a review of the Tipping Fees to determine whether the automatic annual adjustments adequately account for the actual increases or decreases in the Company's reasonable operating costs; and

4. In conducting the five-year rate review the City may conduct such investigation as it deems appropriate and the Company must cooperate with that investigation which may include the inspection and copying of Company records and a Review or Audit of the Company's financial records by City retained Certified Public Accountant ("CPA"); and

5. In the Collection Agreement, the City and the Company have agreed that the five-year rate review shall be conducted in accordance with the procedures and standards in Proposition 218 (California Constitution, Article 13D, Section 6); and

6. The City staff and its retained CPA conducted an investigation they deemed appropriate, including a review of the Company's financial records and proposal for rate changes based on market conditions and increased costs; and

7. The results of the investigation and the staff's recommendations, including the data relied upon and the staff's analysis and recommendations, were summarized in the Agenda Summary Report for the City Council meeting on October 4, 2017, and have been publically available on the City's website at <http://www.cityofukiah.com/rate-increase-notices/>; and

8. This same information is deemed a "City Manager's Report" and recommendation pursuant to Ukiah City Code Section 3952; and

9. The proposed adjustments in the Transfer Station Rates are reflected as a Pass-through cost in the notice and rate schedule for the City's curbside waste collection rates which are scheduled for hearing on December 6, 2017; and

10. Forty-five (45) days prior to the hearing scheduled for December 6, 2017, the City has provided direct mail notice of the proposed curbside collection rates to every owner of property in the City, as listed on the Mendocino County tax records, and every customer of curbside waste collection services in the City; and

10. The City Clerk has published notice in the Ukiah Daily Journal of the proposed Tipping Fee adjustments in compliance with Ukiah City Code Section 3954; and

11. After conducting the hearing on December 6, 2017, and considering all of the evidence, statements and arguments presented during the hearings, the City Council determined that the proposed rate schedule, attached hereto as Exhibit A ("Initial Rate Schedule") provides reasonable rate adjustments which are fair to both the Company and the ratepayers;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Ukiah hereby adopts the Initial Rate Schedule, as set forth in Exhibit A.

BE IT FURTHER RESOLVED that the rate schedule adopted by this Resolution shall be effective on January 1, 2018. All prior rate schedules in conflict herewith are repealed upon the effective date of the new schedule. All other contract conditions for service remain unaltered and in full effect and the City Clerk shall cause the publication of this resolution in the Ukiah Daily Journal within 10 days following Council action on December 6, 2017, pursuant to the provisions of Section 3957 of the Ukiah City Code.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Ukiah on the 6th day of December 2017, by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

ATTEST:

_____, Mayor

Kristine Lawler, City Clerk

Solid Wastes Systems, Inc.
Transfer Station Rate Schedule
Effective Date January 1, 2018

<u>Item</u>	<u>NEW 2018 Rate Rounded</u>
MSW - Ton	\$98.30
MSW - Yard	\$21.90
Minimum Gate Fee - MSW	Up to 3 cans \$10.95
Per Can Rate - 32 gallon	After 3 cans \$3.65
Green Waste - Ton	\$45.60
Green Waste - Yard	\$6.65
Minimum Gate Fee - Green Waste	\$6.55
Mixed Load - Additional Charge	\$20.40
Appliances	\$11.20
Oil Filters - Small	\$0.40
Oil Filters - Medium	\$0.70
Oil Filters - Large	\$1.00
Concrete - Ton	\$71.50
Dirt - Ton	\$71.50
Sheetrock - Clean	\$45.60
Sheetrock - Dirty	\$71.50
Tires - Bicycle	\$1.30
Tires - Motorcycle	\$2.50
Tires - Passenger Car	\$3.75
Tires - Passenger Car with Rim	\$5.85
Tires - Truck	\$7.90
Tires - Truck with Rim	\$10.70
Tires - Tractor	47.10 - 356.40
E-Waste - Computers	No Charge
E-Waste - Monitors	No Charge
Scrap Metal	No Charge

RESOLUTION NO. 2017-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UKIAH ADOPTING SOLID WASTE COLLECTION RATE SCHEDULE ADJUSTMENTS FOR FIVE-YEAR PERIOD COMMENCING JANUARY 1, 2018- DECEMBER 31, 2022

WHEREAS:

1. The City of Ukiah ("City") provides solid waste collection services to residents and businesses in the City through a First Amended and Restated Waste Collection Agreement ("Collection Agreement"), dated October 7, 2015, between the City and Ukiah Waste Solutions, Inc. ("Company"); and

2. Section 6.1 of the Collection Agreement adopted rates for the waste collection services described in Section 5 of the agreement and Section 6.2 provides for annual modification of those rates based on increases or decreases in the Consumer Price Index, the Fuel Index and Recycling Reduction and Pass-through Costs. Pass-through Costs include the cost of disposing of collected solid waste at the Ukiah Transfer Station; and

3. Section 6.4 of the Collection Agreement provides that every five years, beginning no later than April 2, 2016, for the rates effective on January 1, 2018, and every five years thereafter, the City shall conduct a review of the rates to determine whether the automatic annual adjustments adequately account for the actual increases or decreases in the Company's reasonable operating costs; and

4. In conducting the five-year rate review the City may conduct such investigation as it deems appropriate and the Company must cooperate with that investigation which may include the inspection and copying of Company records and a Review or Audit of the Company's financial records by City retained Certified Public Accountant ("CPA"); and

5. In the Collection Agreement, the City and the Company have agreed that the five-year rate review shall be conducted in accordance with the procedures and standards in Proposition 218 (California Constitution, Article 13D, Section 6); and

6. The City staff and its retained CPA conducted an investigation they deemed appropriate, including a review of the Company's financial records and proposal for rate changes based on market conditions and increased costs; and

7. The results of the investigation and the staff's recommendations, including the data relied upon and the staff's analysis and recommendations, were summarized in the Agenda Summary Report for the City Council meeting on October 4, 2017, and have been publically available on the City's website at <http://www.cityofukiah.com/rate-increase-notices/>; and

8. This same information is deemed a "City Manager's Report" and recommendation pursuant to Ukiah City Code Section 3952; and

9. At least forty-five (45) days prior to the hearing scheduled for December 6, 2017, the City has provided direct mail notice, a true and correct copy of which is attached hereto as Exhibit A, to every owner of property in the City, as listed on the Mendocino County tax records, and every customer of curbside waste collection services in the City; and

10. The City Clerk has published notice in the Ukiah Daily Journal of the proposed rate adjustments in compliance with Ukiah City Code Section 3954; and

11. After conducting the hearing on December 6, 2017, the City received _____ written protests to the proposed rate schedule, which was less than 50% of the affected property owners; and

12. After conducting the hearing on December 6, 2017, and considering all of the evidence, statements and arguments presented during the hearing and considering the written protests filed pursuant to Proposition 218, the City Council determined that the proposed initial rate schedule, attached hereto as Exhibit B ("Initial Rate Schedule") complies with Proposition 218 and that said rates provide reasonable rate adjustments which are fair to both the Company and the ratepayers;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Ukiah hereby adopts the Initial Rate Schedule, as set forth in Exhibit B, subject to final consideration thereof at a hearing on December 6, 2017.

BE IT FURTHER RESOLVED that the rate schedule adopted by this Resolution shall be effective on January 1, 2018, unless otherwise ordered by the City Council on December 6, 2017. All prior rate schedules in conflict herewith are repealed upon the effective date of the new schedule. All other contract conditions for service remain unaltered and in full effect.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Ukiah on the 6th day of December 2017, by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

ATTEST:

_____, Mayor

Kristine Lawler, City Clerk

City of Ukiah

**NOTICE OF PUBLIC HEARING ON PROPOSED SOLID WASTE COLLECTION AND DISPOSAL SERVICE
RATE SCHEDULE ADJUSTMENTS
(Please share this information with tenants)**

Hearing Date & Time: December 6, 2017 at 6:15 p.m. or as soon thereafter as possible

**Hearing Location: City of Ukiah, Council Chambers
300 Seminary Avenue, Ukiah, CA 95482**

The City of Ukiah City Council ("City") will conduct a public hearing on December 6, 2017, on proposed increases in the monthly solid waste collection and disposal (solid waste) rates applicable to all parcels in the City of Ukiah, including the parcel for which you are shown as the property owner of record based on the County of Mendocino 2016/17 Secured Tax Roll, and/or at which you are shown as the customer billed for solid waste service. If adopted, the rate increases will be reflected on utility bills dated on or after January 1, 2018, and for bills issued on or after January 1, 2019, 2020, 2021, and 2022.

This Notice of Public Hearing provides information regarding the proposed rate adjustment to the City's solid waste collection and disposal service customers pursuant to the requirements of California Constitution Article XIII D Section 6 (commonly referred to as Proposition 218). The proposed rate adjustments will be presented to the City Council for consideration and possible adoption on December 6, 2017, commencing at 6:15 p.m. in the Council Chambers located at 300 Seminary Avenue. This notice also provides information on how rates are calculated, the reasons for the proposed rate adjustments, how customers can receive more information on the effect of the proposed rate adjustments on their solid waste collection and disposal service, and how to file a protest against the proposed rate adjustments. At the public hearing, the City Council will consider all written protests against the proposed fee or charge, and all other comments submitted in writing prior to the hearing or expressed during the hearing.

The Amount of the Fee Imposed on Each Parcel:

The proposed rates, as of January 2018, are outlined in the Schedule A below. During the next four years, including January 2019, January 2020, January 2021, and January 2022 the rates may increase or decrease based on the following changes to indexes and pass-through costs: (1) the percentage change in the Consumer Price Index, "Water and Sewer and Trash Collection Services" ("CPI") over the previous year June over June, (2) the percentage change, June over June of the previous year, in the Energy Information Administration Petroleum & Other Liquids index over the base year ending June 30, 2015, (3) any changes to the gate fee at the Ukiah Transfer Station, (4) any changes to costs paid by the franchisee to process recyclables, and (5) changes in regulatory fees, all in accordance with the Contract for Collection, Transportation and Disposal of Garbage, Refuse and Rubbish and Recycling of Recyclable Materials from within the City of Ukiah ("Waste Collection Contract") between the City and Ukiah Waste Solutions, Inc., a private company. After the January 2017 rate increase, the rates will automatically increase or decrease each year in accordance with the Waste Collection Contract, which will be available for inspection at the Civic Center.

The Reason for and Basis Upon Which the Fee Increase was Calculated:

Ukiah Waste Solutions (UWS), the City's franchised solid waste collector, has requested rate increases pursuant to Section 6.5 of the Waste Collection Contract based on cost increases and revenue decreases which are solely the result of extraordinary circumstances beyond the control of UWS that it could not have been reasonably anticipated and which unavoidably adversely affect its opportunity to operate at a reasonable profit. The rate increases identified in Schedule A were calculated after considering the franchisee's rate request, studying the reviewed financial statements and carefully evaluating the changes in costs to meet regulatory requirements, the recycling market, transportation, and other operating costs of Ukiah Waste Solutions for the year ending December 31, 2016 and two quarters ending June 30, 2017. Further detail on how these rates were calculated is available on the City's website at <http://www.cityofukiah.com>.

Submit a Written Protest: City Clerk, 300 Seminary Avenue, Ukiah, CA 95482

An owner or tenant of property receiving solid waste service from the City may protest the proposed solid waste collection and disposal rates by submitting a written protest by mail or in person to the City Clerk. Written protests must be received (not postmarked) by the City Clerk before or during the public hearing. Any protest submitted by e-mail or other electronic means will not be accepted. To be valid, protests must be signed by the property owner or tenant, and must identify the property by street address or Mendocino County Assessor's Parcel Number of the property receiving solid waste service. Only one written protest per identified parcel or property will be counted for purposes of determining whether there is a majority protest. In accordance with California Constitution, Article 13D, Section 6(a)(2), if, by the close of the public hearing, written protests against the proposed solid waste collection and disposal rates are filed by a majority of the affected property owners, the City Council will not approve the proposed solid waste rates. The City reserves the right to verify whether any person filing a protest is an owner or a renter legally obligated to pay the fee. To assist with this verification, the City requests inclusion of the applicable utility account number on the protest.

Notice of Public Hearing – Solid Waste Collection and Disposal Service Rate (continued)

The following schedule indicates the existing and proposed monthly solid waste service rates for residential service to each parcel in the City of Ukiah, beginning January 1, 2018:

SCHEDULE A

Effective Date January 1, 2018

SUMMARY OF RATE ADJUSTMENT FOR STANDARD SERVICES

YEAR 2018 Service Level	Current 2017 Rate	New 2018 Rate	Total Monthly Adjustment
<u>Curbside Service</u>			
No Service Minimum Charge	\$ 5.25	\$ 10.00	\$ 4.75
10 gallon can rate*	\$ 5.25	N/A	\$ -
20 gallon can rate*	\$ 10.48	N/A	\$ -
32 gallon can rate	\$ 18.82	\$ 18.63	\$ (0.19)
68 gallon can rate	\$ 44.47	\$ 44.03	\$ (0.44)
95 gallon can rate	\$ 62.65	\$ 62.02	\$ (0.63)
Other combinations - rate per gallon	\$ 0.73	\$ 0.73	\$ -
1 yard bin rate	\$ 124.55	\$ 131.80	\$ 7.25
1.5 yard bin rate	\$ 147.17	\$ 155.74	\$ 8.57
2 yard bin rate	\$ 196.25	\$ 207.67	\$ 11.42
3 yard bin rate	\$ 294.35	\$ 311.48	\$ 17.13
4 yard bin rate	\$ 392.47	\$ 415.31	\$ 22.84
6 yard bin rate	\$ 588.71	\$ 622.97	\$ 34.26
<u>Packout Service</u>			
32 gallon can rate	\$ 23.06	\$ 24.40	\$ 1.34
68 gallon can rate	\$ 54.16	\$ 57.31	\$ 3.15
95 gallon can rate	\$ 78.24	\$ 82.79	\$ 4.55
Other combinations - rate per gallon	\$ 0.84	\$ 0.89	\$ 0.05
<u>Remote Area Service</u>			
Add to the Packout Service rate.	\$ 7.69	\$ 8.14	\$ 0.45
In areas with limited access, an additional fee is charged to fund the costs of special equipment and special handling necessary to provide garbage pickup services. This fee is in addition to the "Packout Service" fee listed in this schedule.			

*10 and 20-gallon containers and rates will no longer be available to new customers, effective January 1, 2018. Existing customers with these containers may continue to use them at the new 32-gallon can rate or receive a 32-gallon replacement.

EXHIBIT B

Effective Date January 1, 2018

SUMMARY OF RATE ADJUSTMENT FOR STANDARD SERVICES

Service Level	YEAR 2018	New 2018 Rate
<u>Curbside Service</u>		
No Service Minimum Charge		\$ 10.00
10 gallon can rate*		N/A
20 gallon can rate*		N/A
32 gallon can rate		18.63
68 gallon can rate		44.03
95 gallon can rate		62.02
Other combinations - rate per gallon		0.73
1 yard bin rate		131.80
1.5 yard bin rate		155.74
2 yard bin rate		207.67
3 yard bin rate		311.48
4 yard bin rate		415.31
6 yard bin rate		622.97
<u>Packout Service</u>		
32 gallon can rate		24.40
68 gallon can rate		57.31
95 gallon can rate		82.79
Other combinations - rate per gallon		0.89
<u>Remote Area Service</u>		
Add to the Packout Service rate.		8.14

In areas with limited access, an additional fee is charged to fund the costs of special equipment and special handling necessary to provide garbage pickup services. This fee is in addition to the "Packout Service" fee listed in this schedule.

*10 and 20-gallon containers and rates will no longer be available to new customers, effective January 1, 2018. Existing customers with these containers may continue to use them at the new 32-gallon can rate or receive a 32-gallon replacement.

<u>Commercial / Multi-Family Service</u>		
10 gallon can rate*		20.68
20 gallon can rate*		20.68
32 gallon can rate		20.68
68 gallon can rate		48.87
95 gallon can rate		68.87
1 yard bin rate		131.80
1.5 yard bin rate		155.74
2 yard bin rate		207.67
3 yard bin rate		311.48
4 yard bin rate		415.31
6 yard bin rate		622.97



AGENDA SUMMARY REPORT

SUBJECT: Continued Public Hearing and Possible Adoption of a Resolution to Establish the Gobbi Street Underground District No. 3. Gobbi Street from Orchard Avenue to State Street Including Sections of Main Street, Marshall Street and Leslie Street, Its Boundaries and Proposed Schedule (EUD)

DEPARTMENT: Electric Utility

PREPARED BY: Diann Lucchetti

ATTACHMENTS:

[Attachment 1 - Gobbi Boundary Map - State Street to Orchard Avenue, Including Marshall](#)

[Attachment 2 - Gobbi Street Boundary Discription](#)

[Attachment 3 - Gobbi Street Timeline](#)

[Attachment 4 - Resolution - Gobbi Street Underground District No. 3](#)

Summary: The City Council will conduct a continued Public Hearing to consider adopting a resolution establishing the Gobbi Street Underground District No. 3 along Gobbi Street from Orchard Avenue to State Street including sections of Main Street, Marshall Street and Leslie Street, approve its boundaries and proposed schedule. (EUD)

Background: Pursuant to City Code Sections 3800-3841, the City Council can establish an Underground District to require the utility companies to remove or underground overhead facilities including wires, poles and other associated equipment within a specified area and time schedule. On September 4, 2013, the Ukiah City Council provided direction to the Electric Utility Department for developing and prioritizing six overhead to underground conversion projects with the most recent project, Perkins Street Underground District No. 2 being

RECOMMENDED ACTION: Adopt Resolution establishing Gobbi Street Underground District No. 3, and approve boundaries and proposed timeline.

BUDGET AMENDMENT REQUIRED: No

CURRENT BUDGET AMOUNT: N/A

PROPOSED BUDGET AMOUNT: N/A

FINANCING SOURCE: N/A

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH: David Rapport, City Attorney

Approved:

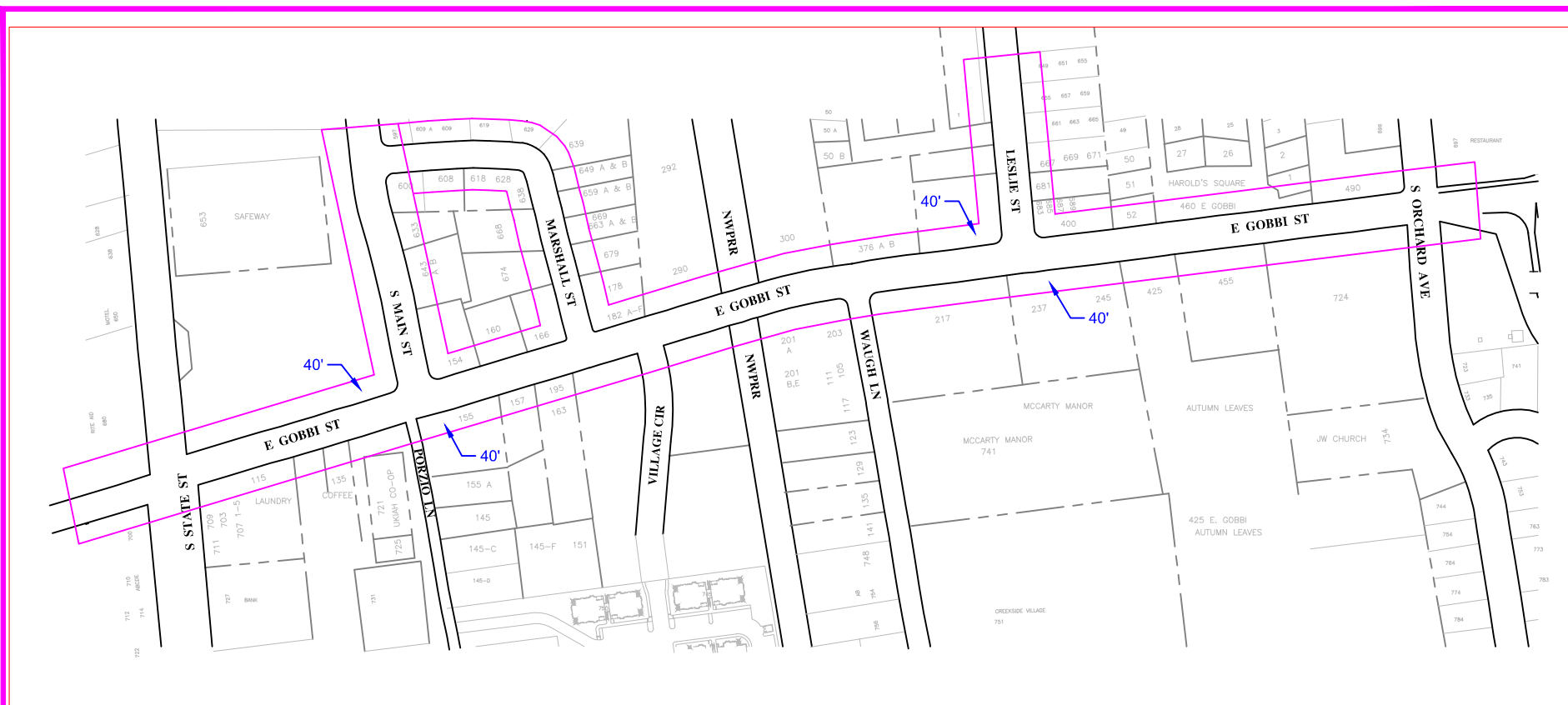

Sage Sangiacomo, City Manager

completed in August of this year.

Discussion: On November 15, 2017, the City Council commenced a noticed public hearing to establish Underground District No. 3. At that hearing the City Council requested the revision of the boundary map of the proposed District (Attachment 1) to include Marshall Street.

The proposed District, as described in Attachment 1 – Map of District, and Attachment 2 – District Boundary Description, if established will require overhead facilities including electric, cable TV and telephone facilities along Gobbi Street to be removed or undergrounded. A boundary description reflecting a 40 foot district setback from roadway right-of-way lines is attached (Attachment 3). The project also includes the removal of power poles, anchors, down guys and associated overhead equipment. Additionally, the existing street light system mounted on wood poles with interconnecting overhead wires, will be replaced with LED luminaires mounted on steel street light poles with underground supply lines. A significant amount of underground conduit is already in place so only limited trenching and conduit placement is necessary in the street. Additional trenching will occur from the right-of-way to the service equipment on each parcel. All disturbed areas will be restored to the condition they were in prior to the undergrounding. Staff recommends that all utilities within the proposed District boundaries be required to jointly pay their allocated costs for the underground service and for customer equipment adaption costs to receive underground service.

Staff is recommending the approval of boundaries, timeline and the adoption of the Resolution (Attachment 4). The Resolution includes the revised “Exhibit 1” to include the recommended boundary revision per the request of the City Council on November 15, 2017.



Drawing name: C:\Users\AF\Documents\AutoCAD Files\City of Ukiah\Gobbi St State to Orchard\Gobbi Boundary Map - State to Orchard 8.5x11.dwg Plotted on: Nov 20, 2017 - 3:07pm



CITY OF UKIAH

ELECTRIC
UTILITY
DEPARTMENT

LOCATION GOBBI STREET - STATE ST TO ORCHARD AVE

W.O. NO. -

GRID NO. 14

DESCRIPTION GOBBI STREET UNDERGROUND DISTRICT #3

SCALE NO SCALE

PROPOSED BOUNDARY

AS BUILT

DRAWN BY AMS CHECKED BY APPROVED BY

DATE -

CITY OF UKIAH UNDERGROUND DISTRICT NO. 3
BOUNDARY DESCRIPTION
GOBBI STREET – STATE STREET TO ORCHARD AVENUE

Starting at a point 100' West of the Westerly right-of-way line of State Street and 40' North of the Northerly right-of-way line of Gobbi Street; thence Easterly, parallel with the Northerly right-of-way line of Gobbi Street to a point 40' West of the Westerly right-of-way line of Main Street; thence Northerly 130', parallel with the Westerly right-of-way line of Main Street; thence Easterly, to 40' East of the Easterly right-of-way line of Main Street; thence Southerly 130', parallel with the Eastern right-of-way line of Main Street to 40' North of the Northerly right-of-way line of Gobbi Street; thence Easterly parallel with the Northerly right-of-way line of Gobbi Street to 40' West of the Westerly right-of-way line of Marshall Street; thence Northerly parallel with the Westerly right-of-way line to Main Street; thence Northerly to 40' North of the Northerly right-of-way line of Marshall Street; thence Easterly parallel with the Easterly right-of-way line of Marshall Street to 40' North of the Northerly right-of-way line of Gobbi Street; thence Easterly parallel with the Northerly right-of-way line of Gobbi Street to 40' West of the Westerly right-of-way line of Leslie Street; thence Northerly 330', parallel with the Westerly right-of-way line of Leslie Street; thence Easterly to 40' East of the Easterly right-of-way line of Leslie Street; thence Southerly 330', parallel with the Easterly right-of-way line of Leslie Street to 40' North of the Northerly right-of-way line of Gobbi Street; thence Easterly, parallel with the Northerly right-of-way line of Gobbi Street to 70' East the Easterly right-of-way line of Orchard Avenue; thence Southerly to 40' South of the Southerly right-of-way line of Gobbi Street; thence Westerly, parallel with the Southerly right-of-way line of Gobbi Street to 100' past the Westerly right-of-way line of State Street; thence Northerly, to the point of beginning.

GOBBI STREET
OVERHEAD TO UNDERGROUND CONVERSION
PROPOSED TIMELINE

Winter 2017/Fall 2018	Project Design and Easement Procurement.
Fall/Winter 2018	City Council Award Bid.
Spring/Summer 2019	Underground Utility Construction.
Summer/Fall 2019	Ukiah Electric Utility Department install underground facilities.
Fall 2019	Ukiah Electric Utility Department to remove overhead facilities.
Fall/Winter 2019	AT&T and Comcast install underground facilities.
Spring 2020	AT&T to remove poles.

RESOLUTION NO. 2017-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UKIAH ESTABLISHING THE BOUNDARIES AND OTHER PROVISIONS OF UNDERGROUND DISTRICT NO. 3- ALONG GOBBI STREET FROM STATE STREET TO ORCHARD AVENUE

WHEREAS,

1. On November 3, 2017, in accordance with UCC §3810, notice was given to affected property owners as shown on the last equalized assessment roll that on November 15, 2017, the City Council would conduct a public hearing on the creation of a new Underground District to be known as Underground District No. 3, which would encompass both sides of Gobbi Street between Orchard Avenue and State Street; and
2. At the hearing on November 15, 2017, the City Council requested the addition of property on Marshall Street to Underground District No. 3. The hearing was continued to December 6, 2017, to allow notice to be given to property owners on Marshall Street. On November 21, 2017, notice was given to owners of affected property on Marshall Street as shown on the last equalized assessment roll. The boundaries of Underground District No. 3, including Marshall Street, are more fully described in the attached **Exhibit 1**; and
3. Under UCC Sections 3811 and 3820, when the City Council establishes an underground district, it must fix the time within which the removal of poles, overhead wires and associated overhead structures and the underground installation of these facilities shall be completed and when affected property owners must be ready to receive underground service; and
4. On December 6, 2017, the City Council conducted the continued public hearing in accordance with UCC §3810, to consider establishing Underground District No. 3, its proposed boundaries and the schedule for completing the undergrounding of overhead facilities, including by utilities and property owners within the proposed District. The City Council also considered whether the public necessity, health, safety or welfare requires the removal of poles, overhead wires and associated overhead structures and the underground installation of wires and facilities for supplying electric, communication or similar or associated service within the boundaries, as depicted and described in the attached **Exhibit 1**; and
5. At least ten (10) days prior to the scheduled hearing, notice of such hearing was given to all affected property owners as shown on the last equalized assessment roll and all affected utilities in the manner and for the time required by law; and
6. Such hearing has been duly and regularly held and all persons interested have been given an opportunity to be heard;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The City Council finds that:

- a. Gobbi Street has been designated as a primary gateway into the City, provides access from U.S. Highway 101 through important commercial areas to the historic downtown business district, and accordingly passes through a civic area of unique scenic interest to the general public.
- b. The undergrounding to be accomplished will avoid or eliminate an unusually heavy concentration of overhead distribution facilities.
- c. Gobbi Street is extensively used by the general public and carries a heavy volume of pedestrian and vehicular traffic.
- d. The public necessity, health, safety and welfare require the removal of poles, overhead wires and associated overhead structures and the underground installation of wires and facilities for supplying electric, communication or similar or associated service within the boundaries of Underground District No. 3, as described in the attached **Exhibit 1**.

2. Based on the foregoing findings:

- a. The removal and undergrounding of electrical facilities as herein provided shall apply to all of Underground District No. 3, as described in **Exhibit 1**.
- b. All poles, overhead wires and associated overhead structures shall be removed and underground installation made in Underground District No. 3 within the following times and in the following manner:

(1) Underground installation by the utility companies, including the City of Ukiah Electric Department, AT&T and Comcast shall be completed by spring, 2020;

(2) Said utilities shall share equally the costs associated with undergrounding their facilities within the public right of way, including, but not limited to, the costs of removing poles and overhead wires and related facilities, furnishing and installing conduits, conductors and associated equipment, and of trenching, compacting, backfilling, and paving over said facilities;

(3) With permission of the property owner, the City Electric Department and the other utilities furnishing service to the property, including AT&T and Comcast, at the expense of the utilities, will install up to 100 feet of underground service lines and related equipment from the public right-of-way for Gobbi Street to the service equipment on the property. If the property owner does not consent in a form and within the time satisfactory to the Director of the Electric Department or his or her designee, the property owner shall install

those facilities at his or her expense in compliance with specifications and project timeline adopted by the Electric Department.

3. By no later than 10 days after the adoption of this Resolution, the City Clerk shall mail a copy of this resolution and a copy of Ukiah City Code Sections 3800-3855 to affected property owners as shown on the last equalized assessment role and to affected utilities.

PASSED AND ADOPTED on December 6, 2017, by the following roll call vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

_____, Mayor

ATTEST:

Kristine Lawler, City Clerk

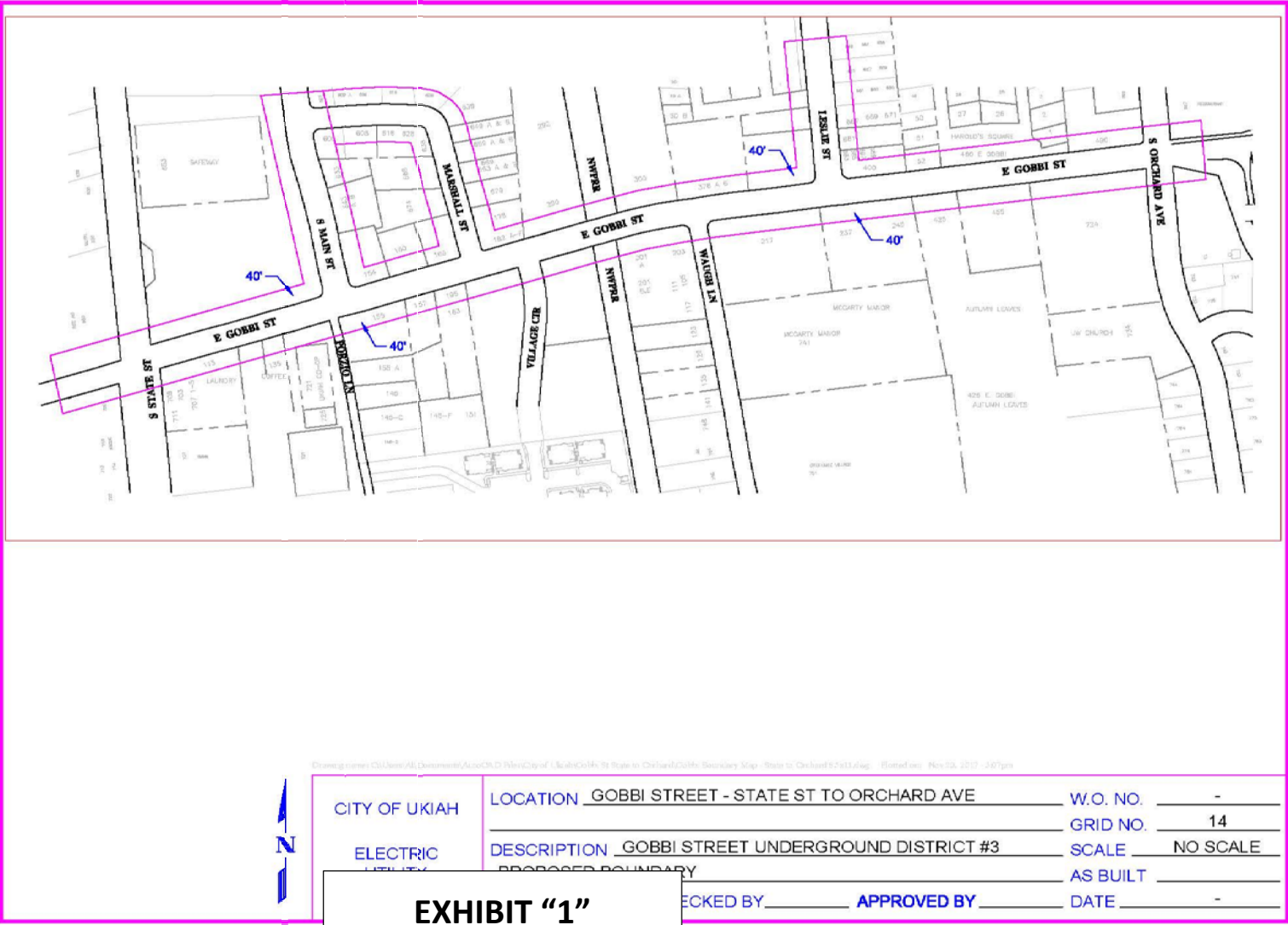
EXHIBIT “1”

CITY OF UKIAH UNDERGROUND DISTRICT NO. 3

BOUNDARY DESCRIPTION

GOBBI STREET – STATE STREET TO ORCHARD AVENUE

Starting at a point 100' West of the Westerly right-of-way line of State Street and 40' North of the Northerly right-of-way line of Gobbi Street; thence Easterly, parallel with the Northerly right-of-way line of Gobbi Street to a point 40' West of the Westerly right-of-way line of Main Street; thence Northerly 130', parallel with the Westerly right-of-way line of Main Street; thence Easterly, to 40' East of the Easterly right-of-way line of Main Street; thence Southerly 130', parallel with the Eastern right-of-way line of Main Street to 40' North of the Northerly right-of-way line of Gobbi Street; thence Easterly parallel with the Northerly right-of-way line of Gobbi Street to 40' West of the Westerly right-of-way line of Marshall Street; thence Northerly parallel with the Westerly right-of-way line to Main Street; thence Northerly to 40' North of the Northerly right-of-way line of Marshall Street; thence Easterly parallel with the Easterly right-of-way line of Marshall Street to 40' North of the Northerly right-of-way line of Gobbi Street; thence Easterly parallel with the Northerly right-of-way line of Gobbi Street to 40' West of the Westerly right-of-way line of Leslie Street; thence Northerly 330', parallel with the Westerly right-of-way line of Leslie Street; thence Easterly to 40' East of the Easterly right-of-way line of Leslie Street; thence Southerly 330', parallel with the Easterly right-of-way line of Leslie Street to 40' North of the Northerly right-of-way line of Gobbi Street; thence Easterly, parallel with the Northerly right-of-way line of Gobbi Street to 70' East of the Easterly right-of-way line of Orchard Avenue; thence Southerly to 40' South of the Southerly right-of-way line of Gobbi Street; thence Westerly, parallel with the Southerly right-of-way line of Gobbi Street to 100' past the Westerly right-of-way line of State Street; thence Northerly, to the point of beginning.





AGENDA SUMMARY REPORT

SUBJECT: Public Hearing to Consider Adoption of a Resolution Amending the Fee Schedule for the Planning and Building Divisions of the Community Development Department, Including Renewal of Cannabis Related Business Use Permits, Recorded Subdivision Map Modifications, and a Minimum Building Permit Fee

DEPARTMENT: Community Development

PREPARED BY: Craig Schlatter

ATTACHMENTS:

[Attachment 1 - Community Development Department Fee Resolution and Schedule](#)

[Attachment 2 - Community Development Department Fees Analysis 11-29-17](#)

Summary: Council to consider adoption of a resolution amending the fee schedule of the Planning and Building Divisions of the Community Development Department.

Background: On June 1, 2016, the City Council adopted a resolution updating the Planning and Building fee schedule. The Council requested a review and update by Staff one year after the adoption of the new fee schedule.

During the period since June 1, 2016, the City Council adopted two Ordinances establishing tasks that require additional Planning Division staff time to complete - the Cannabis Related Business Use Permit Renewal and the Recorded Subdivision Map Modification. The Department is also proposing a restructuring proposal to significantly improve the customer service experience, leading to a more seamless development experience for

RECOMMENDED ACTION: Staff recommends adoption of a Resolution establishing new Community Development Department fees associated with Cannabis Related Business Use Permit Renewals and Recorded Subdivision Map Modifications and increasing the minimum fee for a building permit.

BUDGET AMENDMENT REQUIRED: No

CURRENT BUDGET AMOUNT: N/A

PROPOSED BUDGET AMOUNT: N/A

FINANCING SOURCE: N/A

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH: Kevin Thompson, Planning Manager; Matthew Keizer, Building Official

Approved:


Sage Sangiacomo, City Manager

new and existing customers.

Discussion: The Building Division's minimum building permit fee has not been adjusted since 2003. In performing a fee study, Staff found Ukiah's minimum building permit fee to be significantly lower than neighboring jurisdictions. To improve the customer experience for owners and builders, Staff recommends an increase in the City's minimum building permit fee from \$26.09 to \$46.50. Revenues from the adjustment will go directly to offsetting the cost of new labor capacity to improve services and processing time.

Staff recommends new fees be established for a cannabis related business use permit renewal. The adopted Medical Marijuana Dispensaries Ordinance requires an annual Dispensary Permit renewal process. This process requires a publicly noticed hearing conducted by the Zoning Administrator. The proposed fee for this service is a \$1,000 deposit. Any remaining fees owed would be reimbursed through cost recovery, and all unused funds would be returned to the applicant.

Staff also recommends a \$600 fee be established for modification to a recorded subdivision map. On April 19, 2017, the City Council adopted an Ordinance that set forth a procedure for the modification of a recorded subdivision map. Per State law, this procedure requires a noticed public hearing. Staff estimates the amount of work and noticing requirements to be similar to a Minor Use Permit, of which the current fee is \$600.

Summarizing, below is a list of new and amended fees proposed by Staff:

1. Minimum Building Permit fee increase (amended fee) = \$46.50
2. Modification to a recorded Subdivision Map (new fee) = \$600
3. Cannabis Related Business Use Permit Renewal (new fee) = \$1,000 deposit; Cost Recovery

Please see Attachment 1 for the resolution adopting the new fee schedule. Attachment 2 is an analysis of the current and proposed fees.

The Planning and Building Fee Schedule is subject to a public hearing prior to adoption. At the conclusion of the public hearing, and subject to any modifications, the Council could then adopt the Planning and Building Fee Schedule through approval of the attached resolution. The fees and charges would go into effect on Monday, January 8, 2018, to comply with state law concerning fees related to development projects.

RESOLUTION NO. 2017-**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UKIAH ESTABLISHING UPDATED FEES FOR PLANNING AND BUILDING PERMITS AND SERVICES PURSUANT TO CITY ADOPTED ORDINANCE 880****WHEREAS,**

1. Planning and Building Permit and service fees in the City of Ukiah have not been updated since 2016; and
2. Since the 2016 fee schedule adoption, the City of Ukiah has adopted two Ordinances (1095 and 1177) that establish tasks that require staff time to complete; and
3. Ordinance 1095 (Ukiah City Code (UCC) Sections 5700-5723) establishes a process for the renewal of Medical Marijuana Dispensaries Permits and the requirement that the City Council adopt a fee to provide associated services; and
4. Ordinance 1177 (UCC Sections 8460-8464) establishes a process for applicants to modify recorded subdivision maps and the requirement that the City Council adopt a fee to provide associated services; and
5. Based on the amount of time it typically takes for staff to process certain building and planning permits and services it is reasonable and appropriate to establish new fees for these permits. These fees include: 100% cost recovery with a \$1,000 deposit for Medical Marijuana Dispensary Permit Renewals, \$600 for modifications to recorded subdivision maps and a minimum building permit fee of \$46.50; and
6. In compliance with Government Code Section 66016, the City Council conducted a duly noticed public hearing on December 6, 2017 to discuss and receive public comment on the proposed fees; and
7. Based on the information contained in the record of the hearing, the City Council determined that the proposed fees do not exceed the cost of providing the services for which the fees will be charged;

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby adopts the updated fee schedule for planning and building permits and services as listed on the attached Exhibit A.

PASSED AND ADOPTED this 6st day of December 2017, by the following roll call vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

_____, Mayor

ATTEST:

Kristine Lawler, City Clerk

EXHIBIT A
Planning/Building Permits and Services
Fee Resolution

Current and New Fees

Planning and Building Services Fees: The following Table shows the fees for Planning and Building Permits and Services, including fees added or modified under Ukiah City Council Resolution No. 2017-____. The fee modifications include a fee for Subdivision Modification, Cannabis Related Businesses Permit renewal and minimum building permit fees.

PERMIT APPLICATION OR SERVICE	FEE
Site Development Permit Major	100% Cost Recovery \$1,000.00 to \$3,000.00 Deposit depending upon the size and complexity of the project. Affordable Housing Project: 80% Cost Recovery Special Housing Needs Project 60% Cost Recovery
Site Development Permit Minor	\$200.00 and \$600.00 Cost depends on the size and complexity of the project.
Use Permit Major and Use Permit Renewal	100% Cost Recovery \$1,000.00 to \$3,000.00 Deposit depending upon the size and complexity of the project. Affordable Housing Project: 80% Cost Recovery Special Housing Needs Project 60% Cost Recovery
Use Permit Minor	\$200.00 to \$600.00
Use Permit Site Development Permit Amendment	\$200.00 to \$600.00 (Minor) \$500 Deposit and 100% cost recovery (Major)
Cannabis Related Business Use Permit Renewal	100% Cost Recovery \$1,000.00 deposit
Variance	100% Cost Recovery \$1,000.00 to \$3,000.00 Deposit depending upon

PERMIT APPLICATION OR SERVICE	FEE
Major	the size and complexity of the project. Affordable Housing Project: 80% Cost Recovery Special Housing Needs Project 60% Cost Recovery
Variance Minor	\$200.00 to \$600.00
Subdivision Major	100% Cost Recovery \$1,000.00 to \$3,000.00 Deposit depending upon the size and complexity of the project. Affordable Housing Project: 80% Cost Recovery Special Housing Needs Project 60% Cost Recovery
Subdivision Minor	\$900.00 Affordable Housing Project: \$720.00 Special Housing Needs Project: \$540.00
Subdivision Exception (Minor Subdivisions)	\$500.00 Affordable Housing Project: \$400.00 Special Housing Needs Project \$200.00
Modification to Subdivision Map	\$600
Boundary Line Adjustment	\$350.00
Lot Merger	\$350.00

PERMIT APPLICATION OR SERVICE	FEE
Subdivision/Parcel Map Time Extension	\$200.00
Appeal	\$100 Deposit and full cost recovery (Applicant) \$100 Flat Fee (Public)
General Plan Amendment	\$1,000.00 to \$3,000.00 Deposit and 100% Cost Recovery
Annexation	\$1,000.00 to \$3,000.00 Deposit and 100% Cost Recovery. 100% of cost for required maps, legal descriptions, etc.)
Pre-zoning	\$1,000.00 to \$3,000.00 Deposit and 100% Cost Recovery
Rezoning	\$1,000.00 to \$3,000.00 Deposit and 100% Cost Recovery
Rezoning Planned Development	\$1,000.00 to \$3,000.00 Deposit and 100% Cost Recovery
CEQA Document Filing (fee subject to change based on County requirement)	\$50
Pre-Application Conference/Review (Planning Staff)	Level 1: \$0 Level 2: \$200.00 <u>Level 1:</u> Review is research and meeting totaling less than 1 hour of all city staff <u>Level 2:</u> Review is research and meeting exceeding 1 hour total
Pre-Application Review	

PERMIT APPLICATION OR SERVICE	FEE
(Project Review Committee)	\$250.00
Pre-Application Review (Planning Commission)	\$300.00
Environmental Impact Report (EIR), Special CEQA Document or Complex Initial Environmental Study	Full Consultant Cost plus 15% administration fee
Archaeological Search – for Environmental Review	Full Cost – Paid Directly to SSU Northwest Information Center
Public Hearing Continuations requested by applicants that require re-noticing	\$200.00
Penalty/Violation (proceeding without permit)	Double the cost of the permit
Zoning/Planning Research	Level 1: \$0 Level 2: \$200.00 <u>Level 1</u> Zoning/Planning Research means research taking up to 1 hour <u>Level 2</u> Zoning/Planning Research means research taking more than 1 hour
Specific Plan/Master Plan Review	\$2,000 to \$3,000 Deposit and 100% Cost Recovery Affordable Housing Project: 80% Cost Recovery Special Housing Needs Project: 60% Cost Recovery
Address Change	\$100
County Airport Land Use	\$300.00

PERMIT APPLICATION OR SERVICE	FEE
Commission Referral for Land Use Plan Consistency Determination	Plus any additional fee required by and paid directly by applicant to Mendocino County.
Site Inspection Request by Property Owner/Applicant	\$0
Sign Permit	Minor: \$50 Major: \$150 <u>Minor Sign Permit</u> involves up to one hour of analysis and administrative work. <u>Major Sign Permit</u> takes more than 1 hour. <u>Temporary signs- banners, etc;</u> <u>portable signs:</u> \$25
Building Permit Review Fee (Planners)	\$50
General Plan/Advance Planning Maintenance Fee	15% of the total cost of a Building Permit (Building Permit, Mechanical Permit, Electrical Permit, Plumbing Permit and Plan Check)
Document and Map Fees	
General Plan	\$30.00
Zoning Ordinance	\$30.00
Subdivision Ordinance	\$30.00
Master Bike/Ped Plan	\$30.00
Airport Master Plan	\$30.00
Landscaping Guidelines	\$15.00
Design Guidelines	\$15.00
Creek Plans	\$15.00
General Plan Map	\$30.00
Zoning Map	\$30.00
Other Plans	\$5.00-\$30.00
Misc Maps, Graphics and Reports	\$5.00-\$30.00

PERMIT APPLICATION OR SERVICE	FEE
Photo Copy	\$0.10 per page First 5 copies per day are free
Certificate of Compliance (recognize existing parcels)	\$150
Determinations of Appropriate Use	\$200
Special Planning Commission Meeting Acct#: 100.0800.611.003	\$300
Business License Review	\$0

Building Division Fees:

SERVICE	FEE
Mandatory Training and Certification Surcharge	4% on all Building Permits
Technology and Records Management Surcharge	3% on all Building Permits
Minimum Building Permit Temporary Certificate of Occupancy	Based on the project size and timeframe >\$100,000 = \$500.00/ 60 days <\$100,000 = \$1,000.00/ 60 days
Request for Alternate Materials and Methods Review	\$85/Hour
Appeal to Building Regulations Appeal Board	\$170
Postage – Structural Plan Check	Actual Cost
Minimum Building Permit Fee	\$45.50

Cost of Services Analysis
City of Ukiah Building and Planning Fee Schedule 2017
Proposed New and Amended Fees

ATTACHMENT 2

	Name of Fee:	Fee Description	Publication Cost:	Postage Cost:	Specific Tasks:
1	Minimum Building Permit Fee	Examples of building permits in this category include: water heater replacement, furnace replacement, and electric service replacement. These permits do not require plans or plan checks.	N/A	N/A	1) Intake application, create file, review, issue permit; 2) perform inspections/make corrections if needed; 3) perform 2nd insp. if needed; 4) File finalized permit and re-file the address file. Tasks may be more involved for larger projects.
2	Modification to a recorded Subdivision Map (new fee)	A procedure for the modification of a recorded subdivision. Requires a noticed public hearing per State Law. Staff estimates the amount of work and noticing requirements to be similar to a Minor Use Permit, of which the current fee is \$600.	Ukiah Daily Journal one time public hearing notice fee: \$120	\$5 - \$20 depending on where the project is located.	1) Intake application and create file; 2) create public hearing notice; 3) conduct research and draft memo; 4) staff and present at City Engineer meeting; 5) draft and send approval to applicant.
3	Cannabis Related Business Use Permit Renewal (new fee)	The adopted Medical Marijuana Dispensaries Ordinance requires an annual permit renewal. The renewal process requires a publically noticed hearing conducted by the Zoning Administrator. The proposed fee for this service is the cost recovery model, requiring a \$1,000 deposit. Any unused deposit will be returned to the applicant, and if staff time exceeds the deposit amount the applicant will be asked for an additional deposit.	Ukiah Daily Journal one time public hearing notice fee: \$120	\$5 - \$20 depending on where the project is located.	1) Intake application and create file; 2) create public hearing notice; 3) conduct research and draft memo; 4) staff and present at Zoning Administrator public hearing; 5) draft and send approval to applicant.

Estimated Staff Time:	Total Cost to City:	Existing Fee	Proposed Fee:
Devt Permit Coord. (DPC) = \$50/hr Building Official (BO) = \$58/hr 1) 30 mins DPC; 2) 40 mins BO; 3) 40 mins BO; 4) 15 mins DPC Total time B/O 40 mins (1 inspection) = \$39.00 Total time DPC 45 mins = \$37.00 Cost- one inspection = \$76.00 Cost- two inspections = \$115.00	\$76-\$115	Water Heater = \$39.74 (1 Inspection) Loss of \$36.26 per permit Furnace = \$42.52 (2 Inspections) Loss of \$72.48 per permit Electrical Service = \$60.22 (2 Inspections) Loss of \$54.78 per permit (Minimum Building Permit Fee)	Water Heater = \$59.15 (1 Inspection) Loss of \$16.18 per permit Furnace = \$61.93 (2 Inspections) Loss of \$53.07 per permit Electrical Service = \$79.63 (2 Inspections) Loss of \$35.37 per permit (Minimum Building Permit Fee)
Planning Tech 3hrs @ \$45/hour Associate Planner 5 hrs @ \$55/hr Senior Civil Eng 2 hours @ \$75/hr City Engineer 1 hour @ \$110	\$795-\$815	\$0	\$600 (Modification to a Recorded Subdivision Map- new fee)
Planning Tech 3hrs @ \$45/hr Associate Planner 5 hours @ \$55/hr CD Director 1 hour @ \$95 /hr	\$645-\$660	\$0	\$1,000 - Cost Recovery (Cannabis Related Business Use Permit Renewal- new fee)



AGENDA SUMMARY REPORT

SUBJECT: Consideration and Possible Introduction for Cannabis Related Business Zoning Ordinance

DEPARTMENT: Community Development

PREPARED BY: Kevin Thompson

ATTACHMENTS:

[Attachment 1 - Cannabis Business Ordinance Version 1 CLEAN](#)
[Attachment 2 - Cannabis Business Ordinance Version 1 REDLINE](#)
[Attachment 3 - Cannabis Business Ordinance Version 2 CLEAN](#)
[Attachment 4 - Cannabis Business Ordinance Version 2 REDLINE](#)
[Attachment 5 - Cannabis Business Ordinance Version 3 CLEAN](#)
[Attachment 6 - Cannabis Business Ordinance Version 3 REDLINE](#)
[Attachment 7 - Comparison Table](#)

Summary: The City Council will conduct a public hearing and consider introducing the Cannabis Related Business Ordinance that would allow Cannabis Related Businesses in certain zoning districts.

Background: Over the past two years, the City has considered a series of City Code amendments related to new cannabis laws and regulations enacted by the State of California. Guided by the Marijuana Ad Hoc Committee comprised of Councilmembers Mulheren and Brown, the City Manager, Community Development Director, Planning Manager, City Attorney, Assistant City Attorney, and Chief of Police, the process of bringing the City Code into compliance with the new State cannabis laws began after the adoption of the California Medical Marijuana Regulation and Safety Act ("MMRSA") in 2015. In response to MMRSA, the City Council

RECOMMENDED ACTION: Conduct a public hearing and consider introducing the Cannabis Related Business Ordinance by title only.

BUDGET AMENDMENT REQUIRED: No

CURRENT BUDGET AMOUNT: N/A

PROPOSED BUDGET AMOUNT: N/A

FINANCING SOURCE: N/A

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH: Craig Schlatter, Community Development Director, Darcy Vaughn, Assistant City Attorney

Approved:

Sage Sangiacomo, City Manager

adopted the Medical Marijuana Dispensaries Ordinance. After California voters approved Proposition 64, or the Adult Use of Marijuana Act (“AUMA”), in November 2016, and the legislature adopted the Medicinal and Adult-Use Cannabis Regulation and Safety Act (“MAUCRSA”), in June 2017, a new set of State guidelines for regulating medical and recreational cannabis emerged.

Because of the complexity of the new State laws, the Ad Hoc believed that the most efficient way to create new local cannabis regulations in response to the State laws was to draft separate ordinances based on particular policy objectives. As such, the Ad Hoc drafted three ordinances: (1) a clean-up amendment to the Medical Marijuana Dispensaries Ordinance, which the Council has already reviewed and adopted; (2) a Cannabis Cultivation Ordinance, which the Council is in the process of reviewing; and (3) the Cannabis Related Business Ordinance (see Attachments 1 and 2) discussed here. Finally, as a final item of discussion for local cannabis policy in response to State laws, the Ad Hoc has concluded that a regulated environment is preferable to a black market, and that, as such, a discussion of commercial, adult-use retail regulation will be warranted in the near future.

Staff first presented a version of the Cannabis Related Business Ordinance to the Council at their October 18, 2017 meeting. At this meeting, the Council provided policy direction to staff, indicating that they preferred an approach to regulation of commercial cannabis enterprises (excluding retail) that designated types of cannabis businesses with definitions derived from the State’s definitions of cannabis business types, and agreed to send the proposed Ordinance to the Planning Commission for a recommendation on land use policies in the Ordinance.

On November 8, 2017, the Planning Commission conducted a public hearing and provided a recommendation on the Cannabis Related Business Ordinance regarding suitable zoning designations for Cannabis Related Businesses (summarized in the table in the Discussion section below). In addition to zoning and land use recommendations, the Planning Commission further recommended a review of the Cannabis Related Business Ordinance after one year to determine whether further policy changes would be necessary. The Planning Commission’s recommendations have been implemented for the Council’s review in a second version of the Cannabis Related Business Ordinance, included here as Attachments 3 and 4. Finally, the Ad Hoc agreed with certain recommendations made by the Planning Commission, but not all. A third version of the Cannabis Related Business Ordinance implementing only those recommendations that the Ad Hoc prefers is included here as Attachments 5 and 6.

Discussion: The Cannabis Related Business Ordinance proposes a number of amendments to the Ukiah City Code that would allow certain cannabis-related businesses to operate within the City with a Use Permit in various zoning districts. Please note this proposed ordinance does not regulate Medical Marijuana Dispensaries nor suggest any amendments to the current Medical Marijuana Dispensaries Ordinance that would, for example, allow retail sales of recreational cannabis. Attached to this item are three versions of the Cannabis Related Business Ordinance: (1) Version 1, which was presented to the Planning Commission, (2) Version 2, which implements the recommendations made by the Planning Commission, and (3) Version 3, which implements only those Planning Commission recommendations that the Ad Hoc wished to consider.

The proposed Cannabis Related Business Ordinance in part, amends the City Code to establish a new business use, “Cannabis Related Business”. This use is defined as: “a commercial enterprise engaged in the cultivation, possession, manufacture, processing, storing, laboratory testing, labeling, transporting, or distribution, of cannabis or a cannabis product.” In addition to this general definition, the Ordinance delineates and defines specific use types: (1) Cultivation, (2) Manufacturer, (3) Testing Laboratory, (4) Retailer, (5) Distributor, (6) Microbusiness. For the purposes of the Cannabis Related Business Ordinance, staff opted to base the City’s proposed commercial cannabis business use designations and definitions on the State’s commercial use designations and definitions in the MAUCRSA. Specific types of Cannabis Related Businesses (as further summarized in the table below) would be allowed with a Use Permit in the following zoning districts: Neighborhood Commercial (C-N)

Community Commercial (C-1)
Heavy Commercial (C-2)
Manufacturing (M)
Public Facilities (PF)
General Urban (GU)
Urban Center (UC)
Downtown Core (DC)

While the first proposed version of the Cannabis Related Business Ordinance required a Major Use Permit for all Cannabis Related Businesses, the Planning Commission recommended that certain uses be allowed in some zoning districts with a Minor Use Permit. That recommendation was implemented in versions 2 and 3 of the Ordinance. The table in Attachment 7 illustrates the proposed zoning designations for each type of Cannabis Related Business in each version of the Cannabis Related Business Ordinance.

ORDINANCE NO.

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF UKIAH ADDING AND AMENDING VARIOUS SECTIONS OF THE UKIAH CITY CODE TO REGULATE CANNABIS RELATED BUSINESSES.

The City Council of the City of Ukiah hereby ordains as follows.

SECTION 1

Article 6 of Chapter 2 in Division 9 of the Ukiah City Code, pertaining to the Neighborhood Commercial (C-N) Zoning District is hereby amended to read as follows (unchanged text is omitted and is shown by “* * *):

§9062 USES PERMITTED WITH SECURING OF A USE PERMIT

The following uses may be permitted in neighborhood commercial (C-N) districts, subject to first securing a use permit pursuant to provisions contained in section 9262 of this chapter:

Cannabis Testing Laboratory

SECTION 2

Article 7 of Chapter 2 in Division 9 of the Ukiah City Code, pertaining to the Community Commercial (C-1) Zoning District, is hereby amended to read as follows (unchanged text is omitted and is shown by “* * *):

§9082 PERMITTED USES

The following uses require approval of a use permit pursuant to the provisions contained in section 9262 of this chapter:

* * *

Cannabis Manufacturing – Level 1
Cannabis Microbusiness
Cannabis Nursery
Cannabis Retailer
Cannabis Testing Laboratory

* * *

SECTION 3

Article 8 of Chapter 2 in Division 9 of the Ukiah City Code, pertaining to the Heavy Commercial (C-2) Zoning District, is hereby amended to read as follows (unchanged text is omitted and is shown by “* * *):

§9097 PERMITTED USES

The following uses require approval of a use permit pursuant to the provisions contained in section 9262 of this chapter:

Cannabis Cultivation – Large Indoor.
Cannabis Cultivation – Large Mixed Light.
Cannabis Cultivation – Medium Indoor.
Cannabis Cultivation – Medium Mixed Light.
Cannabis Cultivation – Small Indoor.
Cannabis Cultivation – Small Mixed Light
Cannabis Cultivation – Specialty Cottage.
Cannabis Cultivation – Specialty Indoor.
Cannabis Cultivation – Specialty Mixed Light.
Cannabis Distribution
Cannabis Manufacturing – Level 1 and Level 2.
Cannabis Microbusiness.
Cannabis Nursery.
Cannabis Retailer.
Cannabis Testing Laboratory.

* * *

SECTION 4

Article 9 of Chapter 2 in Division 9 of the Ukiah City Code, pertaining to the Manufacturing (M) Zoning Districts, is hereby amended to read as follows (unchanged text is omitted and is shown by “* * *”):

§9112 USES PERMITTED SUBJECT TO FIRST SECURING A USE PERMIT

The following uses may be permitted in Manufacturing (M) Districts subject to first securing a use permit, as provided in this Chapter, in each case:

- A. Cannabis Cultivation – Large Indoor.
- B. Cannabis Cultivation – Large Mixed Light.
- C. Cannabis Cultivation – Medium Indoor.
- D. Cannabis Cultivation – Medium Mixed Light.
- E. Cannabis Cultivation – Small Indoor.
- F. Cannabis Cultivation – Small Mixed Light.
- G. Cannabis Cultivation – Specialty Cottage.
- H. Cannabis Cultivation – Specialty Indoor.

- I. Cannabis Cultivation – Specialty Mixed Light.
- J. Cannabis Distribution
- K. Cannabis Manufacturing – Level 1 and Level 2.
- L. Cannabis Microbusiness.
- M. Cannabis Nursery.
- N. Cannabis Retailer.
- O. Cannabis Testing Laboratory.
- P. Industrial, manufacturing, or storage uses which may be objectionable by reason of production of smoke, dust, noise, radioactivity, vibration, bright light or other causes.
- Q. Recreational uses, hotels, motels, mobile home parks, retail stores, offices, service establishments.
- R. Resident manager/security personnel housing.

SECTION 5

Article 17 of Chapter 2 in Division 9 of the Ukiah City Code, pertaining to the Public Facilities (PF) Zoning District, is hereby amended to read as follows (unchanged text is omitted and is shown by “* * *):

§9170.2 PERMITTED USES

The following uses are permitted in the Public Facilities (PF) Zoning District subject to first securing a use permit:

- Cannabis Cultivation – Large Indoor.
- Cannabis Cultivation – Large Mixed-Light.
- Cannabis Cultivation – Medium Indoor.
- Cannabis Cultivation – Medium Mixed-Light.
- Cannabis Cultivation – Small Indoor.
- Cannabis Cultivation – Small Mixed-Light.
- Cannabis Cultivation – Specialty Cottage.
- Cannabis Cultivation – Specialty Indoor.
- Cannabis Cultivation – Specialty Mixed Light.
- Cannabis Distribution
- Cannabis Manufacturing – Level 1 and Level 2.
- Cannabis Microbusiness.
- Cannabis Nursery.
- Cannabis Retailer.
- Cannabis Testing Laboratory.

* * *

SECTION 6

Table 3 in Section 9223.1 of Article 18, Chapter 2 in Division 9 of the Ukiah City Code is hereby amended by specifying that a Cannabis Testing Laboratory, Cannabis Retailer, and Cannabis Microbusiness are allowable uses with a Major Use Permit (MAUP) in the General Urban (GU), Urban Center (UC), and Downtown Core (DC) zoning districts, and inserting a reference to section 9254 and 9261 in the column entitled “Additional Zoning Requirements by Code Section”.

SECTION 7

Article 20 of Chapter 2 in Division 9 of the Ukiah City Code is hereby amended to read as follows (unchanged text is omitted and is shown by “* * *”):

§9261 DISCRETIONARY PLANNING PERMITS

* * *

D. ***

* * *

5. In all Zoning Districts in which they are a permitted use, Cannabis Related Businesses shall be considered major uses. Major Use Permits issued for Cannabis Related Businesses shall be subject to annual review, and shall be subject to annual review and revocation according to the procedures set forth in Section 9262, subsections K and L of this Article. All Cannabis Related Businesses operating subject to a Major Use Permit will operate indoors in a fully enclosed secure structure, as defined in Section 9254 of this Code.

* * *

§9262 USE PERMIT PROCEDURES

* * *

J. Major Use Permits for Cannabis Related Businesses: Major Use Permits issued for Cannabis Related Businesses shall be subject to annual review according to the procedures set forth in subsection K of this Section, and shall be subject to revocation according to the procedures set forth in subsection L of this Section.

K. Annual Review of Major Use Permits for Cannabis Related Businesses:

1. Major Use Permits for Cannabis Related Businesses will be subject to annual review by the Zoning Administrator, including inspection of the Business by the Zoning Administrator or his designee, to determine whether the Business is being operated in accordance with any conditions of approval imposed on the Major Use Permit as issued by the Planning Commission. The City Council may, from time to time by resolution in accordance with the procedures required by law, establish fees to be charged and collected for annual review pursuant to this subsection.
2. In the course of annual review and after annual inspection, the Zoning Administrator shall make findings of fact regarding the Cannabis Related Business operator's adherence to the conditions of approval for the Major Use Permit. In addition, the Zoning Administrator will consider the following nonexclusive criteria in making findings of fact which may be grounds for revocation of a Major Use Permit for a Cannabis Related Business:

- a. Whether the Cannabis Related Business operated pursuant to the Major Use Permit has generated an excessive number of calls for police service compared to similarly situated businesses of the same size as the Cannabis Related Business.
 - b. Whether there have been excessive secondary criminal or public nuisance impacts in the surrounding area or neighborhood, including, but not limited to, disturbances of the peace, illegal drug activity, marijuana use in public, harassment of passersby, littering, loitering, illegal parking, loud noises, odors, or lewd conduct.
 - c. Whether the Cannabis Related Business operating pursuant to a Major Use Permit has a history of inadequate safeguards or procedures that show it is likely that it will not comply with the any operating requirements and standards required in the conditions of approval.
 - d. Whether the Cannabis Related Business has failed to pay fees, penalties, or taxes required by the conditions of approval of the Major Use Permit or by this Code or State law, or has failed to comply with any requirements for the production of records or other reporting requirements of this Code.
 - e. Whether the operator of the Cannabis Related Business or one or more of its officers, employees, partners, managers or members with management responsibilities ("Managers") has been convicted of a felony, or has engaged in misconduct that is substantially related to the qualifications, functions or duties of an operator of a Cannabis Related Business. A "conviction" within the meaning of this chapter means a plea or verdict of guilty, or a conviction following a plea of nolo contendere. Notwithstanding the above, an application shall not be denied solely on the basis that the applicant or any Manager has been convicted of a felony, if the person convicted has obtained a certificate of rehabilitation (expungement of felony record) under California law or under a similar Federal statute or State law where the expungement was granted.
 - f. Whether the operator or Managers of the Cannabis Related Business have previously or are currently engaged in unlawful, fraudulent, unfair, or deceptive business acts or practices.
 - g. Whether the Cannabis Related Business has been operated in compliance with applicable State law and provisions of this Code generally.
3. If the Zoning Administrator determines that the Cannabis Related Business is being operated in violation of any conditions of approval imposed on the Major Use Permit as issued by the Planning Commission, the Major Use Permit may be subject to revocation.

L. Revocation of Major Use Permits for Cannabis Related Businesses:

1. In addition to the reasons for revocation of an approved use permit set forth in subdivisions (H)(1) and (K)(2) of this Section, an approved use permit for a Cannabis Related Business may be revoked through the City's revocation process,

as set forth in subdivision (H)(2) of this Section, except that all references therein to the Planning Commission shall be deemed to refer to the Zoning Administrator, if the Cannabis Related Business is operated in a manner that violates the conditions of approval imposed by the Use Permit or the provisions of this Code, or conflicts with State law. At the public hearing to be conducted by the Zoning Administrator as set forth in subdivision (H)(2) of this Section, the Zoning Administrator shall make findings regarding the alleged specific violations of this Code or State law.

2. An appeal of the Zoning Administrator's decision on revocation of a Major Use Permit for a Cannabis Related Business may be made to the Planning Commission for a final decision. Any such appeal must comply with the requirements of Section [9266](#) of this Article, except that all references therein to the City Council shall be deemed to refer to the Planning Commission.
3. When a final decision revoking a Use Permit for a Cannabis Related Business is made as provided in this Section, the permittee shall become ineligible for a period of three years thereafter to apply for a use permit for a Cannabis Related Business. The ineligibility shall include any corporation or other business entity, including, but not limited to, a partnership or limited liability company, in which the permittee has any direct or indirect beneficial, financial or ownership interest.

SECTION 8

Article 21 of Chapter 2 in Division 9 of the Ukiah City Code is hereby amended to read as follows (unchanged text is omitted and is shown by “* * *”):

§9278 DEFINITIONS

B. ***

* * *

CANNABIS: All parts of the plant *Cannabis sativa linnaeus*, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. “Cannabis” also means: (1) “marijuana” as defined by Section 11018 of the Health and Safety Code, and (2) the separated resin, whether crude or purified, obtained from marijuana. “Cannabis” does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this article, “cannabis” does not mean “industrial hemp” as defined by Food and Agricultural Code Section 81000 or Health and Safety Code Section 11018.5.

CANNABIS CULTIVATION: Any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.

CANNABIS CULTIVATION – INDOOR: The cultivation of cannabis within a fully enclosed secure structure, as defined in Section 9254 of this Code.

CANNABIS CULTIVATION – LARGE INDOOR: Indoor cultivation using exclusively artificial lighting greater than 22,000 square feet, inclusive, of total canopy size on one premises.

CANNABIS CULTIVATION – LARGE MIXED LIGHT: Indoor cultivation using any combination of natural and supplemental artificial lighting, greater than 22,000 square feet, inclusive, of total canopy size on one premises.

CANNABIS CULTIVATION – MEDIUM INDOOR: Indoor cultivation using exclusively artificial lighting between 10,001 and 22,000 square feet, inclusive, of total canopy size on one premises.

CANNABIS CULTIVATION – MEDIUM MIXED LIGHT: Indoor cultivation using any combination of natural and supplemental artificial lighting, between 10,001 and 22,000 square feet, inclusive, of total canopy size on one premises.

CANNABIS CULTIVATION – SMALL INDOOR: Indoor cultivation using exclusively artificial lighting between 5,001 and 10,000 square feet, inclusive, of total canopy size on one premises.

CANNABIS CULTIVATION – SMALL MIXED LIGHT: Indoor cultivation using any combination of natural and supplemental artificial lighting, between 5,001 and 10,000 square feet, inclusive, of total canopy size on one premises.

CANNABIS CULTIVATION – SPECIALTY COTTAGE: Indoor cultivation using any combination of natural and supplemental artificial lighting, of 2,500 square feet or less of total canopy size for mixed-light cultivation, or 500 square feet or less of total canopy size for indoor cultivation, on one premises.

CANNABIS CULTIVATION – SPECIALTY INDOOR: Indoor cultivation using exclusively artificial lighting of between 2,501 and 5,000 square feet of total canopy size on one premises.

CANNABIS CULTIVATION – SPECIALTY MIXED LIGHT: Indoor cultivation using any combination of natural and supplemental artificial lighting, of between 2,501 and 5,000 square feet of total canopy size on one premises.

CANNABIS DISTRIBUTION: The procurement, sale, and transport of cannabis and cannabis products between permitted and licensed cannabis businesses for the distribution of cannabis and cannabis products.

CANNABIS MANUFACTURING: The production, preparation, propagation, or compounding of cannabis or cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages cannabis or cannabis products or labels or relabels its container.

CANNABIS MANUFACTURING - LEVEL 1: Cannabis Manufacturing involving the manufacture of cannabis products using nonvolatile solvents, or no solvents.

CANNABIS MANUFACTURING – LEVEL 2: Cannabis Manufacturing involving the manufacture of cannabis products using volatile solvents.

CANNABIS MICROBUSINESS: A Cannabis Related Business operating under a state Type 12 license for microbusinesses, or a state cannabis license type subsequently established, and meeting the definition of “microbusiness” set forth in Business and Professions Code § 26070(a)(3)(A), as may be amended from time to time, which cultivates less than 10,000 square feet of cannabis and acts as a licensed distributor, Level 1 manufacturer, and retailer on the same Premises. A Cannabis Microbusiness that also acts as a Cannabis Retailer must also comply with the provisions of Division 6, Chapter 8 of the Ukiah City Code, except that a Microbusiness with a retail component is not required to obtain a Dispensary Use Permit pursuant to Section 5703 of this Code.

CANNABIS NURSERY: Cultivation of Cannabis that produces only clones, immature plants, seeds, and other agricultural products used specifically for the propagation and cultivation of Cannabis.

CANNABIS PRODUCTS: Cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, including but not limited to concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients.

CANNABIS RELATED BUSINESS: A commercial enterprise engaged in the cultivation, possession, manufacture, processing, storing, laboratory testing, labeling, distribution, or distribution, of cannabis or a cannabis product, including a Microbusiness, except as set forth in Business and Professions Code Section 26033 related to qualifying patients and primary caregivers, Division 6, Chapter 8 of the Ukiah City Code pertaining to regulation of marijuana dispensaries and issuance and renewal of Dispensary Use Permits, and Section 9254 of this Chapter pertaining to cultivation of marijuana for personal use. For purposes of this Article, this definition of a Cannabis Related Business excludes businesses engaged in the retail sale and delivery of Cannabis, Cannabis products, or Cannabis Products to patients or customers, which are regulated under Division 6, Chapter 8 of this Code. All Cannabis Related Businesses operating within the City must possess a valid State license appropriate for the type of business operated.

CANNABIS RETAILER: A commercial enterprise engaged in the retail sale and delivery of cannabis or cannabis products to customers. A retailer shall have a licensed premises which is a physical location from which commercial cannabis activities are conducted. A retailer’s premises may be closed to the public. A retailer may conduct sales exclusively by delivery. All Cannabis Retail operations in the City of Ukiah are regulated pursuant to Division 6, Chapter 8 of the Ukiah City Code and must comply with all provisions of this Division.

CANNABIS TESTING LABORATORY: A laboratory, facility, or entity that offers or performs tests of cannabis or cannabis products.

* * *

MARIJUANA: The term “Marijuana,” as used in this Chapter and throughout the Code, shall have the same meaning as the term “Cannabis” as defined in this Chapter.

PREMISES: The designated structure or structures and land specified in the application for a Use Permit for a Cannabis Related Business that is owned, leased, or otherwise held under the control of the applicant or permittee where the Cannabis Related Business will be or is conducted. The premises shall be a contiguous area and shall only be occupied by one permittee.

* * *

VOLATILE SOLVENTS: Solvents that are or produce a flammable gas or vapor that, when present in the air in sufficient quantities, will create explosive or ignitable mixtures.

SECTION 9.

1. SEVERABILITY.

If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person or circumstance, is for any reason held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases of this Ordinance, or its application to any other person or circumstance. The City Council of the City of Ukiah hereby declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof, irrespective of the fact that any one or more other sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases hereof be declared invalid or unenforceable.

2. EFFECTIVE DATE.

This Ordinance shall be published as required by law in a newspaper of general circulation in the City of Ukiah, and shall become effective thirty (30) days after its adoption.

Introduced by title only on _____, 2017, by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Adopted on _____, 2017 by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____, Mayor

ATTEST:

Kristine Lawler, City Clerk

ORDINANCE NO.

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF UKIAH ADDING AND AMENDING VARIOUS SECTIONS OF THE UKIAH CITY CODE TO REGULATE CANNABIS RELATED BUSINESSES.

The City Council of the City of Ukiah hereby ordains as follows.

SECTION 1

Article 6 of Chapter 2 in Division 9 of the Ukiah City Code, pertaining to the Neighborhood Commercial (C-N) Zoning District is hereby amended to read as follows (unchanged text is omitted and is shown by “* * *):

§9062 USES PERMITTED WITH SECURING OF A USE PERMIT

The following uses may be permitted in neighborhood commercial (C-N) districts, subject to first securing a use permit pursuant to provisions contained in section 9262 of this chapter:

Cannabis Testing Laboratory

SECTION 2

Article 7 of Chapter 2 in Division 9 of the Ukiah City Code, pertaining to the Community Commercial (C-1) Zoning District, is hereby amended to read as follows (unchanged text is omitted and is shown by “* * *):

§9082 PERMITTED USES

The following uses require approval of a use permit pursuant to the provisions contained in section 9262 of this chapter:

* * *

Cannabis Manufacturing – Level 1
Cannabis Microbusiness
Cannabis Nursery
Cannabis Retailer
Cannabis Testing Laboratory

* * *

SECTION 3

Article 8 of Chapter 2 in Division 9 of the Ukiah City Code, pertaining to the Heavy Commercial (C-2) Zoning District, is hereby amended to read as follows (unchanged text is omitted and is shown by “* * *):

§9097 PERMITTED USES

The following uses require approval of a use permit pursuant to the provisions contained in section 9262 of this chapter:

Cannabis Cultivation – Large Indoor.
Cannabis Cultivation – Large Mixed Light.
Cannabis Cultivation – Medium Indoor.
Cannabis Cultivation – Medium Mixed Light.
Cannabis Cultivation – Small Indoor.
Cannabis Cultivation – Small Mixed Light
Cannabis Cultivation – Specialty Cottage.
Cannabis Cultivation – Specialty Indoor.
Cannabis Cultivation – Specialty Mixed Light.
Cannabis Distribution
Cannabis Manufacturing – Level 1 and Level 2.
Cannabis Microbusiness.
Cannabis Nursery.
Cannabis Retailer.
Cannabis Testing Laboratory.

* * *

SECTION 4

Article 9 of Chapter 2 in Division 9 of the Ukiah City Code, pertaining to the Manufacturing (M) Zoning Districts, is hereby amended to read as follows (unchanged text is omitted and is shown by “* * *):

§9112 USES PERMITTED SUBJECT TO FIRST SECURING A USE PERMIT

The following uses may be permitted in Manufacturing (M) Districts subject to first securing a use permit, as provided in this Chapter, in each case:

- A. Cannabis Cultivation – Large Indoor.
- B. Cannabis Cultivation – Large Mixed Light.
- C. Cannabis Cultivation – Medium Indoor.
- D. Cannabis Cultivation – Medium Mixed Light.
- E. Cannabis Cultivation – Small Indoor.
- F. Cannabis Cultivation – Small Mixed Light.
- G. Cannabis Cultivation – Specialty Cottage.
- H. Cannabis Cultivation – Specialty Indoor.

I. Cannabis Cultivation – Specialty Mixed Light.

J. Cannabis Distribution

K. Cannabis Manufacturing – Level 1 and Level 2.

L. Cannabis Microbusiness.

M. Cannabis Nursery.

N. Cannabis Retailer.

O. Cannabis Testing Laboratory.

AP. Industrial, manufacturing, or storage uses which may be objectionable by reason of production of smoke, dust, noise, radioactivity, vibration, bright light or other causes.

BQ. Recreational uses, hotels, motels, mobile home parks, retail stores, offices, service establishments.

CR. Resident manager/security personnel housing.

SECTION 5

Article 17 of Chapter 2 in Division 9 of the Ukiah City Code, pertaining to the Public Facilities (PF) Zoning District, is hereby amended to read as follows (unchanged text is omitted and is shown by “* * *):

§9170.2 PERMITTED USES

The following uses are permitted in the Public Facilities (PF) Zoning District subject to first securing a use permit:

Cannabis Cultivation – Large Indoor.

Cannabis Cultivation – Large Mixed-Light.

Cannabis Cultivation – Medium Indoor.

Cannabis Cultivation – Medium Mixed-Light.

Cannabis Cultivation – Small Indoor.

Cannabis Cultivation – Small Mixed-Light.

Cannabis Cultivation – Specialty Cottage.

Cannabis Cultivation – Specialty Indoor.

Cannabis Cultivation – Specialty Mixed Light.

Cannabis Distribution

Cannabis Manufacturing – Level 1 and Level 2.

Cannabis Microbusiness.

Cannabis Nursery.

Cannabis Retailer.

Cannabis Testing Laboratory.

* * *

SECTION 6

Table 3 in Section 9223.1 of Article 18, Chapter 2 in Division 9 of the Ukiah City Code is hereby amended by specifying that a Cannabis Testing Laboratory, Cannabis Retailer, and Cannabis Microbusiness are allowable uses with a Major Use Permit (MAUP) in the General Urban (GU), Urban Center (UC), and Downtown Core (DC) zoning districts, and inserting a reference to section 9254 and 9261 in the column entitled “Additional Zoning Requirements by Code Section”.

SECTION 7

Article 20 of Chapter 2 in Division 9 of the Ukiah City Code is hereby amended to read as follows (unchanged text is omitted and is shown by “* * *”):

§9261 DISCRETIONARY PLANNING PERMITS

* * *

D. ***

* * *

5. In all Zoning Districts in which they are a permitted use, Cannabis Related Businesses shall be considered major uses. Major Use Permits issued for Cannabis Related Businesses shall be subject to annual review, and shall be subject to annual review and revocation according to the procedures set forth in Section 9262, subsections K and L of this Article. All Cannabis Related Businesses operating subject to a Major Use Permit will operate indoors in a fully enclosed secure structure, as defined in Section 9254 of this Code.

* * *

§9262 USE PERMIT PROCEDURES

* * *

J. Major Use Permits for Cannabis Related Businesses: Major Use Permits issued for Cannabis Related Businesses shall be subject to annual review according to the procedures set forth in subsection K of this Section, and shall be subject to revocation according to the procedures set forth in subsection L of this Section.

K. Annual Review of Major Use Permits for Cannabis Related Businesses:

1. Major Use Permits for Cannabis Related Businesses will be subject to annual review by the Zoning Administrator, including inspection of the Business by the Zoning Administrator or his designee, to determine whether the Business is being operated in accordance with any conditions of approval imposed on the Major Use Permit as issued by the Planning Commission. The City Council may, from time to time by resolution in accordance with the procedures required by law, establish fees to be charged and collected for annual review pursuant to this subsection.
2. In the course of annual review and after annual inspection, the Zoning Administrator shall make findings of fact regarding the Cannabis Related Business operator's adherence to the conditions of approval for the Major Use Permit. In addition, the Zoning Administrator will consider the following nonexclusive criteria in making

findings of fact which may be grounds for revocation of a Major Use Permit for a Cannabis Related Business:

- a. Whether the Cannabis Related Business operated pursuant to the Major Use Permit has generated an excessive number of calls for police service compared to similarly situated businesses of the same size as the Cannabis Related Business.
 - b. Whether there have been excessive secondary criminal or public nuisance impacts in the surrounding area or neighborhood, including, but not limited to, disturbances of the peace, illegal drug activity, marijuana use in public, harassment of passersby, littering, loitering, illegal parking, loud noises, odors, or lewd conduct.
 - c. Whether the Cannabis Related Business operating pursuant to a Major Use Permit has a history of inadequate safeguards or procedures that show it is likely that it will not comply with the any operating requirements and standards required in the conditions of approval.
 - d. Whether the Cannabis Related Business has failed to pay fees, penalties, or taxes required by the conditions of approval of the Major Use Permit or by this Code or State law, or has failed to comply with any requirements for the production of records or other reporting requirements of this Code.
 - e. Whether the operator of the Cannabis Related Business or one or more of its officers, employees, partners, managers or members with management responsibilities ("Managers") has been convicted of a felony, or has engaged in misconduct that is substantially related to the qualifications, functions or duties of an operator of a Cannabis Related Business. A "conviction" within the meaning of this chapter means a plea or verdict of guilty, or a conviction following a plea of nolo contendere. Notwithstanding the above, an application shall not be denied solely on the basis that the applicant or any Manager has been convicted of a felony, if the person convicted has obtained a certificate of rehabilitation (expungement of felony record) under California law or under a similar Federal statute or State law where the expungement was granted.
 - f. Whether the operator or Managers of the Cannabis Related Business have previously or are currently engaged in unlawful, fraudulent, unfair, or deceptive business acts or practices.
 - g. Whether the Cannabis Related Business has been operated in compliance with applicable State law and provisions of this Code generally.
3. If the Zoning Administrator determines that the Cannabis Related Business is being operated in violation of any conditions of approval imposed on the Major Use Permit as issued by the Planning Commission, the Major Use Permit may be subject to revocation.

L. Revocation of Major Use Permits for Cannabis Related Businesses:

1. In addition to the reasons for revocation of an approved use permit set forth in subdivisions (H)(1) and (K)(2) of this Section, an approved use permit for a Cannabis Related Business may be revoked through the City's revocation process, as set forth in subdivision (H)(2) of this Section, except that all references therein to the Planning Commission shall be deemed to refer to the Zoning Administrator, if the Cannabis Related Business is operated in a manner that violates the conditions of approval imposed by the Use Permit or the provisions of this Code, or conflicts with State law. At the public hearing to be conducted by the Zoning Administrator as set forth in subdivision (H)(2) of this Section, the Zoning Administrator shall make findings regarding the alleged specific violations of this Code or State law.
2. An appeal of the Zoning Administrator's decision on revocation of a Major Use Permit for a Cannabis Related Business may be made to the Planning Commission for a final decision. Any such appeal must comply with the requirements of Section 9266 of this Article, except that all references therein to the City Council shall be deemed to refer to the Planning Commission.
3. When a final decision revoking a Use Permit for a Cannabis Related Business is made as provided in this Section, the permittee shall become ineligible for a period of three years thereafter to apply for a use permit for a Cannabis Related Business. The ineligibility shall include any corporation or other business entity, including, but not limited to, a partnership or limited liability company, in which the permittee has any direct or indirect beneficial, financial or ownership interest.

SECTION 8

Article 21 of Chapter 2 in Division 9 of the Ukiah City Code is hereby amended to read as follows (unchanged text is omitted and is shown by "***"):

§9278 DEFINITIONS

B. ***

* * *

CANNABIS: All parts of the plant Cannabis sativa linnaeus, Cannabis indica, or Cannabis ruderalis, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Cannabis" also means: (1) "marijuana" as defined by Section 11018 of the Health and Safety Code, and (2) the separated resin, whether crude or purified, obtained from marijuana. "Cannabis" does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this article, "cannabis" does not mean "industrial hemp" as defined by Food and Agricultural Code Section 81000 or Health and Safety Code Section 11018.5.

CANNABIS CULTIVATION: Any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.

CANNABIS CULTIVATION – INDOOR: The cultivation of cannabis within a fully enclosed secure structure, as defined in Section 9254 of this Code.

CANNABIS CULTIVATION – LARGE INDOOR: Indoor cultivation using exclusively artificial lighting greater than 22,000 square feet, inclusive, of total canopy size on one premises.

CANNABIS CULTIVATION – LARGE MIXED LIGHT: Indoor cultivation using any combination of natural and supplemental artificial lighting, greater than 22,000 square feet, inclusive, of total canopy size on one premises.

CANNABIS CULTIVATION – MEDIUM INDOOR: Indoor cultivation using exclusively artificial lighting between 10,001 and 22,000 square feet, inclusive, of total canopy size on one premises.

CANNABIS CULTIVATION – MEDIUM MIXED LIGHT: Indoor cultivation using any combination of natural and supplemental artificial lighting, between 10,001 and 22,000 square feet, inclusive, of total canopy size on one premises.

CANNABIS CULTIVATION – SMALL INDOOR: Indoor cultivation using exclusively artificial lighting between 5,001 and 10,000 square feet, inclusive, of total canopy size on one premises.

CANNABIS CULTIVATION – SMALL MIXED LIGHT: Indoor cultivation using any combination of natural and supplemental artificial lighting, between 5,001 and 10,000 square feet, inclusive, of total canopy size on one premises.

CANNABIS CULTIVATION – SPECIALTY COTTAGE: Indoor cultivation using any combination of natural and supplemental artificial lighting, of 2,500 square feet or less of total canopy size for mixed-light cultivation, or 500 square feet or less of total canopy size for indoor cultivation, on one premises.

CANNABIS CULTIVATION – SPECIALTY INDOOR: Indoor cultivation using exclusively artificial lighting of between 2,501 and 5,000 square feet of total canopy size on one premises.

CANNABIS CULTIVATION – SPECIALTY MIXED LIGHT: Indoor cultivation using any combination of natural and supplemental artificial lighting, of between 2,501 and 5,000 square feet of total canopy size on one premises.

CANNABIS DISTRIBUTION: The procurement, sale, and transport of cannabis and cannabis products between permitted and licensed cannabis businesses for the distribution of cannabis and cannabis products.

CANNABIS MANUFACTURING: The production, preparation, propagation, or compounding of cannabis or cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages cannabis or cannabis products or labels or relabels its container.

CANNABIS MANUFACTURING - LEVEL 1: Cannabis Manufacturing involving the manufacture of cannabis products using nonvolatile solvents, or no solvents.

CANNABIS MANUFACTURING – LEVEL 2: Cannabis Manufacturing involving the manufacture of cannabis products using volatile solvents.

CANNABIS MICROBUSINESS: A Cannabis Related Business operating under a state Type 12 license for microbusinesses, or a state cannabis license type subsequently established, and meeting the definition of “microbusiness” set forth in Business and Professions Code § 26070(a)(3)(A), as may be amended from time to time, which cultivates less than 10,000 square feet of cannabis and acts as a licensed distributor, Level 1 manufacturer, and retailer on the same Premises. A Cannabis Microbusiness that also acts as a Cannabis Retailer must also comply with the provisions of Division 6, Chapter 8 of the Ukiah City Code, except that a Microbusiness with a retail component is not required to obtain a Dispensary Use Permit pursuant to Section 5703 of this Code.

CANNABIS NURSERY: Cultivation of Cannabis that produces only clones, immature plants, seeds, and other agricultural products used specifically for the propagation and cultivation of Cannabis.

CANNABIS PRODUCTS: Cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, including but not limited to concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients.

CANNABIS RELATED BUSINESS: A commercial enterprise engaged in the cultivation, possession, manufacture, processing, storing, laboratory testing, labeling, distribution, or distribution, of cannabis or a cannabis product, including a Microbusiness, except as set forth in Business and Professions Code Section 26033 related to qualifying patients and primary caregivers, Division 6, Chapter 8 of the Ukiah City Code pertaining to regulation of marijuana dispensaries and issuance and renewal of Dispensary Use Permits, and Section 9254 of this Chapter pertaining to cultivation of marijuana for personal use. For purposes of this Article, this definition of a Cannabis Related Business excludes businesses engaged in the retail sale and delivery of Cannabis, Cannabis products, or Cannabis Products to patients or customers, which are regulated under Division 6, Chapter 8 of this Code. All Cannabis Related Businesses operating within the City must possess a valid State license appropriate for the type of business operated.

CANNABIS RETAILER: A commercial enterprise engaged in the retail sale and delivery of cannabis or cannabis products to customers. A retailer shall have a licensed premises which is a physical location from which commercial cannabis activities are conducted. A retailer's premises may be closed to the public. A retailer may conduct sales exclusively by delivery. All Cannabis Retail operations in the City of Ukiah are regulated pursuant to Division 6, Chapter 8 of the Ukiah City Code and must comply with all provisions of this Division.

CANNABIS TESTING LABORATORY: A laboratory, facility, or entity that offers or performs tests of cannabis or cannabis products.

* * *

MARIJUANA: The term "Marijuana," as used in this Chapter and throughout the Code, shall have the same meaning as the term "Cannabis" as defined in this Chapter.

PREMISES: The designated structure or structures and land specified in the application for a Use Permit for a Cannabis Related Business that is owned, leased, or otherwise held under the control of the applicant or permittee where the Cannabis Related Business will be or is conducted. The premises shall be a contiguous area and shall only be occupied by one permittee.

* * *

VOLATILE SOLVENTS: Solvents that are or produce a flammable gas or vapor that, when present in the air in sufficient quantities, will create explosive or ignitable mixtures.

SECTION 9.

1. SEVERABILITY.

If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person or circumstance, is for any reason held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases of this Ordinance, or its application to any other person or circumstance. The City Council of the City of Ukiah hereby declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof, irrespective of the fact that any one or more other sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases hereof be declared invalid or unenforceable.

2. EFFECTIVE DATE.

This Ordinance shall be published as required by law in a newspaper of general circulation in the City of Ukiah, and shall become effective thirty (30) days after its adoption.

Introduced by title only on _____, 2017, by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Adopted on _____, 2017 by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____, Mayor

ATTEST:

Kristine Lawler, City Clerk

ORDINANCE NO.

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF UKIAH ADDING AND AMENDING VARIOUS SECTIONS OF THE UKIAH CITY CODE TO REGULATE CANNABIS RELATED BUSINESSES.

The City Council of the City of Ukiah hereby ordains as follows.

SECTION 1

Article 8 of Chapter 2 in Division 9 of the Ukiah City Code, pertaining to the Heavy Commercial (C-2) Zoning District, is hereby amended to read as follows (unchanged text is omitted and is shown by “* * *):

§9097 PERMITTED USES

The following uses require approval of a use permit pursuant to the provisions contained in section 9262 of this chapter:

Cannabis Cultivation – Specialty Cottage.
Cannabis Cultivation – Specialty Indoor.
Cannabis Cultivation – Specialty Mixed Light.
Cannabis Distribution
Cannabis Manufacturing – Level 1.
Cannabis Microbusiness.
Cannabis Nursery.
Cannabis Retailer.
Cannabis Testing Laboratory.

* * *

SECTION 2

Article 9 of Chapter 2 in Division 9 of the Ukiah City Code, pertaining to the Manufacturing (M) Zoning Districts, is hereby amended to read as follows (unchanged text is omitted and is shown by “* * *):

§9112 USES PERMITTED SUBJECT TO FIRST SECURING A USE PERMIT

The following uses may be permitted in Manufacturing (M) Districts subject to first securing a use permit, as provided in this Chapter, in each case:

- A. Cannabis Cultivation – Specialty Cottage.
- B. Cannabis Cultivation – Specialty Indoor.
- C. Cannabis Cultivation – Specialty Mixed Light.
- D. Cannabis Distribution
- E. Cannabis Manufacturing – Level 1.

- F. Cannabis Microbusiness.
- G. Cannabis Nursery.
- H. Cannabis Retailer.
- I. Cannabis Testing Laboratory.
- J. Industrial, manufacturing, or storage uses which may be objectionable by reason of production of smoke, dust, noise, radioactivity, vibration, bright light or other causes.
- K. Recreational uses, hotels, motels, mobile home parks, retail stores, offices, service establishments.
- L. Resident manager/security personnel housing.

SECTION 3

Article 20 of Chapter 2 in Division 9 of the Ukiah City Code is hereby amended to read as follows (unchanged text is omitted and is shown by “* * *”):

§9261 DISCRETIONARY PLANNING PERMITS

* * *

D. ***

* * *

5.

a. In all Zoning Districts in which they are a permitted use, the following Cannabis Related Businesses shall be considered major uses:

Cannabis Cultivation – Specialty Cottage.
 Cannabis Cultivation – Specialty Indoor.
 Cannabis Cultivation – Specialty Mixed Light.
 Cannabis Microbusiness.
 Cannabis Nursery.
 Cannabis Retailer.

Major Use Permits issued for Cannabis Related Businesses shall be subject to annual review, and shall be subject to annual review and revocation according to the procedures set forth in Section 9262, subsections K and L of this Article.

b. In all Zoning Districts in which they are a permitted use, the following Cannabis Related Businesses shall be considered minor uses:

Cannabis Distribution
 Cannabis Testing Laboratory
 Cannabis Manufacturing – Level 1

Minor Use Permits issued for Cannabis Related Businesses shall be subject to annual review, and shall be subject to annual review and revocation according to the procedures set forth in Section 9262, subsections K and L of this Article.

c. All Cannabis Related Businesses operating subject to Use Permits under this Section will operate indoors in a fully enclosed secure structure, as defined in Section 9254 of this Code, and must be located at least 250 feet, measured from nearest parcel line to nearest parcel line, from any residential parcel.

* * *

§9262 USE PERMIT PROCEDURES

* * *

J. Use Permits for Cannabis Related Businesses: Use Permits issued for Cannabis Related Businesses shall be subject to annual review according to the procedures set forth in subsection K of this Section, and shall be subject to revocation according to the procedures set forth in subsection L of this Section.

K. Annual Review of Use Permits for Cannabis Related Businesses:

1. Use Permits for Cannabis Related Businesses will be subject to annual review by the Zoning Administrator, including inspection of the Business by the Zoning Administrator or his designee, to determine whether the Business is being operated in accordance with any conditions of approval imposed on the Use Permit as issued by the Planning Commission or Zoning Administrator. The City Council may, from time to time by resolution in accordance with the procedures required by law, establish fees to be charged and collected for annual review pursuant to this subsection.
2. In the course of annual review and after annual inspection, the Zoning Administrator shall make findings of fact regarding the Cannabis Related Business operator's adherence to the conditions of approval for the Use Permit. In addition, the Zoning Administrator will consider the following nonexclusive criteria in making findings of fact which may be grounds for revocation of a Use Permit for a Cannabis Related Business:
 - a. Whether the Cannabis Related Business operated pursuant to the Use Permit has generated an excessive number of calls for police service compared to similarly situated businesses of the same size as the Cannabis Related Business.
 - b. Whether there have been excessive secondary criminal or public nuisance impacts in the surrounding area or neighborhood, including, but not limited to, disturbances of the peace, illegal drug activity, marijuana use in public, harassment of passersby, littering, loitering, illegal parking, loud noises, odors, or lewd conduct.
 - c. Whether the Cannabis Related Business operating pursuant to a Use Permit has a history of inadequate safeguards or procedures that show it is likely that it will not comply with the any operating requirements and standards required in the conditions of approval.

- d. Whether the Cannabis Related Business has failed to pay fees, penalties, or taxes required by the conditions of approval of the Use Permit or by this Code or State law, or has failed to comply with any requirements for the production of records or other reporting requirements of this Code.
 - e. Whether the operator of the Cannabis Related Business or one or more of its officers, employees, partners, managers or members with management responsibilities ("Managers") has been convicted of a felony, or has engaged in misconduct that is substantially related to the qualifications, functions or duties of an operator of a Cannabis Related Business. A "conviction" within the meaning of this chapter means a plea or verdict of guilty, or a conviction following a plea of nolo contendere. Notwithstanding the above, an application shall not be denied solely on the basis that the applicant or any Manager has been convicted of a felony, if the person convicted has obtained a certificate of rehabilitation (expungement of felony record) under California law or under a similar Federal statute or State law where the expungement was granted.
 - f. Whether the operator or Managers of the Cannabis Related Business have previously or are currently engaged in unlawful, fraudulent, unfair, or deceptive business acts or practices.
 - g. Whether the Cannabis Related Business has been operated in compliance with applicable State law and provisions of this Code generally.
3. If the Zoning Administrator determines that the Cannabis Related Business is being operated in violation of any conditions of approval imposed on the Use Permit as issued by the Planning Commission or the Zoning Administrator, the Use Permit may be subject to revocation.

L. Revocation of Use Permits for Cannabis Related Businesses:

- 1. In addition to the reasons for revocation of an approved use permit set forth in subdivisions (H)(1) and (K)(2) of this Section, an approved use permit for a Cannabis Related Business may be revoked through the City's revocation process, as set forth in subdivision (H)(2) of this Section, except that all references therein to the Planning Commission shall be deemed to refer to the Zoning Administrator, if the Cannabis Related Business is operated in a manner that violates the conditions of approval imposed by the Use Permit or the provisions of this Code, or conflicts with State law. At the public hearing to be conducted by the Zoning Administrator as set forth in subdivision (H)(2) of this Section, the Zoning Administrator shall make findings regarding the alleged specific violations of this Code or State law.
- 2. An appeal of the Zoning Administrator's decision on revocation of a Use Permit for a Cannabis Related Business may be made to the Planning Commission for a final decision. Any such appeal must comply with the requirements of Section [9266](#) of this Article, except that all references therein to the City Council shall be deemed to refer to the Planning Commission.

3. When a final decision revoking a Use Permit for a Cannabis Related Business is made as provided in this Section, the permittee shall become ineligible for a period of three years thereafter to apply for a use permit for a Cannabis Related Business. The ineligibility shall include any corporation or other business entity, including, but not limited to, a partnership or limited liability company, in which the permittee has any direct or indirect beneficial, financial or ownership interest.

SECTION 4

Article 21 of Chapter 2 in Division 9 of the Ukiah City Code is hereby amended to read as follows (unchanged text is omitted and is shown by “* * *”):

§9278 DEFINITIONS

B. ***

* * *

CANNABIS: All parts of the plant *Cannabis sativa* linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. “Cannabis” also means: (1) “marijuana” as defined by Section 11018 of the Health and Safety Code, and (2) the separated resin, whether crude or purified, obtained from marijuana. “Cannabis” does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this article, “cannabis” does not mean “industrial hemp” as defined by Food and Agricultural Code Section 81000 or Health and Safety Code Section 11018.5.

CANNABIS CULTIVATION: Any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.

CANNABIS CULTIVATION – INDOOR: The cultivation of cannabis within a fully enclosed secure structure, as defined in Section 9254 of this Code.

CANNABIS CULTIVATION – LARGE INDOOR: Indoor cultivation using exclusively artificial lighting greater than 22,000 square feet, inclusive, of total canopy size on one premises.

CANNABIS CULTIVATION – LARGE MIXED LIGHT: Indoor cultivation using any combination of natural and supplemental artificial lighting, greater than 22,000 square feet, inclusive, of total canopy size on one premises.

CANNABIS CULTIVATION – MEDIUM INDOOR: Indoor cultivation using exclusively artificial lighting between 10,001 and 22,000 square feet, inclusive, of total canopy size on one premises.

CANNABIS CULTIVATION – MEDIUM MIXED LIGHT: Indoor cultivation using any combination of natural and supplemental artificial lighting, between 10,001 and 22,000 square feet, inclusive, of total canopy size on one premises.

CANNABIS CULTIVATION – SMALL INDOOR: Indoor cultivation using exclusively artificial lighting between 5,001 and 10,000 square feet, inclusive, of total canopy size on one premises.

CANNABIS CULTIVATION – SMALL MIXED LIGHT: Indoor cultivation using any combination of natural and supplemental artificial lighting, inclusive, of total canopy size on one premises.

CANNABIS CULTIVATION – SPECIALTY COTTAGE: Indoor cultivation using any combination of natural and supplemental artificial lighting, of 2,500 square feet or less of total canopy size for mixed-light cultivation, or 500 square feet or less of total canopy size for indoor cultivation, on one premises.

CANNABIS CULTIVATION – SPECIALTY INDOOR: Indoor cultivation using exclusively artificial lighting of between 2,501 and 5,000 square feet of total canopy size on one premises.

CANNABIS CULTIVATION – SPECIALTY MIXED LIGHT: Indoor cultivation using any combination of natural and supplemental artificial lighting, of between 2,501 and 5,000 square feet of total canopy size on one premises.

CANNABIS DISTRIBUTION: The procurement, sale, and transport of cannabis and cannabis products between permitted and licensed cannabis businesses for the distribution of cannabis and cannabis products.

CANNABIS MANUFACTURING: The production, preparation, propagation, or compounding of cannabis or cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages cannabis or cannabis products or labels or relabels its container.

CANNABIS MANUFACTURING - LEVEL 1: Cannabis Manufacturing involving the manufacture of cannabis products using nonvolatile solvents, or no solvents.

CANNABIS MANUFACTURING – LEVEL 2: Cannabis Manufacturing involving the manufacture of cannabis products using volatile solvents.

CANNABIS MICROBUSINESS: A Cannabis Related Business operating under a State Type 12 license for microbusinesses, or a state cannabis license type subsequently established, and meeting the definition of “microbusiness” set forth in Business and Professions Code § 26070(a)(3)(A), as may be amended from time to time, which cultivates less than 5,000 square feet of cannabis and acts as a licensed distributor, Level 1 manufacturer, and retailer on the same Premises. A Cannabis Microbusiness that also acts as a Cannabis Retailer must also comply with the provisions of Division 6, Chapter 8 of the Ukiah City Code, except that a Microbusiness with a retail component is not required to obtain a Dispensary Use Permit pursuant to Section 5703 of this Code.

CANNABIS NURSERY: Cultivation of Cannabis that produces only clones, immature plants, seeds, and other agricultural products used specifically for the propagation and cultivation of Cannabis.

CANNABIS PRODUCTS: Cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, including but not limited to concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients.

CANNABIS RELATED BUSINESS: A commercial enterprise engaged in the cultivation, possession, manufacture, processing, storing, laboratory testing, labeling, distribution, or distribution, of cannabis or a cannabis product, including a Microbusiness, except as set forth in Business and Professions Code Section 26033 related to qualifying patients and primary caregivers, Division 6, Chapter 8 of the Ukiah City Code pertaining to regulation of marijuana dispensaries and issuance and renewal of Dispensary Use Permits, and Section 9254 of this Chapter pertaining to cultivation of marijuana for personal use. For purposes of this Article, this definition of a Cannabis Related Business excludes businesses engaged in the retail sale and delivery of Cannabis, Cannabis products, or Cannabis Products to patients or customers, which are regulated under Division 6, Chapter 8 of this Code. All Cannabis Related Businesses operating within the City must possess a valid State license appropriate for the type of business operated.

CANNABIS RETAILER: A commercial enterprise engaged in the retail sale and delivery of cannabis or cannabis products to customers. A retailer shall have a licensed premises which is a physical location from which commercial cannabis activities are conducted. A retailer's premises may be closed to the public. A retailer may conduct sales exclusively by delivery. All Cannabis Retail operations in the City of Ukiah are regulated pursuant to Division 6, Chapter 8 of the Ukiah City Code and must comply with all provisions of this Division.

CANNABIS TESTING LABORATORY: A laboratory, facility, or entity that offers or performs tests of cannabis or cannabis products.

* * *

MARIJUANA: The term "Marijuana," as used in this Chapter and throughout the Code, shall have the same meaning as the term "Cannabis" as defined in this Chapter.

PREMISES: The designated structure or structures and land specified in the application for a Use Permit for a Cannabis Related Business that is owned, leased, or otherwise held under the control of the applicant or permittee where the Cannabis Related Business will be or is conducted. The premises shall be a contiguous area and shall only be occupied by one permittee.

* * *

VOLATILE SOLVENTS: Solvents that are or produce a flammable gas or vapor that, when present in the air in sufficient quantities, will create explosive or ignitable mixtures.

SECTION 5.

1. SEVERABILITY.

If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person or circumstance, is for any reason held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases of this Ordinance, or its application to any other person or circumstance. The City Council of the City of Ukiah hereby declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof, irrespective of the fact that any one or more other sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases hereof be declared invalid or unenforceable.

2. EFFECTIVE DATE.

This Ordinance shall be published as required by law in a newspaper of general circulation in the City of Ukiah, and shall become effective thirty (30) days after its adoption.

Introduced by title only on _____, 2017, by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Adopted on _____, 2017 by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____, Mayor

ATTEST:

Kristine Lawler, City Clerk

ORDINANCE NO.

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF UKIAH ADDING AND AMENDING VARIOUS SECTIONS OF THE UKIAH CITY CODE TO REGULATE CANNABIS RELATED BUSINESSES.

The City Council of the City of Ukiah hereby ordains as follows.

SECTION 1

Article 8 of Chapter 2 in Division 9 of the Ukiah City Code, pertaining to the Heavy Commercial (C-2) Zoning District, is hereby amended to read as follows (unchanged text is omitted and is shown by “* * *):

§9097 PERMITTED USES

The following uses require approval of a use permit pursuant to the provisions contained in section 9262 of this chapter:

Cannabis Cultivation – Specialty Cottage.
Cannabis Cultivation – Specialty Indoor.
Cannabis Cultivation – Specialty Mixed Light.
Cannabis Distribution
Cannabis Manufacturing – Level 1.
Cannabis Microbusiness.
Cannabis Nursery.
Cannabis Retailer.
Cannabis Testing Laboratory.

* * *

SECTION 2

Article 9 of Chapter 2 in Division 9 of the Ukiah City Code, pertaining to the Manufacturing (M) Zoning Districts, is hereby amended to read as follows (unchanged text is omitted and is shown by “* * *):

§9112 USES PERMITTED SUBJECT TO FIRST SECURING A USE PERMIT

The following uses may be permitted in Manufacturing (M) Districts subject to first securing a use permit, as provided in this Chapter, in each case:

- A. Cannabis Cultivation – Specialty Cottage.
- B. Cannabis Cultivation – Specialty Indoor.
- C. Cannabis Cultivation – Specialty Mixed Light.
- D. Cannabis Distribution
- E. Cannabis Manufacturing – Level 1.

F. Cannabis Microbusiness.

G. Cannabis Nursery.

H. Cannabis Retailer.

I. Cannabis Testing Laboratory.

AJ. Industrial, manufacturing, or storage uses which may be objectionable by reason of production of smoke, dust, noise, radioactivity, vibration, bright light or other causes.

BK. Recreational uses, hotels, motels, mobile home parks, retail stores, offices, service establishments.

CL. Resident manager/security personnel housing.

SECTION 3

Article 20 of Chapter 2 in Division 9 of the Ukiah City Code is hereby amended to read as follows (unchanged text is omitted and is shown by “* * *”):

§9261 DISCRETIONARY PLANNING PERMITS

* * *

D. ***

* * *

5.

a. In all Zoning Districts in which they are a permitted use, the following Cannabis Related Businesses shall be considered major uses:

Cannabis Cultivation – Specialty Cottage.

Cannabis Cultivation – Specialty Indoor.

Cannabis Cultivation – Specialty Mixed Light.

Cannabis Microbusiness.

Cannabis Nursery.

Cannabis Retailer.

Major Use Permits issued for Cannabis Related Businesses shall be subject to annual review, and shall be subject to annual review and revocation according to the procedures set forth in Section 9262, subsections K and L of this Article.

b. In all Zoning Districts in which they are a permitted use, the following Cannabis Related Businesses shall be considered minor uses:

Cannabis Distribution

Cannabis Testing Laboratory

Cannabis Manufacturing – Level 1

Minor Use Permits issued for Cannabis Related Businesses shall be subject to annual review, and shall be subject to annual review and revocation according to the procedures set forth in Section 9262, subsections K and L of this Article.

c. All Cannabis Related Businesses operating subject to Use Permits under this Section will operate indoors in a fully enclosed secure structure, as defined in Section 9254 of this Code, and must be located at least 250 feet, measured from nearest parcel line to nearest parcel line, from any residential parcel.

* * *

§9262 USE PERMIT PROCEDURES

* * *

J. Use Permits for Cannabis Related Businesses: Use Permits issued for Cannabis Related Businesses shall be subject to annual review according to the procedures set forth in subsection K of this Section, and shall be subject to revocation according to the procedures set forth in subsection L of this Section.

K. Annual Review of Use Permits for Cannabis Related Businesses:

1. Use Permits for Cannabis Related Businesses will be subject to annual review by the Zoning Administrator, including inspection of the Business by the Zoning Administrator or his designee, to determine whether the Business is being operated in accordance with any conditions of approval imposed on the Use Permit as issued by the Planning Commission or Zoning Administrator. The City Council may, from time to time by resolution in accordance with the procedures required by law, establish fees to be charged and collected for annual review pursuant to this subsection.
2. In the course of annual review and after annual inspection, the Zoning Administrator shall make findings of fact regarding the Cannabis Related Business operator's adherence to the conditions of approval for the Use Permit. In addition, the Zoning Administrator will consider the following nonexclusive criteria in making findings of fact which may be grounds for revocation of a Use Permit for a Cannabis Related Business:
 - a. Whether the Cannabis Related Business operated pursuant to the Use Permit has generated an excessive number of calls for police service compared to similarly situated businesses of the same size as the Cannabis Related Business.
 - b. Whether there have been excessive secondary criminal or public nuisance impacts in the surrounding area or neighborhood, including, but not limited to, disturbances of the peace, illegal drug activity, marijuana use in public, harassment of passersby, littering, loitering, illegal parking, loud noises, odors, or lewd conduct.
 - c. Whether the Cannabis Related Business operating pursuant to a Use Permit has a history of inadequate safeguards or procedures that show it is likely that it will not comply with the any operating requirements and standards required in the conditions of approval.

- d. Whether the Cannabis Related Business has failed to pay fees, penalties, or taxes required by the conditions of approval of the Use Permit or by this Code or State law, or has failed to comply with any requirements for the production of records or other reporting requirements of this Code.
 - e. Whether the operator of the Cannabis Related Business or one or more of its officers, employees, partners, managers or members with management responsibilities ("Managers") has been convicted of a felony, or has engaged in misconduct that is substantially related to the qualifications, functions or duties of an operator of a Cannabis Related Business. A "conviction" within the meaning of this chapter means a plea or verdict of guilty, or a conviction following a plea of nolo contendere. Notwithstanding the above, an application shall not be denied solely on the basis that the applicant or any Manager has been convicted of a felony, if the person convicted has obtained a certificate of rehabilitation (expungement of felony record) under California law or under a similar Federal statute or State law where the expungement was granted.
 - f. Whether the operator or Managers of the Cannabis Related Business have previously or are currently engaged in unlawful, fraudulent, unfair, or deceptive business acts or practices.
 - g. Whether the Cannabis Related Business has been operated in compliance with applicable State law and provisions of this Code generally.
3. If the Zoning Administrator determines that the Cannabis Related Business is being operated in violation of any conditions of approval imposed on the Use Permit as issued by the Planning Commission or the Zoning Administrator, the Use Permit may be subject to revocation.

L. Revocation of Use Permits for Cannabis Related Businesses:

- 1. In addition to the reasons for revocation of an approved use permit set forth in subdivisions (H)(1) and (K)(2) of this Section, an approved use permit for a Cannabis Related Business may be revoked through the City's revocation process, as set forth in subdivision (H)(2) of this Section, except that all references therein to the Planning Commission shall be deemed to refer to the Zoning Administrator, if the Cannabis Related Business is operated in a manner that violates the conditions of approval imposed by the Use Permit or the provisions of this Code, or conflicts with State law. At the public hearing to be conducted by the Zoning Administrator as set forth in subdivision (H)(2) of this Section, the Zoning Administrator shall make findings regarding the alleged specific violations of this Code or State law.
- 2. An appeal of the Zoning Administrator's decision on revocation of a Use Permit for a Cannabis Related Business may be made to the Planning Commission for a final decision. Any such appeal must comply with the requirements of Section 9266 of this Article, except that all references therein to the City Council shall be deemed to refer to the Planning Commission.

3. When a final decision revoking a Use Permit for a Cannabis Related Business is made as provided in this Section, the permittee shall become ineligible for a period of three years thereafter to apply for a use permit for a Cannabis Related Business. The ineligibility shall include any corporation or other business entity, including, but not limited to, a partnership or limited liability company, in which the permittee has any direct or indirect beneficial, financial or ownership interest.

SECTION 4

Article 21 of Chapter 2 in Division 9 of the Ukiah City Code is hereby amended to read as follows (unchanged text is omitted and is shown by “* * *”):

§9278 DEFINITIONS

B. ***

* * *

CANNABIS: All parts of the plant Cannabis sativa linnaeus, Cannabis indica, or Cannabis ruderalis, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. “Cannabis” also means: (1) “marijuana” as defined by Section 11018 of the Health and Safety Code, and (2) the separated resin, whether crude or purified, obtained from marijuana. “Cannabis” does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this article, “cannabis” does not mean “industrial hemp” as defined by Food and Agricultural Code Section 81000 or Health and Safety Code Section 11018.5.

CANNABIS CULTIVATION: Any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.

CANNABIS CULTIVATION – INDOOR: The cultivation of cannabis within a fully enclosed secure structure, as defined in Section 9254 of this Code.

CANNABIS CULTIVATION – LARGE INDOOR: Indoor cultivation using exclusively artificial lighting greater than 22,000 square feet, inclusive, of total canopy size on one premises.

CANNABIS CULTIVATION – LARGE MIXED LIGHT: Indoor cultivation using any combination of natural and supplemental artificial lighting, greater than 22,000 square feet, inclusive, of total canopy size on one premises.

CANNABIS CULTIVATION – MEDIUM INDOOR: Indoor cultivation using exclusively artificial lighting between 10,001 and 22,000 square feet, inclusive, of total canopy size on one premises.

CANNABIS CULTIVATION – MEDIUM MIXED LIGHT: Indoor cultivation using any combination of natural and supplemental artificial lighting, between 10,001 and 22,000 square feet, inclusive, of total canopy size on one premises.

CANNABIS CULTIVATION – SMALL INDOOR: Indoor cultivation using exclusively artificial lighting between 5,001 and 10,000 square feet, inclusive, of total canopy size on one premises.

CANNABIS CULTIVATION – SMALL MIXED LIGHT: Indoor cultivation using any combination of natural and supplemental artificial lighting, inclusive, of total canopy size on one premises.

CANNABIS CULTIVATION – SPECIALTY COTTAGE: Indoor cultivation using any combination of natural and supplemental artificial lighting, of 2,500 square feet or less of total canopy size for mixed-light cultivation, or 500 square feet or less of total canopy size for indoor cultivation, on one premises.

CANNABIS CULTIVATION – SPECIALTY INDOOR: Indoor cultivation using exclusively artificial lighting of between 2,501 and 5,000 square feet of total canopy size on one premises.

CANNABIS CULTIVATION – SPECIALTY MIXED LIGHT: Indoor cultivation using any combination of natural and supplemental artificial lighting, of between 2,501 and 5,000 square feet of total canopy size on one premises.

CANNABIS DISTRIBUTION: The procurement, sale, and transport of cannabis and cannabis products between permitted and licensed cannabis businesses for the distribution of cannabis and cannabis products.

CANNABIS MANUFACTURING: The production, preparation, propagation, or compounding of cannabis or cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages cannabis or cannabis products or labels or relabels its container.

CANNABIS MANUFACTURING - LEVEL 1: Cannabis Manufacturing involving the manufacture of cannabis products using nonvolatile solvents, or no solvents.

CANNABIS MANUFACTURING – LEVEL 2: Cannabis Manufacturing involving the manufacture of cannabis products using volatile solvents.

CANNABIS MICROBUSINESS: A Cannabis Related Business operating under a State Type 12 license for microbusinesses, or a state cannabis license type subsequently established, and meeting the definition of “microbusiness” set forth in Business and Professions Code § 26070(a)(3)(A), as may be amended from time to time, which cultivates less than 5,000 square feet of cannabis and acts as a licensed distributor, Level 1 manufacturer, and retailer on the same Premises. A Cannabis Microbusiness that also acts as a Cannabis Retailer must also comply with the provisions of Division 6, Chapter 8 of the Ukiah City Code, except that a Microbusiness with a retail component is not required to obtain a Dispensary Use Permit pursuant to Section 5703 of this Code.

CANNABIS NURSERY: Cultivation of Cannabis that produces only clones, immature plants, seeds, and other agricultural products used specifically for the propagation and cultivation of Cannabis.

CANNABIS PRODUCTS: Cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, including but not limited to concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients.

CANNABIS RELATED BUSINESS: A commercial enterprise engaged in the cultivation, possession, manufacture, processing, storing, laboratory testing, labeling, distribution, or distribution, of cannabis or a cannabis product, including a Microbusiness, except as set forth in Business and Professions Code Section 26033 related to qualifying patients and primary caregivers, Division 6, Chapter 8 of the Ukiah City Code pertaining to regulation of marijuana dispensaries and issuance and renewal of Dispensary Use Permits, and Section 9254 of this Chapter pertaining to cultivation of marijuana for personal use. For purposes of this Article, this definition of a Cannabis Related Business excludes businesses engaged in the retail sale and delivery of Cannabis, Cannabis products, or Cannabis Products to patients or customers, which are regulated under Division 6, Chapter 8 of this Code. All Cannabis Related Businesses operating within the City must possess a valid State license appropriate for the type of business operated.

CANNABIS RETAILER: A commercial enterprise engaged in the retail sale and delivery of cannabis or cannabis products to customers. A retailer shall have a licensed premises which is a physical location from which commercial cannabis activities are conducted. A retailer's premises may be closed to the public. A retailer may conduct sales exclusively by delivery. All Cannabis Retail operations in the City of Ukiah are regulated pursuant to Division 6, Chapter 8 of the Ukiah City Code and must comply with all provisions of this Division.

CANNABIS TESTING LABORATORY: A laboratory, facility, or entity that offers or performs tests of cannabis or cannabis products.

* * *

MARIJUANA: The term "Marijuana," as used in this Chapter and throughout the Code, shall have the same meaning as the term "Cannabis" as defined in this Chapter.

PREMISES: The designated structure or structures and land specified in the application for a Use Permit for a Cannabis Related Business that is owned, leased, or otherwise held under the control of the applicant or permittee where the Cannabis Related Business will be or is conducted. The premises shall be a contiguous area and shall only be occupied by one permittee.

* * *

VOLATILE SOLVENTS: Solvents that are or produce a flammable gas or vapor that, when present in the air in sufficient quantities, will create explosive or ignitable mixtures.

SECTION 5.

1. SEVERABILITY.

If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person or circumstance, is for any reason held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases of this Ordinance, or its application to any other person or circumstance. The City Council of the City of Ukiah hereby declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof, irrespective of the fact that any one or more other sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases hereof be declared invalid or unenforceable.

2. EFFECTIVE DATE.

This Ordinance shall be published as required by law in a newspaper of general circulation in the City of Ukiah, and shall become effective thirty (30) days after its adoption.

Introduced by title only on _____, 2017, by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Adopted on _____, 2017 by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____, Mayor

ATTEST:

Kristine Lawler, City Clerk

ORDINANCE NO.

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF UKIAH ADDING AND AMENDING VARIOUS SECTIONS OF THE UKIAH CITY CODE TO REGULATE CANNABIS RELATED BUSINESSES.

The City Council of the City of Ukiah hereby ordains as follows.

SECTION 1

Article 6 of Chapter 2 in Division 9 of the Ukiah City Code, pertaining to the Neighborhood Commercial (C-N) Zoning District is hereby amended to read as follows (unchanged text is omitted and is shown by “* * *):

§9062 USES PERMITTED WITH SECURING OF A USE PERMIT

The following uses may be permitted in neighborhood commercial (C-N) districts, subject to first securing a use permit pursuant to provisions contained in section 9262 of this chapter:

Cannabis Testing Laboratory

SECTION 2

Article 7 of Chapter 2 in Division 9 of the Ukiah City Code, pertaining to the Community Commercial (C-1) Zoning District, is hereby amended to read as follows (unchanged text is omitted and is shown by “* * *):

§9082 PERMITTED USES

The following uses require approval of a use permit pursuant to the provisions contained in section 9262 of this chapter:

* * *

Cannabis Manufacturing – Level 1
Cannabis Microbusiness
Cannabis Nursery
Cannabis Retailer
Cannabis Testing Laboratory

* * *

SECTION 3

Article 8 of Chapter 2 in Division 9 of the Ukiah City Code, pertaining to the Heavy Commercial (C-2) Zoning District, is hereby amended to read as follows (unchanged text is omitted and is shown by “* * *):

§9097 PERMITTED USES

The following uses require approval of a use permit pursuant to the provisions contained in section 9262 of this chapter:

Cannabis Cultivation – Large Indoor.
Cannabis Cultivation – Large Mixed Light.
Cannabis Cultivation – Medium Indoor.
Cannabis Cultivation – Medium Mixed Light.
Cannabis Cultivation – Small Indoor.
Cannabis Cultivation – Small Mixed Light
Cannabis Cultivation – Specialty Cottage.
Cannabis Cultivation – Specialty Indoor.
Cannabis Cultivation – Specialty Mixed Light.
Cannabis Distribution
Cannabis Manufacturing – Level 1 and Level 2.
Cannabis Microbusiness.
Cannabis Nursery.
Cannabis Retailer.
Cannabis Testing Laboratory.

* * *

SECTION 4

Article 9 of Chapter 2 in Division 9 of the Ukiah City Code, pertaining to the Manufacturing (M) Zoning Districts, is hereby amended to read as follows (unchanged text is omitted and is shown by “* * *):

§9112 USES PERMITTED SUBJECT TO FIRST SECURING A USE PERMIT

The following uses may be permitted in Manufacturing (M) Districts subject to first securing a use permit, as provided in this Chapter, in each case:

- A. Cannabis Cultivation – Large Indoor.
- B. Cannabis Cultivation – Large Mixed Light.
- C. Cannabis Cultivation – Medium Indoor.
- D. Cannabis Cultivation – Medium Mixed Light.
- E. Cannabis Cultivation – Small Indoor.
- F. Cannabis Cultivation – Small Mixed Light.
- G. Cannabis Cultivation – Specialty Cottage.

- H. Cannabis Cultivation – Specialty Indoor.
- I. Cannabis Cultivation – Specialty Mixed Light.
- J. Cannabis Distribution
- K. Cannabis Manufacturing – Level 1 and Level 2.
- L. Cannabis Microbusiness.
- M. Cannabis Nursery.
- N. Cannabis Retailer.
- O. Cannabis Testing Laboratory.
- P. Industrial, manufacturing, or storage uses which may be objectionable by reason of production of smoke, dust, noise, radioactivity, vibration, bright light or other causes.
- Q. Recreational uses, hotels, motels, mobile home parks, retail stores, offices, service establishments.
- R. Resident manager/security personnel housing.

SECTION 5

Article 17 of Chapter 2 in Division 9 of the Ukiah City Code, pertaining to the Public Facilities (PF) Zoning District, is hereby amended to read as follows (unchanged text is omitted and is shown by “* * *):

§9170.2 PERMITTED USES

The following uses are permitted in the Public Facilities (PF) Zoning District subject to first securing a use permit:

- Cannabis Cultivation – Large Indoor.
- Cannabis Cultivation – Large Mixed-Light.
- Cannabis Cultivation – Medium Indoor.
- Cannabis Cultivation – Medium Mixed-Light.
- Cannabis Cultivation – Small Indoor.
- Cannabis Cultivation – Small Mixed-Light.
- Cannabis Cultivation – Specialty Cottage.
- Cannabis Cultivation – Specialty Indoor.
- Cannabis Cultivation – Specialty Mixed Light.
- Cannabis Distribution
- Cannabis Manufacturing – Level 1 and Level 2.
- Cannabis Microbusiness.
- Cannabis Nursery.
- Cannabis Retailer.
- Cannabis Testing Laboratory.

* * *

SECTION 6

Table 3 in Section 9223.1 of Article 18, Chapter 2 in Division 9 of the Ukiah City Code is hereby amended by specifying that a Cannabis Testing Laboratory, Cannabis Retailer, and Cannabis Microbusiness are allowable uses with a Major Use Permit (MAUP) in the General Urban (GU), Urban Center (UC), and Downtown Core (DC) zoning districts, and inserting a reference to section 9254 and 9261 in the column entitled “Additional Zoning Requirements by Code Section”.

SECTION 7

Article 20 of Chapter 2 in Division 9 of the Ukiah City Code is hereby amended to read as follows (unchanged text is omitted and is shown by “* * *”):

§9261 DISCRETIONARY PLANNING PERMITS

* * *

D. ***

* * *

5.

a. In all Zoning Districts in which they are a permitted use, the following Cannabis Related Businesses shall be considered major uses:

Cannabis Cultivation – Specialty Cottage.
Cannabis Cultivation – Specialty Indoor.
Cannabis Cultivation – Specialty Mixed Light.
Cannabis Microbusiness.
Cannabis Nursery.
Cannabis Retailer.

Major Use Permits issued for Cannabis Related Businesses shall be subject to annual review, and shall be subject to annual review and revocation according to the procedures set forth in Section 9262, subsections K and L of this Article.

b. In all Zoning Districts in which they are a permitted use, the following Cannabis Related Businesses shall be considered minor uses:

Cannabis Distribution
Cannabis Testing Laboratory
Cannabis Manufacturing – Level 1

Minor Use Permits issued for Cannabis Related Businesses shall be subject to annual review, and shall be subject to annual review and revocation according to the procedures set forth in Section 9262, subsections K and L of this Article.

c. All Cannabis Related Businesses operating subject to Minor Use Permits under this Section must be located at least 250 feet, measured from nearest parcel line to nearest parcel line, from any residential parcel. A waiver of this distance restriction may be granted if the applicant demonstrates on plans and materials presented for review and the Zoning Administrator

determines that a physical barrier or other condition exists which achieves the same purpose and intent as the distance separation requirement established herein, and that, as a result, the Zoning Administrator makes a finding of no adverse impact resulting from the proposed location of the Cannabis Related Business.

d. All Cannabis Related Businesses operating subject to Use Permits under this Section will operate indoors in a fully enclosed secure structure, as defined in Section 9254 of this Code.

* * *

§9262 USE PERMIT PROCEDURES

* * *

J. Use Permits for Cannabis Related Businesses: Use Permits issued for Cannabis Related Businesses shall be subject to annual review according to the procedures set forth in subsection K of this Section, and shall be subject to revocation according to the procedures set forth in subsection L of this Section.

K. Annual Review of Use Permits for Cannabis Related Businesses:

1. Use Permits for Cannabis Related Businesses will be subject to annual review by the Zoning Administrator, including inspection of the Business by the Zoning Administrator or his designee, to determine whether the Business is being operated in accordance with any conditions of approval imposed on the Use Permit as issued by the Planning Commission or Zoning Administrator. The City Council may, from time to time by resolution in accordance with the procedures required by law, establish fees to be charged and collected for annual review pursuant to this subsection.
2. In the course of annual review and after annual inspection, the Zoning Administrator shall make findings of fact regarding the Cannabis Related Business operator's adherence to the conditions of approval for the Use Permit. In addition, the Zoning Administrator will consider the following nonexclusive criteria in making findings of fact which may be grounds for revocation of a Use Permit for a Cannabis Related Business:
 - a. Whether the Cannabis Related Business operated pursuant to the Use Permit has generated an excessive number of calls for police service compared to similarly situated businesses of the same size as the Cannabis Related Business.
 - b. Whether there have been excessive secondary criminal or public nuisance impacts in the surrounding area or neighborhood, including, but not limited to, disturbances of the peace, illegal drug activity, marijuana use in public, harassment of passersby, littering, loitering, illegal parking, loud noises, odors, or lewd conduct.
 - c. Whether the Cannabis Related Business operating pursuant to a Use Permit has a history of inadequate safeguards or procedures that show it is likely that it will not comply with the any operating requirements and standards required in the conditions of approval.

- d. Whether the Cannabis Related Business has failed to pay fees, penalties, or taxes required by the conditions of approval of the Use Permit or by this Code or State law, or has failed to comply with any requirements for the production of records or other reporting requirements of this Code.
 - e. Whether the operator of the Cannabis Related Business or one or more of its officers, employees, partners, managers or members with management responsibilities ("Managers") has been convicted of a felony, or has engaged in misconduct that is substantially related to the qualifications, functions or duties of an operator of a Cannabis Related Business. A "conviction" within the meaning of this chapter means a plea or verdict of guilty, or a conviction following a plea of nolo contendere. Notwithstanding the above, an application shall not be denied solely on the basis that the applicant or any Manager has been convicted of a felony, if the person convicted has obtained a certificate of rehabilitation (expungement of felony record) under California law or under a similar Federal statute or State law where the expungement was granted.
 - f. Whether the operator or Managers of the Cannabis Related Business have previously or are currently engaged in unlawful, fraudulent, unfair, or deceptive business acts or practices.
 - g. Whether the Cannabis Related Business has been operated in compliance with applicable State law and provisions of this Code generally.
3. If the Zoning Administrator determines that the Cannabis Related Business is being operated in violation of any conditions of approval imposed on the Use Permit as issued by the Planning Commission or the Zoning Administrator, the Use Permit may be subject to revocation.

L. Revocation of Use Permits for Cannabis Related Businesses:

- 1. In addition to the reasons for revocation of an approved use permit set forth in subdivisions (H)(1) and (K)(2) of this Section, an approved use permit for a Cannabis Related Business may be revoked through the City's revocation process, as set forth in subdivision (H)(2) of this Section, except that all references therein to the Planning Commission shall be deemed to refer to the Zoning Administrator, if the Cannabis Related Business is operated in a manner that violates the conditions of approval imposed by the Use Permit or the provisions of this Code, or conflicts with State law. At the public hearing to be conducted by the Zoning Administrator as set forth in subdivision (H)(2) of this Section, the Zoning Administrator shall make findings regarding the alleged specific violations of this Code or State law.
- 2. An appeal of the Zoning Administrator's decision on revocation of a Use Permit for a Cannabis Related Business may be made to the Planning Commission for a final decision. Any such appeal must comply with the requirements of Section [9266](#) of this Article, except that all references therein to the City Council shall be deemed to refer to the Planning Commission.
- 3. When a final decision revoking a Use Permit for a Cannabis Related Business is made as provided in this Section, the permittee shall become ineligible for a period of

three years thereafter to apply for a use permit for a Cannabis Related Business. The ineligibility shall include any corporation or other business entity, including, but not limited to, a partnership or limited liability company, in which the permittee has any direct or indirect beneficial, financial or ownership interest.

SECTION 8

Article 21 of Chapter 2 in Division 9 of the Ukiah City Code is hereby amended to read as follows (unchanged text is omitted and is shown by “* * *”):

§9278 DEFINITIONS

B. ***

* * *

CANNABIS: All parts of the plant *Cannabis sativa* linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. “Cannabis” also means: (1) “marijuana” as defined by Section 11018 of the Health and Safety Code, and (2) the separated resin, whether crude or purified, obtained from marijuana. “Cannabis” does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this article, “cannabis” does not mean “industrial hemp” as defined by Food and Agricultural Code Section 81000 or Health and Safety Code Section 11018.5.

CANNABIS CULTIVATION: Any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.

CANNABIS CULTIVATION – INDOOR: The cultivation of cannabis within a fully enclosed secure structure, as defined in Section 9254 of this Code.

CANNABIS CULTIVATION – LARGE INDOOR: Indoor cultivation using exclusively artificial lighting greater than 22,000 square feet, inclusive, of total canopy size on one premises.

CANNABIS CULTIVATION – LARGE MIXED LIGHT: Indoor cultivation using any combination of natural and supplemental artificial lighting, greater than 22,000 square feet, inclusive, of total canopy size on one premises.

CANNABIS CULTIVATION – MEDIUM INDOOR: Indoor cultivation using exclusively artificial lighting between 10,001 and 22,000 square feet, inclusive, of total canopy size on one premises.

CANNABIS CULTIVATION – MEDIUM MIXED LIGHT: Indoor cultivation using any combination of natural and supplemental artificial lighting, between 10,001 and 22,000 square feet, inclusive, of total canopy size on one premises.

CANNABIS CULTIVATION – SMALL INDOOR: Indoor cultivation using exclusively artificial lighting between 5,001 and 10,000 square feet, inclusive, of total canopy size on one premises.

CANNABIS CULTIVATION – SMALL MIXED LIGHT: Indoor cultivation using any combination of natural and supplemental artificial lighting, between 5,001 and 10,000 square feet, inclusive, of total canopy size on one premises.

CANNABIS CULTIVATION – SPECIALTY COTTAGE: Indoor cultivation using any combination of natural and supplemental artificial lighting, of 2,500 square feet or less of total canopy size for mixed-light cultivation, or 500 square feet or less of total canopy size for indoor cultivation, on one premises.

CANNABIS CULTIVATION – SPECIALTY INDOOR: Indoor cultivation using exclusively artificial lighting of between 2,501 and 5,000 square feet of total canopy size on one premises.

CANNABIS CULTIVATION – SPECIALTY MIXED LIGHT: Indoor cultivation using any combination of natural and supplemental artificial lighting, of between 2,501 and 5,000 square feet of total canopy size on one premises.

CANNABIS DISTRIBUTION: The procurement, sale, and transport of cannabis and cannabis products between permitted and licensed cannabis businesses for the distribution of cannabis and cannabis products.

CANNABIS MANUFACTURING: The production, preparation, propagation, or compounding of cannabis or cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages cannabis or cannabis products or labels or relabels its container.

CANNABIS MANUFACTURING - LEVEL 1: Cannabis Manufacturing involving the manufacture of cannabis products using nonvolatile solvents, or no solvents.

CANNABIS MANUFACTURING – LEVEL 2: Cannabis Manufacturing involving the manufacture of cannabis products using volatile solvents.

CANNABIS MICROBUSINESS: A Cannabis Related Business operating under a state Type 12 license for microbusinesses, or a state cannabis license type subsequently established, and meeting the definition of “microbusiness” set forth in Business and Professions Code § 26070(a)(3)(A), as may be amended from time to time, which cultivates less than 10,000 square feet of cannabis and acts as a licensed distributor, Level 1 manufacturer, and retailer on the same Premises. A Cannabis Microbusiness that also acts as a Cannabis Retailer must also comply with the provisions of Division 6, Chapter 8 of the Ukiah City Code, except that a Microbusiness with a retail component is not required to obtain a Dispensary Use Permit pursuant to Section 5703 of this Code.

CANNABIS NURSERY: Cultivation of Cannabis that produces only clones, immature plants, seeds, and other agricultural products used specifically for the propagation and cultivation of Cannabis.

CANNABIS PRODUCTS: Cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, including but not limited to concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients.

CANNABIS RELATED BUSINESS: A commercial enterprise engaged in the cultivation, possession, manufacture, processing, storing, laboratory testing, labeling, distribution, or distribution, of cannabis or a cannabis product, including a Microbusiness, except as set forth in Business and Professions Code Section 26033 related to qualifying patients and primary caregivers, Division 6, Chapter 8 of the Ukiah City Code pertaining to regulation of marijuana dispensaries and issuance and renewal of Dispensary Use Permits, and Section 9254 of this Chapter pertaining to cultivation of marijuana for personal use. For purposes of this Article, this definition of a Cannabis Related Business excludes businesses engaged in the retail sale and delivery of Cannabis, Cannabis products, or Cannabis Products to patients or customers, which are regulated under Division 6, Chapter 8 of this Code. All Cannabis Related Businesses operating within the City must possess a valid State license appropriate for the type of business operated.

CANNABIS RETAILER: A commercial enterprise engaged in the retail sale and delivery of cannabis or cannabis products to customers. A retailer shall have a licensed premises which is a physical location from which commercial cannabis activities are conducted. A retailer's premises may be closed to the public. A retailer may conduct sales exclusively by delivery. All Cannabis Retail operations in the City of Ukiah are regulated pursuant to Division 6, Chapter 8 of the Ukiah City Code and must comply with all provisions of this Division.

CANNABIS TESTING LABORATORY: A laboratory, facility, or entity that offers or performs tests of cannabis or cannabis products.

* * *

MARIJUANA: The term "Marijuana," as used in this Chapter and throughout the Code, shall have the same meaning as the term "Cannabis" as defined in this Chapter.

PREMISES: The designated structure or structures and land specified in the application for a Use Permit for a Cannabis Related Business that is owned, leased, or otherwise held under the control of the applicant or permittee where the Cannabis Related Business will be or is conducted. The premises shall be a contiguous area and shall only be occupied by one permittee.

* * *

VOLATILE SOLVENTS: Solvents that are or produce a flammable gas or vapor that, when present in the air in sufficient quantities, will create explosive or ignitable mixtures.

SECTION 9.

1. SEVERABILITY.

If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person or circumstance, is for any reason held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases of this Ordinance, or its application to any other person or circumstance. The City Council of the City of Ukiah hereby declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof, irrespective of the fact that any one or more other sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases hereof be declared invalid or unenforceable.

2. EFFECTIVE DATE.

This Ordinance shall be published as required by law in a newspaper of general circulation in the City of Ukiah, and shall become effective thirty (30) days after its adoption.

Introduced by title only on _____, 2017, by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Adopted on _____, 2017 by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____, Mayor

ATTEST:

Kristine Lawler, City Clerk

ORDINANCE NO.

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF UKIAH ADDING AND AMENDING VARIOUS SECTIONS OF THE UKIAH CITY CODE TO REGULATE CANNABIS RELATED BUSINESSES.

The City Council of the City of Ukiah hereby ordains as follows.

SECTION 1

Article 6 of Chapter 2 in Division 9 of the Ukiah City Code, pertaining to the Neighborhood Commercial (C-N) Zoning District is hereby amended to read as follows (unchanged text is omitted and is shown by “* * *):

§9062 USES PERMITTED WITH SECURING OF A USE PERMIT

The following uses may be permitted in neighborhood commercial (C-N) districts, subject to first securing a use permit pursuant to provisions contained in section 9262 of this chapter:

| Cannabis Testing Laboratory

SECTION 2

Article 7 of Chapter 2 in Division 9 of the Ukiah City Code, pertaining to the Community Commercial (C-1) Zoning District, is hereby amended to read as follows (unchanged text is omitted and is shown by “* * *):

§9082 PERMITTED USES

The following uses require approval of a use permit pursuant to the provisions contained in section 9262 of this chapter:

* * *

| Cannabis Manufacturing – Level 1
| Cannabis Microbusiness
| Cannabis Nursery
| Cannabis Retailer
| Cannabis Testing Laboratory

* * *

SECTION 3

Article 8 of Chapter 2 in Division 9 of the Ukiah City Code, pertaining to the Heavy Commercial (C-2) Zoning District, is hereby amended to read as follows (unchanged text is omitted and is shown by “* * *):

§9097 PERMITTED USES

The following uses require approval of a use permit pursuant to the provisions contained in section 9262 of this chapter:

Cannabis Cultivation – Large Indoor.
Cannabis Cultivation – Large Mixed Light.
Cannabis Cultivation – Medium Indoor.
Cannabis Cultivation – Medium Mixed Light.
Cannabis Cultivation – Small Indoor.
Cannabis Cultivation – Small Mixed Light.
Cannabis Cultivation – Specialty Cottage.
Cannabis Cultivation – Specialty Indoor.
Cannabis Cultivation – Specialty Mixed Light.
Cannabis Distribution
Cannabis Manufacturing – Level 1 and Level 2.
Cannabis Microbusiness.
Cannabis Nursery.
Cannabis Retailer.
Cannabis Testing Laboratory.

* * *

SECTION 4

Article 9 of Chapter 2 in Division 9 of the Ukiah City Code, pertaining to the Manufacturing (M) Zoning Districts, is hereby amended to read as follows (unchanged text is omitted and is shown by “* * *):

§9112 USES PERMITTED SUBJECT TO FIRST SECURING A USE PERMIT

The following uses may be permitted in Manufacturing (M) Districts subject to first securing a use permit, as provided in this Chapter, in each case:

- A. Cannabis Cultivation – Large Indoor.
- B. Cannabis Cultivation – Large Mixed Light.
- C. Cannabis Cultivation – Medium Indoor.
- D. Cannabis Cultivation – Medium Mixed Light.
- E. Cannabis Cultivation – Small Indoor.
- F. Cannabis Cultivation – Small Mixed Light.
- G. Cannabis Cultivation – Specialty Cottage.

H. Cannabis Cultivation – Specialty Indoor.

I. Cannabis Cultivation – Specialty Mixed Light.

J. Cannabis Distribution

K. Cannabis Manufacturing – Level 1 and Level 2.

L. Cannabis Microbusiness.

M. Cannabis Nursery.

N. Cannabis Retailer.

O. Cannabis Testing Laboratory.

AP. Industrial, manufacturing, or storage uses which may be objectionable by reason of production of smoke, dust, noise, radioactivity, vibration, bright light or other causes.

BQ. Recreational uses, hotels, motels, mobile home parks, retail stores, offices, service establishments.

CR. Resident manager/security personnel housing.

SECTION 5

Article 17 of Chapter 2 in Division 9 of the Ukiah City Code, pertaining to the Public Facilities (PF) Zoning District, is hereby amended to read as follows (unchanged text is omitted and is shown by “* * *):

§9170.2 PERMITTED USES

The following uses are permitted in the Public Facilities (PF) Zoning District subject to first securing a use permit:

Cannabis Cultivation – Large Indoor.

Cannabis Cultivation – Large Mixed-Light.

Cannabis Cultivation – Medium Indoor.

Cannabis Cultivation – Medium Mixed-Light.

Cannabis Cultivation – Small Indoor.

Cannabis Cultivation – Small Mixed-Light.

Cannabis Cultivation – Specialty Cottage.

Cannabis Cultivation – Specialty Indoor.

Cannabis Cultivation – Specialty Mixed Light.

Cannabis Distribution

Cannabis Manufacturing – Level 1 and Level 2.

Cannabis Microbusiness.

Cannabis Nursery.

Cannabis Retailer.

Cannabis Testing Laboratory.

* * *

SECTION 6

Table 3 in Section 9223.1 of Article 18, Chapter 2 in Division 9 of the Ukiah City Code is hereby amended by specifying that a Cannabis Testing Laboratory, Cannabis Retailer, and Cannabis Microbusiness are allowable uses with a Major Use Permit (MAUP) in the General Urban (GU), Urban Center (UC), and Downtown Core (DC) zoning districts, and inserting a reference to section 9254 and 9261 in the column entitled “Additional Zoning Requirements by Code Section”.

SECTION 7

Article 20 of Chapter 2 in Division 9 of the Ukiah City Code is hereby amended to read as follows (unchanged text is omitted and is shown by “* * *”):

§9261 DISCRETIONARY PLANNING PERMITS

* * *

D. ***

* * *

5.

a. In all Zoning Districts in which they are a permitted use, the following Cannabis Related Businesses shall be considered major uses:

Cannabis Cultivation – Specialty Cottage.
Cannabis Cultivation – Specialty Indoor.
Cannabis Cultivation – Specialty Mixed Light.
Cannabis Microbusiness.
Cannabis Nursery.
Cannabis Retailer.

Major Use Permits issued for Cannabis Related Businesses shall be subject to annual review, and shall be subject to annual review and revocation according to the procedures set forth in Section 9262, subsections K and L of this Article.

b. In all Zoning Districts in which they are a permitted use, the following Cannabis Related Businesses shall be considered minor uses:

Cannabis Distribution
Cannabis Testing Laboratory
Cannabis Manufacturing – Level 1

Minor Use Permits issued for Cannabis Related Businesses shall be subject to annual review, and shall be subject to annual review and revocation according to the procedures set forth in Section 9262, subsections K and L of this Article.

c. All Cannabis Related Businesses operating subject to Minor Use Permits under this Section must be located at least 250 feet, measured from nearest parcel line to nearest parcel line, from

any residential parcel. A waiver of this distance restriction may be granted if the applicant demonstrates on plans and materials presented for review and the Zoning Administrator determines that a physical barrier or other condition exists which achieves the same purpose and intent as the distance separation requirement established herein, and that, as a result, the Zoning Administrator makes a finding of no adverse impact resulting from the proposed location of the Cannabis Related Business.

d. All Cannabis Related Businesses operating subject to Use Permits under this Section will operate indoors in a fully enclosed secure structure, as defined in Section 9254 of this Code.

* * *

§9262 USE PERMIT PROCEDURES

* * *

J. Use Permits for Cannabis Related Businesses: Use Permits issued for Cannabis Related Businesses shall be subject to annual review according to the procedures set forth in subsection K of this Section, and shall be subject to revocation according to the procedures set forth in subsection L of this Section.

K. Annual Review of Use Permits for Cannabis Related Businesses:

1. Use Permits for Cannabis Related Businesses will be subject to annual review by the Zoning Administrator, including inspection of the Business by the Zoning Administrator or his designee, to determine whether the Business is being operated in accordance with any conditions of approval imposed on the Use Permit as issued by the Planning Commission or Zoning Administrator. The City Council may, from time to time by resolution in accordance with the procedures required by law, establish fees to be charged and collected for annual review pursuant to this subsection.
2. In the course of annual review and after annual inspection, the Zoning Administrator shall make findings of fact regarding the Cannabis Related Business operator's adherence to the conditions of approval for the Use Permit. In addition, the Zoning Administrator will consider the following nonexclusive criteria in making findings of fact which may be grounds for revocation of a Use Permit for a Cannabis Related Business:
 - a. Whether the Cannabis Related Business operated pursuant to the Use Permit has generated an excessive number of calls for police service compared to similarly situated businesses of the same size as the Cannabis Related Business.
 - b. Whether there have been excessive secondary criminal or public nuisance impacts in the surrounding area or neighborhood, including, but not limited to, disturbances of the peace, illegal drug activity, marijuana use in public, harassment of passersby, littering, loitering, illegal parking, loud noises, odors, or lewd conduct.
 - c. Whether the Cannabis Related Business operating pursuant to a Use Permit has a history of inadequate safeguards or procedures that show it is likely

that it will not comply with the any operating requirements and standards required in the conditions of approval.

- d. Whether the Cannabis Related Business has failed to pay fees, penalties, or taxes required by the conditions of approval of the Use Permit or by this Code or State law, or has failed to comply with any requirements for the production of records or other reporting requirements of this Code.
- e. Whether the operator of the Cannabis Related Business or one or more of its officers, employees, partners, managers or members with management responsibilities ("Managers") has been convicted of a felony, or has engaged in misconduct that is substantially related to the qualifications, functions or duties of an operator of a Cannabis Related Business. A "conviction" within the meaning of this chapter means a plea or verdict of guilty, or a conviction following a plea of nolo contendere. Notwithstanding the above, an application shall not be denied solely on the basis that the applicant or any Manager has been convicted of a felony, if the person convicted has obtained a certificate of rehabilitation (expungement of felony record) under California law or under a similar Federal statute or State law where the expungement was granted.
- f. Whether the operator or Managers of the Cannabis Related Business have previously or are currently engaged in unlawful, fraudulent, unfair, or deceptive business acts or practices.
- g. Whether the Cannabis Related Business has been operated in compliance with applicable State law and provisions of this Code generally.

- 3. If the Zoning Administrator determines that the Cannabis Related Business is being operated in violation of any conditions of approval imposed on the Use Permit as issued by the Planning Commission or the Zoning Administrator, the Use Permit may be subject to revocation.

L. Revocation of Use Permits for Cannabis Related Businesses:

- 1. In addition to the reasons for revocation of an approved use permit set forth in subdivisions (H)(1) and (K)(2) of this Section, an approved use permit for a Cannabis Related Business may be revoked through the City's revocation process, as set forth in subdivision (H)(2) of this Section, except that all references therein to the Planning Commission shall be deemed to refer to the Zoning Administrator, if the Cannabis Related Business is operated in a manner that violates the conditions of approval imposed by the Use Permit or the provisions of this Code, or conflicts with State law. At the public hearing to be conducted by the Zoning Administrator as set forth in subdivision (H)(2) of this Section, the Zoning Administrator shall make findings regarding the alleged specific violations of this Code or State law.
- 2. An appeal of the Zoning Administrator's decision on revocation of a Use Permit for a Cannabis Related Business may be made to the Planning Commission for a final decision. Any such appeal must comply with the requirements of Section 9266 of this Article, except that all references therein to the City Council shall be deemed to refer to the Planning Commission.

3. When a final decision revoking a Use Permit for a Cannabis Related Business is made as provided in this Section, the permittee shall become ineligible for a period of three years thereafter to apply for a use permit for a Cannabis Related Business. The ineligibility shall include any corporation or other business entity, including, but not limited to, a partnership or limited liability company, in which the permittee has any direct or indirect beneficial, financial or ownership interest.

SECTION 8

Article 21 of Chapter 2 in Division 9 of the Ukiah City Code is hereby amended to read as follows (unchanged text is omitted and is shown by “* * *”):

§9278 DEFINITIONS

B. ***

* * *

CANNABIS: All parts of the plant Cannabis sativa linnaeus, Cannabis indica, or Cannabis ruderalis, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. “Cannabis” also means: (1) “marijuana” as defined by Section 11018 of the Health and Safety Code, and (2) the separated resin, whether crude or purified, obtained from marijuana. “Cannabis” does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this article, “cannabis” does not mean “industrial hemp” as defined by Food and Agricultural Code Section 81000 or Health and Safety Code Section 11018.5.

CANNABIS CULTIVATION: Any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.

CANNABIS CULTIVATION – INDOOR: The cultivation of cannabis within a fully enclosed secure structure, as defined in Section 9254 of this Code.

CANNABIS CULTIVATION – LARGE INDOOR: Indoor cultivation using exclusively artificial lighting greater than 22,000 square feet, inclusive, of total canopy size on one premises.

CANNABIS CULTIVATION – LARGE MIXED LIGHT: Indoor cultivation using any combination of natural and supplemental artificial lighting, greater than 22,000 square feet, inclusive, of total canopy size on one premises.

CANNABIS CULTIVATION – MEDIUM INDOOR: Indoor cultivation using exclusively artificial lighting between 10,001 and 22,000 square feet, inclusive, of total canopy size on one premises.

CANNABIS CULTIVATION – MEDIUM MIXED LIGHT: Indoor cultivation using any combination of natural and supplemental artificial lighting, between 10,001 and 22,000 square feet, inclusive, of total canopy size on one premises.

CANNABIS CULTIVATION – SMALL INDOOR: Indoor cultivation using exclusively artificial lighting between 5,001 and 10,000 square feet, inclusive, of total canopy size on one premises.

CANNABIS CULTIVATION – SMALL MIXED LIGHT: Indoor cultivation using any combination of natural and supplemental artificial lighting, between 5,001 and 10,000 square feet, inclusive, of total canopy size on one premises.

CANNABIS CULTIVATION – SPECIALTY COTTAGE: Indoor cultivation using any combination of natural and supplemental artificial lighting, of 2,500 square feet or less of total canopy size for mixed-light cultivation, or 500 square feet or less of total canopy size for indoor cultivation, on one premises.

CANNABIS CULTIVATION – SPECIALTY INDOOR: Indoor cultivation using exclusively artificial lighting of between 2,501 and 5,000 square feet of total canopy size on one premises.

CANNABIS CULTIVATION – SPECIALTY MIXED LIGHT: Indoor cultivation using any combination of natural and supplemental artificial lighting, of between 2,501 and 5,000 square feet of total canopy size on one premises.

CANNABIS DISTRIBUTION: The procurement, sale, and transport of cannabis and cannabis products between permitted and licensed cannabis businesses for the distribution of cannabis and cannabis products.

CANNABIS MANUFACTURING: The production, preparation, propagation, or compounding of cannabis or cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages cannabis or cannabis products or labels or relabels its container.

CANNABIS MANUFACTURING - LEVEL 1: Cannabis Manufacturing involving the manufacture of cannabis products using nonvolatile solvents, or no solvents.

CANNABIS MANUFACTURING – LEVEL 2: Cannabis Manufacturing involving the manufacture of cannabis products using volatile solvents.

CANNABIS MICROBUSINESS: A Cannabis Related Business operating under a state Type 12 license for microbusinesses, or a state cannabis license type subsequently established, and meeting the definition of “microbusiness” set forth in Business and Professions Code § 26070(a)(3)(A), as may be amended from time to time, which cultivates less than 10,000 square feet of cannabis and acts as a licensed distributor, Level 1 manufacturer, and retailer on the same Premises. A Cannabis Microbusiness that also acts as a Cannabis Retailer must also comply with the provisions of Division 6, Chapter 8 of the Ukiah City Code, except that a Microbusiness with a retail component is not required to obtain a Dispensary Use Permit pursuant to Section 5703 of this Code.

CANNABIS NURSERY: Cultivation of Cannabis that produces only clones, immature plants, seeds, and other agricultural products used specifically for the propagation and cultivation of Cannabis.

CANNABIS PRODUCTS: Cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, including but not limited to concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients.

CANNABIS RELATED BUSINESS: A commercial enterprise engaged in the cultivation, possession, manufacture, processing, storing, laboratory testing, labeling, distribution, or distribution, of cannabis or a cannabis product, including a Microbusiness, except as set forth in Business and Professions Code Section 26033 related to qualifying patients and primary caregivers, Division 6, Chapter 8 of the Ukiah City Code pertaining to regulation of marijuana dispensaries and issuance and renewal of Dispensary Use Permits, and Section 9254 of this Chapter pertaining to cultivation of marijuana for personal use. For purposes of this Article, this definition of a Cannabis Related Business excludes businesses engaged in the retail sale and delivery of Cannabis, Cannabis products, or Cannabis Products to patients or customers, which are regulated under Division 6, Chapter 8 of this Code. All Cannabis Related Businesses operating within the City must possess a valid State license appropriate for the type of business operated.

CANNABIS RETAILER: A commercial enterprise engaged in the retail sale and delivery of cannabis or cannabis products to customers. A retailer shall have a licensed premises which is a physical location from which commercial cannabis activities are conducted. A retailer's premises may be closed to the public. A retailer may conduct sales exclusively by delivery. All Cannabis Retail operations in the City of Ukiah are regulated pursuant to Division 6, Chapter 8 of the Ukiah City Code and must comply with all provisions of this Division.

CANNABIS TESTING LABORATORY: A laboratory, facility, or entity that offers or performs tests of cannabis or cannabis products.

* * *

MARIJUANA: The term "Marijuana," as used in this Chapter and throughout the Code, shall have the same meaning as the term "Cannabis" as defined in this Chapter.

PREMISES: The designated structure or structures and land specified in the application for a Use Permit for a Cannabis Related Business that is owned, leased, or otherwise held under the control of the applicant or permittee where the Cannabis Related Business will be or is conducted. The premises shall be a contiguous area and shall only be occupied by one permittee.

* * *

VOLATILE SOLVENTS: Solvents that are or produce a flammable gas or vapor that, when present in the air in sufficient quantities, will create explosive or ignitable mixtures.

SECTION 9.

1. SEVERABILITY.

If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person or circumstance, is for any reason held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases of this Ordinance, or its application to any other person or circumstance. The City Council of the City of Ukiah hereby declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof, irrespective of the fact that any one or more other sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases hereof be declared invalid or unenforceable.

2. EFFECTIVE DATE.

This Ordinance shall be published as required by law in a newspaper of general circulation in the City of Ukiah, and shall become effective thirty (30) days after its adoption.

Introduced by title only on _____, 2017, by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Adopted on _____, 2017 by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____, Mayor

ATTEST:

Kristine Lawler, City Clerk

	Proposed Cannabis Related Business Ordinance (Attachments 1 and 2)	Planning Commission Recommendation (Attachments 3 and 4)	Hybrid- with Planning Commission Rec. (Attachments 5 and 6)
Neighborhood Commercial (NC)	Major Use Permit: Testing Laboratory	Cannabis related businesses prohibited	Major Use Permit: Testing Laboratory
Community Commercial (C1)	Major Use Permit: Cultivation - Nursery Manufacturing - Level 1 (Nonvolatile) Testing Laboratory Microbusiness Retail	Cannabis related businesses prohibited	Major Use Permit: Cultivation - Nursery Manufacturing - Level 1 (Nonvolatile) Testing Laboratory Microbusiness Retail
Heavy Commercial (C2) Planned Development Commercial	Major Use Permit: Specialty cottage cultivation Specialty indoor cultivation Specialty mixed-light cultivation Small indoor cultivation Small mixed-light cultivation Medium indoor cultivation Medium mixed-light cultivation Large indoor cultivation Large mixed-light cultivation Cultivation - Nursery Manufacturing – Level 1 (nonvolatile) and Level 2 (volatile) Testing Laboratory Distribution	Minor Use Permit: Manufacturing - Level 1 (Nonvolatile) Testing Laboratory Distribution Major Use Permit: Specialty indoor cultivation Specialty mixed-light cultivation Specialty cottage cultivation Cultivation - Nursery Microbusiness (limited to 5,000 square feet of cultivation area for businesses engaged in cultivation)	Minor Use Permit: Manufacturing - Level 1 (Nonvolatile) Testing Laboratory Distribution Major Use Permit: Specialty indoor cultivation Specialty mixed-light cultivation Specialty cottage cultivation Small indoor cultivation Cultivation - Nursery Microbusiness Manufacturing Level 2 (volatile)

	Proposed Cannabis Related Business Ordinance (Attachments 1 and 2)	Planning Commission Recommendation (Attachments 3 and 4)	Hybrid- with Planning Commission Rec. (Attachments 5 and 6)
	Retail Microbusiness		
All Downtown Zoning Districts: Downtown Core (DC) Urban Center (UC) General Urban (GU)	Major Use Permit: Testing Laboratory Microbusiness Retail	Cannabis related businesses prohibited	Major Use Permit: Testing Laboratory Microbusiness Retail
Manufacturing	Major Use Permit: All Types	Minor Use Permit: Manufacturing - Level 1 (Nonvolatile) Testing Laboratory Distribution Major Use Permit: Specialty indoor cultivation Specialty mixed-light cultivation Specialty cottage cultivation Cultivation - Nursery Microbusiness (limited to 5,000 square feet of cultivation area for businesses engaged in cultivation)	Minor Use Permit: Manufacturing - Level 1 (Nonvolatile) Testing Laboratory Distribution Major Use Permit: All other types
Public Facilities	Major Use Permit: All Types	Cannabis related businesses prohibited	Major Use Permit: All Types



AGENDA SUMMARY REPORT

SUBJECT: Discussion and Possible Introduction of the Proposed Cannabis Cultivation Ordinance

DEPARTMENT: Community Development

PREPARED BY: Darcy Vaughn

ATTACHMENTS:

[Attachment 1 - Cannabis Cultivation Ordinance Version 1 CLEAN](#)

[Attachment 2 - Cannabis Cultivation Ordinance Version 1 REDLINE](#)

[Attachment 3 - Cannabis Cultivation Ordinance Version 2 CLEAN](#)

[Attachment 4 - Cannabis Cultivation Ordinance Version 2 REDLINE](#)

Summary: The City Council will review and possibly introduce a proposed Cannabis Cultivation Ordinance.

Background: Over the past two years, the City has considered a series of City Code amendments related to new cannabis laws and regulations enacted by the State of California. Guided by the Marijuana Ad Hoc Committee comprised of Council members Mulheren and Brown, the City Manager, Community Development Director, Planning Manager, City Attorney, Assistant City Attorney, and Chief of Police, the process of bringing the City Code into compliance with the new State cannabis laws began after the adoption of the California Medical Marijuana Regulation and Safety Act ("MMRSA") in 2015. In response to MMRSA, the City Council adopted the Medical Marijuana Dispensaries Ordinance. After California voters approved Proposition 64, or the Adult Use of Marijuana Act ("AUMA"), in November 2016, and the legislature adopted the Medicinal and Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA"), in June 2017, a new set of State guidelines for

RECOMMENDED ACTION: Staff requests that the Council introduce either Version 1 or Version 2, by title only, of the Cannabis Cultivation Ordinance as presented or, alternatively, provide direction to staff and continue this item to a date certain.

BUDGET AMENDMENT REQUIRED: No

CURRENT BUDGET AMOUNT: N/A

PROPOSED BUDGET AMOUNT: N/A

FINANCING SOURCE: N/A

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH: Craig Schlatter, Community Development Director; Kevin Thompson, Planning Manager

Approved:


Sage Sangiacomo, City Manager

regulating medical and recreational cannabis emerged.

Because of the complexity of the new State laws, the Ad Hoc believed that the most efficient way to create new local cannabis regulations in response to the State laws was to draft separate ordinances based on particular policy objectives. As such, the Ad Hoc drafted three ordinances: (1) a clean-up amendment to the Medical Marijuana Dispensaries Ordinance, which the Council has already reviewed and adopted; (2) a Cannabis Related Business Ordinance, which the Council is in the process of reviewing; (3) and the Cannabis Cultivation Ordinance discussed here. Finally, as a final item of discussion for local cannabis policy in response to State laws, the Ad Hoc has concluded that a regulated environment is preferable to a black market, and that, as such, a discussion of commercial, adult-use retail regulation will be warranted in the near future.

Version 1 of the Cannabis Cultivation Ordinance (Attachments 1 and 2) was presented to the Council for discussion and direction at their November 15, 2017 meeting. In response to public comment offered during the Council's November 15, 2017, discussion of the Cannabis Cultivation Ordinance, the Council requested that the definition of "Immature Marijuana Plant" in the Ordinance be modified to include a size limit on such plants of 12 inches in height and 12 inches in width. Staff has made this modification and resubmits this version of the Cannabis Cultivation Ordinance to Council for possible introduction.

In addition to the version of the Cannabis Cultivation Ordinance discussed and amended at the November 15th meeting, in response to public comment regarding concerns about the negative impacts of indoor cultivation in residential structures, the Ad Hoc asked staff to draft Version 2 of the Cannabis Cultivation Ordinance (see Attachments 3 and 4). Version 2 of the Cannabis Cultivation Ordinance imposes additional requirements and standards for indoor cultivation for personal use and will be summarized in greater detail in the Discussion section below. Staff has drafted Version 2 of the Cannabis Cultivation Ordinance and submits this version of the Cannabis Cultivation Ordinance to Council for possible introduction.

Discussion: 1. Summary of Amendments to City Code.

The Marijuana Ad Hoc and staff believe that the City's current law regarding cannabis cultivation is not in compliance with current State law. The AUMA states that cities and counties cannot ban, but can reasonably regulate, personal cultivation for recreational use of up to six living marijuana plants per household. The UCC currently allows cultivation of up to twelve mature plants and twenty-four immature plants for medical use by a qualified patient. Another state law, SB 420, also known as the "Medical Marijuana Program" ("MMP"), states that a qualified patient may "maintain no more than six mature or 12 immature marijuana plants". The personal, medical cultivation limit from the MMP has not been repealed, even by implication, and, in fact, has been confirmed by recent State cannabis law.

The Ad Hoc and staff have opted to simplify the City's approach to regulating personal cultivation and not differentiate between personal, indoor cultivation for medical use and for recreation use. Instead, the proposed Cannabis Cultivation Ordinance, Version 1 (Attachments 1 and 2) consolidates the approaches from the AUMA and MMP and changes the applicable provisions of the UCC to allow personal, indoor cultivation of no more than six mature or twelve immature marijuana plants per household. Immature marijuana plants, for purposes of the Ordinance, may not be any larger than twelve inches in height and twelve inches in width.

The proposed Cannabis Cultivation Ordinance also removes the requirement that only a qualified patient may cultivate cannabis for personal use within the restrictions imposed by the UCC. Finally, the Ordinance indicates that commercial cannabis cultivation within the City will not be unlawful or a public nuisance if conducted in accordance with certain provisions of the Zoning Code. However, these provisions of the Zoning Code will only allow operation of a commercial cannabis cultivation business if the proposed Cannabis Business Ordinance goes into effect. If the Cannabis Business Ordinance does not go into effect, commercial cultivation, except to the limited extent already allowed in the Medical Marijuana Dispensaries Ordinance, will remain illegal.

Version 2 of the Cannabis Business Ordinance (Attachments 3 and 4) includes all of the amendments above but also explicitly requires anyone cultivating cannabis indoors for personal use to obtain all required permits for development or conversion of indoor cultivation space. In addition, Version 2 of the Cannabis Business Ordinance sets forth a number of standards and requirements for indoor cultivation for personal use, such as compliance with the Building and Fire Codes and mitigation measures for the negative effects of indoor cultivation such as odors, water damage, mold, waste water discharge, and light pollution.

2. Detailed discussion.

On November 9, 2016, California voters passed the AUMA. While most of the AUMA's provisions do not go into effect until January 1, 2018, the provisions allowing personal cultivation of cannabis, subject to reasonable local regulation, went into effect immediately. The AUMA makes it legal for persons 21 years of age or older to cultivate up to six (6) living marijuana plants, per household, for personal use. The AUMA does not distinguish between mature and immature marijuana plants for the personal cultivation limitation. In addition, the AUMA provides that local governments can reasonably regulate, but cannot ban, personal indoor cultivation of up to six (6) living marijuana plants per household within the person's private residence or in an enclosed and secure accessory structure located on the same property. Private residence is defined as "a house, an apartment unit, a mobile home, or other similar dwelling unit". While the AUMA allows local governments to regulate or outright ban outdoor personal cultivation of six (6) marijuana plants per household, it also states that cities and counties that opt to ban personal outdoor cultivation entirely will be ineligible to receive state grant monies for law enforcement, fire protection, or other local programs addressing public health and safety associated with the implementation of the AUMA. The AUMA applies only to cultivation of medical marijuana for personal, recreational use. The MMP, which has been in effect since January 1, 2004, states that a qualified patient may "maintain no more than six mature or 12 immature marijuana plants". In addition, a provision of the Medicinal and Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA"), which consolidates the State's regulatory regime for recreational and medical cannabis, affirms the MMP and confirms that cultivation limits for personal, medical cannabis cultivation are still no more than six (6) mature or twelve (12) immature cannabis plants per qualified patient, as defined by State law.

The City currently regulates the cultivation of cannabis plants for personal use in residential areas and allows cultivation of twelve (12) mature and twenty-four (24) immature marijuana plants indoors (See Attachment 2 for current City Code provisions regarding cannabis cultivation). Outdoor cultivation is prohibited, and no change is proposed for the ban on outdoor cultivation. Pursuant to UCC 9254, indoor cultivation includes cultivation in a "Fully Enclosed and Secure Structure", which would include any building that complies with the definition of Fully Enclosed and Secure Structure:

"A space within a building that complies with the California Building Code, as adopted in the City of Ukiah ("CBC"), or, if exempt from the permit requirements of the CBC, that has a complete roof enclosure supported by connecting walls extending from the ground to the roof, a foundation, slab or equivalent base to which the floor is secured by bolts or similar attachments, is secure against unauthorized entry, and is accessible only through one or more lockable doors. Walls and roofs must be constructed of solid materials that cannot be easily broken through, such as two inch by four inch (2" x 4") or thicker studs overlaid with three-eighths inch (3/8") or thicker plywood or the equivalent. Plastic sheeting, regardless of gauge, or similar products do not satisfy this requirement. If indoor grow lights or air filtration systems are used, they must comply with the California building, electrical, and fire codes as adopted in the city of Ukiah."

The Cannabis Cultivation Ordinance brings the City Code into compliance with the AUMA and the MMP/MAUCRSA by consolidating the State limits on personal cultivation for both medical and recreational use and changing the permissible number of marijuana plants grown for personal use for any reason to six (6) mature plants and twelve (12) immature plants. As the allowable number of cannabis plants cultivated for personal use as set forth in the AUMA and MAUCRSA has been interpreted as a ceiling and not a floor, the Ad Hoc believes that the safest approach is to not attempt to set a less restrictive standard and to use the limit set by the State, i.e. six (6) mature plants and twelve (12) immature plants, whether for recreational or medical use, in total.

In addition, based on public input and Ad Hoc concerns regarding the impacts of indoor cultivation, such as depletion of and damage to available housing stock, odors permeating the clothing and hair of inhabitants of residences in which cannabis is grown, odors permeating the surrounding neighborhood, and other public nuisances, the Ad Hoc directed staff to draft a second version of the Cannabis Cultivation Ordinance. Version 2 of the Cannabis Cultivation Ordinance requires that all structures used for indoor cultivation must comply with a set of standards and requirements for indoor cultivation. These standards and requirements include mandatory compliance with the California Building and Fire Codes as adopted by the City, compliance with all applicable permitting requirements, installation of odor control filtration and ventilation systems adequate to prevent odor, humidity and mold, confinement of artificial lighting to avoid light pollution, restriction on the use of extension cords for electrical equipment used for indoor cultivation, installation of waterproof barriers in the floor of the cultivation area, and restrictions on which areas of residential structures may be used for indoor cultivation.

The Ad Hoc requests that the Council introduce either Version 1 or Version 2 of the Cannabis Cultivation Ordinance or, alternatively, provide direction to staff and continue this item to a date certain.

CEQA Compliance:

The proposed City ordinance is not subject to CEQA pursuant to Sections 15060(c)(2) and 15061(b)(3) of the State CEQA Guidelines, because it will not result in a direct or reasonably foreseeable indirect physical change in the existing environment and because there is no possibility that it may have a significant effect on the environment.

ORDINANCE NO.

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF UKIAH AMENDING VARIOUS SECTIONS OF THE UKIAH CITY CODE REGULATING PERSONAL AND COMMERCIAL CANNABIS CULTIVATION.

The City Council of the City of Ukiah hereby ordains as follows.

SECTION 1

Section 6093 in Article 10 of Chapter 1 in Division 7 of the Ukiah City Code is hereby amended to read as follows:

§ 6093 MARIJUANA CULTIVATION PROHIBITED

Outdoor cultivation of marijuana, or indoor cultivation in excess of six (6) mature plants or twelve (12) immature plants per household for personal use, within the city limits of the City of Ukiah in violation of Section 9254 of this Code is prohibited and constitutes a violation of this article. Any person violating any provision of this article shall be deemed guilty of a misdemeanor and upon conviction shall be punished by a fine not to exceed one thousand dollars (\$1,000.00), by imprisonment in the county jail not to exceed six (6) months or by both a fine and imprisonment.

SECTION 2

Article 19 of Chapter 2 in Division 9 of the Ukiah City Code is hereby amended to read as follows:

§ 9254 MARIJUANA CULTIVATION

A. Definitions: As used herein the following definitions shall apply:

CULTIVATION: The planting, growing, harvesting, drying, or processing of marijuana plants or any part thereof.

FULLY ENCLOSED AND SECURE STRUCTURE: A space within a building that complies with the California building code, as adopted in the city of Ukiah ("CBC"), or, if exempt from the permit requirements of the CBC, that has a complete roof enclosure supported by connecting walls extending from the ground to the roof, a foundation, slab or equivalent base to which the floor is secured by bolts or similar attachments, is secure against unauthorized entry, and is accessible only through one or more lockable doors. Walls and roofs must be constructed of solid materials that cannot be easily broken through, such as two inch by four inch (2" x 4") or thicker studs overlaid with three-eighths inch (3/8") or thicker plywood or the equivalent. Plastic sheeting, regardless of gauge, or similar products do not satisfy this requirement. If indoor grow lights or air filtration systems are used, they must comply with the California building, electrical, and fire codes as adopted in the city of Ukiah.

IMMATURE MARIJUANA PLANT: A marijuana plant, whether male or female, that has not yet flowered and which does not yet have buds that are readily observed by unaided visual examination, and which is less than twelve (12) inches in height and less than twelve (12) inches in width.

INDOORS: Within a fully enclosed and secure structure.

MATURE MARIJUANA PLANT: A marijuana plant, whether male or female, that has flowered and which has buds that are readily observed by unaided visual examination.

OUTDOOR: Any location within the city of Ukiah that is not within a fully enclosed and secure structure.

PARCEL: Property assigned a separate parcel number by the Mendocino County assessor.

B. Cultivation of Marijuana:

1. Outdoor Cultivation: It is hereby declared to be unlawful and a public nuisance for any person owning, leasing, occupying, or having charge or possession of any parcel within any zoning district in the city of Ukiah to cause or allow such premises to be used for the outdoor cultivation of marijuana plants.

2. Indoor Cultivation for Personal Use in Residential Zoning Districts: Except as permitted in Division 6, Chapter 8 of this code, it is hereby declared to be unlawful and a public nuisance for any person owning, leasing, occupying, or having charge or possession of any parcel within any residential zoning district (R-1, R-2, R-3 and CN districts) in the City of Ukiah to cause or allow such parcel to be used for the cultivation of more than six (6) mature and twelve (12) immature marijuana plants within a fully enclosed and secure structure on the parcel.

3. Indoor Commercial Cultivation Of Marijuana: It is hereby declared to be unlawful and a public nuisance for any person owning, leasing, occupying, or having charge or possession of any parcel within the City of Ukiah to cause or allow such parcel to be used for the commercial cultivation of marijuana, unless (a) the person is operating a medical marijuana dispensary pursuant to a valid dispensary use permit, within the C1, C2, CN, M, and PD (commercial) zoning districts and in the GU, UC, and DC downtown zoning districts, and the space devoted to on-site cultivation at the permitted dispensary does not exceed twenty-five percent (25%) of the total floor area, but in no case more than five hundred (500) square feet; or (b) the person is operating a commercial Cannabis Cultivation business of any type in compliance with all requirements set forth in Sections 9261, 9262, and 9278 of this Code and with all applicable State laws and regulations including licensing requirements.

4. Public Nuisance Prohibited: It is hereby declared to be unlawful and a public nuisance for any person owning, leasing, occupying, or having charge or possession of any parcel within the city of Ukiah to create a public nuisance in the course of cultivating marijuana plants or any part thereof in any location, indoor or outdoor. A public nuisance may be deemed to exist, if such activity produces: a) odors which are disturbing to people of normal sensitivity residing or present on adjacent or nearby property or areas open to the public, b) repeated responses to the parcel from law enforcement officers, c) a repeated disruption to the free passage of persons or vehicles in the neighborhood, d) excessive noise which is disturbing to people of normal sensitivity on adjacent or nearby property or areas open to the public, or e) any other impacts on the neighborhood which are disruptive of normal activity in the area.

C. Enforcement:

1. Public Nuisance: The violation of this section is hereby declared to be a public nuisance.

2. Abatement: A violation of this section may be abated by the city attorney by the prosecution of a civil action for injunctive relief and by the summary abatement procedure set forth in subsection C3 of this section.

3. Summary Abatement Procedure:

a. The code enforcement officer and the director of planning, or his or her designee (hereafter, the "enforcement official"), are hereby authorized to order the abatement of any violation of this section by issuing a notice to abate. The notice shall:

(1) Describe the location of and the specific conditions which represent a violation of this section and the actions required to abate the violation.

(2) Describe the evidence relied upon to determine that a violation exists, provided that the enforcement official may withhold the identity of a witness to protect the witness from injury or harassment, if such action is reasonable under the circumstances.

(3) State the date and time by which the required abatement actions must be completed.

(4) State that to avoid the civil penalty provided in subsection C3a(8) of this section and further enforcement action, the enforcement official must receive consent to inspect the premises where the violation exists to verify that the violation has been abated by the established deadline.

(5) State that the owner or occupant of the property where the violation is located has a right to appeal the notice by filing a written notice of appeal with the city clerk by no later than three (3) business days from the service of the notice. The notice of appeal must include an address, telephone number, fax number, if available, and e-mail address, if available. The city may rely on any of these for service or notice purposes. If an adequate written appeal is timely filed, the owner or occupant will be entitled to a hearing as provided in subsection C3c of this section.

(6) State that the order to abate the violation becomes final if a timely appeal is not filed or upon the issuance of a written decision after the appeal hearing is conducted in accordance with subsection C3c of this section.

(7) State that a final order of abatement may be enforced by application to the superior court for an inspection and/or abatement warrant or other court order.

(8) State that a final order to abate the nuisance will subject the property owner and the occupant to a civil penalty of five hundred dollars (\$500.00) for each day that the violation continues after the date specified in the notice under subsection C3a(3) of this section, when the violation must be abated. The penalty may be recovered through an ordinary civil action, or in connection with an application for an inspection or nuisance abatement warrant.

(9) State that in any administrative or court proceeding to enforce the abatement order the prevailing party is entitled to recover reasonable attorney fees from the other party or parties

to the action, if the city elects, at the initiation of an individual action or proceeding, to seek recovery of its own attorney fees. In no action, administrative proceeding, or special proceeding shall an award of attorney fees to a prevailing party exceed the amount of reasonable attorney fees incurred by the city in the action or proceeding.

b. The notice described in subsection C3a of this section shall be served in the same manner as summons in a civil action in accordance with article 3 (commencing with section 415.10) of chapter 4 of title 5 of part 2 of the Code of Civil Procedure, or by certified mail, return receipt requested, at the option of the city. If the owner of record, after diligent search cannot be found, the notice may be served by posting a copy thereof in a conspicuous place upon the property for a period of ten (10) days and publication thereof in a newspaper of general circulation pursuant to Government Code section 6062.

c. Not sooner than five (5) business days after a notice of appeal is filed with the city clerk, a hearing shall be held before the city manager or a hearing officer designated by the city manager to hear such appeals. The appellant shall be given notice of the date, time and place of the hearing not less than five (5) days in advance. The notice may be given by telephone, fax, e-mail, personal service or posting on the property. At the hearing, the enforcement official shall present evidence of the violation, which may include, but is not limited to, incident and police reports, witness statements, photographs, and the testimony of witnesses. The property owner and the occupant of the property where the violation is alleged to exist shall have the right to present evidence and argument in their behalf and to examine and cross examine witnesses. The property owner and property occupant are entitled at their own expense to representation of their choice. At the conclusion of the hearing, the city manager or hearing officer shall render a written decision which may be served by regular first class mail on the appellants.

d. A final order to abate the nuisance will subject the property owner or owners and any occupant or occupants of the property who are cultivating marijuana in violation of this section to a civil penalty of five hundred dollars (\$500.00) for each day that the violation continues after the date specified in the notice under subsection C3a(3) of this section, when the violation must be abated. The enforcement official or the city manager or hearing officer hearing an appeal pursuant to subsection C3c of this section may reduce the daily rate of the civil penalty for good cause. The party subject to the civil penalty shall have the burden of establishing good cause, which may include, but is not limited to, a consideration of the nature and severity of the violation, whether it is a repeat offense, the public nuisance impacts caused by the violation, and the violator's ability to pay. The daily penalty shall continue until the violation is abated. The penalty may be recovered through an ordinary civil action, or in connection with an application for an inspection or nuisance abatement warrant.

4. Violation: Cultivation of marijuana on parcels within the city that does not comply with this section constitutes a violation of the zoning ordinance and is subject to the penalties and enforcement as provided in article 22 of this chapter.

5. Penalties Not Exclusive: The remedies and penalties provided herein are cumulative, alternative and nonexclusive. The use of one does not prevent the use of any others and none of these penalties and remedies prevent the city from using any other remedy at law or in equity which may be available to enforce this section or to abate a public nuisance.

SECTION 3.

1. SEVERABILITY.

If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person or circumstance, is for any reason held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases of this Ordinance, or its application to any other person or circumstance. The City Council of the City of Ukiah hereby declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof, irrespective of the fact that any one or more other sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases hereof be declared invalid or unenforceable.

2. EFFECTIVE DATE.

This Ordinance shall be published as required by law in a newspaper of general circulation in the City of Ukiah, and shall become effective thirty (30) days after its adoption.

Introduced by title only on _____, 2017, by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Adopted on _____, 2017 by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____, Mayor

ATTEST:

Kristine Lawler, City Clerk

ORDINANCE NO.

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF UKIAH AMENDING VARIOUS SECTIONS OF THE UKIAH CITY CODE REGULATING PERSONAL AND COMMERCIAL CANNABIS CULTIVATION.

The City Council of the City of Ukiah hereby ordains as follows.

SECTION 1

Section 6093 in Article 10 of Chapter 1 in Division 7 of the Ukiah City Code is hereby amended to read as follows:

§ 6093 MARIJUANA CULTIVATION PROHIBITED

Outdoor cultivation of marijuana, or indoor cultivation in excess of ~~twelve-six (126)~~ mature plants or ~~twenty-four~~~~twelve (24)~~~~12~~ immature plants per household for personal use, within the city limits of the City of Ukiah in violation of Section 9254 of this Code is prohibited and constitutes a violation of this article. Any person violating any provision of this article shall be deemed guilty of a misdemeanor and upon conviction shall be punished by a fine not to exceed one thousand dollars (\$1,000.00), by imprisonment in the county jail not to exceed six (6) months or by both a fine and imprisonment.

SECTION 2

Article 19 of Chapter 2 in Division 9 of the Ukiah City Code is hereby amended to read as follows:

§ 9254 MARIJUANA CULTIVATION

A. Definitions: As used herein the following definitions shall apply:

CULTIVATION: The planting, growing, harvesting, drying, or processing of marijuana plants or any part thereof.

FULLY ENCLOSED AND SECURE STRUCTURE: A space within a building that complies with the California building code, as adopted in the city of Ukiah ("CBC"), or, if exempt from the permit requirements of the CBC, that has a complete roof enclosure supported by connecting walls extending from the ground to the roof, a foundation, slab or equivalent base to which the floor is secured by bolts or similar attachments, is secure against unauthorized entry, and is accessible only through one or more lockable doors. Walls and roofs must be constructed of solid materials that cannot be easily broken through, such as two inch by four inch (2" x 4") or thicker studs overlaid with three-eighths inch (3/8") or thicker plywood or the equivalent. Plastic sheeting, regardless of gauge, or similar products do not satisfy this requirement. If indoor grow lights or air filtration systems are used, they must comply with the California building, electrical, and fire codes as adopted in the city of Ukiah.

IMMATURE MARIJUANA PLANT: A marijuana plant, whether male or female, that has not yet flowered and which does not yet have buds that are readily observed by unaided visual examination, and which is less than twelve (12) inches in height and less than twelve (12) inches in width.

INDOORS: Within a fully enclosed and secure structure.

MATURE MARIJUANA PLANT: A marijuana plant, whether male or female, that has flowered and which has buds that are readily observed by unaided visual examination.

OUTDOOR: Any location within the city of Ukiah that is not within a fully enclosed and secure structure.

PARCEL: Property assigned a separate parcel number by the Mendocino County assessor.

~~PRIMARY CAREGIVER: A "primary caregiver" as defined in Health and Safety Code section 11362.7(d).~~

~~QUALIFIED PATIENT: A "qualified patient" as defined in Health and Safety Code section 11362.7(f).~~

B. Cultivation ~~o~~^of Marijuana:

1. Outdoor Cultivation: It is hereby declared to be unlawful and a public nuisance for any person owning, leasing, occupying, or having charge or possession of any parcel within any zoning district in the city of Ukiah to cause or allow such premises to be used for the outdoor cultivation of marijuana plants.

2. Indoor Cultivation for Personal Use in Residential Zoning Districts: Except as permitted in Division 6, Chapter 8 of this code, it is hereby declared to be unlawful and a public nuisance for any person owning, leasing, occupying, or having charge or possession of any parcel within any residential zoning district (R-1, R-2, R-3 and CN districts) in the City of Ukiah to cause or allow such parcel to be used for the cultivation of more than ~~twelve-six (126)~~ mature and ~~twenty-four~~^{twelve} (24¹²) immature marijuana plants within a fully enclosed and secure structure on the parcel.

3. Indoor Commercial Cultivation Of Marijuana ~~Restricted To Qualified Patients And Primary Caregivers~~: It is hereby declared to be unlawful and a public nuisance for any person owning, leasing, occupying, or having charge or possession of any parcel within the City of Ukiah to cause or allow such parcel to be used for the commercial cultivation of marijuana, unless ~~(a) the person is a qualified patient or primary caregiver, growing the amount of marijuana per qualified patient authorized by Health and Safety Code section 11362.77(a) through (b) and (d) through (f), not to exceed the per parcel limit in subsection B2 of this section,~~ or (b) the person is operating a medical marijuana dispensary pursuant to a valid dispensary use permit, within the C1, C2, CN, M, and PD (commercial) zoning districts and in the GU, UC, and DC downtown zoning districts, and the space devoted to on-site cultivation at the permitted dispensary does not exceed twenty-five percent (25%) of the total floor area, but in no case more than five hundred (500) square feet; or (b) the person is operating a commercial Cannabis Cultivation business of any type in compliance with all requirements set forth in Sections 9261, 9262, and 9278 of this Code and with all applicable State laws and regulations including licensing requirements.

4. Public Nuisance Prohibited: It is hereby declared to be unlawful and a public nuisance for any person owning, leasing, occupying, or having charge or possession of any parcel within

the city of Ukiah to create a public nuisance in the course of cultivating marijuana plants or any part thereof in any location, indoor or outdoor. A public nuisance may be deemed to exist, if such activity produces: a) odors which are disturbing to people of normal sensitivity residing or present on adjacent or nearby property or areas open to the public, b) repeated responses to the parcel from law enforcement officers, c) a repeated disruption to the free passage of persons or vehicles in the neighborhood, d) excessive noise which is disturbing to people of normal sensitivity on adjacent or nearby property or areas open to the public, or e) any other impacts on the neighborhood which are disruptive of normal activity in the area.

C. Enforcement:

1. Public Nuisance: The violation of this section is hereby declared to be a public nuisance.

2. Abatement: A violation of this section may be abated by the city attorney by the prosecution of a civil action for injunctive relief and by the summary abatement procedure set forth in subsection C3 of this section.

3. Summary Abatement Procedure:

a. The code enforcement officer and the director of planning, or his or her designee (hereafter, the "enforcement official"), are hereby authorized to order the abatement of any violation of this section by issuing a notice to abate. The notice shall:

(1) Describe the location of and the specific conditions which represent a violation of this section and the actions required to abate the violation.

(2) Describe the evidence relied upon to determine that a violation exists, provided that the enforcement official may withhold the identity of a witness to protect the witness from injury or harassment, if such action is reasonable under the circumstances.

(3) State the date and time by which the required abatement actions must be completed.

(4) State that to avoid the civil penalty provided in subsection C3a(8) of this section and further enforcement action, the enforcement official must receive consent to inspect the premises where the violation exists to verify that the violation has been abated by the established deadline.

(5) State that the owner or occupant of the property where the violation is located has a right to appeal the notice by filing a written notice of appeal with the city clerk by no later than three (3) business days from the service of the notice. The notice of appeal must include an address, telephone number, fax number, if available, and e-mail address, if available. The city may rely on any of these for service or notice purposes. If an adequate written appeal is timely filed, the owner or occupant will be entitled to a hearing as provided in subsection C3c of this section.

(6) State that the order to abate the violation becomes final if a timely appeal is not filed or upon the issuance of a written decision after the appeal hearing is conducted in accordance with subsection C3c of this section.

(7) State that a final order of abatement may be enforced by application to the superior court for an inspection and/or abatement warrant or other court order.

(8) State that a final order to abate the nuisance will subject the property owner and the occupant to a civil penalty of five hundred dollars (\$500.00) for each day that the violation continues after the date specified in the notice under subsection C3a(3) of this section, when the violation must be abated. The penalty may be recovered through an ordinary civil action, or in connection with an application for an inspection or nuisance abatement warrant.

(9) State that in any administrative or court proceeding to enforce the abatement order the prevailing party is entitled to recover reasonable attorney fees from the other party or parties to the action, if the city elects, at the initiation of an individual action or proceeding, to seek recovery of its own attorney fees. In no action, administrative proceeding, or special proceeding shall an award of attorney fees to a prevailing party exceed the amount of reasonable attorney fees incurred by the city in the action or proceeding.

b. The notice described in subsection C3a of this section shall be served in the same manner as summons in a civil action in accordance with article 3 (commencing with section 415.10) of chapter 4 of title 5 of part 2 of the Code of Civil Procedure, or by certified mail, return receipt requested, at the option of the city. If the owner of record, after diligent search cannot be found, the notice may be served by posting a copy thereof in a conspicuous place upon the property for a period of ten (10) days and publication thereof in a newspaper of general circulation pursuant to Government Code section 6062.

c. Not sooner than five (5) business days after a notice of appeal is filed with the city clerk, a hearing shall be held before the city manager or a hearing officer designated by the city manager to hear such appeals. The appellant shall be given notice of the date, time and place of the hearing not less than five (5) days in advance. The notice may be given by telephone, fax, e-mail, personal service or posting on the property. At the hearing, the enforcement official shall present evidence of the violation, which may include, but is not limited to, incident and police reports, witness statements, photographs, and the testimony of witnesses. The property owner and the occupant of the property where the violation is alleged to exist shall have the right to present evidence and argument in their behalf and to examine and cross examine witnesses. The property owner and property occupant are entitled at their own expense to representation of their choice. At the conclusion of the hearing, the city manager or hearing officer shall render a written decision which may be served by regular first class mail on the appellants.

d. A final order to abate the nuisance will subject the property owner or owners and any occupant or occupants of the property who are cultivating marijuana in violation of this section to a civil penalty of five hundred dollars (\$500.00) for each day that the violation continues after the date specified in the notice under subsection C3a(3) of this section, when the violation must be abated. The enforcement official or the city manager or hearing officer hearing an appeal pursuant to subsection C3c of this section may reduce the daily rate of the civil penalty for good cause. The party subject to the civil penalty shall have the burden of establishing good cause, which may include, but is not limited to, a consideration of the nature and severity of the violation, whether it is a repeat offense, the public nuisance impacts caused by the violation, and the violator's ability to pay. The daily penalty shall continue until the violation is abated. The penalty may be recovered through an ordinary civil action, or in connection with an application for an inspection or nuisance abatement warrant.

4. Violation: Cultivation of marijuana on parcels within the city that does not comply with this section constitutes a violation of the zoning ordinance and is subject to the penalties and enforcement as provided in article 22 of this chapter.

5. Penalties Not Exclusive: The remedies and penalties provided herein are cumulative, alternative and nonexclusive. The use of one does not prevent the use of any others and none of these penalties and remedies prevent the city from using any other remedy at law or in equity which may be available to enforce this section or to abate a public nuisance.

SECTION 3.

1. SEVERABILITY.

If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person or circumstance, is for any reason held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases of this Ordinance, or its application to any other person or circumstance. The City Council of the City of Ukiah hereby declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof, irrespective of the fact that any one or more other sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases hereof be declared invalid or unenforceable.

2. EFFECTIVE DATE.

This Ordinance shall be published as required by law in a newspaper of general circulation in the City of Ukiah, and shall become effective thirty (30) days after its adoption.

Introduced by title only on _____, 2017, by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Adopted on _____, 2017 by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____, Mayor

ATTEST:

Kristine Lawler, City Clerk

ORDINANCE NO.

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF UKIAH AMENDING VARIOUS SECTIONS OF THE UKIAH CITY CODE REGULATING PERSONAL AND COMMERCIAL CANNABIS CULTIVATION.

The City Council of the City of Ukiah hereby ordains as follows.

SECTION 1 – FINDINGS

The City Council finds:

1. State law now allows the indoor cultivation of not to exceed six (6) marijuana plants for personal use in a residential or a detached accessory structure on a parcel.
2. Indoor cultivation of cannabis can cause public nuisance impacts, such as odor, and negative impacts on the structure in which the cultivation occurs, such as excessive moisture, risk of fire from indoor grow lights and discharge of toxic chemicals and fertilizers to the sewer system.
3. State law allows the City to regulate the indoor cultivation of marijuana.
4. This Ordinance places reasonable conditions on the indoor cultivation of cannabis as now allowed by State law to avoid or reduce the risk of public nuisance impacts and adverse impacts on the housing stock in the City of Ukiah and the residents of housing in which marijuana is grown.

SECTION 2

Section 6093 in Article 10 of Chapter 1 in Division 7 of the Ukiah City Code is hereby amended to read as follows:

§ 6093 MARIJUANA CULTIVATION PROHIBITED

- A. Outdoor cultivation of marijuana, or indoor cultivation in excess of six (6) mature plants or twelve (12) immature plants per private residence, as defined in Health and Safety Code § 11362.2(b)(5) or as may be amended, for personal use, within the city limits of the City of Ukiah in violation of Section 9254 of this Code is prohibited and constitutes a violation of this article.
- B. All structures used for indoor cultivation and all methods of indoor cultivation must comply with all requirements and standards set forth in Section 9254 of this Code.
- C. Any person violating any provision of this article shall be deemed guilty of a misdemeanor and upon conviction shall be punished by a fine not to exceed one thousand dollars (\$1,000.00), by imprisonment in the county jail not to exceed six (6) months or by both a fine and imprisonment.

SECTION 3

Article 19 of Chapter 2 in Division 9 of the Ukiah City Code is hereby amended to read as follows:

§ 9254 MARIJUANA CULTIVATION

A. Definitions: As used herein the following definitions shall apply:

CULTIVATION: The planting, growing, harvesting, drying, or processing of marijuana plants or any part thereof.

FULLY ENCLOSED AND SECURE STRUCTURE: A space within a building that complies with the California building code, as adopted in the city of Ukiah ("CBC"), or, if exempt from the permit requirements of the CBC, that has a complete roof enclosure supported by connecting walls extending from the ground to the roof, a foundation, slab or equivalent base to which the floor is secured by bolts or similar attachments, is secure against unauthorized entry, and is accessible only through one or more lockable doors. Walls and roofs must be constructed of solid materials that cannot be easily broken through, such as two inch by four inch (2" x 4") or thicker studs overlaid with three-eighths inch (3/8") or thicker plywood or the equivalent. Plastic sheeting, regardless of gauge, or similar products do not satisfy this requirement. If indoor grow lights or air filtration systems are used, they must comply with the California building, electrical, and fire codes as adopted in the city of Ukiah.

IMMATURE MARIJUANA PLANT: A marijuana plant, whether male or female, that has not yet flowered and which does not yet have buds that are readily observed by unaided visual examination, and which is less than twelve (12) inches in height and less than twelve (12) inches in width.

INDOORS: Within a fully enclosed and secure structure.

MATURE MARIJUANA PLANT: A marijuana plant, whether male or female, that has flowered and which has buds that are readily observed by unaided visual examination.

OUTDOOR: Any location within the city of Ukiah that is not within a fully enclosed and secure structure.

PARCEL: Property assigned a separate parcel number by the Mendocino County assessor.

B. Cultivation of Marijuana:

1. Outdoor Cultivation: It is hereby declared to be unlawful and a public nuisance for any person owning, leasing, occupying, or having charge or possession of any parcel within any zoning district in the city of Ukiah to cause or allow such premises to be used for the outdoor cultivation of marijuana plants.

2. Indoor Cultivation for Personal Use in Residential Zoning Districts:

a. Except as permitted in Division 6, Chapter 8 of this code, it is hereby declared to be unlawful and a public nuisance for any person owning, leasing, occupying, or having charge or possession of any parcel within any residential zoning district (R-1, R-2, R-3 and CN districts) in the City of Ukiah to cause or allow such parcel to be used for the cultivation of more than six (6) mature and twelve (12) immature marijuana plants within a fully enclosed and secure structure on the parcel.

b. All structures used for indoor cultivation must be legally constructed with all applicable permits such as grading, building, electrical, mechanical and plumbing. All indoor cultivation structures shall be equipped with an odor control filtration and ventilation system adequate to prevent odor outside the cultivation area, humidity, or mold. In the event that cannabis is cultivated indoors in a structure designed or used for residential occupancy, the area in which the cannabis is cultivated shall be on a separate ventilation system from the habitable areas of the structure.

c. Any structure designed or used for residential occupancy where cannabis is grown indoors for personal use shall maintain a kitchen and bathroom(s) for their intended use, and the kitchen, bathroom(s), and bedroom(s) shall not be used for cannabis cultivation.

d. The indoor cultivation of cannabis must comply with all applicable state and local laws, including fire and building codes.

e. Light systems for indoor cultivation of cannabis shall be fully shielded, including adequate coverings on windows, so as to confine light and glare to the interior of the structure.

f. All electrical equipment used in the indoor cultivation of cannabis shall be plugged directly into a wall outlet or otherwise hardwired and such outlet or wiring must comply with the most recent edition of the California Electrical Code and any other applicable Codes. The use of extension cords to supply power to electrical equipment used in the indoor cultivation of cannabis is prohibited.

g. The use of gas products (CO², butane, etc.) for indoor cannabis cultivation or processing in a residence or a detached accessory building is prohibited.

h. A waterproof membrane or other waterproof barrier shall be installed in the cultivation area and beneath individual plants to protect the floor of the indoor cultivation area from water damage.

i. No effluent, including but not limited to, waste products, chemical fertilizers or pesticides shall be discharged into drains, septic systems, community sewer systems, water systems or other drainage systems including those that lead to rivers and streams as a result of indoor cultivation of cannabis.

3. Indoor Commercial Cultivation Of Marijuana: It is hereby declared to be unlawful and a public nuisance for any person owning, leasing, occupying, or having charge or possession of any parcel within the City of Ukiah to cause or allow such parcel to be used for the commercial cultivation of marijuana, unless (a) the person is operating a medical marijuana dispensary pursuant to a valid dispensary use permit, within the C1, C2, CN, M, and PD (commercial) zoning districts and in the GU, UC, and DC downtown zoning districts, and the space devoted to on-site cultivation at the permitted dispensary does not exceed twenty-five percent (25%) of the total floor area, but in no case more than five hundred (500) square feet; or (b) the person is operating a commercial Cannabis Cultivation business of any type in compliance with all requirements set forth in Sections 9261, 9262, and 9278 of this Code and with all applicable State laws and regulations including licensing requirements.

4. Public Nuisance Prohibited: It is hereby declared to be unlawful and a public nuisance for any person owning, leasing, occupying, or having charge or possession of any parcel within

the city of Ukiah to create a public nuisance in the course of cultivating marijuana plants or any part thereof in any location, indoor or outdoor. A public nuisance may be deemed to exist, if such activity produces: a) odors which are disturbing to people of normal sensitivity residing or present on adjacent or nearby property or areas open to the public, b) repeated responses to the parcel from law enforcement officers, c) a repeated disruption to the free passage of persons or vehicles in the neighborhood, d) excessive noise which is disturbing to people of normal sensitivity on adjacent or nearby property or areas open to the public, or e) any other impacts on the neighborhood which are disruptive of normal activity in the area.

C. Enforcement:

1. Public Nuisance: The violation of this section is hereby declared to be a public nuisance.

2. Abatement: A violation of this section may be abated by the city attorney by the prosecution of a civil action for injunctive relief and by the summary abatement procedure set forth in subsection C3 of this section.

3. Summary Abatement Procedure:

a. The code enforcement officer and the director of planning, or his or her designee (hereafter, the "enforcement official"), are hereby authorized to order the abatement of any violation of this section by issuing a notice to abate. The notice shall:

(1) Describe the location of and the specific conditions which represent a violation of this section and the actions required to abate the violation.

(2) Describe the evidence relied upon to determine that a violation exists, provided that the enforcement official may withhold the identity of a witness to protect the witness from injury or harassment, if such action is reasonable under the circumstances.

(3) State the date and time by which the required abatement actions must be completed.

(4) State that to avoid the civil penalty provided in subsection C3a(8) of this section and further enforcement action, the enforcement official must receive consent to inspect the premises where the violation exists to verify that the violation has been abated by the established deadline.

(5) State that the owner or occupant of the property where the violation is located has a right to appeal the notice by filing a written notice of appeal with the city clerk by no later than three (3) business days from the service of the notice. The notice of appeal must include an address, telephone number, fax number, if available, and e-mail address, if available. The city may rely on any of these for service or notice purposes. If an adequate written appeal is timely filed, the owner or occupant will be entitled to a hearing as provided in subsection C3c of this section.

(6) State that the order to abate the violation becomes final if a timely appeal is not filed or upon the issuance of a written decision after the appeal hearing is conducted in accordance with subsection C3c of this section.

(7) State that a final order of abatement may be enforced by application to the superior court for an inspection and/or abatement warrant or other court order.

(8) State that a final order to abate the nuisance will subject the property owner and the occupant to a civil penalty of five hundred dollars (\$500.00) for each day that the violation continues after the date specified in the notice under subsection C3a(3) of this section, when the violation must be abated. The penalty may be recovered through an ordinary civil action, or in connection with an application for an inspection or nuisance abatement warrant.

(9) State that in any administrative or court proceeding to enforce the abatement order the prevailing party is entitled to recover reasonable attorney fees from the other party or parties to the action, if the city elects, at the initiation of an individual action or proceeding, to seek recovery of its own attorney fees. In no action, administrative proceeding, or special proceeding shall an award of attorney fees to a prevailing party exceed the amount of reasonable attorney fees incurred by the city in the action or proceeding.

b. The notice described in subsection C3a of this section shall be served in the same manner as summons in a civil action in accordance with article 3 (commencing with section 415.10) of chapter 4 of title 5 of part 2 of the Code of Civil Procedure, or by certified mail, return receipt requested, at the option of the city. If the owner of record, after diligent search cannot be found, the notice may be served by posting a copy thereof in a conspicuous place upon the property for a period of ten (10) days and publication thereof in a newspaper of general circulation pursuant to Government Code section 6062.

c. Not sooner than five (5) business days after a notice of appeal is filed with the city clerk, a hearing shall be held before the city manager or a hearing officer designated by the city manager to hear such appeals. The appellant shall be given notice of the date, time and place of the hearing not less than five (5) days in advance. The notice may be given by telephone, fax, e-mail, personal service or posting on the property. At the hearing, the enforcement official shall present evidence of the violation, which may include, but is not limited to, incident and police reports, witness statements, photographs, and the testimony of witnesses. The property owner and the occupant of the property where the violation is alleged to exist shall have the right to present evidence and argument in their behalf and to examine and cross examine witnesses. The property owner and property occupant are entitled at their own expense to representation of their choice. At the conclusion of the hearing, the city manager or hearing officer shall render a written decision which may be served by regular first class mail on the appellants.

d. A final order to abate the nuisance will subject the property owner or owners and any occupant or occupants of the property who are cultivating marijuana in violation of this section to a civil penalty of five hundred dollars (\$500.00) for each day that the violation continues after the date specified in the notice under subsection C3a(3) of this section, when the violation must be abated. The enforcement official or the city manager or hearing officer hearing an appeal pursuant to subsection C3c of this section may reduce the daily rate of the civil penalty for good cause. The party subject to the civil penalty shall have the burden of establishing good cause, which may include, but is not limited to, a consideration of the nature and severity of the violation, whether it is a repeat offense, the public nuisance impacts caused by the violation, and the violator's ability to pay. The daily penalty shall continue until the violation is abated. The penalty may be recovered through an ordinary civil action, or in connection with an application for an inspection or nuisance abatement warrant.

4. Violation: Cultivation of marijuana on parcels within the city that does not comply with this section constitutes a violation of the zoning ordinance and is subject to the penalties and enforcement as provided in article 22 of this chapter.

5. Penalties Not Exclusive: The remedies and penalties provided herein are cumulative, alternative and nonexclusive. The use of one does not prevent the use of any others and none of these penalties and remedies prevent the city from using any other remedy at law or in equity which may be available to enforce this section or to abate a public nuisance.

SECTION 4.

1. SEVERABILITY.

If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person or circumstance, is for any reason held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases of this Ordinance, or its application to any other person or circumstance. The City Council of the City of Ukiah hereby declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof, irrespective of the fact that any one or more other sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases hereof be declared invalid or unenforceable.

2. EFFECTIVE DATE.

This Ordinance shall be published as required by law in a newspaper of general circulation in the City of Ukiah, and shall become effective thirty (30) days after its adoption.

Introduced by title only on _____, 2017, by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Adopted on _____, 2017 by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____, Mayor

ATTEST:

Kristine Lawler, City Clerk

ORDINANCE NO.

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF UKIAH AMENDING VARIOUS SECTIONS OF THE UKIAH CITY CODE REGULATING PERSONAL AND COMMERCIAL CANNABIS CULTIVATION.

The City Council of the City of Ukiah hereby ordains as follows.

SECTION 1 – FINDINGS

The City Council finds:

1. State law now allows the indoor cultivation of not to exceed six (6) marijuana plants for personal use in a residential or a detached accessory structure on a parcel.
2. Indoor cultivation of cannabis can cause public nuisance impacts, such as odor, and negative impacts on the structure in which the cultivation occurs, such as excessive moisture, risk of fire from indoor grow lights and discharge of toxic chemicals and fertilizers to the sewer system.
3. State law allows the City to regulate the indoor cultivation of marijuana.
4. This Ordinance places reasonable conditions on the indoor cultivation of cannabis as now allowed by State law to avoid or reduce the risk of public nuisance impacts and adverse impacts on the housing stock in the City of Ukiah and the residents of housing in which marijuana is grown.

SECTION 2

Section 6093 in Article 10 of Chapter 1 in Division 7 of the Ukiah City Code is hereby amended to read as follows:

§ 6093 MARIJUANA CULTIVATION PROHIBITED

A. Outdoor cultivation of marijuana, or indoor cultivation in excess of ~~twelve-six~~ (126) mature plants or ~~twenty-four~~ (2412) immature plants per private residence, as defined in Health and Safety Code § 11362.2(b)(5) or as may be amended, for personal use, within the city limits of the City of Ukiah in violation of Section 9254 of this Code is prohibited and constitutes a violation of this article.

B. All structures used for indoor cultivation and all methods of indoor cultivation must comply with all requirements and standards set forth in Section 9254 of this Code.

C. Any person violating any provision of this article shall be deemed guilty of a misdemeanor and upon conviction shall be punished by a fine not to exceed one thousand dollars (\$1,000.00), by imprisonment in the county jail not to exceed six (6) months or by both a fine and imprisonment.

SECTION 3

Article 19 of Chapter 2 in Division 9 of the Ukiah City Code is hereby amended to read as follows:

§ 9254 MARIJUANA CULTIVATION

A. Definitions: As used herein the following definitions shall apply:

CULTIVATION: The planting, growing, harvesting, drying, or processing of marijuana plants or any part thereof.

FULLY ENCLOSED AND SECURE STRUCTURE: A space within a building that complies with the California building code, as adopted in the city of Ukiah ("CBC"), or, if exempt from the permit requirements of the CBC, that has a complete roof enclosure supported by connecting walls extending from the ground to the roof, a foundation, slab or equivalent base to which the floor is secured by bolts or similar attachments, is secure against unauthorized entry, and is accessible only through one or more lockable doors. Walls and roofs must be constructed of solid materials that cannot be easily broken through, such as two inch by four inch (2" x 4") or thicker studs overlaid with three-eighths inch (3/8") or thicker plywood or the equivalent. Plastic sheeting, regardless of gauge, or similar products do not satisfy this requirement. If indoor grow lights or air filtration systems are used, they must comply with the California building, electrical, and fire codes as adopted in the city of Ukiah.

IMMATURE MARIJUANA PLANT: A marijuana plant, whether male or female, that has not yet flowered and which does not yet have buds that are readily observed by unaided visual examination, and which is less than twelve (12) inches in height and less than twelve (12) inches in width.

INDOORS: Within a fully enclosed and secure structure.

MATURE MARIJUANA PLANT: A marijuana plant, whether male or female, that has flowered and which has buds that are readily observed by unaided visual examination.

OUTDOOR: Any location within the city of Ukiah that is not within a fully enclosed and secure structure.

PARCEL: Property assigned a separate parcel number by the Mendocino County assessor.

~~PRIMARY CAREGIVER: A "primary caregiver" as defined in Health and Safety Code section 11362.7(d).~~

~~QUALIFIED PATIENT: A "qualified patient" as defined in Health and Safety Code section 11362.7(f).~~

B. Cultivation of Marijuana:

1. Outdoor Cultivation: It is hereby declared to be unlawful and a public nuisance for any person owning, leasing, occupying, or having charge or possession of any parcel within any zoning district in the city of Ukiah to cause or allow such premises to be used for the outdoor cultivation of marijuana plants.

2. Indoor Cultivation for Personal Use in Residential Zoning Districts:

a. Except as permitted in Division 6, Chapter 8 of this code, it is hereby declared to be unlawful and a public nuisance for any person owning, leasing, occupying, or having charge or possession of any parcel within any residential zoning district (R-1, R-2, R-3 and CN districts) in the City of Ukiah to cause or allow such parcel to be used for the cultivation of more than ~~twelve six (126)~~ mature and ~~twenty-four~~^{twelve} (24¹²) immature marijuana plants within a fully enclosed and secure structure on the parcel.

b. All structures used for indoor cultivation must be legally constructed with all applicable permits such as grading, building, electrical, mechanical and plumbing. All indoor cultivation structures shall be equipped with an odor control filtration and ventilation system adequate to prevent odor outside the cultivation area, humidity, or mold. In the event that cannabis is cultivated indoors in a structure designed or used for residential occupancy, the area in which the cannabis is cultivated shall be on a separate ventilation system from the habitable areas of the structure.

c. Any structure designed or used for residential occupancy where cannabis is grown indoors for personal use shall maintain a kitchen and bathroom(s) for their intended use, and the kitchen, bathroom(s), and bedroom(s) shall not be used for cannabis cultivation.

d. The indoor cultivation of cannabis must comply with all applicable state and local laws, including fire and building codes.

e. Light systems for indoor cultivation of cannabis shall be fully shielded, including adequate coverings on windows, so as to confine light and glare to the interior of the structure.

f. All electrical equipment used in the indoor cultivation of cannabis shall be plugged directly into a wall outlet or otherwise hardwired and such outlet or wiring must comply with the most recent edition of the California Electrical Code and any other applicable Codes. The use of extension cords to supply power to electrical equipment used in the indoor cultivation of cannabis is prohibited.

g. The use of gas products (CO², butane, etc.) for indoor cannabis cultivation or processing in a residence or a detached accessory building is prohibited.

h. A waterproof membrane or other waterproof barrier shall be installed in the cultivation area and beneath individual plants to protect the floor of the indoor cultivation area from water damage.

i. No effluent, including but not limited to, waste products, chemical fertilizers or pesticides shall be discharged into drains, septic systems, community sewer systems, water systems or other drainage systems including those that lead to rivers and streams as a result of indoor cultivation of cannabis.

3. Indoor Commercial Cultivation Of Marijuana ~~Restricted To Qualified Patients And Primary Caregivers~~: It is hereby declared to be unlawful and a public nuisance for any person owning, leasing, occupying, or having charge or possession of any parcel within the City of Ukiah to cause or allow such parcel to be used for the commercial cultivation of marijuana, unless (a) ~~the person is a qualified patient or primary caregiver, growing the amount of marijuana per qualified patient authorized by Health and Safety Code section 11362.77(a) through (b) and (d) through (f), not to exceed the per parcel limit in subsection B2 of this section,~~ or (ba) the person is operating a medical marijuana dispensary pursuant to a valid dispensary

use permit, within the C1, C2, CN, M, and PD (commercial) zoning districts and in the GU, UC, and DC downtown zoning districts, and the space devoted to on-site cultivation at the permitted dispensary does not exceed twenty-five percent (25%) of the total floor area, but in no case more than five hundred (500) square feet; or (b) the person is operating a commercial Cannabis Cultivation business of any type in compliance with all requirements set forth in Sections 9261, 9262, and 9278 of this Code and with all applicable State laws and regulations including licensing requirements.

4. Public Nuisance Prohibited: It is hereby declared to be unlawful and a public nuisance for any person owning, leasing, occupying, or having charge or possession of any parcel within the city of Ukiah to create a public nuisance in the course of cultivating marijuana plants or any part thereof in any location, indoor or outdoor. A public nuisance may be deemed to exist, if such activity produces: a) odors which are disturbing to people of normal sensitivity residing or present on adjacent or nearby property or areas open to the public, b) repeated responses to the parcel from law enforcement officers, c) a repeated disruption to the free passage of persons or vehicles in the neighborhood, d) excessive noise which is disturbing to people of normal sensitivity on adjacent or nearby property or areas open to the public, or e) any other impacts on the neighborhood which are disruptive of normal activity in the area.

C. Enforcement:

1. Public Nuisance: The violation of this section is hereby declared to be a public nuisance.

2. Abatement: A violation of this section may be abated by the city attorney by the prosecution of a civil action for injunctive relief and by the summary abatement procedure set forth in subsection C3 of this section.

3. Summary Abatement Procedure:

a. The code enforcement officer and the director of planning, or his or her designee (hereafter, the "enforcement official"), are hereby authorized to order the abatement of any violation of this section by issuing a notice to abate. The notice shall:

(1) Describe the location of and the specific conditions which represent a violation of this section and the actions required to abate the violation.

(2) Describe the evidence relied upon to determine that a violation exists, provided that the enforcement official may withhold the identity of a witness to protect the witness from injury or harassment, if such action is reasonable under the circumstances.

(3) State the date and time by which the required abatement actions must be completed.

(4) State that to avoid the civil penalty provided in subsection C3a(8) of this section and further enforcement action, the enforcement official must receive consent to inspect the premises where the violation exists to verify that the violation has been abated by the established deadline.

(5) State that the owner or occupant of the property where the violation is located has a right to appeal the notice by filing a written notice of appeal with the city clerk by no later than three (3) business days from the service of the notice. The notice of appeal must include an

address, telephone number, fax number, if available, and e-mail address, if available. The city may rely on any of these for service or notice purposes. If an adequate written appeal is timely filed, the owner or occupant will be entitled to a hearing as provided in subsection C3c of this section.

(6) State that the order to abate the violation becomes final if a timely appeal is not filed or upon the issuance of a written decision after the appeal hearing is conducted in accordance with subsection C3c of this section.

(7) State that a final order of abatement may be enforced by application to the superior court for an inspection and/or abatement warrant or other court order.

(8) State that a final order to abate the nuisance will subject the property owner and the occupant to a civil penalty of five hundred dollars (\$500.00) for each day that the violation continues after the date specified in the notice under subsection C3a(3) of this section, when the violation must be abated. The penalty may be recovered through an ordinary civil action, or in connection with an application for an inspection or nuisance abatement warrant.

(9) State that in any administrative or court proceeding to enforce the abatement order the prevailing party is entitled to recover reasonable attorney fees from the other party or parties to the action, if the city elects, at the initiation of an individual action or proceeding, to seek recovery of its own attorney fees. In no action, administrative proceeding, or special proceeding shall an award of attorney fees to a prevailing party exceed the amount of reasonable attorney fees incurred by the city in the action or proceeding.

b. The notice described in subsection C3a of this section shall be served in the same manner as summons in a civil action in accordance with article 3 (commencing with section 415.10) of chapter 4 of title 5 of part 2 of the Code of Civil Procedure, or by certified mail, return receipt requested, at the option of the city. If the owner of record, after diligent search cannot be found, the notice may be served by posting a copy thereof in a conspicuous place upon the property for a period of ten (10) days and publication thereof in a newspaper of general circulation pursuant to Government Code section 6062.

c. Not sooner than five (5) business days after a notice of appeal is filed with the city clerk, a hearing shall be held before the city manager or a hearing officer designated by the city manager to hear such appeals. The appellant shall be given notice of the date, time and place of the hearing not less than five (5) days in advance. The notice may be given by telephone, fax, e-mail, personal service or posting on the property. At the hearing, the enforcement official shall present evidence of the violation, which may include, but is not limited to, incident and police reports, witness statements, photographs, and the testimony of witnesses. The property owner and the occupant of the property where the violation is alleged to exist shall have the right to present evidence and argument in their behalf and to examine and cross examine witnesses. The property owner and property occupant are entitled at their own expense to representation of their choice. At the conclusion of the hearing, the city manager or hearing officer shall render a written decision which may be served by regular first class mail on the appellants.

d. A final order to abate the nuisance will subject the property owner or owners and any occupant or occupants of the property who are cultivating marijuana in violation of this section to a civil penalty of five hundred dollars (\$500.00) for each day that the violation continues after the date specified in the notice under subsection C3a(3) of this section, when the violation must be abated. The enforcement official or the city manager or hearing officer hearing an appeal

pursuant to subsection C3c of this section may reduce the daily rate of the civil penalty for good cause. The party subject to the civil penalty shall have the burden of establishing good cause, which may include, but is not limited to, a consideration of the nature and severity of the violation, whether it is a repeat offense, the public nuisance impacts caused by the violation, and the violator's ability to pay. The daily penalty shall continue until the violation is abated. The penalty may be recovered through an ordinary civil action, or in connection with an application for an inspection or nuisance abatement warrant.

4. Violation: Cultivation of marijuana on parcels within the city that does not comply with this section constitutes a violation of the zoning ordinance and is subject to the penalties and enforcement as provided in article 22 of this chapter.

5. Penalties Not Exclusive: The remedies and penalties provided herein are cumulative, alternative and nonexclusive. The use of one does not prevent the use of any others and none of these penalties and remedies prevent the city from using any other remedy at law or in equity which may be available to enforce this section or to abate a public nuisance.

SECTION 4.

1. SEVERABILITY.

If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person or circumstance, is for any reason held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases of this Ordinance, or its application to any other person or circumstance. The City Council of the City of Ukiah hereby declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof, irrespective of the fact that any one or more other sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases hereof be declared invalid or unenforceable.

2. EFFECTIVE DATE.

This Ordinance shall be published as required by law in a newspaper of general circulation in the City of Ukiah, and shall become effective thirty (30) days after its adoption.

Introduced by title only on _____, 2017, by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Adopted on _____, 2017 by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____, Mayor

ATTEST:

Kristine Lawler, City Clerk



AGENDA SUMMARY REPORT

SUBJECT: Receive Presentation and Provide Direction Regarding the City of Ukiah's Sewer Lateral Policy

DEPARTMENT: Water Resources

PREPARED BY: Sean White

ATTACHMENTS:

[Attachment 1 - Sewer Lateral Diagram](#)

Summary: Staff will give a presentation regarding the City's current sewer lateral policy and receive direction from Council regarding proposed changes to the policy.

Background: The replacement of old, cracked sewer pipes can decrease the amount of rainwater infiltration entering the system, which left unaddressed can overwhelm the conveyance and treatment capacity of the wastewater facilities. Over the years, the City has worked to reduce infiltration. Despite these efforts, inflow to the Wastewater Treatment plant (WWTP) increases dramatically during wet weather. Typical dry-weather flows are approximately 2 MGD. In contrast, wet-weather flows periodically exceed 20 MGD.

The City of Ukiah (City) currently has over 3800 active sewer accounts not including the "overlap area". These accounts are connected to the main collection system by laterals. The laterals are owned by the property owner, and they are responsible for all maintenance including the connection to the main. Laterals and their connection to the main are a well-documented source of inflow into the wastewater collection system. However, many homes in the City have never had their original sewer laterals replaced. Over time, these pipelines, generally made of clay, can crack, become disjointed, experience displacement, and/or be subjected

RECOMMENDED ACTION: Receive presentation and provide direction to staff regarding the City's current Sewer Lateral Policy and the potential need to update the policy.

BUDGET AMENDMENT REQUIRED: No

CURRENT BUDGET AMOUNT: N/A

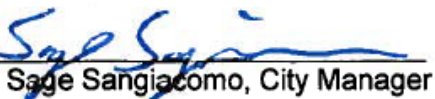
PROPOSED BUDGET AMOUNT: N/A

FINANCING SOURCE: N/A

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH: Tim Eriksen, Director of Public Works/City Engineer and Jarod Thiele, Public Works Management Analyst.

Approved: _____


Sage Sangiacomo, City Manager

to intrusion by tree roots, all of which can cause leakage and blockage.

In an attempt to address infiltration issues associated with laterals, the City has tried a number of sewer lateral policies that required the property owner to assess, and potentially replace the lateral. Past policies included requiring lateral assessment and possible replacement at time of sale. Current sewer lateral policy requires assessment and possible replacement under certain permitting scenarios. Past and current policies have failed to achieve the goal of systematic replacement of laterals (approximately 1% per year) and resulted in a number of undesirable outcomes including permit evasion, inefficient rehabilitation projects, damage to City streets, and high wet weather flows at the WWTP.

In general, requiring private property owners to maintain the private infrastructure in the public right-of-way (ROW) is problematic. Other cities have experienced similar frustrations developing effective strategies for lateral management. Many Bay Area municipalities including Alameda, Albany, Emeryville, Oakland, Piedmont, Kensington, El Cerrito, and Richmond have developed a uniform policy that delineates where laterals become public. By doing so, property owners are responsible for lateral maintenance on private property and municipalities are responsible for maintenance in the ROW (Attachment 1).

Staff introduced the concept of modifying the existing sewer lateral policy to the Council on June 21, 2017. At that meeting Council directed staff to prepare recommendations and return to Council for further direction.

Discussion: Staff has prepared a series of recommended modifications to the Sewer Lateral Policy intended to reduce negative outcomes associated with the current policy.

Triggers: All permitting triggers would remain the same.

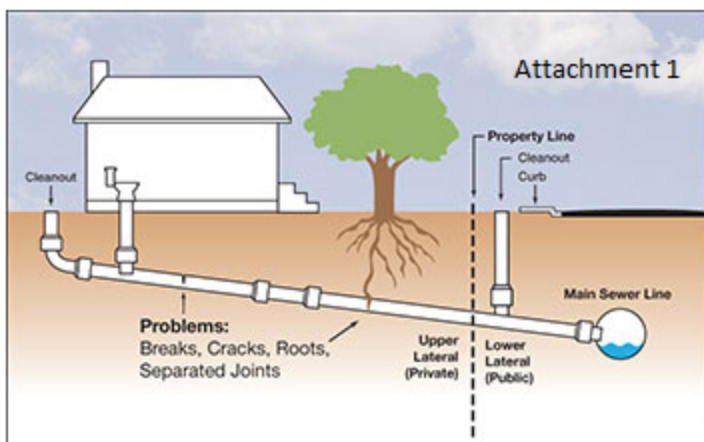
Testing: Currently testing is required to determine if lateral replacement is required. Since the vast majority of laterals fail testing, staff is proposing to eliminate this step and make lateral replacement mandatory. If a property owner believes that their lateral will pass, they can test their lateral to avoid mandatory replacement using the existing pass/fail criteria to the proposed ownership boundary.

Rebate: Currently the City will pay 50% of the cost to replace a lateral (up to a \$2000 maximum). Staff believes this incentive has not been sufficient to motivate lateral replacement. Staff is proposing that the City will pay the first \$2000 required for lateral replacement, and the property owner will pay the balance. Replacement will include installation of an approved clean-out and any necessary modifications to the existing sidewalk. This should be significantly less expensive to the property owner than the current policy.

Delineation of ownership: Currently the property owner is responsible for the entire lateral including the connection with the main. Staff is proposing that the property owner will be responsible for the lateral up to, but not including the clean-out. The City will be responsible for the lateral from the clean-out to the main.

Clean-out location: The clean-out will be placed in the center of the sidewalk. If no sidewalk is present, the clean-out will be placed eighteen (18) inches behind the back of curb. If no curb is present the clean-out will be placed in a location determined by the City Engineer.

Following further direction from Council, staff will work with legal to prepare a revised ordinance for consideration. Staff will also continue to seek coordination with the UVSD in an effort to develop the same, or similar changes to their policies.





AGENDA SUMMARY REPORT

SUBJECT: Consideration of a Restructuring Proposal for the Community Development Department and Corresponding Budget Amendment

DEPARTMENT: Community Development

PREPARED BY: Craig Schlatter

ATTACHMENTS:

[Attachment 2 - Building Inspector Job Description](#)

[Attachment 1 - Associate Planner- Housing Job Description](#)

[Attachment 3 - Community Development Technician Job Description](#)

Summary: Council to receive and consider a recommended proposal to restructure the organization and position allocation of the Community Development Department.

Background: In the years since the economic recovery, the Community Development Department (formerly, the Community Development and Planning Department) has experienced significant growth in the number of planning project and building permit applications. In addition to Planning and Building Divisions, the Department has also taken on management of a new Housing Division and is administering housing, community and economic development grants and programs, while also implementing a new housing strategy. Work production required to accomplish the core duties of the department, combined with inadequate staffing, has

RECOMMENDED ACTION: Approve Community Development Department Restructuring Proposal and Corresponding Budget Amendment.

BUDGET AMENDMENT REQUIRED: Yes

CURRENT BUDGET AMOUNT: N/A

PROPOSED BUDGET AMOUNT: \$43,525 FY 17-18 Personnel 10023100.51110 for Associate Planner- Housing; \$40,785 FY 17-18 Personnel 10023320.51110 for Building Inspector; \$15,000 FY 17-18 Building Permit Fees 10023300.42210; \$15,000 FY 17-18 CDBG General Admin Transfer 60600000.43301

FINANCING SOURCE: N/A

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH: Daniel Buffalo, Finance Director; Daphne Harris, Management Analyst; Sheri Mannion, Human Resources Director

Approved: _____


Sage Sangiacomo, City Manager

sometimes placed strain on team members and degraded morale. Improvements to department systems that are both needed and desired by team members to modernize the department, increasing effectiveness and efficiency, have not been possible. All of this has resulted in compromised service delivery and heavy reliance on outside consultants, particularly in the planning and building divisions. Many of these consultants, especially for the building division, are often based outside Mendocino County.

As part of an effort to analyze the effectiveness of the department to meet both current and future responsibilities, as well as maximize customer service in all three divisions, a review of the department's organizational structure has been completed. The intent of the review was to better serve and support the Department's customers – the community, the City Council/Planning Commission, City Manager, and other departments – while effectively utilizing current resources and planning for growth and succession.

Discussion: The objective of this review was to determine how the Department could best be structured to do the following:

- Seamlessly move customers through the development experience.
- Address and provide solutions for the most pressing housing and community development issues in our community.
- Allocate resources to maximize efficiency.
- Proactively develop a succession plan for the future and fully utilize the skills and capabilities of team members.

A comprehensive approach was taken, focusing on individual team members, customer experiences, and the dynamics between the two former divisions of planning and building/code enforcement and the newest division of housing services. After meeting with Department team members as a group and individually, the following considerations were carefully evaluated:

- The needs of the community (businesses, developers, contractors, and residents) related to service needs/expectations from the Department
- The allocation of resources to support the Department's various functions
- Needs of other City departments, divisions, and activities
- Near and intermediate-term needs of the Department
- Current responsibilities of team members in relation to their respective classifications
- Succession planning
- The culture of the Department

Based on this review, and with input from the entire Community Development department team, a plan to move forward meeting the aforementioned objectives was formulated, applying best management practices and building on the strong foundation already in place. The plan has been further vetted by the City Manager, Deputy City Manager, Finance Director, and Human Resources Director.

The recommendation is as follows:

1. Structure the department into three integrated divisions:

- Building/Building Code Enforcement Services
- Planning Services
- Housing Services

Each division will be coordinated by a division lead and will perform specific functions; however, each will act in a support capacity to other divisions when and where needed, all with the common goal of providing the highest level of customer service and workflow management.

2. Add two staff positions and reclassify one existing position:

- Add one Associate Planner position, with an emphasis in Housing (Associate Planner- Housing). This position is the housing division lead and will coordinate the activities of the division. The position will be the principal implementer of all existing and new housing and community development programs and projects, including some limited economic development program implementation duties. The position will also assist in current and long-range planning. The salary schedule will remain unchanged at the 2735 range (\$4,822.84 - \$5,862.18/month). The revised job description for this position is attached as Attachment 1.

- Add a new Building Inspector to complement the City's existing Building Official Matthew Keizer. To gain depth in the building services division while also maximizing technical assistance/education to the builder community and the front counter customer experience, the Building Inspector position would be the primary building division services counter representative besides the Development Permit Coordinator. Having this position in place also eliminates the need for on-call building inspection services and allows for more direct over the counter services. The recommended salary schedule placement for this position in the non-exempt administration/miscellaneous unit equivalent to the 6043 range (\$4,497.14 - \$5,466.29/month). The revised job description and salary schedule for this position is attached as Attachment 2.

- Reclassify the Planning and Building Technician to a Community Development Technician (Cathy Elawadly). As the Housing Division assumes greater responsibility for implementation of activities, the division will need support related to application intake, file management, updating handouts and the website, and other division program and project administration duties. Revising this position to focus on planning and housing will provide this needed support to the these two divisions. The salary schedule will remain unchanged at the 6234 range (\$3,600.99 - \$4,379.69). The revised job description for this position is attached as Attachment 3.

If the staffing recommendations are approved, the new Community Development Department team will consist of the following:

Community Development Director - Craig Schlatter
Planning Manager - Kevin Thompson
Building Official - Matthew Keizer
Associate Planner - Adele Phillips
Associate Planner- Housing - New (advertise/hire for position)
Building Inspector - New (advertise/hire for position)
Development Permit Coordinator - Katrina Ballard
Community Development Technician - Cathy Elawadly

Regular evaluation of these positions, the scope of service they provide, and the structure of the Department as a whole will be evaluated regularly and modified as needs evolve and team members' skills and capabilities advance.

3. Authorize a corresponding budget amendment, as follows:

Expenditures for new personnel:

\$43,525; FY 17-18 Personnel 10023100.51110 - for additional Associate Planner- Housing

\$40,785; FY 17-18 Personnel 10023320.51110 - for new Building Inspector

Please note: these salary estimates are fully loaded estimates based on hiring at the top step in the salary schedule. The estimates are based on five months' employment, reflecting a start date of February 1. It is not anticipated the costs for these positions will be as high as shown.

New Revenues:

\$15,000; FY 17-18 Building Permit Fees 10023300.42210 (Base on half of a year)

\$15,000; FY 17-18 CDBG General Admin Transfer to General Fund 60600000.43301

To plan for succession in critical functions within the Department, this restructuring would assign resources

where appropriate and most effective. Monitoring of revenues versus expenditures will continuously be evaluated, including regular review and analysis of cost recovery efforts. Additional review and potential adjustment of the fee schedule may be necessary as the Department moves forward with this vision. The anticipated short- and long-term fiscal impacts of this restructuring proposal are listed below.

For Fiscal Year 2017-18: the combination of a minimum building permit fee increase, transfer of grant revenue to the General Fund, and existing building permit fee revenues will help offset the two new staff positions for the remainder of the fiscal year along with the current increase in development related fees.

For Fiscal Year 2018-19 and beyond: due to cost sharing between divisions, including new revenue from the housing division, the overall impact to the City's general fund should be nominal. Over time, as implementation services are expanded in the housing services division and additional efficiencies are realized in the building and planning services divisions, this trend should continue. The goal then from a department cost perspective is to see the quantity and quality of services increase while continuing to decrease the cost to the general fund over time.



JOB DESCRIPTION

BUILDING INSPECTOR

DEFINITION

Under general direction of the Director of Community Development, visually inspects buildings and structures of all occupancy groups and construction types being constructed, altered, relocated or repaired for compliance with State and City codes and ordinances; performs building plans examination on building permit applications (excluding structural engineering); performs a variety of inspections including building, plumbing, electrical, mechanical, fire and life safety; issues permits for construction of improvements in accordance with current code requirements; and answers general questions from the public and contractor community at the counter regarding codes and ordinances for building in the City of Ukiah.

EXAMPLES OF DUTIES:

These examples are intended only as illustrations of the various types of work performed in positions allocated to this class. The examples of work performed are neither restricted to nor all-encompassing of the duties to be performed under this job title. (E) Essential Duty; (M) Major Portion of Time

- Inspects buildings and similar structures to see that construction, alteration, or maintenance work complies with building codes, ordinances, and plans. (E, M)
- Assists the Building Official in maintaining applications and files associated with the building inspection function, and screens building permit applications for completeness. (E, M)
- Provides reliable and objective building code information to the general public, and to building permit applicants and/or their agents. (E, M)
- Performs building plans examinations (excluding structural engineering) on building permit applications, and ensures that all construction projects comply with local building ordinances and State building codes (Title 24 of the California Code of Regulations). (E, M)
- Maintains a high degree of proficiency in understanding and interpreting building codes, and independently remains current with all applicable building code revisions. (E)
- Assists in front counter operations. (E, M)
- Represents the department at public gatherings. (E)
- Issues appropriate permits for projects meeting codes, and posts stop work, prohibited occupancy, and hazardous conditions notices on construction sites and existing structures which fail to meet code. (E)
- Assists the Building Official and Code Enforcement Division in performing building code enforcement duties, including responding to citizen complaints, issuing violation notices, and effectively abating building code violations throughout the City. (E)
- Provides field inspection services on projects approved by the Zoning Administrator, Planning Commission, and/or City Council, and assists Planning Staff in ensuring that "Conditions of Approval" are satisfied. (E)
- Performs other duties as assigned.

QUALIFICATIONS

Knowledge of:

- The provisions of the California Building, Housing, Plumbing, Electrical and Mechanical codes, Fire Safe Standards and related State and City codes and ordinances.
- Title 24 of the California Code of Regulations ("California Building Code"), disabled access, earthquake safety and flood plain regulations, modern building and construction materials, and their quality as it relates to State and City codes and ordinances.
- Construction methods and materials, engineering principles and practices, and building safety standards.
- All phases of construction.

- Recordkeeping, reports, memos, and letter preparation; filing methods and records management techniques.
- Basic mathematics necessary to perform the duties of the job.

Ability to:

- Read and understand complex residential, commercial or industrial construction plans and specifications and effectively and accurately interpret building plans, contract documents, schematics, and specifications.
- Communicate building permit requirements and building plan deficiencies to builders and members of the public in a professional, articulate, and courteous manner.
- Establish and maintain effective and cooperative working relationships with builders, contractors, the general public, and City officials and employees.
- Maintain a positive and customer-service oriented demeanor with customers at the front counter, particularly in difficult situations.
- Make visual inspections, detect deviations from approved plans and specifications, and ensure compliance with State and City codes and ordinances.
- Write and speak clearly and concisely for the purpose of instructions and reports.
- Perform field inspections on new construction and remodel projects, which will include mobility in "hard hat" areas, and tight or high places.
- Compute or be familiar with the process for computing building permit fees, as derived from the Uniform Administrative Code and Building Valuation data.
- Understand local zoning requirements and conduct inspections of yard setbacks, parking spaces, fences, etc.
- Work effectively with a minimum of supervision.
- Use, or be familiar with, various electronic information systems and computer software, including Microsoft Word, Excel, and Access.
- Effectively evaluate situations and identify problems in the field and independently arrive at a reasonable and effective course of action
- Recommend proper methods of correcting building code violations in a concise and timely manner.

Experience

Experience as a Building Inspector, Construction Supervisor, Architect or closely related occupation which provides the required knowledge, skills, and abilities to perform the essential functions of the job.

Education and Certifications:

- High School diploma, or equivalent, and supplemental specialized training in plan check/review and building inspections.
- Possession of certification as a combination inspector or two or more specialty trade certificates are required within one year of appointment.

Necessary Special Requirement

- Possession of a valid Class C California Driver's license.
- Use of personal automobile for building inspections, subject to mileage reimbursement.

Salary Range

\$4,497.14 - \$5,466.29 per month

Grade: 6043



JOB DESCRIPTION

ASSOCIATE PLANNER – HOUSING

(Exempt, Management Position)

DEFINITION

Under general direction of the Director of Community Development, the Associate Planner- Housing performs both current and long-range planning duties, including project review and zoning administration, as well as General Plan implementation; administers and coordinates the activities of the Housing Division which is responsible for the development, implementation and delivery of housing program activities, neighborhood enhancement programs, operations, and services to program participants funded with CDBG, HOME, and Low and Moderate Income Housing Asset Fund (LMIHAF); assists with some economic development functions; and performs related work as assigned.

EXAMPLES OF DUTIES:

These examples are intended only as illustrations of the various types of work performed in positions allocated to this class. The examples of work performed are neither restricted to nor all-encompassing of the duties to be performed under this job title. (E) Essential Duty; (M) Major Portion of Time

- Assist in organizing, implementing and monitoring CDBG, HOME, and LMIHAF housing and economic development programs. (E, M)
- Assist the Community Development Director in formulating Housing Division goals, objectives, policies, strategies, and budget. (M)
- Coordinate the processing of applications for business assistance, residential rehabilitation, public facilities, and related loans and grants. (E, M)
- Research, analyze, and interpret population, housing, social, economic and other specialized studies of the City. (E)
- Performs various types of Business Outreach and Business Retention activities.
- Interface with public service organizations (e.g., community non-profit groups) receiving CDBG funding support and performs sub recipient monitoring of all CDBG awardees to ensure compliance and performance with all applicable laws. (M)
- Respond to public inquiries received by telephone or personal contact in matters pertaining to planning, zoning, and related policies. (E)
- Interpret and apply the City Zoning Ordinances in reviewing and analyzing development proposals and in replying to public inquiries. (E)
- Assist the City's Code Enforcement Officer in interpreting the Zoning Code and recognizing and resolving code violations in the field.
- Process current planning applications, and evaluate plans and projects for code compliance and design considerations. (E)
- Prepare planning reports and develop agenda material for Planning Commission meetings. (E)
- Conduct Initial Studies and prepare basic environmental documents (Exemptions, Negative Declarations, etc.) pursuant to the California Environmental Quality Act (CEQA). (E)
- Conduct land use studies and compile data and information pertaining to planning as needed.
- Collect and record land use data and prepare base maps, zoning maps, charts, and graphs.
- Develop and implement systems and procedures to ensure the proper processing of permit applications and the issuance of use permits, variances, zone changes and architectural reviews.
- Perform field work and site visits (occasionally in extreme weather conditions) to fully comprehend, analyze and document development proposals. (E)
- Make oral presentations to the Planning Commission on a routine basis regarding planning matters and projects, and occasionally address planning issues or projects at City Council meetings. (E)

- Represent the City and its planning policies in the community as required, and prepare reports and correspondence regarding planning matters.
- Coordinate with other City departments and other governmental agencies on planning issues and projects. (M)
- Other duties as assigned.

QUALIFICATIONS

Knowledge of:

- Principles and practices of municipal planning, including building and site design.
- Applicable Federal, State, and local planning laws and regulations, including CEQA.
- Functions of other governmental agencies involved in the planning process.
- Modern office practices, procedures, equipment (computers) and techniques.

Ability to:

- Communicate clearly and concisely.
- Compose planning reports, technical studies and other planning-related documents with little supervision and editing input from supervisor(s).
- Interpret technical and legal documents related to planning.
- Operate word processing and graphic computer programs.
- Establish and maintain cooperative and productive working relationships with the public and staff; work effectively with a variety of organizations.
- Compose planning and housing reports, technical studies, and other related documents.
- Conceive, organize, and execute assigned projects with innovation and independence; develop work systems and timelines for housing and economic development projects.
- Develop, coordinate and monitor grants and assigned programs and projects.
- Develop and implement housing programs.

Experience:

- Three years professional planning experience for a local agency. Experience as both a current and long-range Planner is highly desirable.
- Professional experience in economic development or redevelopment and affordable housing programs, including work as a project manager or work in a lead capacity is recommended.

Education:

Education equivalent to a Bachelor's Degree, with major course work in Planning, Public Administration or a closely related field. Graduate degree may substitute for one year of experience.

Necessary Special Requirement:

Possession of a valid Class C California Driver's license

Salary Range

\$4,822.84 - \$5,862.18 per month

Grade: 2735

Revised date: November 29, 2017

DRAFT



JOB DESCRIPTION

COMMUNITY DEVELOPMENT TECHNICIAN

DEFINITION

Under general supervision, performs a wide variety of professional office and field work related to community development activities, projects, and programs within the City. The work consists of responsible technical and professional duties at an entry community development specialist level.

DUTIES AND RESPONSIBILITIES:

(These examples are intended only as illustrations of the various types of work performed. The examples of work performed are neither restricted to nor all-encompassing of the duties to be performed under this job title.)
E= Essential Duty; M= Major Portion of Time.

- Greets and provides professional and courteous service/information to the public at the front counter, including providing basic zoning and community development information. (E) (M)
- Assists professional planners in the technical aspects of the planning process. (M)
- Intakes and assembles housing and community development application materials and creates housing and grant programs and planning permit application files for planning and community development staff. (E) (M)
- Provides current and applicable handouts and forms for those that need them. Updates community development forms and handouts as appropriate. (M)
- Operates and manages the laserfische system for the Community Development Department. (E)
- Assists with updating the website for the Community Development Department as directed. (E)
- Performs and assures proper public noticing for community development programs and projects by coordinating with the local newspaper for the publication of legal notices; posts notices on project sites, and coordinates the mailing of notices to surrounding property owners. (E)
- Assists planning division staff in preparing agenda packets for the Planning Commission and Zoning Administrator meetings. (E)
- Takes summary/action minutes at Planning Commission, Zoning Administrator and other Commission, Committee or Board meetings. Transcribes and electronically saves minutes and posts minutes on the City's website. (E)
- Gathers, compiles, and evaluates statistical and technical data related to the City's existing population, housing needs, income level, employment, etc., for use in projecting future community development needs of the City. (M)
- Performs other related duties as assigned.

QUALIFICATIONS

Knowledge of:

- Customer relations techniques.
- General community development principles, including planning, zoning, and housing.
- Standard office clerical procedures, with emphasis on correct English grammar and spelling.
- Use of computer system and other office equipment.
- Composition standards.
- Standard formats for reports, records, agendas and minutes, and correspondence.

Ability to:

- Work in a high activity team environment.

- Demonstrate strong written and verbal communication skills.
- Learn applicable state, federal and local ordinances, laws, rules and regulations.
- Record and transcribe action minutes of various Commission, Committee and Board meetings.
- Maintain a positive and customer-service oriented demeanor with customers at the front counter, particularly in difficult situations.
- Apply logical thinking to solve problems or accomplish tasks; to understand, interpret and communicate policies, procedures and protocols.
- Research, compile, and summarize a variety of informational and statistical data and materials.
- Utilize a variety of computer software applications and/or quickly learning new software applications.
- Adapt to unfamiliar circumstances, maintain a positive approach, and find alternative solutions.
- Maintain cooperative working relationships with other City employees and the public.
- Occasionally lift and/or move up to 25 pounds.

Education and Experience: Bachelor's degree from an accredited four-year college or university; or, an Associate's Degree with two years of progressively responsible related experience; or, any combination of education, training and experience which provides the required knowledge, skills, and abilities to perform the essential functions of the job.

Necessary Special Requirement:

Possession of a valid Class C California Driver's License.

DRAFT

DRAFT



AGENDA SUMMARY REPORT

SUBJECT: Presentation of the City of Ukiah Budget Story

DEPARTMENT: Finance

PREPARED BY: Daphne Harris

ATTACHMENTS:

[Attachment 1 - City of Ukiah Budget Story 2018](#)

Summary: Council to receive a presentation on the first City of Ukiah Budget Story for FY 2017-18.

Background: Based on current best practices for budgeting and community engagement, the Budget Management Division of the Finance Department worked to develop a Budget Story that serves as a companion piece to the City's 2017-18 Adopted Budget.

The Budget Story provides an additional resource that delivers community accessibility to a long but comprehensive budget document. The information presented in this Budget Story is condensed, easy to read, and delivered in a visually appealing, electronic format for better comprehension and understanding.

This additional resource is a 25-page document that emphasizes the value of the many City services provided to our community, highlights various activities and programs that preserve and enhance the quality of life in Ukiah, and demonstrates how much it costs to provide municipal services.

Discussion: The 2017 City of Ukiah Budget Story is designed to draw readers' attention using a compelling

RECOMMENDED ACTION: Receive Presentation

BUDGET AMENDMENT REQUIRED: No

CURRENT BUDGET AMOUNT: N/A

PROPOSED BUDGET AMOUNT: N/A

FINANCING SOURCE: N/A

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH: Daniel Buffalo, Finance Director

Approved: _____


Sage Sangiacomo, City Manager

delivery format, a visually appealing electronic publication filled with pictures, narrative, and personal stories (Attachment 1). The intention is to invoke a humanistic response, placing names and faces with mission, values, and numbers.

The Budget Story is designed to be delivered entirely electronically but can be printed upon request. The document will be published on the "ISSUU" platform, which allows staff to collect analytical information to gauge the efficacy of the Budget Story in reaching readers, including how many readers view the document, how long they spend reading it, and how many pages they view.

The Budget Story (Attachment #1) can be found here in electronic format:

https://issuu.com/cityofukiah-financedepartment/docs/city_of_ukiah_budget_story__2017-18?e=28616286/55911816



City of Ukiah

Budget Story

**Providing Value To
Our Quality of Life**

2018

For Period 7/1/2017 - 6/30/2018



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Brown

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The full budget document
can be found here: <http://bit.ly/2iEz1wZ>





City of Ukiah Mayor Jim O. Brown

Jim O. Brown -Mayor

UKIAH is the hub of Mendocino County – or rather, the entire region. It is where people from three counties come for business, education, recreation, and more. It is the gateway to the redwoods, and plays a significant role in the cultural, economic, and social vitality of the greater Ukiah Valley.

I am excited for the coming year and the many changes that will take place in the Ukiah community. Important projects are ahead, ranging from Costco, the recycled water project, and the increased attention on our streets, roads, and public right-of-ways. The years of hard work, planning, and difficult decision making are bearing fruit, and I hope the citizens will join me in celebrating our accomplishments.

It has been a pleasure to be part of the team of dedicated professionals at the City of Ukiah. While we engage in a wide variety of projects and programs, our focus is always on serving the people of Ukiah by providing essential services, facilitating economic opportunities, and improving the quality of life.

We have a strong foundation on which to build and will continue to develop our community as we serve our residents, our visitors, and the Greater Ukiah Valley.

A handwritten signature in black ink that reads "Jim O. Brown". The signature is fluid and cursive, with a large initial "J".

-Jim O. Brown,
Mayor

Our Community

DEMOGRAPHICS

- OVER 50% OF LABOR FORCE HAVE ATTAINED AT LEAST SOME COLLEGE EDUCATION
- 16,075 RESIDENTS
35,000 WEEKDAY POPULATION
- 4.67 SQUARE MILES WITHIN CITY LIMITS

Community Profile

Ukiah, incorporated in 1876, operates a full range of municipal functions including public safety, public works, community development, and community services. Furthermore, the City of Ukiah provides electric, water and wastewater utilities for its residents and operates an airport, golf course, museum, and conference center.

Government

Ukiah is a general law city operated under a council-manager form of government in which policy is set by a five-member council, elected at large to four-year overlapping terms. Council members must be residents of the City. The positions of Mayor and Vice-Mayor are chosen by the Council through its own policy and rotates among its members. The Mayor conducts the Council meetings and represents the City in ceremonial occasions.

The Council serves as the policy board for the municipality. It provides direction, establishes goals, and sets priorities for city

government. In addition to serving as the policy makers for the community, the City Council is also responsible for numerous land use decisions within its borders, including the General Plan. The City Council appoints the City Manager and City Attorney, and all members of advisory boards and commissions.

Education

The Ukiah area offers big-city educational opportunities in a small-town environment. Ukiah Unified School District provides traditional public schools, as well as a Spanish-immersion elementary school, a Montessori-based charter school, a Waldorf based charter school, an independent study-focused charter school, and more.

Other options include a private Waldorf school, a private Catholic K-8 school, and the Instilling Goodness/ Developing Virtue Buddhist school. Furthermore, the University of California Davis's Hopland Research and Extension Center is one of nine operated by the UC Division of Agriculture and Natural Resources, and Mendocino College, with its 127-acre campus enrolls over 5,000 students each term.

Lifestyle and recreation

Ukiah is the only place where you can sip wine from America's greenest wine region or sample a locally brewed ale, hike amongst some of the tallest redwood trees in the world, and relax in a naturally warm and carbonated mineral spring...all in a day. Ukiah is where the redwoods meet the vines, a place where year-round events draw locals and visitors together, and where the entrepreneurial spirit is alive and well.

In the historic downtown, Ukiah's up-and-coming dining scene and the surrounding wineries have garnered attention from Wine Spectator, VIA Magazine, Wine Enthusiast, and more. Sunset Magazine praised Ukiah's "19th-century architecture, charming tree-lined neighborhoods, and its laid-back vibe."



“Ukiah is on the brink of exciting and transformative changes.”



Our Core Values:

PROFESSIONALISM

SERVICE

TEAMWORK

INNOVATION

SAFETY

Ukiah is on the brink of exciting and transformative changes, changes that I believe will have a positive impact on our quality of life. At its foundation, Ukiah has spectacular natural beauty and a resilient and caring citizenry. I remain thankful to have grown up and live in a community where, more often than not, the first reaction when passing someone on the sidewalk or in the grocery store is to exchange a smile and a greeting.

At the City of Ukiah, we don't take that for granted. Our team, combined with the leadership of the City Council, is dedicated to maintaining that friendly, authentic spirit while improving services to make our community a place of pride and enjoyment, where families and business can thrive and visitors will cherish their experiences.

Over the past decade, the City has been impacted by continuing economic, legislative and legal threats that have challenged that ability to provide services. Emerging through the economic downturn was difficult and the impacts have been far lasting including continued issues with homelessness, lack of housing, aging infrastructure, a limited workforce and a lack of significant economic growth. Through a refocused effort on engagement and partnerships, we look forward to working with and for our community to overcome these larger regional issues.

The Fiscal Year 2017-2018 budget builds upon the effort to refocus service delivery and resources to Council-directed priorities while maintaining a balanced and sustainable fiscal spending plan. Public Safety services and utility operations remain a priority focus and represent the majority of the City's annual budgetary spending. This year's budget also represents a major investment in infrastructure spending on important community projects that have been in development for a number of years, including street and traffic improvements in and around the Redwood Business Park and the recycled water project. Additional investment in street maintenance will be forthcoming as the City works to plan and deploy the recently-approved Measure Y funding.

With vision and direction provided by the City Council, the City is operating with a clear understanding of our community's needs while continuing to maintain financial stability. The Fiscal Year 2017-18 budget is a prudent and responsive expenditure plan focusing on project completion, enhancing public safety, rebuilding our streets, investing in infrastructure, and aligning resources with priority services. Where appropriate, some projects are funded by one-time revenue sources - such as grant and loan funding - and available fund balance that has accumulated from past budgetary surpluses. In whole, operations are balanced structurally and sustainable fiscally.



Sage Sangiacomo -City Manager

Moreover, our team at the City is working to ensure a quality of life that supports the diverse needs of our citizens and businesses. Ukiah is a special place with unique character and charm. Our team members have a strong sense of purpose and dedication because we live and work here among family and friends. We continue to foster this culture at the City by embedding the core values of professionalism, service, teamwork, innovation, and safety into every aspect of our work and every decision.

However, we will fall short in our efforts without the support of the community we serve. Communicating our plans, achievements, and our shortcomings is critical. Encouraging constructive public input and civic engagement must receive considerable attention. I plan to continue making recommendations and requests that support and strengthen that effort.

Furthermore, our staff appreciate the care with which the Council leads our agency and embraces teamwork. The collaboration between the Council and staff fosters an inclusive environment that energizes, releases creativity and makes working together both productive and satisfying.

This is our budget story. Together we write the next chapter.

-Sage Sangiacomo.

Valuing Our Safety

Keeping Ukiah safe is our primary mission. Our officers work hard to reduce violent crimes and property crimes, and to improve the quality of life within our neighborhoods. With issues as broad and complex as community safety, we want to stay focused on the areas that will have the biggest impact, and to do that we developed a long-term strategic plan called Measuring What Matters Most. This plan clearly defines five goals for the effective delivery of police service, identifying the performance measures that affect both safety and quality of life in Ukiah.

The Fire Department provides all-hazard response, preparedness, and prevention services to protect life and property from fire and all other emergencies. This is accomplished through public education, fire code management, fire suppression, paramedic level (ALS) pre-hospital emergency medical care, hazardous condition mitigation, and rescue services.



Cost of Service: Police and Fire

Direct

Personnel	\$9,967,843	68%
Materials, services, and other operating	1,396,891	9%
Grants, loans, and other assistance	-	-
Debt service	125,937	1%
Capital outlay/CIP	476,000	3%
Total direct	11,966,671	81%

Indirect

Administration and overhead	717,892	5%
Internal service use	2,024,588	14%
Total indirect	2,742,480	19%
Total cost of service	\$14,709,151	100%

Looking Ahead

The Police Department's budget includes appropriation for 34 sworn police officers, up from 32. Funding for one of those new officers will come in part from the Ukiah Unified School District for an additional school resource officer. The second position will be funded from general revenues of the general fund and other sources, specifically from identified savings in other Police operations.

The general fund will continue to be committed to funding public safety with the use of Measure P proceeds in 17-18. The majority of this increase is due to additional staffing, retirement plan costs, and the replacement of aging fire safety equipment. The City will continue to

work with the Ukiah Valley Fire District to provide unified operational services to the greater Ukiah Valley.

Additionally, the amount needed to provide valley-wide fire services has increased, as we work to match service levels of the City with that of the Ukiah Valley Fire District. Quite simply, property tax revenues collected by the UVFD for the unincorporated areas are insufficient for fire protection and medical support services. The City has committed its own general fund resources to ensure the District, as a partner, can meet the needs of its citizenry. Part of potential budgetary savings in 2016-17 will be used to help finance increased costs specific to equipment replacements, but such a strategy is

meant to be one-time in nature. In order to support sustainability in the years to come, long-term strategies to meet the public safety service needs of our community must be developed in collaboration with partnering services providers and the County of Mendocino.



"For almost 30 years now, my most favorite thing about working for the City of Ukiah is the great people I have an opportunity to serve in our community, and the fantastic co-workers I serve alongside with."

-Chris Dewey, Police Chief





“My favorite experience working for the City has been the rehabilitation of the Railroad Depot. Having seen the Depot in a state of decay - walls covered with graffiti and piles of trash inside the building - it was truly a joy to complete the rehabilitation of the Depot, utilizing the original 1928 blueprints for reference. The Depot is now an asset to the community rather than a source of blight.”

-Rick Seanor, Deputy Director of Public Works

Cost of Service: Public Works

Direct		
Personnel	\$795,212	8%
Materials, services, and other operating	475,640	5%
Grants, loans, and other assistance	-	-
Debt service	425,707	4%
Capital outlay/CIP	8,417,866	81%
Total direct	10,114,425	97%
Indirect		
Administration and overhead	84,466	1%
Internal service use	199,789	2%
Total indirect	284,255	3%
Total cost of service	\$10,398,680	100%

Looking Ahead

Measure Y, passed by a simple majority (50 percent plus 1) of Ukiah voters in November of 2016, is a general (unrestricted) transaction and use tax. Similar to Measure P, this general, unrestricted tax is one that can be used to fund any program, function, service, or project at the discretion of the City Council. It is not a special, restricted tax but was accompanied by an advisory Measure Z (2016).

The Purpose of Measure Y is to augment general expenditures on streets, and public rights-of-way. Amounts collected from the tax are to be used in addition to the commitment of the

general fund and not in replacement of. {We are} recommending a prudent use of amounts collected from Measure Y and the establishment of a project reserve for additional projects, yet to be selected by the City Council. See the section regarding Measure Y on page 24 for additional details.

In addition to the amounts collected from Measure Y, we anticipate the receipt of additional gas tax and special appropriations for infrastructure from the state in the coming year. The increase in revenue will not be large, but those additional resources will be used to enhance projects currently scheduled, as well as future project supported by Measure Y.

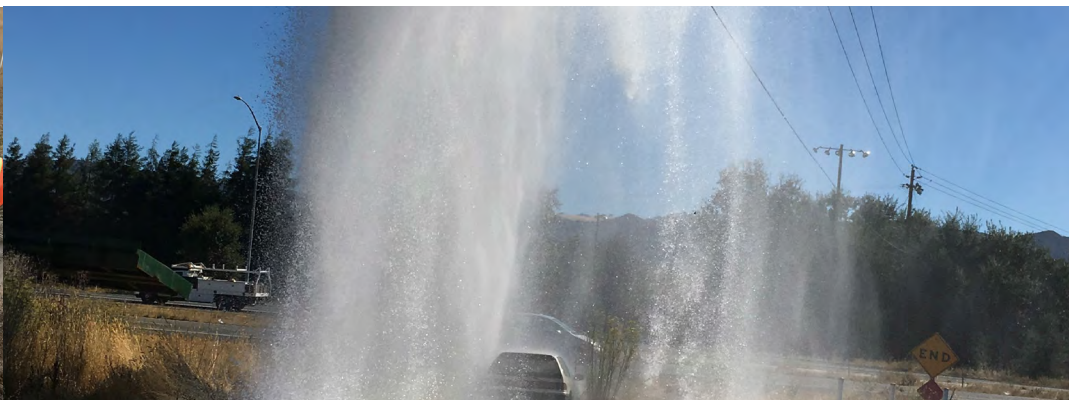
Valuing Our Roads and Infrastructure

The Public Works Department is a multi-faceted, multi-disciplinary activity of the City. It incorporates the functions of garage services to City departments; infrastructure planning, construction and maintenance, including City streets and public rights-of-way; and corporation yard services to City departments.



Valuing Our Water Resources

The Water Resources Department is responsible for the production, treatment and distribution of drinking water; the collection, treatment and disposal of wastewater; and for meeting its conservation goals, while simultaneously facilitating the disposal objectives of wastewater disposal in an economical and environmentally sustainable way.



Cost of Service: Water Resources

Direct

Personnel	\$3,439,255	7%
Materials, services, and other operating	4,647,150	10%
Grants, loans, and other assistance	-	-
Debt service	5,825,818	12%
Capital outlay/CIP	31,556,887	67%
Total direct	45,469,110	96%

Indirect

Administration and overhead	528,211	1%
Internal service use	1,261,884	3%
Total indirect	1,790,095	4%

Total cost of service \$47,259,205 **100%**

Looking Ahead

Water and wastewater enterprise activities will continue to experience increased costs; however, the restructured water rate schedule will sustain its operations and capital plans, with a focus on enhanced maintenance. Wastewater activities will focus on maintenance as well – including inflow and infiltration (I&I) identification/mitigation, infrastructure rehabilitation, and addressing disposal costs.

A thorough evaluation of rates for wastewater services must be completed

for the enterprise to find sure footing moving forward. Additionally, both water and wastewater will participate in the effort to implement recycled water in the City of Ukiah. It's a matter of disposal for the wastewater system and one of increased capacity for the water enterprise. For both, it is an effort to exercise best practices in municipal water and wastewater services and in environmental stewardship.

Some notable upcoming expenditures include:

- Recycled Water Project Phase 1-3 construction from the Wastewater Treatment Plant north to the Ukiah Sports Complex.
- Replacement of the failing Pressure Zone 2 South Water Tank in the western hills to retain the needed ability to store and distribute water; this tank is one of the primary storage tanks in its zone.



-Sean White, Director of Water Resources

“Our department has incredible resources. Our staff is knowledgeable, well trained, and dedicated. Our facilities are nothing short of incredible for a community of the size of Ukiah.”



“My favorite experience [working for the City of Ukiah] was watching a dedicated group of volunteers and City staff come together to write a grant that will improve the natural habitat and improve the environment of the area. Then, when the grant was awarded, the pride of the group was unforgettable.”

-Tami Bartolomei, Community Services Administrator

providing the best services possible. Their continual responsiveness identifying and answering challenges and opportunities will have a positive impact on many generations to come.

The City of Ukiah Parks Department is responsible for the maintenance of 16 parks, Ukiah Municipal Swimming Pools, five sporting areas, five tennis courts, and also provides maintenance for nine parking lots, the city sub stations, Successor Agency properties, former Redevel-

opment housing properties, the Civic Center, Ukiah Railroad Depot property, Ukiah trail systems including the rail trail, and the School Street planters.

Additionally, the Parks Department maintains all trees located on City property including those located on City streets. The department also provides staffing support for Sundays in the Park, Family Fun in the Sun, Ukiah Country PumpkinFest, and other community events.

Cost of Service: Parks and Recreation

Direct

Personnel	\$1,802,894	53%
Materials, services, and other operating	932,904	28%
Grants, loans, and other assistance	-	-
Debt service	-	-
Capital outlay/CIP	163,000	5%
Total direct	2,898,798	86%

Indirect

Administration and overhead	198,113	6%
Internal service use	266,434	8%
Total indirect	464,547	14%
Total cost of service	\$3,363,345	100%

Looking Ahead

Community Services is committed to providing recreational programs, events, activities and facilities that will enhance the quality of life for all ages. We provide programming and facilities of the highest quality. The Community Service divisions take pride in the partnerships and collaborations with other governmental agencies, schools, community-based organizations, neighborhood groups and the business sector for delivery of programs that serve our community. The key to Community Services' successful framework is our staff and their individual and collective commitment to

Valuing Our Parks and Recreational Opportunities

The City of Ukiah's Community Services department offers an array of programs, services and facilities to the residents of our city and the broader communities. The department is subdivided into eight segments: Ukiah Valley Conference Center, Alex Rorabaugh Recreation Center, Ukiah Valley Golf Course, Grounds and Maintenance, Grace Hudson Museum and Nature Education Center, Observatory Park, Parks, Recreation & Aquatics.



Valuing Our Community's Growth

The Community Development Department carries out three primary functions: Building Permits and Inspections, Housing services, and Community Planning. The Building Services Division regulates construction and development to safeguard and ensure the health and safety of the public. To ensure compliance with building codes, the Division processes permits, conducts plan review, and performs building inspections. The Planning Division assists property owners, developers and the public to ensure that future development and changes are implemented in accordance with regulations and ordinances adopted by the community.



Cost of Service: Community Development

Direct		
Personnel	\$695,249	77%
Materials, services, and other operating	86,459	10%
Grants, loans, and other assistance	-	-
Debt service	-	-
Capital outlay/CIP	-	-
Total direct	781,708	87%
Indirect		
Administration and overhead	60,796	7%
Internal service use	56,379	6%
Total indirect	117,175	13%
Total cost of service	\$898,883	100%

Looking Ahead

Community Development assists property owners, developers, and the public in matters related to the use and development of private property. This includes: providing information on the regulations and guidelines that apply to property and projects; reviewing and processing of building permits; providing assistance on project design and development; processing land use entitlements for private and public development proposals; and performing environmental review associated with development proposals.

Long Range Planning focuses on the

development and implementation of the City of Ukiah General Plan. The General Plan consists of seven State of California mandated Elements and a State-certified Housing Element. Long Range Planning also develops, implements, and/or assists in the creation of special programs and projects such as the Airport Industrial Park Planned Development and creek master plans and the maintenance of the Zoning ordinance. Such efforts reflect current State law and modern planning principles.

From processing land use entitlements, to working with developers and businesses in navigating the permit process, to implementing the housing element of the General Plan, we are here to serve you, the citizenry of Ukiah.



-Craig Schlatter, Director of Community Development

“I take the most pride in the development and support of the City’s most valuable asset-- our people. When we have engaged team members, trained and supported in the work we do, we can deliver the quality of service our community needs and expects. Highly engaged team members, delivering quality customer service and exceptional work product, leads to increased trust with our community and the potential for strong relationships and partnerships in the future.”





"I have always tried to do my very best in life to make people happy. This translates directly to the work that I do because when people come to us in the IT department, it's usually during a time of stress because something is not working the way it needs to. If I am able to fix the issue the first time I sit down with them and get them back to what they need to be doing in a timely fashion, it makes them happy. Mission accomplished!"

-Ryan Ford, Information Technology Specialist II

Staff has been very active in pursuing a regional economic development approach. As the County seat and the business, medical, and education hub for parts of three counties, we recognize that we serve a much larger population base than just our residents. While this often means increased costs and workload for some departments, there is also a benefit for our business community and an expanded tax base for the City's General Fund. Therefore, it behooves us to look beyond our city limits for collaborations.

Staff has utilized CDBG funds to provide low-interest loans and technical assistance for small businesses. Also, we invest in partnerships with organizations including the Greater Ukiah Chamber of Commerce, the Ukiah Main Street Program, the West Company, and the Economic Development and Financing Corporation, who provide other specialized services to the business community.

Ukiah is well poised for strong economic growth in the coming years. Our Economic Development team is committed to facilitating that growth in a way that preserves Ukiah's unique character and its balance between large industry and small, independent businesses.

Cost of Service: Economic Development

Direct		
Personnel	\$149,989	19%
Materials, services, and other operating	604,471	77%
Grants, loans, and other assistance	-	-
Debt service	-	-
Capital outlay/CIP	-	-
Total direct	754,460	96%
Indirect		
Administration and overhead	23,398	3%
Internal service use	11,707	1%
Total indirect	35,105	4%
Total cost of service	\$789,565	100%

Looking Ahead

The City has emerged as a leader for economic development activities in Mendocino County. Partnerships with both private and public entities is the cornerstone of our approach.

The City's economic development efforts are focused primarily on business retention and recruitment and the partnership with the Community Development and Housing Department to facilitate the development of housing, both market rate and affordable. The strength of our business community relies on the availability of housing for its workforce, so these two efforts go hand in hand.

Valuing Our Economic Health

The Economic Development team has continued to significantly improve the level of support for business activity, resulting in the creation and retention of businesses and jobs. By leveraging multiple cross-department disciplines on an as-needed basis, the team maximizes staff expertise while efficiently addressing business and economic development needs.



Valuing Our Housing and Supportive Opportunities

The Housing Division of the Community Development Department administers several programs and grants towards the creation and preservation of high-quality housing for Ukiah. Working in partnership with private and not-for-profit organizations, the Housing Division seeks to stimulate the physical and economic revitalization of the City's neighborhoods.



Cost of Service: Housing

Direct

Personnel	\$-	-
Materials, services, and other operating	5,000	1%
Grants, loans, and other assistance	500,000	99%
Debt service	-	-
Capital outlay/CIP	-	-
Total direct	505,000	100%

Indirect

Administration and overhead	-	-
Internal service use	-	-
Total indirect	-	-

Total cost of service **\$505,000** **100%**

Looking Ahead

Housing, or the lack thereof, has been an important topic over the last couple of years. Housing starts in the Valley have been few and far between in the last decade, and the impacts of that are now showing. City leaders have heard from businesses large and small about the need for workforce housing for not just entry-level employees, but executives as well.

The loss of redevelopment has made the development of affordable housing significantly more challenging. In spite

of that, the City's partnership with Petaluma Ecumenical Properties will result in 42 new units of affordable senior housing in the summer of 2017. Additional projects are also in the works in the city and just outside our boundaries, supplementing the housing market with up to 175 new affordable units within the next two years.

Recognizing that there is also a need for market-rate housing, the City is facilitating the development of a multi-family complex on property owned by the City's Housing Entity and actively seeking additional opportunities.

In FY 17-18, the City will continue to focus on the effective infill of vacant and underutilized parcels while making additional efforts to streamline the development process for builders.



"[I take pride in] the quality of the people working here. People work for the City not because of the pay, but because they are engaged in the community."

-Kirk Thomsen, Interim Fire Chief





-Mel Grandi, Electric Utility Director

“The electric team is proud of being responsive and keeping the power flowing to enable business and all customers to be productive in this community. We are able to provide the greenest and lowest cost energy in California through good resource management and efficient use of our crews and equipment. We take pride in seeing our work make a difference for our customers.”

- Custom design services
- Maintenance and operation of Ukiah’s street lighting system
- Operation and maintenance of the Lake Mendocino Hydroelectric Plant

Our primary objective is to exceed the expectations of the Ukiah community, electric utility customers, and City Council with the delivery of electric energy that is safe, reliable and at a value that promotes the economic health of the Community. This is accomplished through individual and team development

assuring a highly skilled and professional staff ready to meet the Ukiah’s needs.

Further, we strive for the highest level of customer service possible. Making sure you have the power to enjoy all that Ukiah has to offer is our ultimate goal.

Cost of Service: Electric Utility

Direct		
Personnel	\$3,405,850	13%
Materials, services, and other operating	10,651,984	40%
Grants, loans, and other assistance	325,000	1%
Debt service	2,071,875	7%
Capital outlay/CIP	8,103,185	31%
Total direct	24,557,894	92%
Indirect		
Administration and overhead	801,911	3%
Internal service use	1,204,208	5%
Total indirect	2,006,119	8%
Total cost of service	\$26,564,013	100%

Looking Ahead

The City’s Electric Utility provides low-cost, high-quality energy services that power our homes, businesses, and daily lives.

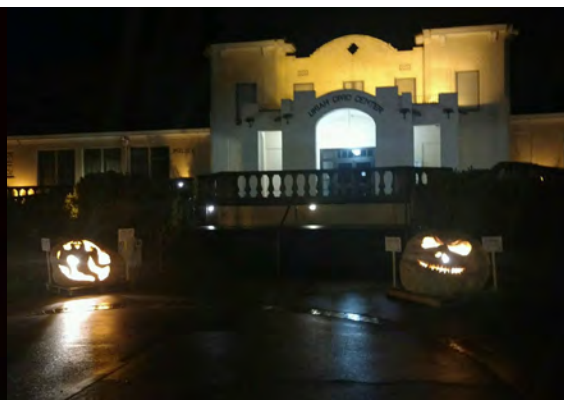
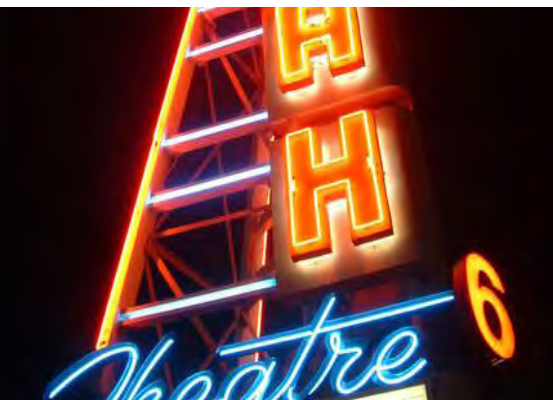
We take pride knowing that we are able to provide these services at rates that are as much as 30 percent lower than other for-profit entities, such as PG&E.

The entire compliment of servivces we provide include:

- High voltage construction & maintenance
- Procurement of wholesale power
- Planning and operation of the City’s electric distribution system
- Planning and advanced engineering for services

Valuing Our Energy

The Electric Enterprise Fund provides 24-hour, 365-day response to emergency service calls for customer power problems, and outages. Additionally, this team is responsible for making high voltage power lines safe for Fire & Police personnel at structure fires, automobile accidents and to make other situations where electric lines are near emergency crews.



Valuing Our Other Quality of Life Services

In addition to the services already presented, the City provides numerous other services that benefit our community. These include airport operations, the Ukiah Municipal Golf Course, the Ukiah Valley Conference Center, and landfill closure.



Cost of Service: Airport, Golf, and Conference Center

Direct		
Personnel	\$893,066	6%
Materials, services, and other operating	1,120,084	8%
Grants, loans, and other assistance	-	-
Debt service	-	-
Capital outlay/CIP	* 11,848,055	84%
Total direct	13,861,205	98%
Indirect		
Administration and overhead	137,051	1%
Internal service use	139,002	1%
Total indirect	276,053	2%
Total cost of service	\$14,137,258	100%

* majority of this appropriation due to landfill closure

Looking Ahead

The Ukiah Municipal Airport provides an alternative form of transportation and emergency access in and out of Ukiah. To support this, the major activities of the Airport support the fueling of all forms of aircraft. The operations and maintenance activities include the management, supervision and training of staff as well as the upkeep of facilities and equipment. This upcoming year, the Airport plans to install a 12,000-gallon Avgas self-serve tank and the ability to store 25,000 gallons of jet A fuel. This will enable the Airport to meet the high demand of fuel sales during the fire season. The installation of the 12,000-gallon Avgas self-serve

tank will also make fuel available 24 hours a day, 7 days a week, and will require less staff time to fuel aircraft throughout the day. Staff feels that increasing fuel capacities will provide better service and increased revenue for the Airport in its future. The Ukiah Valley Golf Course, leased by Tayman Park Golf Group provides both a physical activity along with social benefits to persons of all ages. In the upcoming year the Golf Course plans to continue working with the City of Ukiah toward the installation of purple pipe at the Golf Course and other various renovations that will benefit the golfers and the community.

The Ukiah Valley Conference Center provides a variety of rooms for meetings, trainings, weddings and parties of all group sizes. This upcoming year the Conference Center plans to make improvements to the Conference Center such as painting and carpet replacement. The Conference Center is highly used and continued improvements are needed to ensure continued rental use. The Landfill Closure Project is still ongoing. Final construction activities are scheduled to occur in Spring of 2019.



“I take the most pride in when people fly into the airport and say, ‘this is a great airport you have here’. This is something that we hear weekly from pilots who fly in from all over world.”

-Greg Owen, Airport Manager





Cost of Service: General Government

Direct

Personnel	\$1,833,200	40%
Materials, services, and other operating	2,137,880	46%
Grants, loans, and other assistance	-	-
Debt service	65,000	1%
Capital outlay/CIP	-	-
Total direct	4,036,080	87%

Indirect

Administration and overhead	200,933	5%
Internal service use	392,881	8%
Total indirect	593,814	13%
Total cost of service	\$4,629,894	100%

Looking Ahead

The City focuses on efficient, effective and economical service delivery that has meaningful and positive impacts on health, comfort, and happiness. This focus supports the City's efforts in making difficult decisions among competing priorities while delivering and demonstrating value in the services provided. The City continues to ensure Ukiah residents get the services they need and want, as well as getting value for the tax dollars spent delivering those services. Innovation is a key element in improving service delivery.

The City Manager's Office has commissioned two Innovation Teams, comprised of volunteer City team members and led by two department heads. The mission of these teams is to elevate the process of finding ways to reduce costs and enhance service delivery. One team is working on approaches to homelessness issues while the other is working on internal efficiencies.

The City utilizes a cost allocation plan as a means of capturing the total costs of providing services and a method for distributing administration and internal service costs across the various operations that utilize the corresponding services. The cost allocation plan establishes separate basis of allocation for each indirect activity and is founded on an approach that is reasonable, fair, and equitable. Because services and utilization of services can change over time, the City Council wishes to establish an ad-hoc to work with staff on the development of an ongoing audit plan to review the bases of allocation and consider modifications when warranted.

Valuing Our General Governance

The legislative body for the City of Ukiah is the City Council. The same body acts as the governing authority for the Successor Agency to the City of Ukiah Redevelopment Agency. The City Council for the City of Ukiah, comprised of five council members, provides policy direction to the City Manager. The Council adopts ordinances to control the affairs of the City, as well as oversees the fiscal affairs of the City and approves and adopts the annual City budget. The City of Ukiah Planning Commission is a committee of five persons appointed by the Ukiah City Council to review matters related to planning and development. Costs of general governance include administration comprised of the City Manager's Office, City Clerk, City Attorney, Finance Department, Human Resources and Risk Management, and City Treasurer.



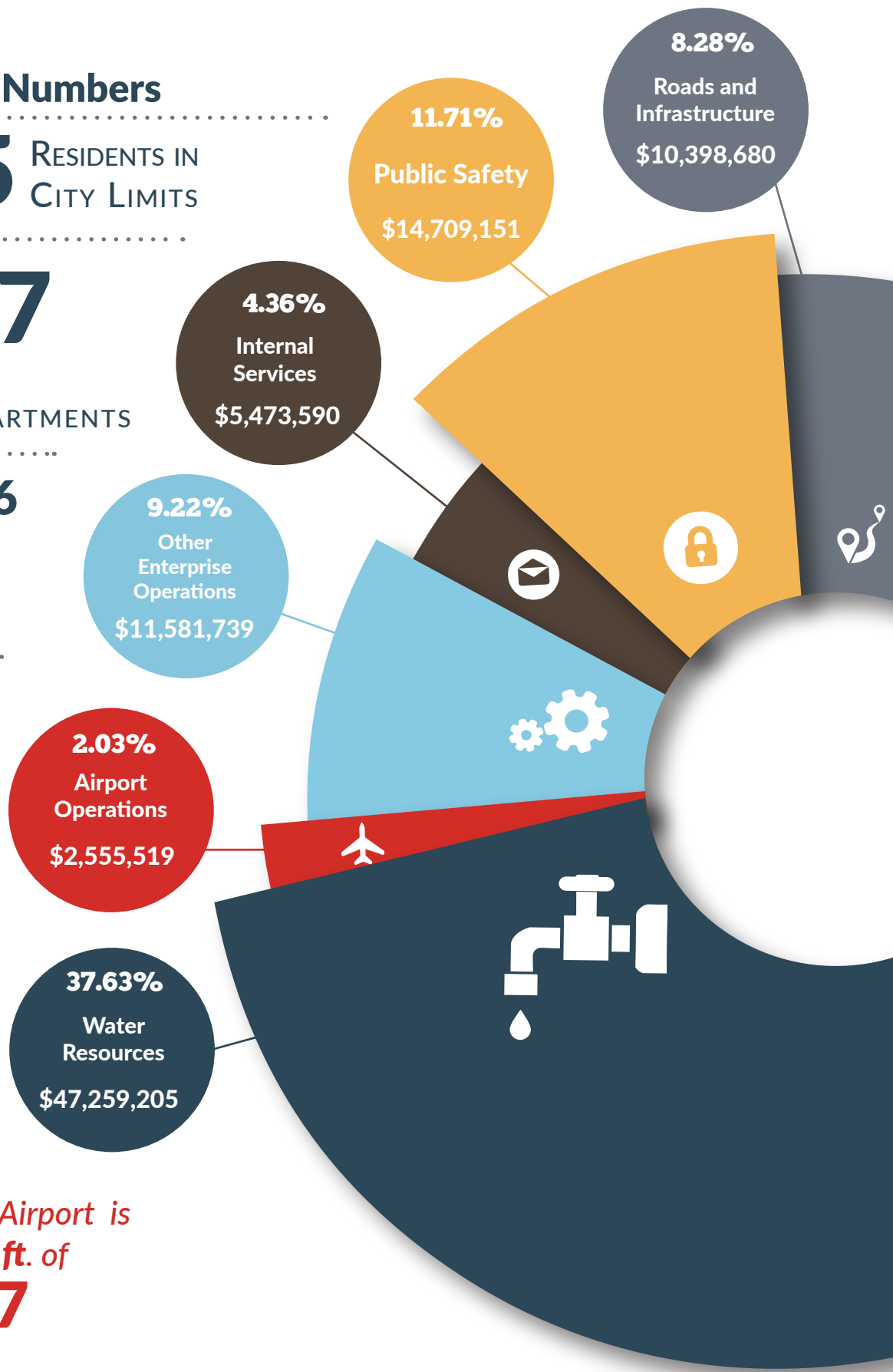
Budget by the Numbers

16,075 RESIDENTS IN
CITY LIMITS

207 FULL TIME
EMPLOYEES

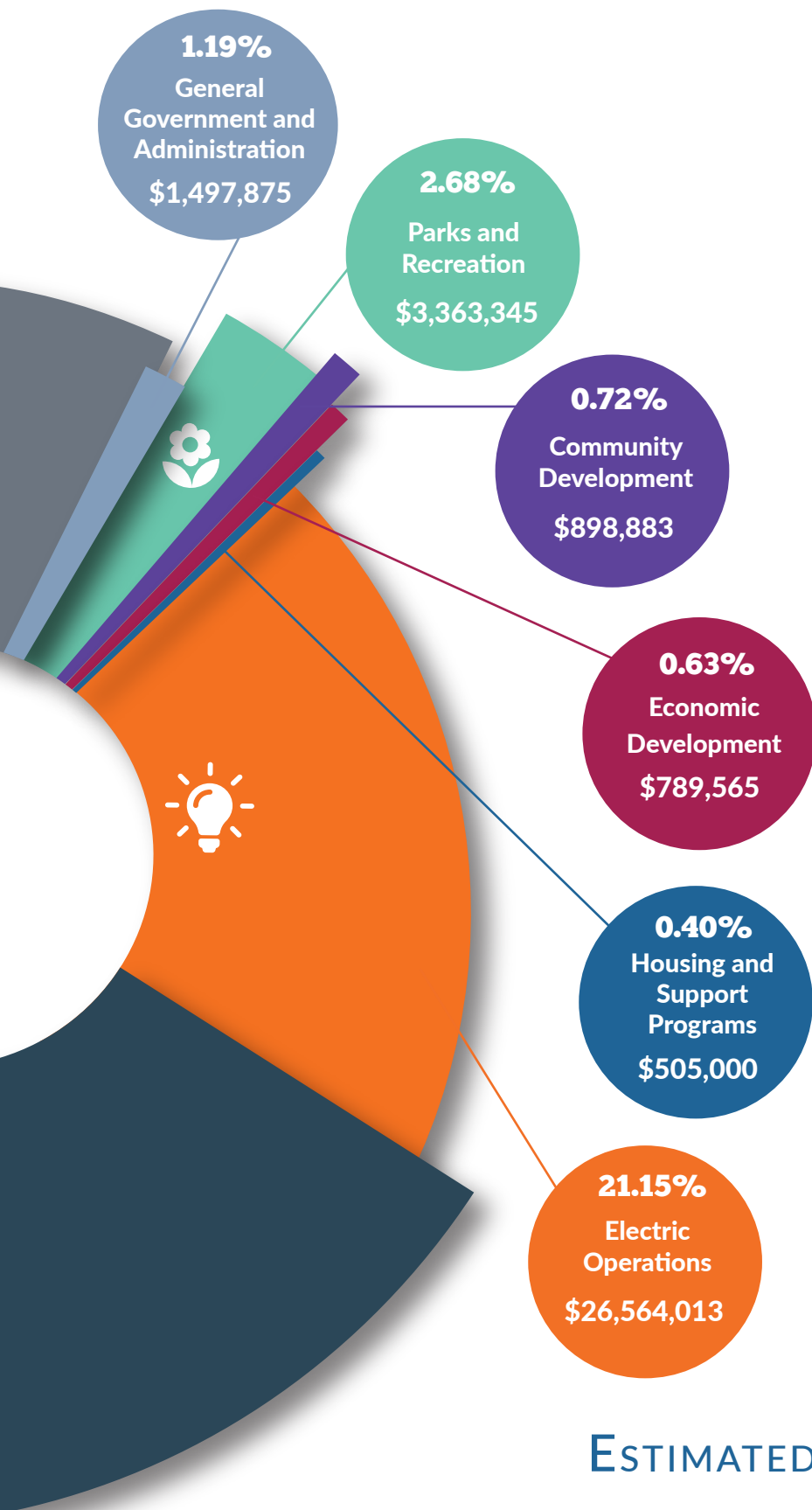
17 CITY
DEPARTMENTS

\$125,596,566
TOTAL
ADOPTED
BUDGET 2017-18



The Ukiah Regional Airport is
comprised of **4,485 ft.** of
runway and has **87**
aircraft on site.





The City of Ukiah maintains **19** parks and facilities for the benefit of our community.

Revenue by the Numbers

\$2,291,958

ESTIMATED MEASURE "P" REVENUE
FISCAL YEAR 2017-18

13.14%
REVENUE
FROM STATE
FUNDING

26.27%
BUDGET
REVENUE
FROM TAXES

\$2,921,958

ESTIMATED MEASURE "Y" REVENUE
FISCAL YEAR 2017-18

Message From the Finance Director

“This budget year will be a milestone for capital projects.”

THE Finance Department is responsible for the fiscal health of the City as well as the collection and expenditure of funds in accordance with all applicable laws and regulations. This includes managing the processes and recording for day-to-day transactions, providing accurate reporting to the City Council, City Manager and other departments as well as performing high level, broad fiscal analysis of current activities, and evaluating economic trends affecting the local economy.

The City’s overall financial condition continues to reflect a period of positive growth. However, our budgeting approach remains conservative, estimating and committing resources as a means to ensure structural stability with changing economic conditions.

The Management Team has been dedicated to cost savings whenever possible and watchful of their expenditures so that value to the Ukiah citizenry is maximized. This has led to a projected year-end surplus and fortification of the City’s general fund reserve. We estimate the total reserves to begin the 2017-18 fiscal year at 33 percent of estimated revenues and increase to over 36 percent by year end. These reserves will help the City meet current and future financial challenges, and allows the City Council to maintain and even enhance services.

Management has proposed a balanced budget across all funds - including the general fund - for fiscal year 2017-18. It is a prudent spending plan that places strong emphasis on value to the Ukiah community. Further, this budget year will be a milestone for capital projects as we look to deploy considerable resources for



**Daniel Buffalo -
City Finance Director**

critical infrastructure improvements.

This is a period of tremendous positivity and opportunity for the City of Ukiah and the greater Ukiah Valley. In that vein, my fellow team members and I in the Finance Department look forward to continuing to provide the Ukiah community with the highest level of customer service.

A handwritten signature in blue ink, appearing to read 'D. Buffalo', written over a faint circular watermark.

-Daniel Buffalo, CPA, CGMA



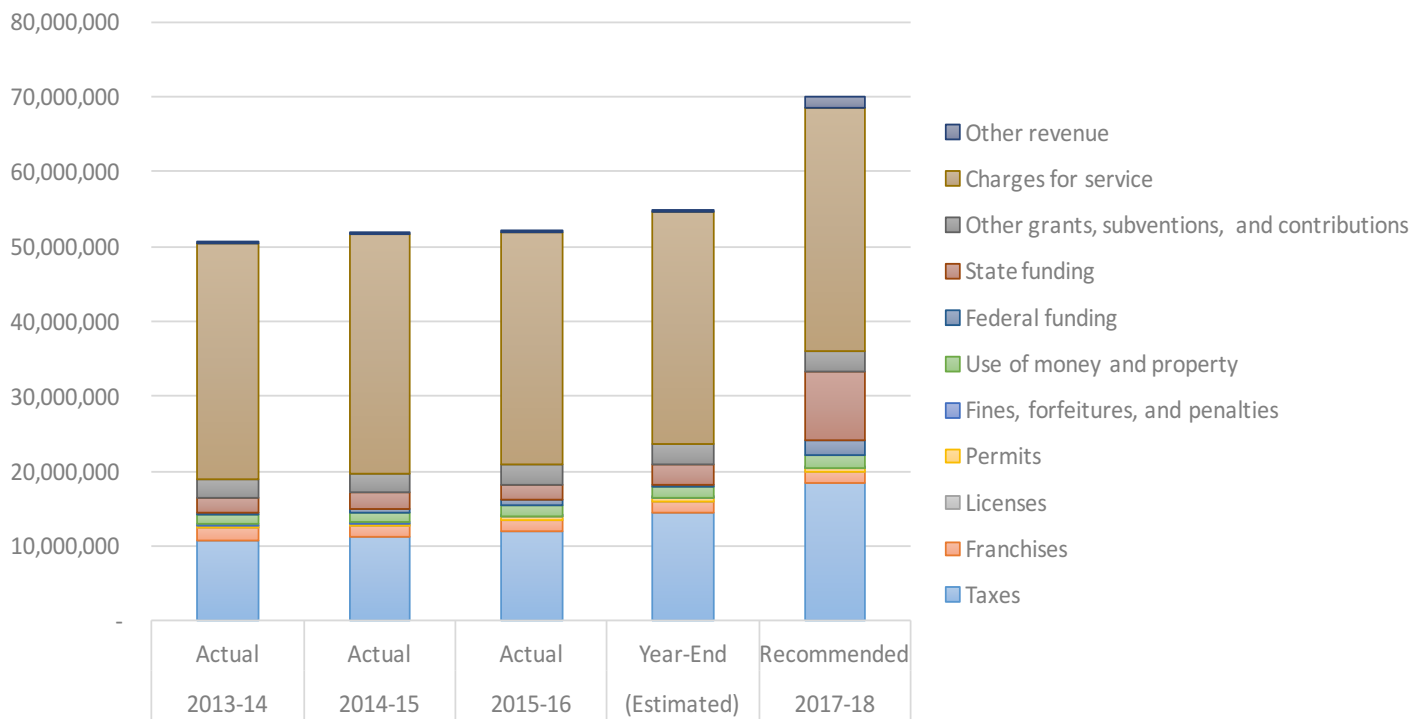
Fiscal Year 2017-18 City-Wide Comparison

Account Class	Fiscal Year Ended				2017-18 Adopted	Percent of Total
	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 (Estimated) Year-End		
Revenue						
Charges for service	\$ 31,272,266	\$31,870,710	\$30,987,175	\$31,181,640	\$ 32,571,996	43.16%
Taxes	10,855,860	11,148,160	11,971,445	14,496,864	18,373,882	24.35%
State funding	2,051,244	2,243,106	2,162,621	2,636,579	9,188,896	12.18%
Internal services provided	1,889,820	1,498,406	4,358,617	4,274,136	5,520,173	7.31%
Other grants, subventions, and contributions	2,552,361	2,579,878	2,658,989	2,610,984	2,701,907	3.58%
Federal funding	284,402	392,387	553,944	272,387	1,948,500	2.58%
Use of money and property	1,269,323	1,362,364	1,582,196	1,544,710	1,744,550	2.31%
Franchises	1,601,185	1,643,559	1,514,799	1,503,317	1,580,304	2.09%
Other revenue	327,932	386,152	129,037	261,725	1,294,836	1.72%
Permits	328,536	233,713	402,339	356,382	421,875	0.56%
Fines, forfeitures, and penalties	104,603	90,287	97,968	115,500	115,500	0.15%
Licenses	412	6,656	6,648	54	6,550	0.01%
Total	52,537,946	53,455,378	56,425,778	59,254,279	75,468,969	100.00%
Expenditures						
Capital outlay/CIP	1,948,212	3,776,324	5,170,764	6,947,052	61,330,443	48.83%
Personnel	18,961,328	19,168,915	20,849,865	21,485,758	25,326,387	20.16%
Materials, services, and other operating	19,642,901	25,824,498	19,252,344	22,473,294	23,915,108	19.04%
Debt service	6,153,161	7,991,519	7,646,608	9,387,120	8,514,337	6.78%
Internal service use	3,429,741	3,256,388	4,840,735	4,511,364	5,803,539	4.62%
Administration and overhead	1,458,682	2,597,497	2,337,809	2,185,139	3,013,770	2.40%
Grants, loans, and other assistance	2,244,823	476,342	391,403	364,102	825,000	0.66%
Allocated administration and overhead	(1,922,027)	(3,263,691)	(2,339,598)	(2,188,550)	(3,132,019)	-2.49%
Total	51,916,821	59,827,792	58,149,930	65,165,280	125,596,566	100.00%
Other financing sources (uses)						
Other in (out)	81,374	86,226	109,036	300,633	21,383,158	100.00%
Total	81,374	86,226	109,036	300,633	21,383,158	100.00%
Change in total fund balance/working capital	\$702,499	\$(6,286,188)	\$(1,615,116)	\$(5,610,367)	\$(28,744,439)	

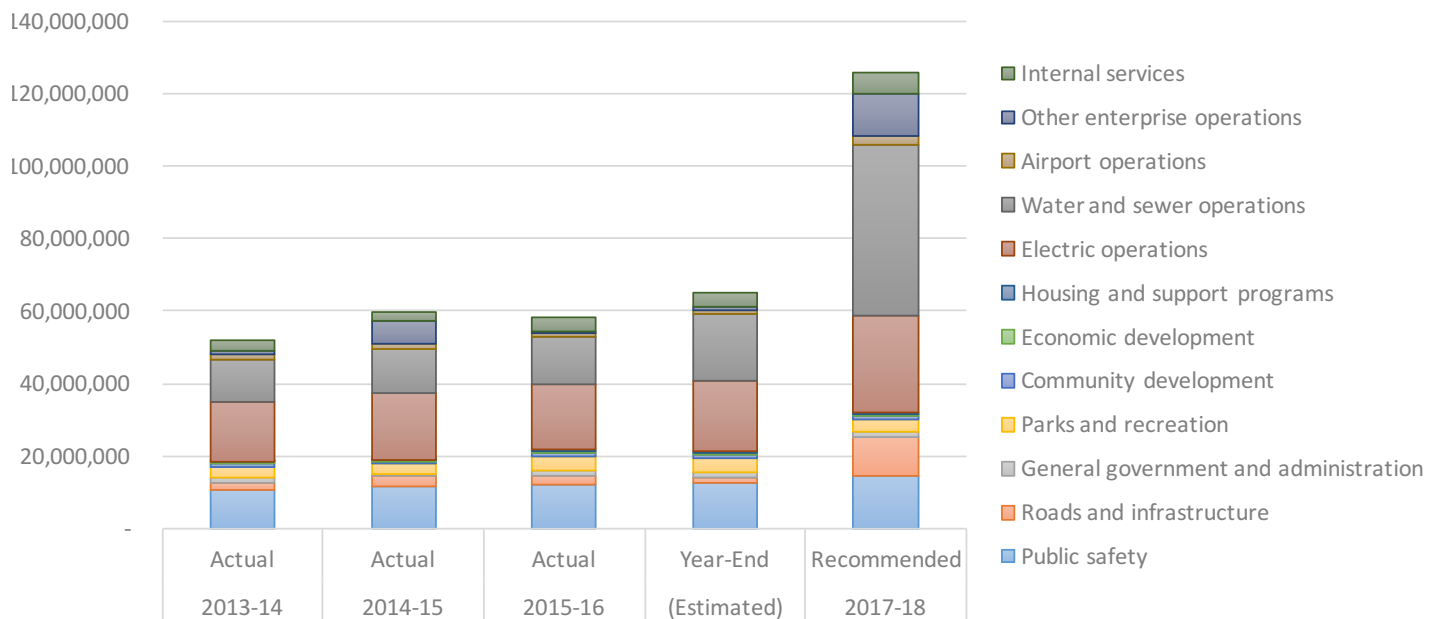
Account Class	Fiscal Year Ended				2017-18 Adopted	Percent of Total
	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 (Estimated) Year-End		
Activities						
Water and sewer operations	\$ 11,631,030	\$12,066,771	\$ 13,020,546	\$ 18,312,508	\$47,259,205	37.63%
Electric operations	16,601,481	18,452,579	18,092,998	1 19,662,789	26,564,013	21.15%
Public safety	10,683,958	11,577,080	12,154,653	12,365,235	14,709,151	11.71%
Other enterprise operations	846,098	6,314,514	575,014	953,753	11,581,739	9.22%
Roads and infrastructure	1,772,123	2,903,465	2,220,474	1,601,502	10,398,680	8.28%
Internal services	2,889,422	2,578,749	3,701,204	3,772,665	5,473,590	4.36%
Parks and recreation	2,752,484	2,877,249	4,095,878	3,994,802	3,363,345	2.68%
Airport operations	1,416,546	1,407,393	1,018,558	1,275,129	2,555,519	2.03%
General government and administration	1,696,989	504,386	1,593,500	1,502,072	1,497,875	1.19%
Community development	869,872	722,589	771,080	654,666	898,883	0.72%
Economic development	468,688	376,518	278,442	867,248	789,565	0.63%
Housing and support programs	288,129	46,499	627,583	202,910	505,000	0.40%
Total	\$51,916,821	\$59,827,792	\$58,149,930	\$65,165,280	\$125,596,566	100.00%

For additional budget information, please see the City's Finance Department Webpage: <http://bit.ly/2iEz1wZ>

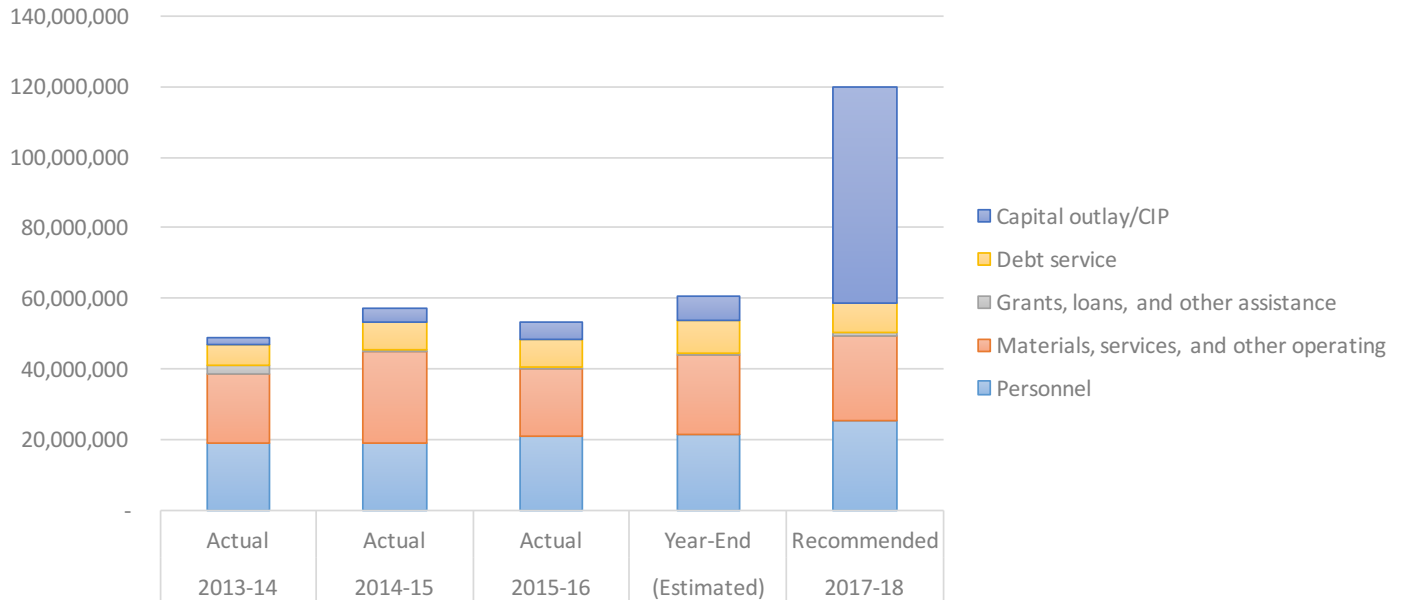
City-wide Revenues Over Time



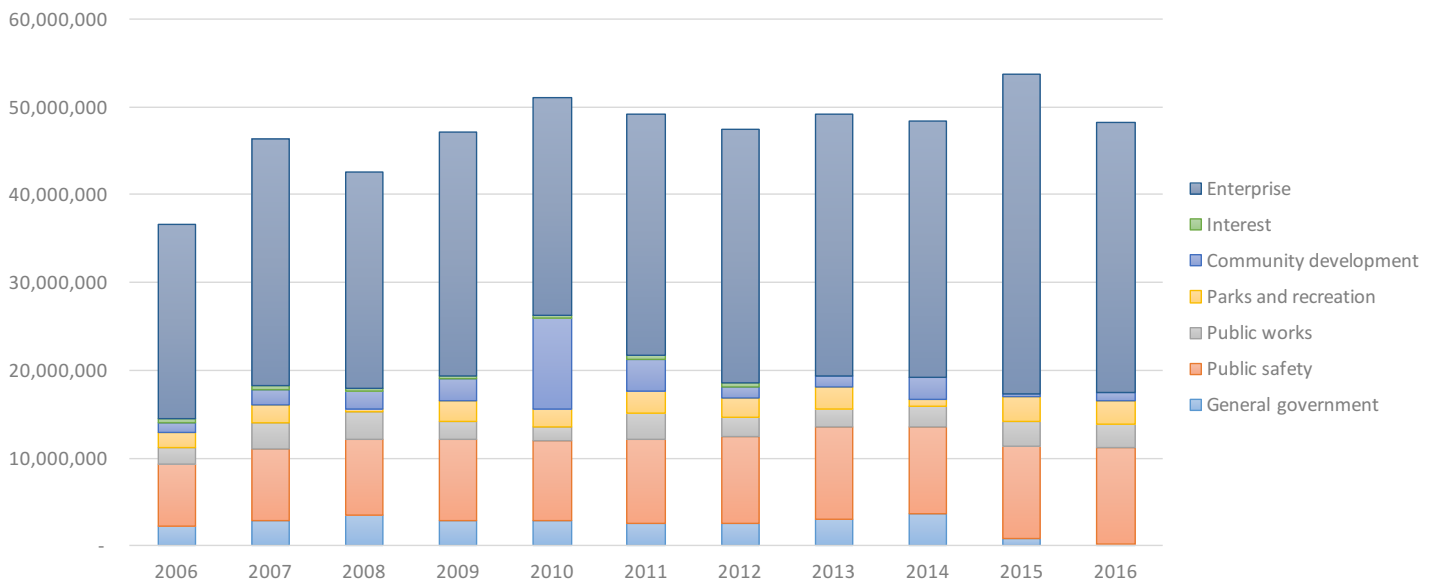
Expenditures by Activity Over Time



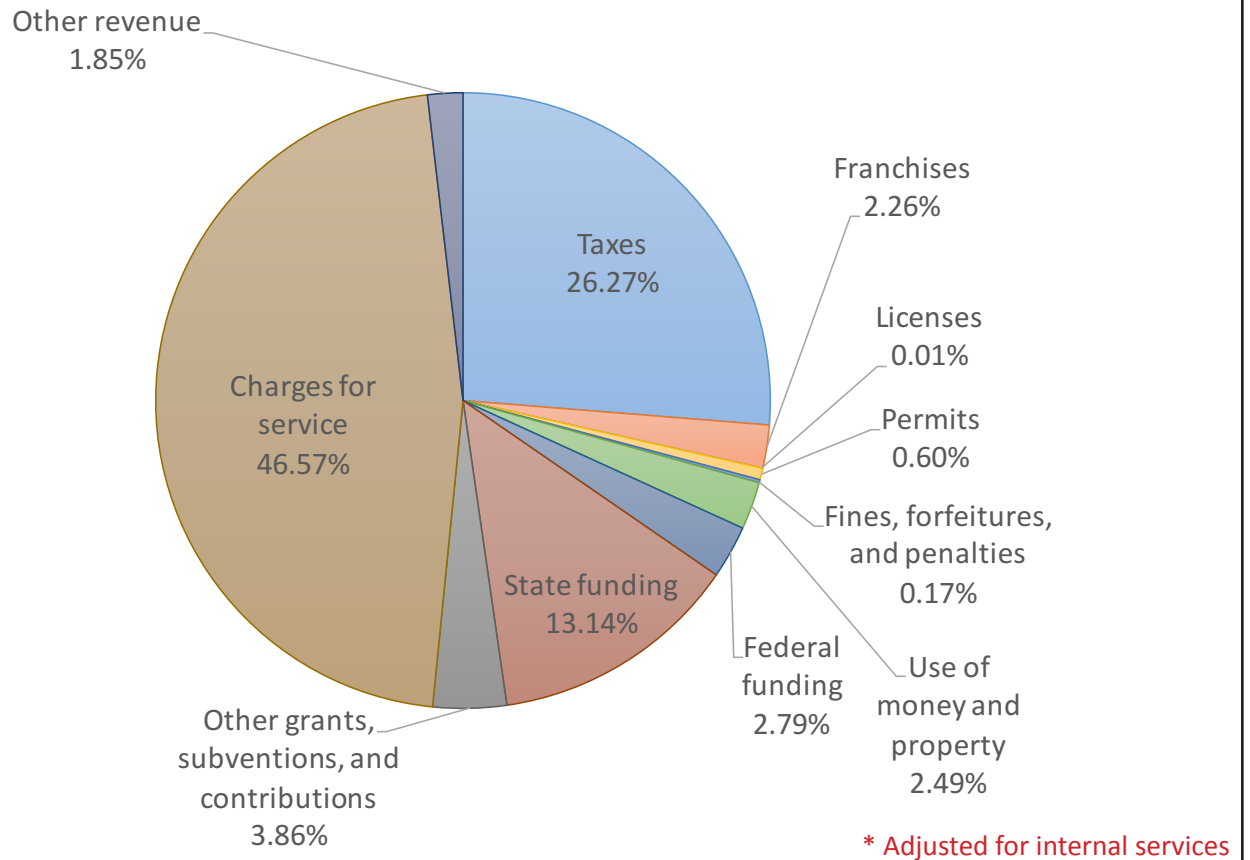
City-wide Expenditures Over Time



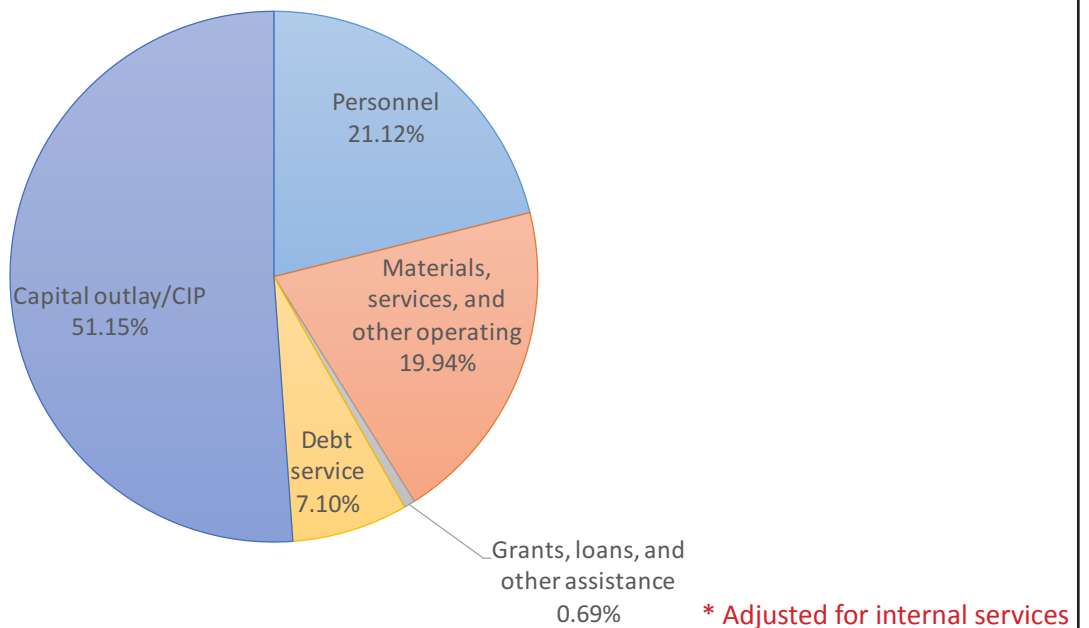
Activities Over Time City-wide



Sources of Revenue City-Wide



Appropriations by Use City-Wide

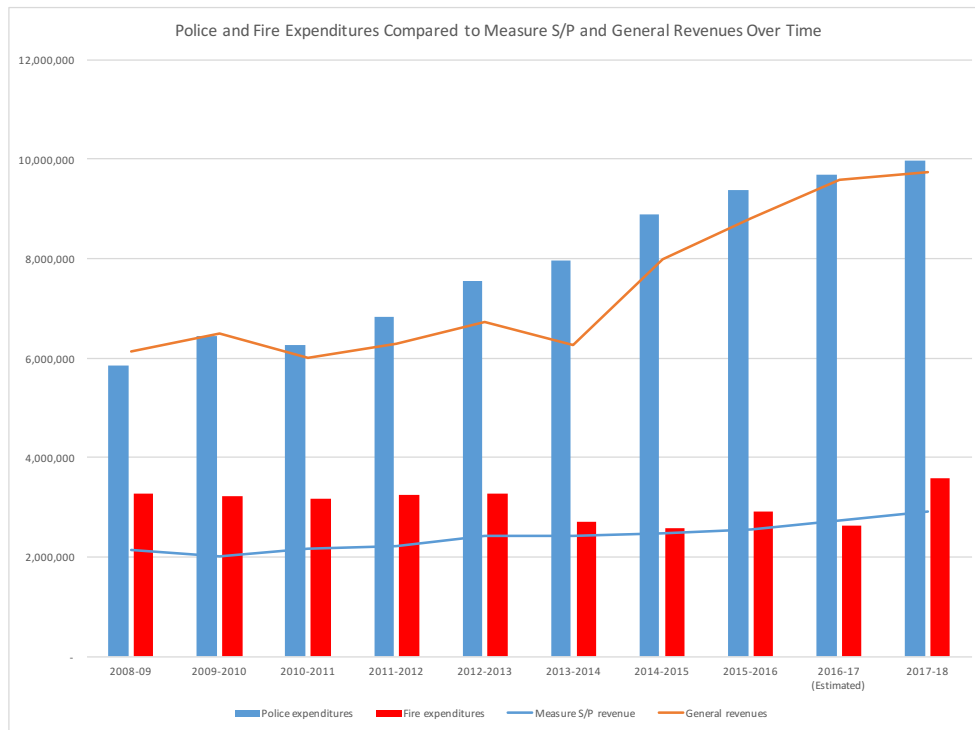


2017-18 Measure P

Measure P: Transaction and Use Tax

Measure P, passed by a simple majority (50% plus 1) of Ukiah voters in November of 2014 was a general (unrestricted) transaction and use tax. It continued a sun-setting transaction and use tax, known as Measure S (2005). Measure T (2005), passed in conjunction with Measure S, was a distinctly separate, advisory Measure indicating the voting public's preference for the use of Measure S proceeds.

The City Council has committed to using the full amount of Measure P resources for public safety.



Uses and Sources Public Safety Activities Comparative, Baseline (2015) to June 30, 2018

Measure P							
Expenditure Uses by Category	Baseline FY 2014-15	FY 2017-18	Increase (Decrease)	Dedicated Revenue Sources	Baseline FY 2014-15	FY 2017-18	Increase (Decrease)
Police:				Measure P transaction and use tax	2,465,521	2,921,958	456,437
Sworn officers	32	34	2	Public safety revenue:			
Misc personnel	18	19	1	Police	262,254	383,825	121,571
Personnel	\$6,049,608	\$7,004,191	\$954,583	Fire	37,235	62,000	24,765
Operations	2,660,085	2,748,399	88,314	Other	739,607	452,178	(287,429)
Capital	186,594	230,000	43,406	Total revenue	3,504,617	3,819,961	315,344
Total police	8,896,287	9,982,590	1,086,303	Excess (deficiency) revenues over expenditures	(7,975,477)	(9,746,246)	(1,770,769)
Fire:				Other Financing Sources			
Firefighters:				General revenues, general fund	7,975,477	9,746,246	1,770,769
City	11	11	-	Remaining resources	\$-	\$-	\$-
UVFD	6	6	-				
Personnel	1,506,406	1,595,102	88,696				
Operations:							
Contractual	516,180	1,005,495	489,315				
Other	530,822	862,021	331,199				
Capital	30,400	121,000	90,600				
Total fire	2,583,807	3,583,618	999,811				
Total public safety	11,480,094	13,566,207	2,086,113				

2017-18 Measure Y

Measure Y: Transaction and Use Tax

Measure Y, passed by a simple majority (50% plus 1) of Ukiah voters in November of 2016, is a general (unrestricted) transaction and use tax. A general, unrestricted tax is one that can be used to fund any program, function, service, or project at the discretion of the City Council. It is not a special, restricted tax, which would require approval of two-thirds of the voting public. Measure Z, passed in conjunction with Measure Y, was a distinctly separate, advisory Measure Y, indicating the voting public's preference for the use of Measure Y proceeds.

The City Council has committed to using the full amount of Measure Y resources for City streets and rights-of way.

Street Maintenance and Repair	2017-18	
Budget amount, 2016-17 (base year), net related transfers in	\$912,560	(a)
Recommended amount, 2017-18	9,463,814	(b)
Increase (decrease) from base year (b) - (a)	\$8,551,254	(c)

Estimated Revenue	2017-18	
Measure Y: Transaction and Use Tax	\$2,921,958	(d)
Additional resources	7,150,907	(e)
Total available for street maintenance and repair (d) + (e)	\$10,072,865	(f)

Analysis	2017-18	
Amount available for additional maintenance and repair (f) - (c)	\$1,521,611	(g)
General fund base commitment amount (a)	\$912,560	(h)
Total recommended amount appropriated to street maintenance and repair (b) + (g) + (h)	\$10,985,425	(i)

Fiscal Year 2015-16 Recommended Uses and Projects	Project No.	Cost	General Revenue Share	Other Financing Sources	Measure Y Share	Total Funding
Redwood Business Park Road Improvements	13001	\$7,333,000	\$-	\$7,150,907	\$182,093	\$7,333,000
Debt service on new infrastructure borrowing	13001	425,707	-	-	425,707	425,707
Enhanced Public Works capacity - personnel		118,787	-	-	118,787	118,787
Enhanced Public Works capacity - operations		315,018	-	-	315,018	315,018
Misc street engineering, maintenance, and repair		1,271,302	912,560	-	358,742	1,271,302
Reserve for future street maintenance and repair projects		1,521,611	-	-	1,521,611	1,521,611
		\$10,985,425	\$912,560	\$7,150,907	\$2,921,958	\$10,985,425

CONTACT

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City of Ukiah
300 Seminary Avenue
Ukiah, California 95482

www.cityofukiah.com

The full budget document can be found here: <http://bit.ly/2iEz1wZ>



AGENDA SUMMARY REPORT

SUBJECT: Approval of Agreement for Bond and Disclosure Counsel Services and Corresponding Budget Amendment

DEPARTMENT: Finance

PREPARED BY: Daniel Buffalo

ATTACHMENTS:

[Attachment 1 - Weist Law Ukiah Proposal for Bond Counsel Services](#)

Summary: Council will consider approving and authorizing the City Manager to negotiate a contract with The Weist Law Firm for Bond and Disclosure Counsel Services in an amount not to exceed \$96,000.00

Background: In 2006 the City, working collaboratively with the Ukiah Valley Sanitation District (UVSD), issued over \$75 million in serial bonds to finance improvements and expansion of the City's wastewater treatment facility. Those bonds were issued at a higher interest rate than what is currently available. The current lawsuit between the two agencies has made refunding (refinancing) of the bonds impractical. Nevertheless, recent developments offer an opportunity to move forward with the intention to save both the City and UVSD over \$10 million in interest costs.

The City has the immediate need for bond and disclosure counsel services to begin the process of refunding in the hopes that the lawsuit will be dropped. Timing is of the essence and recent (and future) interest rate

RECOMMENDED ACTION: Approve and authorize the City Manager to negotiate and execute an agreement with The Weist Law Firm for bond and disclosure counsel services related to the refunding of the City-issued 2006 wastewater revenue bond issue.

BUDGET AMENDMENT REQUIRED: Yes

CURRENT BUDGET AMOUNT: 0

PROPOSED BUDGET AMOUNT: 96,000.00, professional legal services for fund 840

FINANCING SOURCE: Cost associated with these services will be paid for through the refunding, as is typical for this type of debt issue.

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH: Mary Horger, Procurement Manager; David Rapport, City Attorney

Approved:


Sage Sangiacomo, City Manager

changes by the Federal Reserve are expected to erode any remaining potential interest cost savings.

Discussion: To capitalize on the maximum amount of savings currently available, the City, pursuant to the covenant requirements of the current 2006 bond issue, must inform current bondholders no later than January 30, 2018 of its intention to refund the existing issue. This creates a very tight window in which to work. Members of the team in a bond issue may include, but are not limited to, a financial adviser, bond counsel, underwriter, placement agent, and trustee. The financial adviser and bond counsel must be working actively now to meet the January 30, 2018 deadline. Other members of the team will be engaged in December. Because of this, sole sourcing bond counsel services is recommended.

The Finance Director reached out to The Weist Law Firm, with which he has experience working on past debt issues resulting in successful outcomes, for an expedited proposal for Bond and Disclosure Counsel services. The Weist Law Firm provided it to the City in an amount not to exceed 96,000.00. In the opinion of the Finance Director, this fee is reasonable, usual, and customary for the services required. Of the more than \$10 million in total interest savings possible, the amount in question totals more than \$3 million dollars. If the City is unable to refund the current bonds by January 30, 2018, that \$3 million savings will evaporate due to a likely Federal Reserve interest rate increase in March.

The Finance Director has confidence in the expertise of The Weist Law Firm, having worked with the firm at the City of Lakeport. The attached proposal (Attachment 1) illustrates other agencies with which it has worked and projects in which it delivered successful outcomes. The firm also has experience working with NHA Advisors, the City's Registered Municipal Financial Adviser on this project. The Firm has expressed confidence in delivering a successful outcome here given the complexity of the issue and in the time constraints presented. Given these reasons, The Weist Law Firm is the recommended firm to assist in completing the necessary legal services.

Of critical importance, several hurdles must be overcome for any refunding to be possible and economically beneficial to City and UVSD customers, including and most notably dismissal of the current lawsuit between the two agencies. Costs associated with the refunding (including bond counsel and disclosure) are recommended by staff to be shared by the City and District per the current allocation method for joint operating costs.



December 1, 2017

SENT VIA EMAIL

Ms. Mary Horger
Procurement Manager
City of Ukiah
300 Seminary Avenue
Ukiah, CA 95482

Re: City of Ukiah; Refunding of the 2006 Revenue Bonds; Bond Counsel Proposal

Dear Ms. Horger:

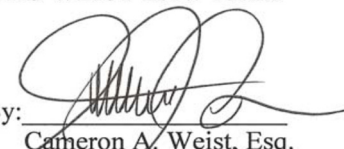
We are pleased to submit this proposal to serve as Bond Counsel and Disclosure Counsel in connection with the proposed refunding of the outstanding principal amount of 2006 Water and Wastewater Revenue Bonds, Series A (the "2006 Bonds") issued by the Association of Bay Area Governments (the "Authority") on March 2, 2006.

As one of California's leading bond counsel firms, The Weist Law Firm has established an outstanding reputation in securities law and municipal bond matters, having advised clients on over 500 municipal transactions. We have forged a reputation as being a respected leader in the area of public finance and municipal bond law. Our success is due to our local commitment, statewide presence and national standing as a law firm trusted for solid, practical advice and a history of successful and client-driven innovative financings.

We very much appreciate the opportunity to submit this proposal and would welcome the opportunity to answer any questions or provide additional information regarding our qualifications to serve as your Bond Counsel on the referenced financing. Questions regarding this submission may be directed to me directly at 831-438-7900.

Respectfully Submitted,

THE WEIST LAW FIRM

By: 
Cameron A. Weist, Esq.

CITY OF UKIAH

**PROPOSAL FOR BOND COUNSEL
AND DISCLOSURE COUNSEL SERVICES**

Proposal submitted by:

THE WEIST LAW FIRM

Dated: December 1, 2017

CITY OF UKIAH

BOND COUNSEL PROPOSAL

I. SCOPE OF BOND AND DISCLOSURE COUNSEL SERVICES

In connection with the issuance of Series 2018 Refunding Revenue Bonds (the “2018 Bonds”), the proceeds of which will be used to prepay and legally defease the entire issue of outstanding 2006 Water and Wastewater Revenue Bonds, Series A (the “2006 Bonds”) issued by the Association of Bay Area Governments (the “ABAG”) on March 2, 2006, WeistLaw agrees to provide the following services:

Pre-Refunding Considerations. We will guide the City through certain legal and financial pre-refunding considerations when analyzing the contemplated refunding of the 2006 Bonds (the “Refunding”). Some of these considerations include:

- (i) making sure that the 2006 Bonds can be refunded on a current basis (as opposed to an advanced basis) and further ensure that any restructured debt will comply with requirements any new legislation affecting tax-exempt bonds;
- (ii) making sure that any parity debt that is not being restructured is fully considered and their respective associated covenants are examined for compliance;
- (iii) working with the City’s staff and Financial Advisor to devise a plan of Refunding that is designed to result in the lowest financing cost possible;
- (iv) working with the Trustee and Escrow Agent to ensure that all required redemption notices are timely and properly delivered to existing bond owners of the 2006 Bonds being Refunded;
- (v) making sure that the escrow agreement properly and legally defeases all outstanding 2006 Bonds being refunded, and that the escrow investment meets the requirements of the prior bond documents pertaining to the 2006 Bonds; and
- (vi) advising as to the proper and prudent reserve levels, and/or surety reserve requirements and levels, as the case may be.

Bond Counsel Services: Bond Counsel shall provide the following legal services in connection with the preparation of the resolutions, documents and certifications necessary for the undertaking and consummation of the Refunding and issuance of the 2018 Bonds contemplated by this Proposal. Such services shall include the following:

1. Consulting with representatives of the City and its staff, including, but not limited to, the City Manager, Finance Director, Public Works Director and the City Attorney, as well as

the City's engineers, consultants, and others, with respect to the timing, terms and legal and financial structure of the Refunding and issuance of the 2018 Bonds.

2. Preparing all resolutions, ordinances, notices, affidavits, Depository Trust Company agreements, escrow agreements, indentures, installment sale agreements, lease or loan agreements, and other legal documents customarily prepared by Bond Counsel, as required for the undertaking and consummation of the Refunding and issuance of the 2018 Bonds (the "Principle Documents").

3. Reviewing documentation prepared by City staff, advisors, and/or consultants, including audit reports and budgets, project descriptions, rate studies and rate setting documents, underwriter and banking term sheets and bid documents and the purchase contracts to be derived therefrom.

4. Preparing documentation relating to any debt service coverage stipulations, parity debt conditions, rate stabilization constructs, redemption provisions and reserve fund requirements required in connection with the undertaking and consummation of the Refunding and issuance of the 2018 Bonds.

5. Preparing the escrow agreements (including all required redemption notices) necessary for the full and proper defeasance of the 2006 Bonds.

6. Evaluating the various legal and financing structures that may be available to the City in connection with the undertaking and consummation of the Refunding and issuance of the 2018 Bonds.

7. Attending such meetings or hearings of the City Council (the "Council"), and working group meetings or conference calls as the City may request, and as Bond Counsel deems prudent and necessary.

8. Preparing all final closing papers required to consummate the Refunding and issuance of the 2018 Bonds, as well as the coordination of the closing thereof.

9. Providing Bond Counsel's customary final legal opinion as to the validity of the 2018 Bonds and the exemption from gross income for federal income tax purposes and from California personal income tax of interest thereon.

10. Preparing the required reports to the California Debt and Investment Advisory Commission (pursuant to section 8855 et seq. of the Government Code) respecting the sale of the 2018 Bonds, as well as the required Form 8038-G to the Internal Revenue Service (pursuant to Section 149 of the Internal Revenue Code of 1986).

11. Preparing a complete transcript of the proceedings for the 2018 Bonds, containing signed copies of all resolutions, ordinances, legal agreements, disclosure statements, certificates and notices. Copies shall be provided to the City and each member of the financing team.

Disclosure Counsel Services: If the City chooses to proceed with a public offering (as the desired alternative to a private placement), Bond Counsel shall provide the following legal services as the City's Disclosure Counsel in connection with the preparation of the Official Statement for the corresponding 2018 Bonds, and related sales documents to be used in connection therewith. Such services shall include the following:

1. Consulting with City staff and officers in order to perform the due diligence required to produce the Official Statement (both preliminary and final).
2. Discussing and consulting with City staff and the Financial Advisor, as well as all applicable underwriters, attorneys, engineer's, title officers, trustees or fiscal or paying agents, feasibility consultants and all other professionals or participants in the issuance of the 2018 Bonds, in order to perform the due diligence required to produce the Official Statement (both preliminary and final).
3. Reviewing all agreements, certificates, resolutions, orders, notices, and affidavits produced in said proceedings and such other reports, documents and correspondence of legal nature as may be necessary in order to perform the due diligence required to produce the requisite Official Statement for each of the Financing Transaction (both preliminary and final).
4. Preparing the bond purchase contract for the 2018 Bonds.
5. Preparing the continuing disclosure certificate to assist the underwriter with compliance with the provisions of Securities and Exchange Commission Rule 15c2-12.
6. Providing an opinion indicating compliance with (i) Section 17(a) of the Securities Act of 1933, (ii) Section 10b-5 of the Securities Exchange Act of 1934, and (iii) Rule 15c2-12 of the Securities Exchange Act of 1934.

II. QUALIFICATIONS AND FEE STRUCTURE

1. Experience:

The Weist Law Firm has been involved in, and has successfully transacted as bond counsel, a wide array of single purpose and multi-modal financing instruments including, certificates of participation (COPs); installment sale obligations; water and wastewater revenue bonds; enterprise revenue bonds; general obligation bonds, Mello-Roos bonds; several variations of Joint Exercise of Powers Agency (JPA) bonds (both stand-alone and "pooled"); assessment district bonds; New Markets Tax Credit obligations, clean renewable energy bonds, Green Bonds; industrial development bonds; tax allocation bonds (pre and post Dissolution); municipal loans and leases; Pension Obligation Bonds; promissory notes; tax credit bonds; multi-family mortgage revenue bonds; private placement securities; and various forms of bond, grant, revenue and tax anticipation notes.

With vast experience handling all types of public securities, our California-based law firm is known for its ability to undertake any municipal financing transaction – from the most routine to the most complex.

A list of our bond counsel experience is included as Appendix I to this Response to Request for Proposals.

2. Principal Contact:

Cameron A. Weist, Esq., will be assigned to perform the bond counsel duties for this engagement. Mr. Weist is the founding member of The Weist Law Firm and, and is involved in a comprehensive way in all matters related to municipal finance for the firm. If hired to act as bond counsel, you will have constant contact with Mr. Weist as your bond counsel representative. If required, Mr. Perry Israel, Esq. will be providing specialized legal tax counsel for this assignment. Please refer to Appendix I for further information on our qualifications.

3. Fee Structure:

Fees for legal services for the Refunding and issuance of the 2018 Bonds as described in this Proposal will be based on a contingent fixed fee basis in accordance with the table below.

	Bond Counsel	Disclosure Counsel	Combined Bond and Disclosure Counsel
Fee	\$55,500	\$37,500	\$93,000
Expenses	\$1,500	\$1,500.00	3,000

Out-of-pocket expenses include such things as out-of-office fee (charged at \$585 for each day of required travel) printing, mailing, travel and transcript preparation (charged at \$450 for each transcript).

III. CONCLUSION

We believe that The Weist Law Firm is uniquely and fully qualified to serve as bond counsel and disclosure counsel for subject financing.

We would be honored to bring our substantial experience and sophistication to bear for this transaction.

Questions regarding this submission may be directed to Cameron Weist at 831-438-7900.

APPENDIX I

THE WEIST LAW FIRM

Bond Counsel / Securities Counsel / Municipal Advisor

STATEMENT OF QUALIFICATIONS

Last Update: January 2017

**108 Whispering Pines Drive, Suite 235
Scotts Valley, California 95066**

Telephone: (831) 438-7500

WWW.WEISTLAW.COM

STATEMENT OF QUALIFICATIONS

We are pleased to have this opportunity to present our Statement of Qualifications, and summary of highlighted public finance transactions, attached as an appendix hereto, setting forth our experience as bond counsel, disclosure counsel, bank counsel and investor's counsel.

INTRODUCTION

As one of California's leading bond counsel firms (as well as a registered Municipal Advisor under the Dodd-Frank Act), The Weist Law Firm has established a proven track record and an outstanding reputation in securities law and municipal bond matters, having advised clients on billions of dollars in transactions to finance municipal and P3 projects. Since our founding by municipal law and public finance lawyer Cameron A. Weist over 25 years ago, we have steadily forged a reputation as being a respected leader in the area of structured project finance, which includes the correlated practice of municipal bond law, tax law and securities law. Our time-tested prominence has spanned numerous challenging economic cycles, and we continue to thrive in the present era of ever-increasing financial and governmental regulation.

With vast experience handling all types of public securities, our California-based law firm is known for its ability to undertake any municipal financing transaction – from the most routine to the most complex. We serve state and local municipalities, national and international banks, investment banking firms and many other entities that seek the counsel of an experienced lawyer in public securities and municipal bond financing matters.

The types of projects in which our firm is engaged typically includes the financing of public and public-private (P3) facilities, such as water and wastewater facilities, government buildings and facilities, airport facilities, transportation facilities, irrigation and drainage facilities, educational equipment and facilities, student housing, streets, bridges, single-family and multi-family housing, recreational facilities, non-profit facilities, industrial development facilities, electrical generation and transmission facilities, alternative energy facilities and waste-to-energy facilities, police and fire facilities, parking structures, solid waste facilities, docks, wharves, harbors and port facilities, geological hazard abatement facilities, seawalls, aquaculture facilities, etc.

Our firm has been involved in, and has successfully implemented, a wide array of single purpose and multi-modal financing instruments including, certificates of participation (COPs); installment sale obligations; water and wastewater revenue bonds; enterprise revenue bonds; general obligation bonds, Mello-Roos bonds; several variations of Joint Exercise of Powers Agency (JPA) bonds (both stand-alone and "pooled"); assessment district bonds; New Markets Tax Credit obligations, clean renewable energy bonds, Green Bonds; industrial development bonds; tax allocation bonds (pre and post Dissolution); municipal loans and leases; Pension Obligation Bonds; promissory notes; refunding bonds and notes; tax credit bonds; multi-family mortgage revenue bonds; private placement securities; interest rate strips; miscellaneous variations of swap contracts, auction rate securities, derivative securities, reinvestment contracts; and various forms of bond, grant, revenue and tax anticipation notes.

In short, WeistLaw constantly evolves to remain at the forefront of our profession. Due the large volume of deals handled by our firm, we are perpetually "cross training" and refining our skills, which, in-turn allows us to devise innovative strategies for our clients, leading to highly successful and cost efficient transactions.

INDUSTRY LEADER

For over two decades The Weist Law Firm has been a leader in the area of public finance and municipal securities law, annually ranking as one of the most active in the State of California. However, our rankings reflect more than simply the volume of transactions handled by The Weist Law Firm year after year. They are evidence of the consistent quality of service rendered by our firm and the accumulated experience we draw upon to serve our clients efficiently, effectively and creatively.

ACCOLADES

The Weist Law Firm has served as bond counsel, underwriter counsel and bank counsel on several unique bond financings over the years and has continued to occupy a prominent position in this practice area. We believe that our firm offers unparalleled experience in creatively structuring and consummating public finance transactions. Much of this experience comes from the experience we have gained over the years in “unwinding” troubled financings structured by other public finance consultants. In order to legally and effectively “dismantle” a bond transaction, it is imperative that one has the experience and know-how to put a bond issue together properly in the first place.

We have gained the reputation as a “go-to law firm” for complex financing structures, often involving highly-structured underlying security compositions. We often counsel clients on the design of their own creative financing programs involving an array of leveraged credit strengthening techniques and enhancements—adding value and amplified success.

The Weist Law Firm has several public finance “firsts” to its credit. In July of 2014 we successfully structured California’s first privately placed Successor Agency refinancing. WeistLaw worked on California’s first and largest “water bank” (aquifer recharge) financings, which was underwritten on a variable, swapped to fixed multi-modal structure involving tax-exempt and taxable components. We structured California’s first ever successful purchase of securities through the Department of Commerce under the McCorquodale-Neilsen-Hauser Rural Renaissance Act of 1986. We have worked on one of the largest CREBs financings structured to date, which was issued to finance a Caltrans solar project. We worked on the first aquaculture project financed with New Market Tax Credits. We prepared the documentation necessary in forming California’s first geological abatement district. We were instrumental in helping several large national and international Banks to penetrate the public finance arena to purchase municipal securities for their own account on a privately placed basis (“Private Placements”), which in turn has created tremendous competition leading to interest rate decline. Within the past year alone we have worked on over twenty such Private Placements that have each outperformed the publicly offered alternative – thereby saving our clients’ a great deal of time and money.

We also maintain an excellent working relationship with the California Department of Finance (“DOF”), United States Department of Agriculture (“USDA”) as well as SRF. Over the course of the past couple of years we have worked on some of the more complex issued ever encountered by USDA. By working in concert with the lead lawyers at USDA’s Office of General Counsel, we were able to create the internal legal templates that have led to what has turned out to be many successful project financings for our clients, as well as all other clients utilizing USDA financing in the future. This successful working relation has, in turn, led to our engagement directly with USDA to provide webinar training for all Area Specialist.

DIVERSITY AND INGENUITY

To complement The Weist Law Firm's expertise in the municipal law, securities law and tax law aspects of public and P3 finance, we are also educated and trained in several branches of economics, urban and regional planning, public policy, business administration, operations research, demography, accounting, finance and real estate. We are able to apply these skills to a broad array of projects and programs, addressing complex issues pertaining to infrastructure development; economic development; public/private development; development feasibility; policy research; strategic planning; special tax, assessment and rate increase implementation programs.

Our dedicated broad-minded professionals bring vast experience from various disciplines to serve the increasingly sophisticated financial needs of our local government clients. We always strive to develop clear and concise reports and presentations which often times become the basis upon which government and its stakeholders gain a fundamental common understanding of the matters at hand. We have counseled literally hundreds of municipalities to navigate the myriad legal and financial impediments in order to foster successful projects that achieve public acceptance.

We have developed an expertise in joint powers authority pooled financings, lease and installment sale financings, RDA tax allocation financings—including "post-dissolution-era" refunding transactions approved through DOF, special assessment financings, Private Placements of all kinds, New Markets Tax Credit obligations, non-profit financings of all varieties, tribal economic development bonds, clean renewable energy bonds, special districts formations, USDA financings, urban redevelopment projects, impact fee financings, municipal utility district formations, capital recovery charge programs and numerous other value-added services.

Our extensive experience with a variety of financing techniques, and our expertise in the myriad of legal issues, including federal tax law, securities law, tax law, and state statutory and constitutional provisions, enable us to assist our clients in meeting their financing goals, and providing financial solutions that serve both the immediate and long-term best interests of each client.

We are also acutely aware of the time constraints facing each new project, and take a great deal of pride in our ability to be responsive to a client's needs for agility and speed in concluding a transaction. We strive to take advantage of market conditions whenever it would be advantageous and we make every effort to complete a project as quickly as possible.

INDUSTRY RELATIONS

The Weist Law Firm has the range of capabilities to handle all aspects of securities finance, from the routine to the complex. In addition to our extensive knowledge of debt and equity financings, we maintain a working relationship with DOF, USDA, SRF, Department of Public Health, and other state and federal agencies providing municipal finance enhancements, as well as all of the major bond insurance providers, rating agencies, and a cross section of national and international banks providing letters of credit, direct placements, and other credit enhancement products. Over the course of the past couple of years we have represented and/or developed high-level business relations with many national and international Bank that possesses the capability of purchasing municipal securities on a privately placed basis, which in turn helped our clients achieve their objectives at best interest rates possible, and without the ever-increasing burden of continuing disclosure.

CREATING VALUE

As a complement to our bond counsel practice, we are also registered with the SEC as a Municipal Advisor under the Dodd-Frank Act. As such, we provide a full range of related legal services for our clients in connection with matters such as: procurements of grant and low interest rate loans, short-term bridge loans and lines of credit; refundings and debt consolidations; designating and issuing state and federal tax credit and other forms of “Stimulus Bonds;” CalPERS pension obligation (Unfunded Actuarial Accrued Liability) refunding transactions; “Prop 218” rate adjustment campaigns; sensitivity reports; formation and financing of non-profit corporations and joint exercise of powers agencies; formation of assessment districts and community facility districts, for both pay-as-you-go public safety components, as well as for backbone infrastructure; arbitrage and rebate compliance; and General Obligation Bond campaigns.

We are a “Recognized Bond Counsel” for certain State and Federal programs such as the USDA Rural Development Grant and Loan Program and certain other such state sponsored low interest grant and loan programs. We are also a “Recognized Bond Counsel” for most statewide joint powers authorities, such as the California Statewide Communities Development Authority, the California Enterprise Development Authority, the Independent Cities Lease Finance Authority, and the like.

Many of our clients are infrequent issuers of public debt, having not been previously involved in complex public finance projects. We always take the extra time required to ensure that they are full partners in the process. Our willingness to provide enhanced customized personal service to each and every one of our clients – no matter the sophistication level – not only results in a superior transaction, but also leads to better public relations as well as better relations between staff and its board or council.

We carefully and meticulously counsel our clients about each facet of the public finance process, and about the advantages of choosing one form of technique or strategy over another. In many cases, a blending of techniques and strategies becomes the most advantageous economic strategy. In all cases, we provide clients with all the information they need to competently and successfully conclude a project.

OUR CLIENTS

We represent a variety of different types of financial institutions and governmental entities including cities, counties, redevelopment agencies (now, Successor Agencies and Oversight Boards), joint powers authorities, water agencies, community college districts, sanitary districts, irrigation districts, community services districts, port authorities, transportation agencies, tribal nations, non-profit organizations, utility districts, school districts, harbor districts, fire districts, vector districts and various other special districts throughout California.

We provide the appropriate legal, tax and disclosure advice and act as liaison between staff, financial advisor, underwriter, trustee and bondholder. We “quarterback” each transaction with diligence and professionalism. This allows us to foster teamwork that typically results in fully developed strategies that accommodate the desires of the issuer, while at the same time accounting for legal and economic peculiarities and impediments that could otherwise potentially affect the success of a public finance transaction.

“The internal standard we espouse is to earn each client’s confidence on the very first matter of involvement, and then continue earning it on every matter thereafter.”

HELPING STAFF SUCCEED

Although the client is typically the municipality as an entity, we interface with, and answer to “staff,” being the city and county managers and administrators, finance directors, treasurers, executive directors, general managers and community development directors, who, in turn, take their direction from corresponding boards of directors, boards of supervisors and city councils. We understand and relish our roll of helping “staff” succeed. We also understand politics, and the various related “pressure points” commonly associated with the financing of public improvement projects. Ensuring the legal efficacy of each transaction is our number one responsibility; however, we never lose sight of the fact that the management of perception is a crucial component of our engagement.

In addition to providing the highest caliber transactional documents, we take the time to produce well-written, clearly understandable “staff reports” and other corresponding agenda material that management can confidently rely upon when taking matters to its board or council. We are always ready to publicly present the subject matter to the requisite board or council when called upon to do so by staff. We have spoken in public forums literally thousands of times, and are very comfortable and articulate in this type of setting.

In short, we serve as an extension of staff, collaborating at each step of the way on public finance projects. Saving time and money, increasing financial flexibility, enhancing staff’s knowledge and understanding of all potential legal and financial nuances, and positioning each potential project for future success are among the many benefits delivered by our focused, results-oriented practice.

PROFESSIONAL AFFILIATIONS

The Weist Law Firm is proud of its history of professional affiliations with the following organizations: State Bar of California, American Bar Association, California Association of Bond Lawyers, California Association of Sanitation Agencies, National Association of Bond Lawyers, Association of California Water Agencies, County Engineer’s Association, Bay Area Municipal Forum, Public Securities Association, and Committee on Assessments, Special Taxes and Other Financing Facilities.

LEGAL OPINION

The professional legal opinion of The Weist Law Firm, passing upon the tax-exempt status of proceedings for the public issuance of governmental securities, is accepted by all major municipal bond underwriters, banks, and financial institutions that normally purchase these securities.

GOVERNMENT CLIENT REPRESENTATION

A list of past (some of which date back twenty years or longer) public sector clients which The Weist Law Firm has represented as either bond counsel or disclosure counsel is as follows:

CITIES

City of Anderson	City of Greenfield	City of Paso Robles
City of Arcata	City of Grover Beach	City of Pismo Beach
City of Atascadero	City of Guadalupe	City of Ridgecrest
City of Atwater	City of Gustine	City of Riverbank
City of Avenal	City of Isleton	City of San Francisco
City of Bakersfield	City of King	City of San Rafael
City of Brentwood	City of Lakeport	City of San Juan Bautista
City of Capitola	City of Lemoore	City of Santa Cruz
City of California City	City of Livingston	City of Scotts Valley
City of Clearlake	City of Los Banos	City of Selma
City of Colma	City of Marina	City of Shasta Lake
City of Colusa	City of McFarland	City of Soledad
City of Crescent City	City of Merced	City of Susanville
City of Dos Palos	City of Morgan Hill	City of Stockton
City of Dublin	City of Morro Bay	City of Tehachapi
City of Escalon	City of Oakdale	City of Tracy
City of Firebaugh	City of Pacifica	City of Yuba City
City of Fortuna	City of Pacific Grove	City of Wasco
City of Fresno	City of Palm Desert	City of Watsonville
City of Gonzales	City of Paso Robles	City of Woodland

COUNTIES

County of Amador	County of King	County of Santa Cruz
County of Butte	County of Madera	County of Siskiyou
County of Calaveras	County of Mariposa	County of Stanislaus
County of Del Norte	County of Monterey	County of Sutter
County of Humboldt	County of San Bernardino	County of Tulare
County of Kern	County of San Francisco	

WATER DISTRICTS

Aromas Water District	Padre Dam Municipal Water District
Borrego Water District	Olivenhain Municipal Water District
Byron Bethany Irrigation District	Rio Linda Elverta County Water District
Calaveras County Water District	San Lorenzo Valley Water District
Central San Joaquin Water District	Santa Nella County Water District
Clearlake Oaks County Water District	Scotts Valley Water District
Del Puerto Water District	Soquel Creek Water District
Glide Water District	South Feather Water and Power Agency
Kanawha Water District	Squaw Valley County Water District
Madera Irrigation District	Stinson Beach County Water District
Mammoth Community Water District	

OTHER DISTRICTS

Auburn Valley Community Services District
Barstow Heights Community Services District
Bear Valley Community Services District
Byron Sanitary District
Channel Islands Community Service District
Discovery Bay Community Services District
Foresthill Public Utility District
Hartnell Community College District
Hayfork Fire Protection District
Humboldt Bay Harbor District
Jamestown Sanitary District
Janesville Union School District
June Lake Public Utility District
June Lake Fire District
Kern Community College District
Kirkwood Meadows Public Utility District
Lake Arrowhead Community Service District
Long Beach Community College District
Luther Burbank School District
Middletown Unified School District
Moss Landing Harbor District

Muroc Joint Unified School District
Needles Unified School District
Palo Verde Community College District
Place de Mer Geological Abatement District
Placer County Transportation Agency
Planada Community Services District
Quincy Community Services District
River High Community Services District
Santa Cruz County Sanitation District
Santa Cruz Port District
Shaffer Union School District
Shasta Regional Transportation Agency
Sierra Foothills Public Utility District
South Feather Water and Power Agency
South Placer Transportation Authority
Sweetwater Union High School District
Victor Valley Community College District
Victor Valley Union High School District
West Hills Community College District
West Kern Community College District

PUBLIC FINANCING AND HOUSING AUTHORITIES

Arcata Joint Powers Financing Authority
Auburn Valley Public Financing Authority
Avenal Public Financing Authority
Brentwood Public Financing Authority
Byron Bethany Public Financing Authority
Calaveras Water Public Financing Authority
California Communities Development Authority
California Municipal Finance Authority
Capitola Public Financing Authority
Coalinga Public Financing Authority
Crescent City Public Financing Authority
Discovery Bay Public Financing Authority
Grover Beach Financing Authority
Humboldt Waste Management Authority
Independent Cities Finance Authority
June Lake Public Financing Authority
Kanawha-Glide Public Financing Authority
King City Public Financing Authority

Municipal Financing Agency of Lakeport
Mammoth Public Financing Authority
Merced Public Financing Authority
Monterey Housing Authority
Municipal Financing Agency of Lakeport
North Selma Sewer Financing Authority
Palm Desert Financing Authority
Pismo Beach Public Financing Authority
Riverbank Public Financing Authority
Sacramento Transportation Authority
San Juan Bautista Public Fin Authority
Scotts Valley Public Financing Authority
Selma Public Financing Authority
Suisun City Housing Authority
Susanville Public Financing Authority
Yuba City Public Financing Authority
Wasco Public Financing Authority

REFERENCES

Please feel free to contact the following individuals as references of our ability to serve as bond counsel, disclosure counsel, underwriter's counsel, or securities counsel:

Jeffrey L. Meyer <i>Finance Director</i> Calaveras County Water District 423 E. St. Charles Street San Andreas, CA 95249 (209) 754-3102	Rick Gilmore <i>General Manager</i> Byron Bethany Irrigation District 7995 Bruns Road Byron, CA 94514 (925) 634-3534	Margaret Silveira <i>City Manager</i> City of Lakeport 225 Park Street Lakeport, CA 95453 (707) 263-5615
Janet Luzzi <i>Finance Director</i> City of Arcata 736 F Street Arcata, CA 95521 (707) 825-2120	Nadia Feeser <i>Administrative Services Director</i> City of Pismo Beach 760 Mattie Road Pismo Beach, CA 93449 (805) 773-7010	Neal Lopez <i>Assist. Administrative Officer</i> County of Del Norte 981 H Street, Room 100 Crescent City, CA 95531 (707) 464-7204
Linda G. McIntyre <i>General Manager</i> Moss Landing Harbor District 7881 Sandholdt Road Moss Landing, CA 95039 (831) 633-5417	Marisela H. Garcia <i>Finance Director</i> City of Riverbank 6707 Third Street Riverbank, CA 95367 (209) 863-7110	Lisa Ekers <i>Port Director</i> Santa Cruz Port District 135 5th Avenue Santa Cruz, CA 95062 (831) 475-6161
Anthea G. Hansen <i>General Manager</i> Del Puerto Water District 17840 Ward Avenue Patterson, CA 95363 (209) 892-4470	Tyler Egerer <i>Administrative Services Manager</i> Humboldt Waste Mgmt. Authority 1059 West Hawthorne Street Eureka, CA 95501 (707) 268-8680	Pete Yribarren <i>State Programs Director</i> USDA Rural Development 3530 W. Orchard Ct. Visalia, CA 93277 (805) 928-9269 x107

COMMITMENT TO EXCELLENCE

Highly motivated and driven by our history of success, we are continuously expanding and “fine-tuning” our capabilities in order to maintain our commitment to meeting the specialized legal and financial needs of our clients. Our proven ability to ascertain and define a client’s needs, then provide superior support and guidance each step of the way, execute on a timely basis, and close quality transactions has transpired as a result of our very real commitment to excellence.

CONCLUSION

In summary, we believe that our proven track record along with our corresponding highly-seasoned veteran public finance experience and expertise, combined with our genuine focus on helping staff to succeed on each project financing, uniquely sets us apart from all others in the industry.

We would also like to take this opportunity to thank all of our existing clients for their valued support over the years.

To our new, and prospective new, clients, we assure you that we will work to build a lasting relationship by delivering services in the highest ethical manner that reflects and respects the trust that you place in us.

APPENDIX
HIGHLIGHTED BOND AND NOTE TRANSACTIONS

- ~ City of Lakeport, Series 2017 Limited Obligation Refunding Bonds (Reassessment District No. 2017-1) Bank Qualified: \$2,854,000
- ~ Byron Bethany Irrigation District, Series 2017 Revenue Refunding Loan Obligation (Debt Consolidation and Refunding Project), Bank Qualified: \$2,606,000
- ~ Channel Islands Beach Community Services District, Series 2016 Wastewater Revenue Refunding Bonds (Refinancing of 2005 Wastewater Bonds), Bank Qualified: \$2,605,000
- ~ City of Auburn, Wastewater Revenue Refunding Bonds, Series 2016, Bank Qualified: \$7,005,000
- ~ Successor Agency to the Redevelopment Agency of the City of Lakeport, Series 2016 Tax Allocation Refunding Bonds (Lakeport Redevelopment Project), Bank Qualified: \$4,120,000.00
- ~ City of Corcoran, Series 2016A Water Revenue Refunding Bonds: \$19,790,000
- ~ Humboldt Bay Harbor, Recreation and Conservation District, Series 2016 Harbor Enterprise Revenue Obligation (Humboldt Harbor Improvement Project), Bank Qualified: \$1,560,000
- ~ City of Lakeport, Series 2016 Water Revenue Refunding Loan Obligations (2016 Water Refunding Project), Bank Qualified: \$2,587,000
- ~ Humboldt Waste Management Authority, Revenue Refunding Loan (Debt Consolidation and Refunding Project), Bank Qualified: \$6,338,132.00
- ~ Desert Water Agency, Water Revenue Refunding Bonds, Series 2016: \$19,720,000
- ~ Los Banos Designated Local Authority (As Successor Agency to the Los Banos Redevelopment Agency), Los Banos Redevelopment Project, Series 2015A—Tax-Exempt, Tax Allocation Refunding Bonds: \$22,897,284.00
- ~ City of Lakeport, Series 2015 Refunding Lease Obligation (CalPERS Refinancing Project): \$3,184,000
- ~ Los Banos Designated Local Authority (As Successor Agency to the Los Banos Redevelopment Agency), Los Banos Redevelopment Project, Series 2015B—Taxable, Tax Allocation Refunding Bonds: \$3,153,415.00
- ~ Shasta Regional Transportation Agency, Series 2015 Lease Obligation (Administration Building Acquisition Project), Bank Qualified: \$923,000.00
- ~ Successor Agency to the Community Development Agency of the City of Arcata (Arcata Redevelopment Project), Series 2015 Tax Allocation Refunding Bonds (Bank Qualified): \$6,655,926.00
- ~ Successor Agency to the Lemoore Redevelopment Agency, Lemoore Redevelopment Project, Tax Allocation Refunding Bonds: \$15,855,465.00

- ~ California Enterprise Development Authority, Recovery Zone Economic Development Bonds, (Biomass Waste-to-Energy Power Plant Project): \$29,930,000
- ~ South Placer Regional Transportation Authority, Lease Revenue Refunding Bonds (Transportation Refunding Project), Tax-Exempt Series A Bonds: \$1,043,840
- ~ South Placer Regional Transportation Authority, Lease Revenue Refunding Bonds (Transportation Refunding Project), Taxable Series B Bonds: \$1,191,849
- ~ Calaveras County Water District, Fly-In Acres Assessment District, Limited Obligation Improvement Bonds (Bank Qualified): \$2,065,327.00
- ~ South Feather Water and Power Agency, Water Revenue Refunding Bonds \$3,342,264
- ~ City of Pacifica, (Conversion of Auction Rate Certificates), Certificates of Participation: \$19,815,000
- ~ County of Siskiyou, California, Tax and Revenue Anticipation Notes: \$10,000,000
- ~ City and County of San Francisco, Certificates of Participation: \$22,549,489
- ~ City of Selma, Tax and Revenue Anticipation Notes: \$1,750,000
- ~ Discovery Bay Public Financing Authority, Enterprise Revenue Bonds (Water and Wastewater Financing Projects): \$14,150,000
- ~ City of Capitola, Improvement Refunding Bonds: \$3,923,000
- ~ Susanville Public Financing Authority, (Utility Enterprises Project), Refunding Revenue Bonds, Senior Series A: \$9,700,000
- ~ Susanville Public Financing Authority, (Utility Enterprises Project), Refunding Revenue Bonds, Subordinate Series B: \$25,160,000
- ~ Hayfork Fire Protection District, Certificates of Participation, Public Safety Facility Project: \$600,000
- ~ City of Gustine, Certificates of Participation, City Hall Project: \$950,000
- ~ Grover Beach Improvement Agency, Tax Allocation Bonds: \$4,390,000
- ~ Riverbank Redevelopment Agency (Stanislaus County), Riverbank Reinvestment Project, Tax Allocation Bonds: \$12,315,000
- ~ Riverbank Redevelopment Agency (Stanislaus County), Riverbank Reinvestment Project, Tax Allocation Housing Set-Aside Bonds: \$3,120,000
- ~ City of Brentwood, Limited Obligation Improvement Bond Anticipation Notes: \$5,240,800
- ~ California Alternative Energy and Advanced Transportation Authority, Clean Renewable Energy Bonds, (CalTrans Projects): \$19,999,999

- ~ Sacramento Transportation Authority, Measure A Sales Tax Revenue Bonds (Variable Rate), Series A : \$106,100,000; Measure A Sales Tax Revenue Bonds (Variable Rate), Series B : \$106,100,000; and Measure A Sales Tax Revenue Bonds (Variable Rate), Series C: \$106,100,000: Total: \$318,300,000
- ~ City of Tracy, Refunding Improvement Bonds, Wastewater Facilities Project: \$17,150,000
- ~ City of Morgan Hill, Cochrane Business Park Assessment District: \$3,500,000
- ~ County of Santa Cruz, Limited Obligation Improvement Bonds, Place De Mer Water Improvement District: \$423,558
- ~ City of Scotts Valley, Pasatiempo Pines Assessment District, Improvement Bonds Wastewater Facilities Project, First Issue: \$2,614,300
- ~ City of Brentwood, Brentwood Improvement Project No. 2: \$3,499,000
- ~ City of Capitola, Tradewinds Assessment District Bonds: \$1,585,721
- ~ City of Tehachapi, Refunding Assessment District Bonds: \$1,575,000
- ~ Housing Authority of the County of Monterey, Floating Rate Demand, Multifamily Housing Revenue Bond (Woodridge Project) - Remarketed Issue: \$3,000,000
- ~ City of Scotts Valley, Green Hills Assessment District: \$1,037,000
- ~ Central San Joaquin Water Conservation District, Certificates of Participation, (Little Johns Creek Project): \$4,950,000
- ~ City of Brentwood, Certificates of Participation, Capital Improvement Project: \$5,930,000
- ~ Marina Redevelopment Agency, Certificates of Participation, Series A: \$2,000,000; and Series B: \$3,000,000
- ~ Luther Burbank School District (Santa Clara County), Series B & C General Obligation Bonds: \$4,139,993.85
- ~ City of Scotts Valley, North Scotts Valley Drive Refunding Assessment District: \$1,762,580
- ~ City of Scotts Valley, Green Hills Estates Subdivision Assessment District, Limited Obligation Improvement Bonds: \$1,390,000
- ~ City of Yuba City, Sutter County, California, North Yuba City Drainage Phase I, Limited Obligation Bonds: \$1,658,090
- ~ County of Stanislaus, Fox Hollow Assessment District, Limited Obligation Bonds: \$710,000
- ~ County of Santa Cruz, Bostwick Lane Street Improvement Project, Limited Obligation Bonds: \$361,910
- ~ Brentwood Joint Powers Financing Authority, (Contra Costa County, California), Series A and Series B, Limited Obligation Revenue Bonds: \$17,800,000
- ~ City of Morro Bay, Mimosa Street Assessment District Bonds: \$162,773

- ~ Avenal Public Financing Authority, (Kings County, California), Local Agency Revenue Bonds: \$11,000,000
- ~ City of Tehachapi, East Tehachapi Boulevard Improvement Project, Limited Obligation Improvement Bonds: \$1,750,000
- ~ Wasco Public Financing Authority, (Kern County, California), Local Agency Revenue Bonds, Series A: \$25,000,000; Series B: \$10,000,000; Total: \$35,000,000
- ~ City of Gonzales, Johnson Canyon-Fanoe Road Improvement Project, Limited Obligation Improvement Bonds: \$643,606.85
- ~ City of Tehachapi, Community Facilities District, Special Tax Bonds: \$7,000,000
- ~ City of Yuba City, Certificates of Participation (Police Building Project): \$5,000,000
- ~ City of Marina, General Obligation Bonds: \$829,000
- ~ Kirkwood Meadows Public Utilities District, Refunding Assessment District, Limited Obligation Improvement Bonds: \$2,324,565.78
- ~ Redevelopment Agency of the City of Brentwood, Brentwood Redevelopment Project, Tax Allocation Bonds, Series A: \$5,330,000
- ~ Scotts Valley Public Financing Authority (Santa Cruz County, California): Local Agency Revenue Bonds: \$34,000,000
- ~ Marina Redevelopment Agency, Public Safety Building Project, Tax Allocation Bonds, Series A: \$1,805,000
- ~ Scotts Valley Water District, Water Revenue Bonds: \$2,350,000
- ~ City of Tehachapi, Summit Assessment District, Limited Obligation Improvement Bonds: \$2,874,000
- ~ City of Atwater, Special Tax Bonds: \$17,750,000
- ~ City of Gustine, Series 2012 Certificates of Participation (Wastewater System Improvement Projects) (Bank Qualified): \$1,225,000
- ~ City of Yuba City, Limited Obligation Improvement Bonds: \$14,405,100
- ~ City of Gonzales, Certificates of Participation: \$650,000
- ~ City of Tehachapi, Special Tax Bonds: \$2,780,000
- ~ Paso Robles Redevelopment Agency, (Paso Robles Redevelopment Project): \$3,500,000

- ~ City of Gonzales, Gonzales Shopping Center Assessment District Bonds: \$410,800
- ~ County of Monterey, Blackie Road Assessment District, Limited Obligation Improvement Bonds: \$4,195,000
- ~ City of Santa Cruz, Limited Obligation Improvement Bonds, Village Highlands Assessment District: \$1,466,400
- ~ City of Capitola, Limited Obligation Improvement Bonds, Brookvale Terrace Assessment District: \$2,940,000
- ~ County of Sutter, Limited Obligation Improvement Bonds, Highland Estates Improvement Project: \$375,380
- ~ Lake Arrowhead Community Services District, Refunding Certificates of Participation: \$39,000,000
- ~ City of Marina, Limited Obligation Improvement Bonds, Marina Landing Assessment District: \$2,275,753
- ~ County of Santa Cruz, Limited Obligation Improvement Bonds, Sand Dollar Beach Assessment District: \$186,510
- ~ City of Atascadero, Limited Obligation Improvement Bonds, Street Improvement Project: \$903,356.13
- ~ City of Merced, Limited Obligation Refunding Improvement Bonds, North Merced Sewer Improvement Refunding Reassessment District: \$5,450,000
- ~ City of San Rafael, Limited Obligation Improvement Bonds, Peacock Gap Reassessment District: \$2,405,000
- ~ Olivenhain Municipal Water District, Water Revenue Refunding Bonds: \$7,760,000
- ~ City of Atascadero, Limited Obligation Improvement Bonds, Camino Real Improvement Project: \$2,100,000
- ~ City of Oakdale, G & J Streets Refunding Assessment District, Limited Obligation Improvement Bonds: \$4,300,000
- ~ Scotts Valley Water District, Water Revenue Refunding Bonds: \$2,640,000
- ~ City of Merced Public Financing Authority, Local Agency Revenue Bonds, \$17,220,000 Series A-1 (Tax Allocation Bonds), \$1,210,000 Series A-2 (Water Revenue Bonds), \$4,520,000 Series A-3 (Sewer Revenue Bonds):\$22,950,000

- ~ Community Development Agency of the City of King, (King City Redevelopment Project) Tax Allocation Refunding Revenue Bonds: \$5,500,000
- ~ Adelanto School District (San Bernardino County, California), General Obligation Bonds, Series B: \$5,997,952.25
- ~ Channel Islands Beach Community Services District, Limited Obligation Refunding Improvement Bonds: \$1,341,663.80
- ~ City of Stockton Multifamily Housing Revenue Bonds, Mariner's Pointe: \$6,500,000
- ~ City of Livingston, Refunding Certificates of Participation: \$460,000
- ~ City of Santa Cruz, Limited Obligation Improvement Bonds, Harvey West Assessment District (Costco Regional Center): \$1,458,712.26
- ~ City of Shasta Lake (Energy Transmission Project) Certificates of Participation: \$17,960,000
- ~ City of Stockton - Special Tax Bonds: \$1,960,000
- ~ City of Woodland, Limited Obligation Improvements Refunding Bonds, East Main Street Assessment District: \$15,030,000
- ~ City of Bakersfield, Limited Obligation Improvement Bonds: \$3,685,000
- ~ Padre Dam Municipal Water District, Certificates of Participation: \$11,200,000
- ~ City of Yuba City, Certificates of Participation (Police Building Project): \$3,040,000
- ~ Mammoth Community Water District (Mono County, California), Refunding Certificates of Participation: \$4,725,000
- ~ Redevelopment Agency of the City of Guadalupe, Tax Allocation Refunding Bonds (Guadalupe Redevelopment Project): \$1,510,000
- ~ City of Palm Desert Financing Authority, Revenue Bonds: \$30,915,000
- ~ June Lake Public Utility District, Limited Obligation Improvement Bonds: \$740,000
- ~ City of Arcata, Refunding Certificates of Participation: \$2,825,000
- ~ Mammoth Community Water District (Mono County, California), Limited Obligation Refunding Improvement Bonds, Reassessment District: \$5,440,000
- ~ Community Development Agency of the City of King Tax Allocation subordinate Revenue Bonds (King City Redevelopment Project), Monterey County, California \$4,730,000

- ~ Barstow Heights Community Services District (County of San Bernardino), Limited Obligation Refunding Improvement Bonds (Bank Qualified) \$1,160,000
- ~ Calaveras County Water District, Refunding Improvement District (Saddle Creek), Limited Obligation Improvement Refunding Bonds: \$7,135,000
- ~ City of Gonzales, Johnson Canyon-Fanoe Road Improvement Project, Limited Obligation Improvement Bonds: \$643,606
- ~ Hartnell Community College (City of King), Certificates of Participation (Hartnell CCD Education and Training Center): \$2,515,000
- ~ Shaffer Union School District Improvement Project, Certificates of Participation: \$905,000
- ~ Crescent City, Not to Exceed \$9,000,000 (Line of Credit) Bond Anticipation Notes (Water System Improvement Project)
- ~ San Lorenzo Valley Water District, Limited Obligation Improvement Refunding Bonds (Bank Qualified): \$1,199,000
- ~ Calaveras County Water District, Limited Obligation Improvement Refunding Bonds Lake Tulloch Reassessment District: \$725,000.00
- ~ Humboldt Waste Management Authority, Bond Anticipation Notes: \$5,000,000
- ~ County of Calaveras, Limited Obligation Improvement Refunding Bonds Refunding Improvement District Valley Hills Estates: \$1,025,000.00
- ~ Byron Bethany Irrigation District (Administrative Building Project), Lease Revenue Bonds: \$5,750,000.00
- ~ City of Riverbank- Riverbank Public Financing Authority, Local Agency Refunding Revenue Bonds: \$1,700,000.00
- ~ Auburn Valley Public Financing Authority (Placer County), Wastewater Treatment Plant Expansion Project, Revenue Bonds: \$3,335,000.00
- ~ Sweetwater Union High School District, Master Lease: \$3,500,000.00
- ~ Long Beach Community College District (Los Angeles County), Auction Rate Certificates of Participation: \$34,300,000.00
- ~ Humboldt Waste Management Authority, Revenue Bonds: \$7,500,000.00
- ~ Middletown Unified School District, General Obligation Bonds: \$6,496,430.70

- ~ West Hills Community College District, Capital Improvement Projects, Auction Rate Certificates of Participation: \$27,950,000.00
- ~ Kern Community College District, Capital Improvement Projects, Auction Rate Certificates of Participation: \$39,950,000.00
- ~ Calaveras County Water District, Enterprise Refunding Revenue Bonds: \$19,625,000.00
- ~ Madera Irrigation Financing Authority, \$35,805,000 Daily Rate Water Revenue Bonds
- ~ Madera Irrigation Financing Authority, \$12,115,000 Daily Rate Taxable Water Revenue Bonds.
- ~ Victor Valley Union High School District, Refunding Certificates of Participation, Victor Valley Junior high School Project: \$10,705,000.00
- ~ Calaveras County, Special Tax Refunding Bonds (Saddle Creek): \$7,145,000.00
- ~ June Lake Fire Protection District, Lease-Purchase Certificates: \$520,000.00
- ~ Kanawha-Glide Public Financing Authority, Kanawha Loan Contract Revenue Refunding Bonds: \$875,000.00
- ~ Palo Verde Community College District (San Bernardino and Riverside Counties) Auction Rate Certificates of Participation: \$18,600,000.00
- ~ Isleton Public Financing Authority, Series 2012 Wastewater Refunding Revenue Bonds (Federally Taxable): \$1,950,000.00
- ~ Calaveras County Water District, DaLee / Cassidy Water System Assessment District, Limited Obligation Improvement Bonds: \$990,000.00
- ~ City of Austin, TX, Special Assessment Revenue Bonds, Senior Series, Whisper Valley Public Improvement District: \$15,500,000.00
- ~ City of Austin, TX, Special Assessment Revenue Bonds, Subordinate Series, Whisper Valley Public Improvement District: \$18,485,168.00
- ~ City of Pismo Beach, Series 2012 Wastewater Refunding Revenue Bonds: \$5,710,000.00
- ~ Independent Cities Finance Authority (Planada Community Services District), Wastewater Revenue Notes, Issue of 2012: \$3,175,000.00
- ~ San Lorenzo Valley Water District, 2012 Water Revenue Refunding Bond: \$5,508,471.59
- ~ City of Susanville (Lassen County), Series 2012 Lease Financing: \$1,581,555.44
- ~ Channel Islands Beach Community Services District, Series 2012 Water Revenue Refunding Bonds (Bank Qualified): \$2,716,072.40

- ~ Quincy Community Services District, Series 2012 Certificates of Participation (Wastewater System Improvement Project) (Bank Qualified): \$3,040,000.00
- ~ Del Puerto Water District, Series 2012 Certificates of Participation (Supplemental Water Purchase Program) (Bank Qualified): \$1,655,000.00
- ~ City of Selma, 2012-2013 Tax and Revenue Anticipation Notes: \$1,500,000.00
- ~ Sacramento Transportation Authority, Sales Tax Revenue Bonds: \$53,355,000.00
- ~ Byron Bethany Joint Powers Authority, Wastewater Refunding Revenue Bonds: \$2,585,000.00
- ~ Calaveras County Water District, Series 2013 Refunding Wastewater Revenue Loan: \$310,458.59
- ~ Calaveras County Water District, Series 2013 Refunding Water Revenue Loan: \$7,188,541.41
- ~ City of Pacific Grove, Series 2013 Refunding Wastewater Revenue Loan (Bank Qualified): \$1,220,587.60
- ~ City of Lemoore, Series 2013 Water Revenue Bonds (2013 Solar Project): \$7,068,000.00
- ~ Stinson Beach County Water District, Series 2013 Water Revenue Refunding Bonds (Bank Qualified): \$1,997,613.97
- ~ Santa Cruz Port District, Series 2013 Enterprise Revenue Bonds (Santa Cruz Harbor Financing Project): \$14,418,960.43
- ~ Santa Cruz Port District, Series 2013 Taxable Enterprise Revenue Bonds (Santa Cruz Harbor Financing Project): \$2,384,445.08
- ~ Santa Cruz Port District, Series 2013 Line of Credit (Santa Cruz Harbor Financing Project): \$4,000,000.00
- ~ County of Mariposa, Series 2013 Refunding Certificates of Participation (County Administration Building Refunding Project): \$806,500.00
- ~ City of Lakeport, Series 2013 Water Revenue Notes (Line-of-Credit) (2013 Water Enterprise improvement Project): \$6,675,000.00 (Not to Exceed)
- ~ City of Riverbank, Series 2014 Wastewater Revenue Loan (Wastewater System Improvement Project), Bank Qualified: \$5,742,714.75
- ~ Calaveras County Water District, Series 2014 Wastewater Revenue Loan (Wastewater System Improvement Project of 2014), Bank Qualified: \$2,337,528.00
- ~ Calaveras County Water District, Series 2014 Water Revenue Loan (Water System Improvement Project of 2014), Bank Qualified: \$4,061,933.00
- ~ Selma Public Financing Authority (Fresno County, California), Series 2014 Assessment Revenue Refunding Bonds (Series 1999A Assessment Revenue Bonds Refunding Project), Bank Qualified: \$955,000.00

- ~ Moss Landing Harbor District, Series 2014 Harbor Enterprise Revenue Refunding Bonds (2014 Debt Consolidation and Refunding Project), Bank Qualified: \$4,755,901.00
- ~ Humboldt Bay Harbor, Recreation and Conservation District, Series 2014 Harbor Enterprise Revenue Refunding Loan (2014 Debt Consolidation and Refunding Project), Bank Qualified: \$3,333,673.70
- ~ City of Pacific Grove, Series 2014 Taxable Lease Obligation (Pacific Grove Golf Course Refunding Project): \$3,130,505.23
- ~ City of Oakdale, Series 2015 Revenue Notes, Bank Qualified: \$1,037,885.00
- ~ Merced County Regional Waste Management Authority, Solid Waste Refunding Revenue Bonds, Series A and B (combined): \$23,572,000.00
- ~ County of Del Norte, Lease Obligation (Refunding Project), Bank Qualified: \$4,622,964.66
- ~ South Placer Regional Transportation Authority, Lease Revenue Refunding Bonds (Transportation Refunding Project), Tax-Exempt Series 2015A Bonds: \$1,043,840.00
- ~ South Placer Regional Transportation Authority, Lease Revenue Refunding Bonds (Transportation Refunding Project), Taxable Series 2015B Bonds: \$1,191,849.00
- ~ Rio Linda / Elverta Community Water District, Series 2015 Water Revenue Refunding Obligations (Debt Consolidation and Refunding Project), Bank Qualified: \$2,688,622.00
- ~ City of California City, Series 2015 Wastewater Revenue Refunding Loan (Debt Consolidation and Refunding Project), Bank Qualified: \$1,579,771.00
- ~ City of Arcata, Series 2015 Refunding Lease Obligation (CalPERS Refinancing Project): \$3,226,000
- ~ San Juan Bautista Public Financing Authority, Series 2015 Enterprise Revenue Bonds, (Water and Wastewater Financing Projects): \$11,640,000
- ~ City of Selma, Series 2015 Refunding Lease Obligations (2015 Lease Obligations), Bank Qualified: \$4,344,619
- ~ Humboldt Bay Harbor, Recreation and Conservation District, Series 2016 Harbor Enterprise Revenue Obligation (Humboldt Harbor Improvement Project), Bank Qualified: \$1,560,000
- ~ City of Lakeport, Series 2016 Water Revenue Refunding Loan Obligations (2016 Water Refunding Project), Bank Qualified: \$2,587,000
- ~ Desert Water Agency, Water Revenue Refunding Bonds, Series 2016: \$19,720,000
- ~ Calaveras County Water District Public Financing Authority, Series 2016 Water Enterprise Revenue Bonds (Ebbetts Pass Reach 3A Improvement Project), Bank Qualified: \$2,622,000