



**City Council
Regular Meeting
AGENDA**

To participate or view the virtual meeting, go to the following link: <https://zoom.us/j/97199426600>

Or you can call in using your telephone only:

- Call (toll free) 1-888-788-0099
- Enter the Access Code: 971 9942 6600
- To Raise Hand enter *9
- To Speak after being recognized: enter *6 to unmute yourself

Or One tap mobile (for easy connection on smart phones):

US: [+16699009128](tel:+16699009128),97199426600# or [+12532158782](tel:+12532158782),97199426600#

Alternatively, you may view the meeting (without participating) by clicking on the name of the meeting at www.cityofukiah.com/meetings.

January 19, 2022 - 6:00 PM

1. **ROLL CALL**

2. **PLEDGE OF ALLEGIANCE**

3. **PROCLAMATIONS/INTRODUCTIONS/PRESENTATIONS**

- 3.a. Proclamation Recognizing Mel Grandi for His Significant Professional Contributions to the City of Ukiah Electric Utility Department and the Customers It Serves, and Rename the Substation on Orchard Avenue to Grandi Substation.

Recommended Action: Issue a Proclamation of the Ukiah City Council recognizing Mel Grandi for his service to the City of Ukiah, and rename Orchard Substation to Grandi Substation.

Attachments:

1. Grandi Sub Proclamation

- 3.b. Presentation of the City of Ukiah Equity Action Plan and Approval of a Resolution Adopting the Equity Action Plan Created by the Equity and Diversity Standing Committee and Changing the Name of the Committee to the Diversity and Equity Standing Committee.

Recommended Action: Receive presentation of the City of Ukiah Equity Action Plan and approve the Resolution adopting the City of Ukiah Equity Action Plan created by the Equity and Diversity Standing Committee and changing the name of the Committee to the Diversity and Equity Standing Committee.

Attachments:

1. Equity Action Plan & Wrksht
2. Resolution Adopting Equity Action Plan and Changing Committee Name (2)

4. **PETITIONS AND COMMUNICATIONS**

5. **APPROVAL OF MINUTES**

- 5.a. Approval of the Minutes for the December 13, 2021, Special Meeting.

Recommended Action: Approve minutes for the December 13, 2021, special meeting.

Attachments:

1. 2021-12-13 Draft Minutes - Special Meeting

- 5.b. Approval of the Minutes for the December 15, 2021, Regular Meeting.

Recommended Action: Approve the minutes for the December 15, 2021, regular meeting.

Attachments:

1. 2021-12-15 Draft Minutes - Regular Meeting

- 5.c. Approval of the Minutes for the December 27, 2021, Special Meeting.

Recommended Action: Approve the Minutes of December 27, 2021, a Special Meeting, as submitted.

Attachments:

1. 2021-12-27 Draft Minutes - Special Meeting

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. Adoption of Resolution of the City Council Reconsidering the Circumstances of the State of Emergency and Implementing Teleconferencing Requirements for City Council and Board and Commission Meetings During a Proclaimed State of Emergency Due to the COVID-19 Pandemic.

Recommended Action: Adopt a Resolution of the City Council Reconsidering the Circumstances of the State of Emergency and Implementing Teleconferencing Requirements for City Council and Board and Commission Meetings during a Proclaimed State of Emergency Due to the COVID-19 Pandemic.

Attachments:

1. AB 361 Findings Reconsideration for All Legislative Bodies 1 19 22

- 7.b. Adoption of Resolution Approving the City of Ukiah's Qualified Contractors List for 2022.

Recommended Action: Adopt the proposed resolution approving the Qualified Contractors List for 2022.

Attachments:

1. City Code Section 1541-1543
2. Cost Accounting Manual - Partial
3. November 1, 2021, Public Notice
4. Proposed Resolution with Exhibit A

- 7.c. Notification to City Council of Contract No. 2021-235 with Cinquini & Passarino Inc. for Consulting and Surveying Services at the Electric Service Center on Hastings Rd., in the Amount of \$17,500.

Recommended Action: Receive notification of Contract No. 2021-235 with Cinquini & Passarino Inc., for the amount of \$17,500.00.

Attachments:

1. COU# 2021-235 - Cinquini & Passarino, Inc - Complete

2. Amend. 1 Cinquini & Passarino, Inc - Land Surveying 2021-235-A1 - signed
- 7.d. Adoption of a Resolution of Application for a Revised Submittal to the Mendocino Local Agency Formation Commission (LAFCo) to Annex City-Owned Properties within Unincorporated Mendocino County; and Approval of the Community Development Director's Determination that the Proposed Annexation Qualifies for a CEQA Exemption.
Recommended Action: Adopt the revised Resolution in Attachment 1 to authorize re-submittal to the Mendocino LAFCo; and approve the Community Development Director's determination that the proposed annexation qualifies for a CEQA Exemption.
Attachments:
1. Resolution
2. Exhibit A - Legal Description
3. Exhibit B-Plat Maps
4. City Owned Annexation - List of Parcels
5. LAFCo A-2021-01 Auditor Notice
6. City Maps
7. County Maps
- 7.e. Report to Council on PO #47411 Issued to Corrosion Protection Solutions in the Amount of \$61,560, as well as Change Order #01 in the Amount of \$4,843.80, for a Total of \$66,403, and Request a Budget Amendment for this Amount.
Recommended Action: Council will receive a report on PO #47411 issued to Corrosion Protection Solutions in the amount of \$61,560, as well as Change Order #01 in the amount of \$4,843.80, for a total of \$66,403 and request a Budget Amendment for this amount.
Attachments:
1. Corrosion Protection Solutions
- 7.f. Approval of Contract Amendment with BKF Engineers for the Additional Design to the Gobbi Street Utility Replacement Project, and Approval of a Corresponding Budget Amendment.
Recommended Action: Approve contract amendment with BKF Engineers for the additional design to the Gobbi Street Utility Replacement Project, and approve corresponding budget amendment.
Attachments:
1. BKF Traffic Signal Proposal - Ukiah Gobbi St
- 7.g. Adopt Resolution and Approve the Support Services Program Agreement (SSPA) with the Northern California Power Agency (NCPA)
Recommended Action: Adopt Resolution and approve the Support Services Program Agreement (SSPA) between NCPA and the City of Ukiah (City); authorize the City Manager or his delegate to execute the agreement; Appoint the City Attorney, City Manager, and Electric Utility Director as Designated Representatives under the SSPA and authorize them, together, to execute service confirmations for amounts not to exceed \$20,000 per confirmation or such greater amount as may be authorized by City Council action or applicable City ordinance.
Attachments:
1. Support_Services_Program_Agreement
2. Resolution NCPA-Ukiah SSPA
- 7.h. Notification of Purchase Order #47600-02 Issued to Bartley Pump PM, LLC for the Teardown, Inspection, and Rehabilitation of Well #8 in the Amount of \$28,689.70.
Recommended Action: Receive notification of Purchase Order #47600-02 issued to Bartley Pump PM, LLC for the teardown, inspection, and rehabilitation of Well #8 in the amount of \$28,689.70, and authorize additional costs to perform a pump test.
Attachments:
1. Well 8 rehab PO

- 7.i. Authorize City Manager to Sign Airport Rescue Grant Offer, Grant No. 3-06-0268-021-2022 for Ukiah Municipal Airport in the Amount of \$32,000, and Approve Corresponding Budget Amendment(s).
Recommended Action: Authorize City Manager to sign Airport Rescue Grant Offer, Grant No. 3-06-0268-021-2022 for Ukiah Municipal Airport in the amount of \$32,000, and approve corresponding budget amendment{s}.
 Attachments:
 1. Grant Agreement
- 7.j. Approve the Purchase of Mobile Data Terminals (MDT) for the Ukiah Valley Fire Authority (UVFA) in the Amount of \$173,830.11 for the Initial Three Years, and Approve Corresponding Budget Amendment.
Recommended Action: Approve the purchase of Mobile Data Terminals in the amount of \$173,830.11 from RadioMobile, and approve the corresponding budget amendment.
 Attachments:
 1. RadioMobile CAL FIRE Case Study 11-2019
 2. RadioMobile (SourceWell-Quote)
- 7.k. Report the Emergency Purchase of all Materials and Labor for the Traffic Signal Control Cabinets Replacement at the Intersections of State & Standley and State & Perkins Streets from DC Electric Group in the Amount of \$58,935.00.
Recommended Action: Receive Report for the Emergency Purchase of all Materials and Labor for the Traffic Signal Control Cabinets Replacement at the Intersections of State & Standley and State & Perkins Streets from DC Electric Group in the Amount of \$58,935.00.
 Attachments:
 1. DC Quote
 2. Attachment 2 - PO
- 7.l. Approval of a Professional Service Contract with GHD for Flood Mapping Review Support in the Amount Not to Exceed \$17,000, and Corresponding Budget Amendment.
Recommended Action: Approve the Professional Service Contract with GHD for Flood Mapping Review Support in the Amount Not to Exceed \$17,000, and Approval of Corresponding Budget Amendment.
 Attachments:
 1. GHD Proposal - FEMA Flood Mapping Review

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. Conduct a Public Hearing and Consider Adopting Respective Resolutions Authorizing Lease Revenue Bonds, Series 2022 to Renovate the City Corporation Yard and Construct Improvements to Various City Streets (*This item was continued from December 15, 2021.*)
Recommended Action: Adopt resolutions authorizing the issuance of lease revenue bonds and authorizing the City Manager to execute all related documents for the renovation of the City Corporation Yard and improvements to various City streets.

Attachments:

1. 1 Ukiah City Reso- Lease
2. 2 Ukiah Authority Reso- Issue Bonds
3. 3 Site Lease - Ukiah
4. 4 Lease Agreement - Ukiah
5. 5 Indenture - Ukiah
6. 6 Assignment Agmt - Ukiah
7. 7 POS (Ukiah LRBs)
8. 8 Bond Purchase Agreement (Piper Sandler)

12. UNFINISHED BUSINESS

- 12.a. Receive Status Report and Consider Any Action or Direction Related to the Novel Coronavirus (COVID-19) Emergency Including Operational Preparedness and Response; Continuity of City Operations and Services; Community and Business Impacts; and Any Other Related Matters.

Recommended Action: Receive status report and consider any action or direction related to the Novel Coronavirus (COVID-19) Emergency including operational preparedness and response; continuity of City operations and services; community and business impacts; and any other related matters.

Attachments: None

- 12.b. Determination of Notification of Intent to Adjust Curbside Collection and Transfer Station Service Rates in Compliance with Solid Waste Contracts, and Initiation of Proposition 218 Protest Period for Residential Curbside Collection Rates.

Recommended Action: Confirm the determination of the City Manager, as reported here, of compliance with the provisions of the agreements between the City of Ukiah and Ukiah Waste Solutions, Inc. and Solid Waste Systems, Inc. regarding the company's notice of intent to adjust curbside collection and transfer station rates, authorize the initiation of the Proposition 218 protest period for residential curbside collection rates, and schedule the subsequent protest hearing for March 2, 2022.

Attachments:

1. SWS UWS April 2022 Adjustment
2. Rate Comparison

- 12.c. Introduction of an Ordinance by Title Only, Amending Article 1 of Division 1, Chapter 4 of the Ukiah City Code to Reform the Paths, Open Space, and Golf Commission and the Parks, Recreation and Golf Commission into the Public Spaces Commission.

Recommended Action: Introduce an ordinance by title only, amending Article 1 of Division 1, Chapter 4 of the Ukiah City Code to reform the Paths, Open Space, and Golf Commission and the Parks, Recreation and Golf Commission into the Public Spaces Commission.

Attachments:

1. Public Spaces Commission Ordinance Attachment 1
2. ASR Community Outreach Plan Draft Attachment 2

- 12.d. Approve Contract Amendment Eight with Carollo Engineers for the Design Efforts of the Recycled Water Phase 4 Project in the amount of \$4,600,773 and approval of corresponding budget amendment.

Recommended Action: Approve contract amendment eight with Carollo Engineers for the design efforts of the Recycled Water Phase 4 project in the amount of \$4,600,773 and approval of corresponding budget amendment. .

Attachments:

1. Recycled Water Ph4 CO2 WWTP_12JAN2022

- 12.e. Consider Adoption of Resolution Adopting a 2022 Advocacy Platform to Serve as Guidelines for Local, State, and Federal Legislative Matters.

Recommended Action: Adopt resolution adopting a 2022 Advocacy Platform to serve as guidelines for local, state, and federal legislative, administrative, regulatory and court matters.

Attachments:

1. Advocacy Platform and Resolution_2022_highlighted
2. Advocacy Platform and Resolution_2022_clean
3. 2022 League of CA Cities Priorities

13. NEW BUSINESS

- 13.a. Adopt a Resolution Authorizing the Exception to the 180-Day Waiting Period, and Authorizing the City's Retired Electric Utility Director to Work on a Temporary Basis as an Extra Help Employee in Accordance with Government Code Sections 7522.56 and 21224.

Recommended Action: Adopt a resolution authorizing the exception to the 180-day waiting period, and authorizing the City's retired Electric Utility Director to work on a temporary basis as extra help employee in accordance with Government Code Sections 7522.56 and 21224.

Attachments:

1. Attachment 1 - Resolution Authorizing the Exception of the 180-Day Waiting Period

- 13.b. Authorize Staff to Research and Possibly Apply for CalTrans' Clean California Grant; Authorize City Manager to Execute Grant Documents.

Recommended Action: Authorize Staff to research and possibly apply for the CalTrans Clean California; authorize the City Manager to execute grant documents.

Attachments:

1. Guidelines - Clean CA Grant
2. FAQ - Clean CA Grant

- 13.c. Presentation of City's Audited Annual Comprehensive Financial Report (ACFR) and Audit Reports for the Year Ended June 30, 2021.

Recommended Action: Receive and file ACFR.

Attachments:

1. City of Ukiah ACFR, June 30, 2021
2. CAFR Presentation, 2021

- 13.d. Receive Updates; Discussion and Appointments Regarding 2022 Council Assignments; and Consideration of Disbandment and Modification to City Council Committees and Ad Hoc.

Recommended Action: 1) Receive report(s); 2) Discuss the Mayor's recommended assignments, making any possible appointments or re-assignments; 3) Consider the possible continuation, disbandment, and addition of City Council Ad Hoc and/or committees; and 4) Direct the City Clerk to finalize and attach the 2022 Council Assignments and Ad Hoc Committee List to the January 19, 2022, Minutes.

Attachments:

1. Draft 2022 City Council Special Assignments

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

- 14.a. **Conference with Legal Counsel—Anticipated Litigation**

(Government Code Section 54956.9(d)(2)or(3))

Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9: (Number of potential cases: 1)

Recommended Action:

Attachments: None

- 14.b. **Conference with Legal Counsel—Anticipated Litigation**
(Government Code Section 54956.9(d)(2)or(3))
Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9: (1 potential case, involving possible termination of construction contract for cause)
Recommended Action:
Attachments: None
- 14.c. **Conference with Legal Counsel – Existing Litigation**
(Government Code Section 54956.9(d)(1))
Name of case: Vichy Springs Resort v. City of Ukiah, Et Al; Case No. SCUК-CVPT-2018-70200
Recommended Action:
Attachments: None
- 14.d. **Conference with Legal Counsel – Existing Litigation**
(Government Code Section 54956.9(d)(1))
Name of case: Vichy Springs Resort v. City of Ukiah, Et Al; Case No. SCUК-CVPT-20-74612
Recommended Action: Confer in Closed Session
Attachments: None
- 14.e. **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. SCUК- CVPT-15-66036
Recommended Action: Confer in Closed Session
Attachments: None
- 14.f. **Conference with Legal Counsel – Existing Litigation**
(Cal. Gov’t Code Section 54956.9(d)(1))
Name of case: Siderakis v. Ukiah, et al, Mendocino County Superior Court, Case No. 21CV00603
Recommended Action: Confer in Closed Session
Attachments: None
- 14.g. **Conference with Legal Counsel – Existing Litigation**
(Government Code Section 54956.9(d)(1))
Name of case: Gerardo Magdaleno, by and through his Guardian Ad Litem, Pedro Francisco Magdaleno v. City of Ukiah, Justin Wyatt (Fed. Dist. Ct. N.D. Cal.) 3:21-2609 VC.
Recommended Action: Confer in Closed Session
Attachments: None
- 14.h. **Conference with Real Property Negotiators**
(Cal. Gov’t Code Section 54956.8)
Property: APN Nos: 003-500-19; 003-190-08; 057-050-12; 157-050-11; 157-060-003; 001-040-83; 157-050-03, 157-060-02, 157-050-04, 157-050-03, 157-030-02, 157-050-01, 157-050-02, 157-050-10, 157-050-09, 157-070-01, 157-070-02, 003-190-01; 003-181-01; 003-582-38
Negotiator: Sage Sangiacomo, City Manager;
Negotiating Parties: Dave Hull and Ric Piffero
Under Negotiation: Price & Terms of Payment
Recommended Action: Confer in Closed Session
Attachments: None

- 14.i. **Conference with Labor Negotiator (54957.6)**
Agency Representative: Sage Sangiacomo, City Manager
Employee Organizations: All Bargaining Units
Recommended Action: Confer in Closed Session
Attachments: None

15. ADJOURNMENT

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.

Kristine Lawler, City Clerk/CMC
Dated: 1/14/22



AGENDA SUMMARY REPORT

SUBJECT: Proclamation Recognizing Mel Grandi for His Significant Professional Contributions to the City of Ukiah Electric Utility Department and the Customers It Serves, and Rename the Substation on Orchard Avenue to Grandi Substation.

DEPARTMENT: Electric Utility

PREPARED BY: Cindy Sauers, Assistant Electric Utility Director

PRESENTER: Jim Brown, Mayor

ATTACHMENTS:

1. Grandi Sub Proclamation

Summary: The City Council will issue a Proclamation recognizing Mel Grandi for his service to the City of Ukiah and rename Orchard Substation to Grandi Substation.

Background: The City of Ukiah Electric Utility has been serving its electric customers for over 110 years. What began as a lighting company with a mere 20 lights grew to be a full-service electric utility company. Over the last 100 years, the electric utility industry has transformed and improved our quality of life. With humble beginnings in lighting, the industry took to heating and cooling our homes and office spaces. Today, it breathes life into the digital world we tap into with our smartphones and computers. We have become so accustomed to having power 24/7, that even a short outage causes stress and discomfort.

The City of Ukiah Electric Utility has changed with the times and countless men and women have worked to make these improvements a reality. One of these people is former Director Mel Grandi.

Discussion: In 2008, Mel Grandi was hired as the City of Ukiah Electric Utility Director. At that time, the Utility was facing significant challenges, including aging infrastructure, deferred maintenance and upgrades, and the need for a new substation. Director Grandi worked diligently and systematically to improve the system and change the culture of the Utility from reactive to proactive. The accomplishments that were achieved during Director Grandi's tenure include: designing and building a new substation; making countless improvements to Lake Mendocino Hydroelectric Plant; and purchasing and remodeling what will be the Electric Service Center. These larger projects do not overshadow the design improvements he made to the facilities throughout the City that deliver energy to each City of Ukiah customer. His commitment to the customers has been unwavering, and is most noticeable in the reduced outage times that have been realized.

It is Staff's recommendation that Council issue the Proclamation recognizing Mel Grandi for this service to the City of Ukiah, and rename Orchard Substation to Grandi Substation.

Recommended Action: Issue a Proclamation of the Ukiah City Council recognizing Mel Grandi for his service to the City of Ukiah, and rename Orchard Substation to Grandi Substation.

BUDGET AMENDMENT REQUIRED: No

CURRENT BUDGET AMOUNT: N/A

PROPOSED BUDGET AMOUNT: N/A

FINANCING SOURCE: N/A

PREVIOUS CONTRACT/PURCHASE ORDER NO.:

COORDINATED WITH: Sage Sangiacomo, City Manager

Approved: 
Sage Sangiacomo, City Manager

P ROCLAMATION CITY OF UKIAH

RECOGNIZING MEL GRANDI FOR HIS SIGNIFICANT PROFESSIONAL CONTRIBUTIONS TO THE CITY OF UKIAH ELECTRIC UTILITY DEPARTMENT AND THE CUSTOMERS IT SERVES.

WHEREAS, Mel Grandi, PE, Electric Utility Director of the City of Ukiah, retired on December 30, 2021, after completing outstanding service to the City since 2008; and

WHEREAS, Mr. Grandi received a Bachelor of Science degree from UC Davis in 1979; and

WHEREAS, Mr. Grandi served in various engineering and management capacities at Mare Island Naval Shipyard, General Electric, Guadalupe Valley Electric Cooperative, and Lodi Electric; and

WHEREAS, Mr. Grandi has demonstrated an unwavering commitment to the City of Ukiah, its Electric Utility and the customers it serves; and

WHEREAS, Mr. Grandi has made significant contributions to the City of Ukiah's Electric Utility in the building of the new substation, Electric Service Center, and countless other improvements increasing reliability and resiliency of the City's electric system; and

WHEREAS, Mr. Grandi has earned the admiration and respect of City officials, his staff and his peers for his dedication and hard work.

NOW, THEREFORE BE IT RESOLVED, that the Council of the City of Ukiah takes great pleasure in recognizing the significant professional contributions made by Mr. Mel Grandi and herewith expresses its sincere gratitude for the invaluable contributions he has made to the City of Ukiah; and

BE IT FURTHER RESOLVED that the Orchard Substation, located at 724 South Orchard Avenue in the City of Ukiah, be named Grandi Substation in honor of Mr. Grandi.

*Signed and sealed, this 19th day of January
in the year Two Thousand and Twenty-Two.*

*Jim O. Brown
City Council, Mayor*



AGENDA SUMMARY REPORT

SUBJECT: Presentation of the City of Ukiah Equity Action Plan and Approval of a Resolution Adopting the Equity Action Plan Created by the Equity and Diversity Standing Committee and Changing the Name of the Committee to the Diversity and Equity Standing Committee.

DEPARTMENT: City Manager /
Admin

PREPARED BY: Traci Boyl, Management Analyst

PRESENTER: Traci Boyl, Management Analyst

ATTACHMENTS:

1. Equity Action Plan & Wrksht
2. Resolution Adopting Equity Action Plan and Changing Committee Name (2)

Summary: The City Council will receive a presentation and consider approving the Resolution adopting the City of Ukiah Equity Action Plan created by the Equity and Diversity Standing Committee and changing the name of the Committee to the Diversity and Equity Standing Committee.

Background: The City of Ukiah declared a commitment to diversity, equity, and inclusion on July 1, 2020, when the City Council established an Equity and Diversity Ad Hoc committee to ensure a comprehensive approach to continue the forward progress and evolution of our agency and services.

Then, on October 7, 2020, the City Council further established this commitment to diversity, equity, and inclusion when the Ad Hoc was dissolved and City Council adopted Resolution 2020-59 to establish an eleven (11) member Equity and Diversity Standing Committee. The Committee was tasked with developing a written Action Plan to improve diversity, equity, and inclusion within the City workforce and in providing municipal services, to oversee the implementation of the Action Plan, to provide an annual review, and to propose revisions to the Action Plan as necessary.

The City of Ukiah Equity and Diversity Committee has been meeting on a regular, monthly basis since its formation in 2020, and has actively participated in numerous diversity, equity, and inclusion-related discussions and training. The Committee has received input from various demographic groups represented on the Committee, engaged in informative presentations from many of the City's departments including, Police, Fire, Community Development, Community Services, and the City Manager's Office, and has been actively participating in the City's 2040 General Plan update. The Committee has actively engaged and assisted City staff in the development of several equity-related initiatives and projects for the City of Ukiah, including the development of a schedule of diversity, equity, and inclusion-related proclamations accepted by the City Council on November 17, 2021, a resolution to officially designate the second Monday in October each year as Indigenous People's Day in the City of Ukiah adopted by the Ukiah City Council on October 6, 2021, and an Equity webpage on the City's website.

Discussion: With input from City staff, consideration of the scope of the City's influence and authority, and special consideration of the unique challenges and needs of the whole community, the Committee developed an Equity Action Plan (Attachment 1). The plan identifies and establishes equity objectives and goals, specific steps, and measurable indicators for each goal.

On December 13, 2021, at their regularly scheduled meeting, The City's Executive Leadership Team received

a presentation and copy of the draft plan and had the opportunity to provide additional feedback, ask questions, and discuss strategies for plan implementation.

Therefore, Staff recommends that Council approve the Resolution (Attachment 2) adopting the Equity Action Plan and changing the name of the Committee to the Diversity and Equity Standing Committee in furtherance of the City's effort to reflect the diversity of the community we serve, to integrate equitable public service, and promote opportunity for all individuals and groups. Changing the name of the Committee from the Equity and Diversity Standing Committee to the Diversity and Equity Standing Committee and changing the representative seat designated for an individual from an LGBTQA to LGBTQA+ explicitly sets forth the Committee's intent to improve diversity and equity by adopting common, recognizable equity-related language used throughout the country in committees, policies and programs, and initiatives. If the plan is adopted, staff will begin implementing the plan immediately.

Recommended Action: Receive presentation of the City of Ukiah Equity Action Plan and approve the Resolution adopting the City of Ukiah Equity Action Plan created by the Equity and Diversity Standing Committee and changing the name of the Committee to the Diversity and Equity Standing Committee.

BUDGET AMENDMENT REQUIRED: N/A

CURRENT BUDGET AMOUNT: N/A

PROPOSED BUDGET AMOUNT: N/A

FINANCING SOURCE: N/A

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH: Diversity and Equity Standing Committee and Various City Staff

Approved: 
Sage Sangiacomo, City Manager



City of Ukiah

EQUITY ACTION PLAN

January 2022



Executive Summary

At the City of Ukiah, we understand that we have a unique responsibility to all residents as local government and public servants. We know that it is not enough to prioritize diversity. We must also prioritize equity and inclusion to create a culture where every individual and group is welcomed, respected, and provided the opportunity to participate fully. As part of the City's ongoing effort to reflect the diversity of the community we serve, integrate equitable public service, and promote opportunity for all individuals and groups, we have developed this Equity Action Plan.

MISSION/OBJECTIVE

With community engagement, develop an action plan to foster equity and diversity in the organization and our community. Review policies, practices, and procedures to promote and enhance equal participation and access to services, resources, and life opportunities and ensure our organization accurately reflects our community's diversity.

PLAN DEVELOPMENT

The City of Ukiah Equity Action Plan identifies and establishes equity objectives and goals, specific steps, and measurable indicators for each goal. In addition, the Equity Action Plan establishes accountability through an internal and external process and an annual accountability report to the Ukiah City Council to achieve a collective vision of diversity, equity, and inclusion within the organization and our community.

ASPIRATIONAL GOALS AND EXPECTED OUTCOMES

- Create and sustain a diverse, equitable, and inclusive workplace and workforce that reflects, values, and celebrates the diverse community we serve.
- Eliminate internal and external barriers to diversity, equity, and inclusion within the systems of our organization.
- Recruit, retain, and advance a community of staff that reflects, values, and celebrates the diversity of the community we serve.
- Identify and engage underrepresented communities in which to retain, expand, develop, and implement programs.
- Instill diversity, equity, and inclusion as essential core elements of policy-making, accountability, and delivery of City services.
- Ensure accountability in the implementation of goals and assessment of progress toward outcomes.

¹GOALS, STRATEGIES, AND SPECIFIC STEPS

Goal 1. Create and sustain a diverse, equitable, and inclusive workplace and workforce that reflects, values, and celebrates the diverse community we serve.

STRATEGY: Consistently, clearly, and boldly communicate that diversity, equity, and inclusion (DEI) are critical to the City's values.

CRITICAL STEPS

- Create and adopt a Diversity, Equity, and Inclusion statement
- Integrate the Diversity, Equity, and Inclusion statement into City initiatives and communication materials
- Create a schedule of recommended proclamations to celebrate the diversity of our community and educate and raise awareness of diversity, equity, and inclusion-related issues
- Create an Equity webpage on the City's website
- Create a social media and website campaign that highlights the value of the diversity of the organization

Goal 2. Eliminate internal and external barriers to Diversity, Equity, and Inclusion within the systems of our organization.

STRATEGY A: Improve access to City communication, public meetings, and essential services to remove barriers to inclusivity.

CRITICAL STEPS

- Develop a plan to improve the accessibility of public meetings
- Identify, develop, and implement strategies to improve the accessibility to including but not limited to, the City's website, social media content, program applications, and requests for proposal
- Evaluate essential services to identify strengths and identify and remedy barriers
- Provide ongoing education and training on the plans and strategies identified

STRATEGY B: Improve the organization's recruitment, development, and retention practices to remove barriers within these processes.

CRITICAL STEPS

- Review recruitment, development, and retention practices to identify barriers to employment and create a plan to reduce those barriers, including but not limited

¹ Critical Steps are organized by order, not priority.

- to the development and implementation, of a recruitment plan designed to increase employment that accurately reflects the community we serve
- Develop and implement an oversight process to ensure diversity in hiring, evaluation, and promotion
- Develop annual employee surveys that include diversity, equity, and inclusion topics and identify a review team to assess the survey, prepare a summary, and make recommendations to City leadership

Goal 3. Recruit, retain, and advance a community of staff that reflects, values, and celebrates the diversity of the community we serve.

STRATEGY: Strengthen the City to advance diversity, equity, and inclusion efforts and to provide equitable and inclusive advancement opportunities for all staff. Listen to staff, committee, commission, and Council Members and value and consider their opinions, perspectives, and actions.

CRITICAL STEPS

- Create a mentorship program to create mentoring opportunities throughout the organization
- Mandate diversity, equity, and inclusion training for all new hires during the orientation process
- Mandate biannual diversity, equity, and inclusion training for all current employees

Goal 4. Identify and actively engage underrepresented communities in which to retain, expand, develop, and implement programs.

STRATEGY: Leverage existing resources to conduct asset-mapping and develop a needs assessment with recommendations inclusive of input from underrepresented members of the community.

CRITICAL STEPS

- Coordinate with existing groups representing the diversity of the community we serve to identify the best methods for connecting with those groups
- Conduct focus groups and listening sessions
- Conduct community-wide surveys
- Provide ongoing recommendations regarding the needs assessment to City leadership

Goal 5. Instill diversity, equity, and inclusion as essential core elements of policy-making, accountability, and delivery of City services.

STRATEGY A: Increase the diversity of the City's Boards, Commissions, and Committees to accurately reflect the community we serve.

CRITICAL STEPS

- Add diversity/inclusivity questions to all board, commission, and committee applications to evaluate applicants' understanding of/and experience working within diverse groups
- Identify and implement methods of engaging and advertising employment and board/committee openings to reach a more diverse audience of potential applicants

STRATEGY B: Improve the quantity, quality, and accessibility of City programs to reflect the needs of the diverse community we serve.

CRITICAL STEPS

- Conduct a community-wide survey to assess program needs and/or interests
- Complete an inventory and analysis of existing programs to identify gaps and create a plan to reduce the identified gaps

Goal 6. Ensure accountability in the implementation of goals and assessment of progress toward outcomes

STRATEGY: Develop internal and external processes to preserve and ensure accountability in the process and implementation of goals, strategies, and critical steps to evaluate the progress to achieve the outcomes and goals and to assist in the annual accountability report to the Ukiah City Council.

CRITICAL STEPS

- Celebrate achievements
- Make recommendations for corrective action through ongoing monitoring and evaluation by the Committee

GOAL 1. Create and sustain a diverse, equitable, and inclusive workplace and workforce that reflects, values, and celebrates the diverse community we serve. <i>STRATEGY: Consistently, clearly, and boldly communicate that diversity, equity, and inclusion (DEI) are critical to the City's values.</i>			
<i>Outcomes and Actions</i>	<i>Target Date</i>	<i>Responsible Dept./Committee</i>	<i>Performance Measure</i>
Create and adopt a Diversity, Equity, and Inclusion statement	Dec. 2022	CM Office/Diversity and Equity Committee	Statement created
Integrate the Diversity, Equity, and Inclusion statement into City initiatives and communication materials	Dec. 2022	CM Office/Diversity and Equity Committee	Statement will be integrated into City initiatives and communication materials
Create a schedule of recommended proclamations to celebrate the diversity of our community and educate and raise awareness of diversity, equity, and inclusion related issues	Jan. 2022	CM Office/Diversity and Equity Committee	Schedule of recommended Proclamations received by City Council
Create an Equity webpage on the City's website	Jan. 2022	CM Office	Webpage created
Create a social media and website campaign that highlights the value of the diversity of the organization	July 2022	CM Office	Social media and website campaign created and initial roll-out has begun
GOAL 2. Eliminate internal and external barriers to Diversity, Equity, and Inclusion within the systems of the organization. <i>STRATEGY A: Improve access to City communication, public meetings, and essential services to remove barriers to inclusivity.</i>			
<i>Outcomes and Actions</i>	<i>Target Date</i>	<i>Responsible Dept./Committee</i>	<i>Performance Measure</i>
Develop a plan to improve the accessibility of public meetings	December 2022	CM Office/City Clerk	A plan created and ready for implementation

Identify, develop, and implement strategies to improve the accessibility to including but not limited to, the City's website, social media content, program applications, and requests for proposal	December 2022	CM Office	Documented strategies to improve accessibility
Evaluate essential services to identify strengths and to identify and remedy barriers	December 2022	CM Office	Documented process for essential service evaluation, including strengths and barriers, and identified remedies. Documented summary of identified barriers and action taken to remedy.
Provide ongoing education and training on the plans and strategies identified	December 2023	CM Office/HR Dept.	Summary of education and training activities related to identified strategies
GOAL 2. Eliminate internal and external barriers to Diversity, Equity, and Inclusion within the systems of the organization. STRATEGY B: Improve the organization's recruitment, development, and retention practices to remove barriers within these processes.			
Outcomes and Actions	Target Date	Responsible Dept./Committee	Performance Measure
Review recruitment, development, and retention practices to identify barriers to employment and create a plan to reduce those barriers, including but not limited to the development and implementation, of a recruitment plan designed to increase employment that accurately reflects the community we serve	July 2023	CM Office/HR Dept.	Recruitment, development, retention practices plan complete and ready for implementation.
Develop and implement an oversight process to ensure diversity in hiring, evaluation, and promotion	December 2023	CM Office/HR Dept.	Oversight process developed and implemented.
Develop annual employee surveys that include diversity, equity, and inclusion topics and identify a review team to assess the survey, prepare a summary, and make recommendations to city leadership	Jan. 2023	CM Office/HR Dept.	Annual surveys developed. The review team identified.
GOAL 3. Recruit, retain, and advance a diverse community of staff that reflects, values, and celebrates the diversity of the community we serve.			

STRATEGY: Strengthen the City to advance diversity, equity, and inclusion efforts and to provide equitable and inclusive opportunities for advancement for all staff. Listen to staff, committee, commission, and Council Members and value and consider their opinions, perspectives, and actions.			
<i>Outcomes and Actions</i>	<i>Target Date</i>	<i>Responsible Dept./Committee</i>	<i>Performance Measure</i>
Create a mentorship program to create mentoring opportunities throughout the organization	July 2022	CM Office	Program created and implemented
Mandate diversity, equity, and inclusion training for all new hires during the orientation process Mandate biannual diversity, equity, and inclusion training for all current employees	July 2022	CM Office/HR Dept.	Diversity, Equity, and Inclusion training included in new employee orientation process and diversity, equity, and inclusion training scheduled for all employees
GOAL 4. Identify and engage underrepresented communities in which to retain, expand, develop, and implement programs STRATEGY: Leverage existing resources to conduct asset-mapping and develop a needs assessment with recommendations inclusive of input from underrepresented members of the community			
<i>Outcomes and Actions</i>	<i>Target Date</i>	<i>Responsible Dept./Committee</i>	<i>Performance Measure</i>
Coordinate with existing groups representing the diversity of the community we serve to identify the best methods for connecting with those groups	December 2022	CM Office/Diversity and Equity Committee	Detailed database of identified groups and their contact info. including best ways to connect developed
Conduct focus groups and listening sessions	December 2022	CM Office/Diversity and Equity Committee	Documented summary of focus group and listening sessions
Conduct community-wide surveys	December 2022	CM Office	Documented summary of surveys and results
Provide ongoing recommendations regarding the need assessment to City leadership	December 2022	CM Office/Diversity and Equity Committee	Quarterly recommendation reports from the Ad Hoc to City leadership

GOAL 5. Instill diversity, equity, and inclusion as essential core elements of policy-making, accountability, and delivery of City services. STRATEGY A: Increase the diversity of the City's Boards, Commissions, and Committees to accurately reflect the diversity of the community we serve.			
<i>Outcomes and Actions</i>	<i>Target Date</i>	<i>Responsible Dept./Committee</i>	<i>Performance Measure</i>
Add diversity/inclusivity questions to all board, commission, and committee applications to evaluate applicants' understanding of/and experience working with diverse groups	July 2022	CM Office/City Clerk	Diversity and inclusivity questions included on all board, commission, and committee applications
Identify and implement methods of engaging and advertising employment and board/committee openings to reach a more diverse audience of potential applicants	July 2022	CM Office/HR Dept.	Identified summary of methods implemented to engage and advertise for employment and board/committee openings.
GOAL 5. Instill diversity, equity, and inclusion as essential core elements of policy-making, accountability, and delivery of City services. STRATEGY B: Improve the quantity, quality, and accessibility of city programs to reflect the needs of the diverse community we serve.			
<i>Outcomes and Actions</i>	<i>Target Date</i>	<i>Responsible Dept./Committee</i>	<i>Performance Measure</i>
Conduct a community-wide survey to assess program needs and/or interests	December 2022	CM Office	Survey with results conducted.
Complete an inventory and analysis of existing programs to identify gaps and create a plan to reduce the identified gaps	December 2022	CM Office	Analysis complete, gaps identified, and a plan to reduce the gaps ready for implementation.
GOAL 6. Ensure accountability in the implementation of goals and assessment of progress toward outcomes STRATEGY: Develop external processes to preserve and ensure accountability in the process and implementation of goals, strategies, and critical steps to evaluate the progress towards the outcomes and goals and to assist in the annual accountability report to the Ukiah City Council			
<i>Outcomes and Actions</i>	<i>Target Date</i>	<i>Responsible Dept./Committee</i>	<i>Performance Measure</i>

Celebrate achievements and make recommendations for corrective action through ongoing monitoring and quarterly evaluations by the Committee	April 2022 (ongoing)	CM Office/Diversity and Equity Committee	Quarterly progress reports and press release summarizing recommendations and achievements
---	-------------------------	--	---

GOAL 1. Create and sustain an equitable, diverse, and inclusive workplace and workforce that reflects, values, and celebrates the diverse community we serve.			2022												2023												
STRATEGY: Consistently, clearly, and boldly communicate that diversity, equity, and inclusion (DEI) are critical to the City's values																											
Outcomes and Actions	Responsible Dept./Committee	Performance Measure	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Status/Notes
Create and adopt a Diversity, Equity and Inclusion statement	CM Office/Diversity and Equity Committee	Statement created																									
Integrate the Diversity, Equity, and Inclusion statement into City initiatives and communication materials	CM Office/Diversity and Equity Committee	Statement will be integrated into City initiatives and communication materials																									
Create a schedule of recommended proclamations to celebrate the diversity of our community and educate and raise awareness of diversity, equity, and inclusion related issues	CM Office/Diversity and Equity Committee	Schedule of recommended Proclamations received by City Council																									
Create an Equity webpage on the City's website	CM Office	webpage created																									
Create a social media and website campaign that highlights the value of the diversity of the organization	CM Office	Social media and website campaign created and initial roll-out has begun																									
GOAL 2. Eliminate internal and external barriers to Diversity, Equity, and Inclusion within the systems of the organization.			2022												2023												
STRATEGY A: Improve access to City communication, public meetings, and essential services to remove barriers to inclusivity.																											
Outcomes and Actions	Responsible Dept./Committee	Performance Measure	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Status/Notes
Develop a plan to improve the accessibility of public meetings	CM Office/City Clerk	A plan created and ready for implementation																									
Identify, develop, and implement strategies to improve the accessibility to including but not limited to, the City's website, social media content, program applications, and requests for proposal	CM Office	Documented identified strategies implemented																									
Evaluate essential services to identify strengths and to identify and remedy barriers	CM Office	Documented process for essential service evaluation, including strengths and barriers, and identified remedies. Documented summary of identified barriers and action taken to remedy.																									
Provide ongoing education and training on the plans and strategies identified	CM Office/HR Dept.	Summary of education and training activities related to identified strategies																									
GOAL 2. Eliminate internal and external barriers to Diversity, Equity, and Inclusion within the systems of the organization.			2022												2023												
STRATEGY B: Improve the organization's recruitment, development, and retention practices to remove barriers within these processes.																											
Outcomes and Actions	Responsible Dept./Committee	Performance Measure	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Status/Notes
Review recruitment, development, and retention practices to identify barriers to employment and create a plan to reduce those barriers, including but not limited to the development and implementation, of a recruitment plan designed to increase employment that accurately reflects the community we serve	CM Office/HR Dept.	Recruitment, development, retention practices plan complete and ready for implementation.																									
Develop and implement an oversight process to ensure diversity in hiring, evaluation, and promotion	CM Office/HR Dept.	Oversight process developed and implemented.																									
Develop annual employee surveys that include diversity, equity, and inclusion topics and identify a review team to assess the survey, prepare a summary, and make recommendations to city leadership	CM Office/HR Dept.	Annual surveys developed. The review team identified.																									
GOAL 3. Recruit, retain, and advance a community of staff that reflects, values, and celebrates the diversity of the community we serve.			2022												2023												
STRATEGY: Strengthen the City to advance diversity, equity, and inclusion efforts and to provide equitable and inclusive opportunities for advancement for all staff. Listen to City staff, committee, commission, and Council members, and value and consider their opinions, perspectives, and actions.																											
Outcomes and Actions	Responsible Dept./Committee	Performance Measure	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Status/Notes
Create a mentorship program to create mentoring opportunities throughout the organization	CM Office	Program created and implemented																									
Mandate diversity, equity, and inclusion training for all new hires during the orientation process	CM Office/HR Dept.	Diversity, Equity, and Inclusion training included in new employee orientation process and diversity, equity, and inclusion training scheduled for all employees																									
Mandate biannual diversity, equity, and inclusion training for all current employees																											
			1st Quarter			2nd Quarter			3rd Quarter			4th Quarter			1st Quarter			2nd Quarter			3rd Quarter			4th Quarter			

GOAL 4. Identify and actively engage underrepresented communities in which to retain, expand, develop, and implement programs			2022												2023												
STRATEGY: Leverage existing resources to conduct asset-mapping and develop a needs assessment with recommendations inclusive of input from underrepresented members of the community																											
Outcomes and Actions	Responsible Dept./Committee	Performance Measure	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Status/Notes
Coordinate with existing groups representing the diversity of the community we serve to identify the best methods for connecting with those groups	CM Office/Diversity and Equity Committee	Detailed database of identified groups and their contact info. including best ways to connect developed																									
Conduct focus groups and listening sessions	CM Office/Diversity and Equity Committee	Documented summary of focus group and listening sessions																									
Conduct community-wide surveys	CM Office	Documented summary of surveys and results																									
Provide ongoing recommendations regarding the need assessment to City leadership	CM Office/Diversity and Equity Committee	Quarterly recommendation reports from the Ad Hoc to City leadership																									
GOAL 5. Instill diversity, equity, and inclusion as essential core elements of policy-making, accountability, and delivery of City services.			2022												2023												
STRATEGY A: Increase the diversity of the City's Boards, Commissions, and Committees to accurately reflect the diversity of the community we serve.																											
Outcomes and Actions	Responsible Dept./Committee	Performance Measure	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Status/Notes
Add diversity/inclusivity questions to all board, commission, and committee applications to evaluate applicants' understanding of/and experience working with diverse groups	CM Office/City Clerk	Diversity and inclusivity questions included on all board, commission, and committee applications																									
Identify and implement methods of engaging and advertising employment and board/committee openings to reach a more diverse audience of potential applicants	CM Office/HR Dept.	Identified summary of methods implemented to engage and advertise for employment and board/committee openings.																									
GOAL 5. Instill diversity, equity, and inclusion as essential core elements of policy-making, accountability, and delivery of City services.			2022												2023												
STRATEGY B: Improve the quantity, quality, and accessibility of city programs to reflect the needs of the diverse community we serve.																											
Outcomes and Actions	Responsible Dept./Committee	Performance Measure	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Status/Notes
Conduct a community-wide survey to assess program needs and/or interests in the community	CM Office	Survey with results conducted.																									
Complete an inventory and analysis of existing programs to identify gaps and create a plan to reduce the identified gaps	CM Office	Analysis complete, gaps identified, and a plan to reduce the gaps ready for implementation.																									
GOAL 6. Ensure accountability in the implementation of goals and assessment of progress toward outcomes			2022												2023												
STRATEGY: Develop external processes to preserve and ensure accountability in the process and implementation of goals, strategies, and critical steps to evaluate the progress towards the outcomes and goals and to assist in the annual accountability report to the Ukiah City Council																											
Outcomes and Actions	Responsible Dept./Committee	Performance Measure	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Status/Notes
Celebrate achievements and make recommendations for corrective action through ongoing monitoring and quarterly evaluations by the Committee	CM Office/Diversity and Equity Committee	Quarterly progress reports and press release summarizing recommendations and achievements																									
			1st Quarter		2nd Quarter		3rd Quarter		4th Quarter		1st Quarter		2nd Quarter		3rd Quarter		4th Quarter										

RESOLUTION NO. 2022-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UKIAH ADOPTING
EQUITY ACTION PLAN CREATED BY THE EQUITY AND DIVERSITY
STANDING COMMITTEE AND CHANGING THE NAME OF THE
COMMITTEE TO THE DIVERSITY AND EQUITY STANDING COMMITTEE**

WHEREAS:

1. The City established the Equity and Diversity Standing Committee ("Committee") by Resolution 2020-50; and
2. The duties assigned to the Committee including adopting written objectives to improve diversity and equity in the City's workforce and in the provision of municipal services, developing a written Action Plan to achieve those objectives, and implementing and overseeing the Action Plan; and
3. The Committee has since developed the City of Ukiah Equity Action Plan setting forth goals and objectives to improve diversity and equity in the City's workforce and in the provision of municipal services, and the concrete steps taken to achieve those goals and objectives; and
4. The Equity Action Plan is ready for adoption by the Council; and
5. In order to explicitly set forth the Committee's intent to improve diversity and equity, the Committee has recommended that the name of the Committee be changed to the Diversity and Equity Standing Committee, and that the representative seat designated for an individual from a LGBTQA group should be changed to a LGBTQA+ group.

NOW, THEREFORE BE IT RESOLVED as follows:

1. The City Council of the City of Ukiah hereby adopts the City of Ukiah Equity Action Plan. The City of Ukiah Equity Action Plan is set forth in Attachment 1, attached hereto and by reference incorporated herein.
2. The name of the Standing Committee of the City Council known as the Equity and Diversity Standing Committee shall be changed to the Diversity and Equity Standing Committee ("Committee").
3. One member of the Committee shall be from an organization in the City of Ukiah of the Ukiah Valley, including Redwood and Potter Valleys, which serves or represents persons from the LGBTQA+ community.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Ukiah on the 19th day of January, 2022 by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Jim O. Brown, Mayor

ATTEST:

Kristine Lawler, City Clerk

CITY OF UKIAH
CITY COUNCIL MINUTES
Special Meeting
Virtual Meeting Link: <https://zoom.us/j/97199426600>
Ukiah, CA 95482
December 13, 2021
5:00 p.m.

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

Ukiah City Council met at a Special Meeting on December 13, 2021, having been legally noticed on December 10, 2021. The meeting was held virtually at the following link: <https://zoom.us/j/97199426600>. Mayor Orozco called the meeting to order at 5:24 p.m. Roll was taken with the following **Councilmembers Present:** Douglas F. Crane, Josefina Duenas, Jim O. Brown, and Juan V. Orozco. **Councilmembers Absent:** Mari Rodin, **Staff Present:** Sage Sangiacomo, City Manager; David Rapport, City Attorney; Darcy Vaughn, Assistant City Attorney; and Kristine Lawler, City Clerk.

MAYOR OROZCO PRESIDING.

The Pledge of Allegiance was led by Vice Mayor Brown.

2. AUDIENCE COMMENTS ON NON-AGENDA ITEMS

No public comment was received.

3. UNFINISHED BUSINESS

a. Capital Financing Plan Workshop #2.

Presenters: Dan Buffalo, Finance Director; Andrew Stricklin, Associate Engineer; Jason Benson, Senior Civil Engineer; Cindy Sauers, Assistant Electric Utility Director; and Shannon Riley, Deputy City Manager.

A PowerPoint Presentation was presented.

RECESS 7:32 – 7:37 P.M.

4. NEW BUSINESS

5. ADJOURNMENT

There being no further business, the meeting adjourned at 8:02 p.m.

Kristine Lawler, City Clerk/CMC

**CITY OF UKIAH
CITY COUNCIL MINUTES
Regular Meeting
Virtual Meeting Link: <https://zoom.us/j/97199426600>
Ukiah, CA 95482
December 15, 2021
6:00 p.m.**

1. ROLL CALL

Ukiah City Council met at a Regular Meeting on January 6, 2021, having been legally noticed on January 10, 2021. The meeting was held virtually at the following link: <https://zoom.us/j/97199426600>. Mayor Orozco called the meeting to order at 6:15 p.m. Roll was taken with the following **Councilmembers Present:** Douglas F. Crane (*arriving at 6:42 p.m.*), Mari Rodin, Josefina Dueñas (*arriving at 6:50 p.m.*), Jim O. Brown, and Juan V. Orozco. **Staff Present:** Sage Sangiacomo, City Manager; David Rapport, City Attorney; and Kristine Lawler, City Clerk.

MAYOR OROZCO PRESIDING.

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mayor Orozco.

3. PROCLAMATIONS/INTRODUCTIONS/PRESENTATIONS

a. Presentation of the Mayor's Plaque.

Presenter: Vice Mayor Brown.

Public Comment: Jackeline Orozco, Rebeca Orozco, and Traci Boyl (*due to technical difficulties, the clerk read the statement from Ms. Boyl*).

Plaque was received by Mayor Orozco.

b. Annual Appointment of New Mayor and Vice Mayor, and Council Reorganization.

Presenter: Kristine Lawler, City Clerk/CMC

No public comment was received.

Motion by Councilmember Rodin, seconded by Mayor Orozco for the recommended action.

Councilmember Crane arrived at 6:42 p.m.

Councilmember Crane arrived at 6:50 p.m.

Upon further discussion, Council member Rodin revised her motion as follows:

Motion/Second: Rodin/Crane to nominate and appoint Councilmember Brown for Mayor for 2022. Motion **carried** by the following roll call votes: AYES: Crane, Rodin, Dueñas, Brown, and Orozco. NOES: None. ABSENT: None. ABSTAIN: None.

Motion/Second: Crane/Brown to nominate and appoint Councilmember Duenas for Vice Mayor. Motion **carried** by the following roll call votes: AYES: Crane, Rodin, Dueñas, Brown, and Orozco. NOES: None. ABSENT: None. ABSTAIN: None.

Motion/Second: Brown/Crane to approve the Council reorganization [*recommended rotation*] for the remaining Councilmembers. Motion **carried** by the following roll call votes: AYES: Crane, Rodin, Dueñas, Brown, and Orozco. NOES: None. ABSENT: None. ABSTAIN: None.

MAYOR BROWN PRESIDING.

c. Proclamation Recognizing a Renewed Commitment to Diversity, Equity, and Inclusion in the City of Ukiah.

Presenter: Mayor Brown.

Proclamation was received by Councilmember Orozco

4. PETITIONS AND COMMUNICATIONS

5. APPROVAL OF MINUTES

a. Approval of the Minutes for the November 17, 2021, Regular Meeting.

Motion/Second: Rodin/Crane to approve Minutes of November 17, 2021, a regular meeting, as submitted. Motion **carried** by the following roll call votes: AYES: Crane, Rodin, Dueñas, Brown, and Orozco. NOES: None. ABSENT: None. ABSTAIN: None.

6. RIGHT TO APPEAL DECISION

7. CONSENT CALENDAR

- a. Report of Disbursements for the Month of October 2021 - *Finance*.
- b. Report of Disbursements for the Month of November 2021 - *Finance*.
- c. Adoption of Resolution (2021-59) of the City Council Reconsidering the Circumstances of the State of Emergency and Implementing Teleconferencing Requirements for City Council and Board and Commission Meetings During a Proclaimed State of Emergency Due to the COVID-19 Pandemic – *City Attorney*.
- d. Adopt the Resolution (2021-60) Approving the Fourth Addendum to the Recycled Water Project Initial Study/Mitigated Negative Declaration (IS/MND) – *Water Resources*.
- e. Adoption of Resolutions Authorizing Grant Applications Related to the Emergency Intertie Pump Project (2021-61) COU No. 2122-156), the Groundwater Resiliency Project (2021-62) (COU No. 2122-157), and Phase 4 of the Recycled Water Project (2021-63) (COU No. 2122-158); and Approval of the Community Development Director's Determination that the Groundwater Resiliency Grant Project Qualifies for a CEQA Exemption – *Water Resources*.
- f. Adoption of Resolution (2021-64) Making an Appointment to the Parks, Recreation, and Golf Commission (PRGC) – *City Clerk*.
- g. Approval of Plans and Specifications No. 21-06 for the Runway 15-33 Pavement Rehabilitation Phase 2, and Authorize Staff to Issue Bids for Specification No. 21-06, to be Funded by FAA Grant, California State Grant and Local Funds - *Airport*.
- h. Conditional Award of Purchase (PO No. 47639) of a Permanent Back-Up Power Generator for the Ukiah Valley Conference Center in the Amount of \$53,871.35 to Valley Power Systems, Inc., to be Funded through 20-CDBG-CV1-00004 – *Community Development & Services*.

- i. Approve the Purchase of Printing Services (COU No. 2122-159) for the Activities and Recreation Guide from Wesco Graphics in the Amount of \$47,774.61 – *Community Services*.
- j. Approval of New Classifications in the Financial Services Specialist Series, and Corresponding Budget Amendment to the Finance Department Personnel Allocations - *Finance*.
- k. Receive and File Report of Acquisition of Professional Services (PO No. 47602) from Alpha Analytical Laboratories, Inc. in the Amount of \$20,712.85 for Quarterly Water Sampling and Completion of Chemical Examination Reports for the Ukiah Landfill – *Public Works*.
- l. Approve Change Order #09 (COU No. 2021-087-CO9) to CV Larsen Company in the Amount of \$146,405.36 and Extend the Pressure Zone 2 South Reservoir Replacement Project, Specification No. 20-02 for a Total Revised Contract Amount of \$1,353,129.45, and Approve Corresponding Budget Amendment – *Water Resources*.
- m. Review and Consider the Fiscal Year 2022-23 Budget Development Schedule - *Finance*.
- n. Approve a Budget Amendment to the Water Operation and Maintenance Fund, for Possible Expenses in the 2021/2022 Fiscal Year Related to Equipment Maintenance and Repair, Using Water Resources Reserve Funds – *Water Resources*.

Motion/Second: Crane/Rodin to approve Consent Calendar Items 7a-7n, with the replaced Attachment 4 on Agenda Item 7e. Motion **carried** by the following roll call votes: AYES: Orozco, Crane, Rodin, Dueñas, 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 Orozco.

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

Presenters:

- **Activities Impacting Local Businesses** – Noble Waidelich, Police Chief.
- **Announcement of Swearing-in Ceremony for Police Chief, Captain, and Lieutenant** – Sage Sangiacomo, City Manager and Noble Waidelich, Police Chief.
- **Announcement Regarding Annual Legislative Agenda Item** – Shannon Riley, Deputy City Manager.

11. **PUBLIC HEARINGS (6:15 PM)**

- a. **Conduct a Public Hearing and Consider Adopting Respective Resolutions Authorizing Lease Revenue Bonds, Series 2022 to Renovate the City Corporation Yard and Construct Improvements to Various City Streets.**

Presenter: Dan Buffalo, Finance Director.

No public comment in respect to a continuation of the meeting was received.

Motion/Second: Crane/Rodin to continue this item to the January 19, 2022, [at 6:00 p.m.] Council Meeting. Motion **carried** by the following roll call votes: AYES: Orozco, Crane, Rodin, Dueñas, and Brown. NOES: None. ABSENT: None. ABSTAIN: None.

The City Council adjourned the Regular Meeting and convened as the Ukiah Public Financing Authority at 7:20 p.m.

1. **ROLL CALL AND PLEDGE OF ALLEGIANCE**

City Clerk, Kristine Lawler, stated that all members were present.

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

No public comment was received.

3. **UNFINISHED BUSINESS**

a. **Consider Adopting Respective Resolutions Authorizing Lease Revenue Bonds, Series 2022 to Renovate the City Corporation Yard and Construct Improvements to Various City Streets.**

Presenter: Dan Buffalo, Finance Director.

No public comment was received.

Motion/Second: Doug/Orozco to continue this item to the January 19, 2022, Council Meeting. Motion **carried** by the following roll call votes: AYES: Orozco, Crane, Rodin, Dueñas, and Brown. NOES: None. ABSENT: None. ABSTAIN: None.

4. **NEW BUSINESS**

5. **ADJOURNMENT**

The Ukiah Public Financing Authority adjourned, and reconvened as the City Council, Regular Meeting at 7:28 p.m.

12. **UNFINISHED BUSINESS**

a. **Receive Status Report and Consider Any Action or Direction Related to the Novel Coronavirus (COVID-19) Emergency Including Operational Preparedness and Response; Continuity of City Operations and Services; Community and Business Impacts; and Any Other Related Matters.**

Presenter: Sage Sangiacomo, City Manager.

Report was received.

13. **NEW BUSINESS**

a. **Approval of the Sole Source lease of 14 Safety Cameras from Flock Safety Group in the Amount of \$38,500.00, and Approve Corresponding Budget Amendment.**

Presenters: Noble Waidelich, Police Chief and John Anderson, Flock Safety Group.

No public comment was received.

Motion/Second: Crane/Rodin to approve the sole source lease (COU No. 2122-160) of 14 safety cameras from Flock Safety Group in the amount of \$38,500.00, and corresponding budget amendment. Motion **carried** by the following roll call votes: AYES: Orozco, Crane, Rodin, Dueñas, and Brown. NOES: None. ABSENT: None. ABSTAIN: None.

b. Authorize City Manager to Execute Host Site Agreement with Beta Technologies for Electric Aircraft and Vehicle Charging Station at the Airport.

Presenters: Greg Owen, Airport Manager and Skye Carapetyan, Beta Technologies.

No public comment was received.

Motion/Second: Crane/Orozco to authorize the City Manager to Execute a Host Site Agreement (COU No. 2122-161) with Beta Technologies for Electric Aircraft and a Vehicle Charging Station at the Airport. Motion **carried** by the following roll call votes: AYES: Orozco, Crane, Rodin, Dueñas, and Brown. NOES: None. ABSENT: None. ABSTAIN: None.

c. Receive Updates on City Council Committee and Ad Hoc Assignments and, if Necessary, Consider Modifications to Assignments and/or the Creation/Elimination of Ad hoc(s).

Presenters: Councilmembers Rodin and Orozco, and Mayor Brown.

Reports were received.

RECESS: 8:32 – 8:45 P.M.

THE CITY COUNCIL ADJOURNED TO CLOSED SESSION AT 8:45 P.M.

14. CLOSED SESSION

a. Conference with Legal Counsel—Anticipated Litigation

(Government Code Section 54956.9(d)(2 & 3))

Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2)(Number of potential cases: 1)

b. Conference with Legal Counsel – Anticipated Litigation

(Government Code Section 54956.9(d)(2)or(3))

Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9: (1 potential case, involving possible termination of construction contract for cause)

c. Conference with Legal Counsel – Existing Litigation

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

Name of case: Vichy Springs Resort v. City of Ukiah, Et Al; Case No. SCUK-CVPT-2018-70200

d. Conference with Legal Counsel – Existing Litigation

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

Name of case: Vichy Springs Resort v. City of Ukiah, Et Al; Case No. SCUK-CVPT-20-74612

e. 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

f. Conference with Legal Counsel – Existing Litigation

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

Name of case: Siderakis v. Ukiah, et al, Mendocino County Superior Court, Case No. 21CV00603

g. Conference with Legal Counsel – Existing Litigation

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

Name of case: Gerardo Magdaleno, by and through his Guardian Ad Litem, Pedro Francisco Magdaleno v. City of Ukiah, Justin Wyatt (Fed. Dist. Ct. N.D. Cal.) 3:21-2609 VC.

h. Conference with Real Property Negotiators

(Cal. Gov't Code Section 54956.8)

Property: APN Nos: 157-050-03, 157-060-02, 157-050-04, 157-050-03, 157-030-02, 157-050- 01, 157-050-02, 157-050-10, 157-050-09, 157-070-01, 157-070-02, 003-190-01

Negotiator: Sage Sangiacomo, City Manager;

Negotiating Parties: Dave Hull and Ric Piffero

Under Negotiation: Price & Terms of Payment

i. Conference with Labor Negotiator (54957.6)

Agency Representative: Sage Sangiacomo, City Manager

Employee Organizations: All Bargaining Units

No action reported; direction provided to staff.

15. ADJOURNMENT

There being no further business, the meeting adjourned at 9:34 p.m.

Kristine Lawler, City Clerk

CITY OF UKIAH
CITY COUNCIL MINUTES
Special Meeting
Virtual Meeting Link: <https://zoom.us/j/97199426600>
Ukiah, CA 95482
December 27, 2021
10:00 a.m.

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

Ukiah City Council met at a Special Meeting on December 27, 2021, having been legally noticed on December 22, 2021. The meeting was held virtually at the following link: <https://zoom.us/j/97199426600>. Mayor Brown called the meeting to order at 10:02 a.m. Roll was taken with the following **Councilmembers Present:** Juan V. Orozco (*arriving at 10:04*), Douglas, F. Crane, Mari Rodin, Josefina Dueñas, and Jim O. Brown. **Staff Present:** Sage Sangiacomo, City Manager; Darcy Vaughn, Assistant City Attorney; and Kristine Lawler, City Clerk.

MAYOR BROWN PRESIDING.

The Pledge of Allegiance was led by Councilmember Rodin.

2. AUDIENCE COMMENTS ON NON-AGENDA ITEMS

No public comment was received.

3. UNFINISHED BUSINESS

4. NEW BUSINESS

a. Adoption of Resolution of the City Council Authorizing the City Manager to Execute Participation Documents for the National Opioid Settlements.

Presenter: Darcy Vaughn, Assistant City Attorney.

Motion/Second: Crane/Rodin to adopt a Resolution of the City Council authorizing the City Manager to negotiate and execute any and all corresponding documents related to the City's participation in the Settlements and receipt of Settlement Funds pursuant to the CA Distributor Allocation Agreement and CA J&J Allocation Agreement. Motion **carried** by the following roll call votes: AYES: Crane, Rodin, Dueñas, and Brown. NOES: None. ABSENT: None. ABSTAIN: Orozco (*due to technical difficulties*).

5. ADJOURNMENT

There being no further business, the meeting adjourned at 10:09 a.m.

Kristine Lawler, City Clerk/CMC



AGENDA SUMMARY REPORT

SUBJECT: Adoption of Resolution of the City Council Reconsidering the Circumstances of the State of Emergency and Implementing Teleconferencing Requirements for City Council and Board and Commission Meetings During a Proclaimed State of Emergency Due to the COVID-19 Pandemic.

DEPARTMENT: City Attorney

PREPARED BY: Darcy Vaughn, Assistant City Attorney

PRESENTER: Consent Calendar

ATTACHMENTS:

1. AB 361 Findings Reconsideration for All Legislative Bodies 1 19 22

Summary: The City Council will consider adopting a resolution reconsidering the circumstances of the state of emergency and implementing teleconferencing requirements for public meetings of the Council and all City Commissions and Boards during the current state of emergency due to the COVID-19 pandemic.

Background: The City Council is being asked to consider adopting a resolution authorizing continued remote meetings of the Council and its subordinate legislative bodies due to the imminent risk to the health and safety of attendees due to possible transmission of COVID-19 and the recent spread of variants. The current County health orders require masking in all indoor facilities due to health and safety concerns. The Delta variant is highly transmissible in indoor settings and requires multi-component prevention strategies to reduce its spread. The California Department of Public Health is currently investigating the length of vaccine protection. The Center for Disease Control and Prevention recommends avoiding indoor spaces that do not offer fresh air from the outdoors as much as possible. Returning to meeting in the Council Chambers or smaller conference rooms means being in an enclosed space for meetings that commonly last for one to five hours and would seem to create additional exposure for participants to a possible transmission of the virus.

The Ralph M. Brown Act ("Brown Act") requires that all meetings of a legislative body of a local agency be open and public and that any person may attend and participate in such meetings. The Brown Act allows for legislative bodies to hold meetings by teleconference, but imposes specific requirements for doing so, including allowing public access to that location. On March 17, 2020, in order to address the need for public meetings during the COVID-19 pandemic, Governor Newsom issued Executive Order No. N-29-20, temporarily suspending the Brown Act's teleconferencing requirements, Executive Order No. N-8-2 then continued the suspension of the Brown Act's teleconferencing requirements from June 11, 2021 through September 30, 2021. These Executive Orders allowed legislative bodies to meet virtually as long as certain notice and accessibility requirements were met.

The State Legislature amended the Brown Act through Assembly Bill No. 361 ("AB 361") on September 16, 2021. As with the Executive Orders, AB 361 requires that certain notice and accessibility requirements continue to be met for holding virtual public meetings. In addition, AB 361 states that a local agency may use teleconferencing without complying with the regular teleconferencing requirements of the Brown Act, where the legislative body holds a meeting during a proclaimed state of emergency and makes certain findings; and requires that the legislative body make additional findings every 30 days in order to continue such teleconferencing.

As such, staff recommends that the Council reconsider the circumstances of the state of emergency, and make findings regarding the state of emergency by adopting the Resolution Implementing Teleconferencing

Requirements for City Council and Board and Commission Meetings During a Proclaimed State of Emergency Due to the COVID-19 Pandemic ("Resolution") attached here as Attachment 1.

Discussion: AB 361, codified in part in Government Code § 54953, allows a local agency legislative body to hold a public meeting utilizing teleconferencing without giving public access to a teleconference location but allowing public comment virtually if the Governor has proclaimed a State of Emergency and any of the following circumstances also apply:

1. State or local officials have imposed or recommended measures to promote social distancing.
2. The meeting is being held for the purposes of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.
3. The legislative body has determined that as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

As amended by AB 361, Government Code § 54953(e)(3) requires cities that are conducting public meetings via teleconferencing during a declared State of Emergency to make findings, within 30 days of the first virtual meeting after AB361 going into effect, and every 30 days thereafter, that the legislative body has reconsidered the circumstances of the state of emergency and either 1) the emergency continues to impact the ability to meet safely in person, and/or 2) State or local officials continue to impose or recommend social distancing.

Council adopted these findings at their December 15, 2021 meeting. The Council must now adopt, via this Resolution (Attachment 1), the findings that confirm the circumstances of the state of emergency and justify holding public meetings of the Council and all subordinate commissions, boards, and committees utilizing teleconferencing and allowing public comment virtually, pursuant to Government Code § 54953(e)(3).

Recommended Action: Adopt a Resolution of the City Council Reconsidering the Circumstances of the State of Emergency and Implementing Teleconferencing Requirements for City Council and Board and Commission Meetings during a Proclaimed State of Emergency Due to the COVID-19 Pandemic.

BUDGET AMENDMENT REQUIRED: N/A

CURRENT BUDGET AMOUNT: N/A

PROPOSED BUDGET AMOUNT: N/A

FINANCING SOURCE: N/A

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH: City Clerk

Approved: 
Sage Sangiacomo, City Manager

RESOLUTION NO. 2022-

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UKIAH IMPLEMENTING
TELECONFERENCING REQUIREMENTS FOR CITY COUNCIL AND BOARD AND
COMMISSION MEETINGS DURING A PROCLAIMED STATE OF EMERGENCY DUE TO THE
COVID-19 PANDEMIC**

WHEREAS:

1. The City of Ukiah is committed to preserving and nurturing public access and participation in meetings of the City Council and its Boards and Commissions; and
2. All meetings of City's legislative bodies are open and public, as required by the Ralph M. Brown Act, so that any member of the public may attend, participate, and watch the City's legislative bodies conduct their business;
3. The Brown Act allows for legislative bodies to hold meetings by teleconference, but imposes specific requirements for doing so; and
4. On March 17, 2020, in order to address the need for public meetings during the present public health emergency, i.e. the COVID-19 Pandemic, Governor Newsom issued Executive Order No. N-29-20, suspending the Act's teleconferencing requirements; and
5. On June 11, 2021, Governor Newsom issued Executive Order No. N-8-21, continuing the suspension of the Brown Act's teleconferencing requirements through September 30, 2021; and
6. The State Legislature amended the Brown Act through Assembly Bill No. 361 (AB 361) on September 16, 2021; and
7. AB 361, codified in part at Government Code section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and
8. Such conditions now exist in the City, specifically, the Governor has proclaimed a state of emergency exists for the state of California due to the conditions caused by the COVID-19 pandemic and the impact on the health and safety of its residents; and
9. The Delta variant is highly transmissible in indoor spaces, the California Department of Public Health is currently investigating how long vaccine protection lasts, and the Center for Disease Control and Prevention recommends avoiding indoor spaces that do not offer fresh air from the outdoors;
10. Current County health orders impose or measures to promote social distancing due to health and safety concerns; and

11. In accordance with Assembly Bill 361, the City Council does hereby find that as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees and the Council desires to authorize continued remote teleconferenced meetings of its legislative bodies; and
12. As a consequence of the local emergency, the City Council does hereby find that the legislative bodies of the City shall conduct their meetings without compliance with Government Code § 54953(b)(3), as authorized by § 54953(e), and that such legislative bodies shall comply with the requirements to provide the public with access to the meetings as prescribed in § 54953(e)(2); and
13. The City has taken measures to conduct public meetings via virtual tools that allow members of its legislative bodies and members of the public to join and participate in meetings remotely and provide public testimony in the virtual environment and via teleconference.

NOW, THEREFORE, the City Council for the City of Ukiah hereby finds, determines, declares, orders, and resolves as follows:

1. That the foregoing recitals are true and correct and incorporates them by this reference; and
2. The Governor of the State of California issued a Proclamation of State of Emergency, which remains in effect; and
3. County of Mendocino officials have imposed or recommended measures to promote social distancing; and
4. Meeting in person would present imminent risk to the health or safety of attendees; and
5. The City Council of the City of Ukiah has reconsidered the circumstances of the State of Emergency, and finds that:
 - a. The factors triggering the State of Emergency continue to directly impact the ability of the members of the legislative bodies of the City of Ukiah, their staff, and members of the public to meet safely in person; and
 - b. State and County officials continue to impose or recommend measures to promote social distancing.
6. The City Manager or his designee and the legislative bodies of the City of Ukiah are authorized to take all steps and perform all actions necessary to execute and implement this Resolution in compliance with Government Code § 54953; and
7. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) February 18, 2022, or (ii) such time the City Council adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the legislative bodies of the City may continue to teleconference without compliance with paragraph (3) of subdivision (b) of § 54953(b)(3).

PASSED AND ADOPTED this 19th day of January, 2022, by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Jim O. Brown, Mayor

ATTEST:

Kristine Lawler, City Clerk



AGENDA SUMMARY REPORT

SUBJECT: Adoption of Resolution Approving the City of Ukiah's Qualified Contractors List for 2022.

DEPARTMENT: City Clerk

PREPARED BY: Kristine Lawler, City Clerk

PRESENTER: Kristine Lawler, City Clerk

ATTACHMENTS:

1. City Code Section 1541-1543
2. Cost Accounting Manual - Partial
3. November 1, 2021, Public Notice
4. Proposed Resolution with Exhibit A

Summary: Each year, the City of Ukiah's Qualified Contractors List is updated to reflect current applications of contractors with approved State Licenses for various categories from the California State Department of Consumer Affairs Contractors State License Board. Council will review the updated list and staff recommendation to approve the list, which is used for sending out bid proposals for City projects throughout the year.

Background:

As required by the informal bidding procedure of the City of Ukiah, City Code §1541-1543 (Attachment 1) and Public Contracts Code §22036 (Attachment 2 - partial), the City Clerk's office prepared and mailed a written notice on November 1, 2021, to construction trade organizations and journals (Attachment 3) inviting all licensed contractors to submit information regarding their firm to the City for inclusion on the City's list of qualified contractors for the 2022 calendar year. This information and application were also posted on the City's website (<http://www.cityofukiah.com/qualified-contractors/>). A contractor may be included throughout the year by either submitting a written notice to the City Clerk or by bidding on a City of Ukiah project. All contracting firms are verified through the California State Licensing Board for license validity. Additionally, when bids are submitted to the City, the public works registration number and insurance is also verified before moving forward with a company.

All contractors who submitted their company information and construction classification designation, received by the Clerk's office as of January 3, 2022, have been included on the current updated list. The list is attached to the proposed resolution (Attachment 4) as "Exhibit A". The proposed resolution ensures that staff has a competitive list of qualified contractors when soliciting bids for the City of Ukiah.

Discussion: Staff is recommending adoption of the proposed resolution approving the Qualified Contractors List for 2022. This list will be posted on the City's website and will be modified throughout the year as additional applications are received.

Recommended Action: Adopt the proposed resolution approving the Qualified Contractors List for 2022.

BUDGET AMENDMENT REQUIRED: N/A

CURRENT BUDGET AMOUNT: N/A

PROPOSED BUDGET AMOUNT: N/A

FINANCING SOURCE: N/A

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH: Mary Horger, Financial Services Manager

Approved: 
Sage Sangiacomo, City Manager

§1541 MAINTENANCE OF CONTRACTORS' LIST SHARE

In November of each year, the City Clerk shall cause a written notice to be mailed to all construction trade journals designated in Public Contracts Code Section 22036, inviting all licensed contractors to submit the name of their firm to the City for inclusion on the City's list of qualified bidders for the following calendar year. The notice shall require that the contractor provide the name and address to which a Notice to Contractors or Proposal should be mailed a phone number at which the contractor may be reached, the type of work in which the contractor is interested and for which the contractor is currently licensed (i.e., electrical, painting, general building, etc.) together with the class of contractor's license or licenses held and the contractor's license number(s). (Ord. 892, §2, adopted 1989)

§1542 REVISION OF CONTRACTORS' LIST SHARE

On January 1 of each year the City Council may create a new Contractors' List by adding any contractor's name they so desire to the existing Contractors' List. At a minimum, the Contractors' List must include all contractors who have properly provided the City with the information required under Section 1541, during the calendar year in which the list is valid. The City Clerk shall also include on the Contractors' List the names of all contractors who have submitted a valid bid to the City during the preceding calendar year. A contractor may have his/her firm added to the City's Contractors' List at any time by providing the information required under Section 1541, to the City Clerk and by making a request in writing to the Clerk that the contractor's firm be added to the list. (Ord. 892, §2, adopted 1989)

§1543 INFORMAL BIDDING PROCEDURES SHARE

Public projects of fifty thousand dollars (\$50,000.00), or such greater sum as is authorized by Public Contracts Code section 22032 (b) or any laws that amend said section, or less may be let by the City to contract by the informal bidding procedures provided in this Section. The City clerk shall mail a notice to all contractors on the City's Contractors' List for the category of work being bid. All notices shall be mailed by the Clerk not less than ten (10) calendar days before bids are due. The notice inviting informal bids shall describe the project in general terms, how to obtain more detailed information about the project, and state the time and place for the submission of bids. All bids received shall be filed with the City Clerk and opened by the Clerk at the time and place specified in the notice inviting bids. Any bidder may be present during said bid opening and may inspect any such bid. (Ord. 892, §2, adopted 1989)

***California Uniform Construction Cost
Accounting Commission***

**Cost Accounting
Policies and
Procedures Manual
2019 Edition**



1.04.01 Minimum Criteria for Development and Maintenance of the Contractors
List Determined by the Commission, pursuant to Public Contract Code
section 22034(a)(1)

1. At least once per calendar year, each public agency that has elected to become subject to the Uniform Public Construction Cost Accounting Act and intends to utilize the notice provisions outlined in section 22034(a) shall establish a new list or update its existing list of qualified contractors by mailing, faxing, or emailing written notice to all construction trade journals designated for that Agency under Section 22036. The notice shall invite all licensed contractors to submit the name of their firm to the Agency for inclusion on the Agency's list of qualified bidders.
2. The notice shall require that the contractor provide:
 - The name and address to which a Notice to Contractors or Proposal should be mailed, faxed, or emailed;
 - A phone number at which the contractor may be reached;
 - The type of work in which the contractor is interested and currently licensed to do (earthwork, pipelines, electrical, painting, general building, etc.);
 - The class of contractor's license(s) held; and
 - The contractor license number(s).
3. Agencies may include any contractor names they so desire on the lists, but lists must include, at minimum, all contractors who have properly provided the Agencies with the information required under #2 above in response to the written notice.

CHAPTER 1 INFORMATION FOR ADOPTION AND IMPLEMENTATION OF THE
CALIFORNIA UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT

The Commission recommends that Agencies automatically include in their contractors' lists the names of all contractors who submitted one or more valid bids to the Agencies

4. A contractor may have his or her firm added to an Agency's contractors list at any time by providing the required information.

1.05 County-by-County List of Construction Trade Journals

The Commission shall determine, on a county-by-county basis, the appropriate construction trade journals which shall receive mailed, faxed, or emailed notice of all informal and formal construction contracts being bid for work within the specified county per section 22036 of the Public Contract Code.

Per Public Contract Code section 22037, notices inviting formal bids must be published at least 14 calendar days before the date of opening the bids in a newspaper of general circulation, printed and published in the jurisdiction of the public agency. In addition, the Commission has determined that all public agencies that adopt and contract under the Act shall be required to mail, email, or fax a notice to the following specified construction trade publications of all formal construction contracts being bid and all invitations to join an agency's qualified bidders list (i.e. the informal bidding list) within the specified county (as provided in sections 22034 and 22037 of the Public Contract Code). The numbers following the name of each county refer to the corresponding numbered trade journals listed starting on page 14.

Users will note that the notification of the trade journals listed in Column B for their county is required. Additionally, the user will have to notify at least two of the trade journals listed in Column C, unless there is only one listed, in which case notification of that trade journal is sufficient. The Commission urges each public agency to select additional publications from its geographical area and include them on its list of publications to be notified. Sample information to be included in the mailed notice to trade journals is listed on page 13.

Note: Users are not required to mail a notice to a trade journal if the trade journal listed under their county is now charging for its services, or is out of business. Instead, the Commission requests that users find some other method of notifying potential contractors of published jobs and how to be added to their informal bidding lists (e.g. internet – county's web page).

COUNTY NAME (A)	TRADE JOURNALS REQUIRED TO BE NOTIFIED (B)	NOTIFY TWO OF THE TRADE JOURNALS LISTED BELOW (C)
ALAMEDA	2, 3	8, 11, 14, 15, 16, 17, 18, 19
ALPINE	2, 3	11
AMADOR	2, 3	11, 13, 20
BUTTE	2, 3	5, 6, 11, 12

CHAPTER 1 INFORMATION FOR ADOPTION AND IMPLEMENTATION OF THE
CALIFORNIA UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT

COUNTY NAME (A)	TRADE JOURNALS REQUIRED TO BE NOTIFIED (B)	NOTIFY TWO OF THE TRADE JOURNALS LISTED BELOW (C)
CALAVERAS	2, 3	11, 19, 20, 23
COLUSA	2, 3	5, 6, 11
CONTRA COSTA	2, 3	8, 11, 15, 16, 17, 19
DEL NORTE	2, 3	4, 5, 11
EL DORADO	2, 3	10, 11, 12, 13, 16
FRESNO	2, 3	11, 19, 21, 23, 24, 25
GLENN	2, 3	5, 6, 11, 12
HUMBOLDT	2, 3	4, 5, 11
IMPERIAL	2, 3	29, 31
INYO	2, 3	25
KERN	2, 3	21, 23, 24, 25, 26, 31
KINGS	2, 3	21, 23, 24, 25
LAKE	2, 3	4, 5, 7, 8, 11, 16
LASSEN	2, 3	5, 11, 12
LOS ANGELES	2, 3	8, 29, 31, 36
MADERA	2, 3	11, 19, 21, 23
MARIN	2, 3	7, 8
MARIPOSA	2, 3	11, 21, 23
MENDOCINO	2, 3	4, 7, 8, 11, 16
MERCED	2, 3	11, 19, 20, 21, 23
MODOC	2, 3	5, 11
MONO	2, 3	11

CHAPTER 1 INFORMATION FOR ADOPTION AND IMPLEMENTATION OF THE
CALIFORNIA UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT

COUNTY NAME (A)	TRADE JOURNALS REQUIRED TO BE NOTIFIED (B)	NOTIFY TWO OF THE TRADE JOURNALS LISTED BELOW (C)
MONTEREY	2, 3	11, 18, 22, 26
NAPA	2, 3	7, 8, 9, 11, 16
NEVADA	2, 3	10, 11, 12, 13
ORANGE	2, 3	29, 31, 35
PLACER	2, 3	10, 11, 12, 13, 16
PLUMAS	2, 3	5, 6, 11, 12
RIVERSIDE	2, 3	29, 31, 35
SACRAMENTO	2, 3	5, 8, 10, 11, 12, 13, 16, 19
SAN BENITO	2, 3	11, 22
SAN BERNARDINO	2, 3	29, 31, 35
SAN DIEGO	2, 3	29, 31, 35
SAN FRANCISCO	2, 3	8, 11, 14, 15, 16, 17, 18
SAN JOAQUIN	2, 3	8, 11, 19, 20, 21, 23
SAN LUIS OBISPO	2, 3	22, 25, 26, 27, 31, 36, 37
SAN MATEO	2, 3	8, 14, 15, 17, 18
SANTA BARBARA	2, 3	26, 27, 28, 31, 36, 37
SANTA CLARA	2, 3	8, 11, 14, 15, 16, 17, 18
SANTA CRUZ	2, 3	18, 22
SHASTA	2, 3	4, 5, 11
SIERRA	2, 3	11, 12
SISKIYOU	2, 3	5, 11
SOLANO	2, 3	8, 9, 10, 11, 16, 19

CHAPTER 1 INFORMATION FOR ADOPTION AND IMPLEMENTATION OF THE
CALIFORNIA UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT

COUNTY NAME (A)	TRADE JOURNALS REQUIRED TO BE NOTIFIED (B)	NOTIFY TWO OF THE TRADE JOURNALS LISTED BELOW (C)
SONOMA	2, 3	7, 8, 11, 16
STANISLAUS	2, 3	11, 19, 20, 21, 23
SUTTER	2, 3	6, 10, 11, 12
TEHAMA	2, 3	5, 11, 12
TRINITY	2, 3	4, 5, 11
TULARE	2, 3	23, 24, 25
TUOLUMNE	2, 3	11, 20, 23
VENTURA	2, 3	27, 31, 36, 37
YOLO	2, 3	8, 10, 11, 13
YUBA	2, 3	6, 10, 11, 12

1.06 Sample Information for Mailed Notice

Following provides the type of information that could be included in the mailed notice to the construction trade journals. This list should be used only as a guide.

- Project title and contract number, if any
- Cost range
- Site location
- Who is taking bids/date and time due?
- Owner's address and phone number
- Architect's address and phone number
- Brief description of work to be done
- Where plans may be obtained/deposit required/whether or not refundable
- Percentage of bid bond/percentage of performance bond/percentage of payment bond

CHAPTER 1 INFORMATION FOR ADOPTION AND IMPLEMENTATION OF THE
CALIFORNIA UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT

1.07 List of Construction Trade Journals

The following organizations have indicated to the Commission that they:

- a) Publish a newsletter or trade journal, on a weekly or more frequent basis, that contains a section listing projects being bid; or provide a telephone notice service to their members.
- b) Do not charge for publishing or otherwise disseminating a Notice to Contractors.

These organizations have indicated to the Commission that they serve subscribers or members in the counties listed to the right of each organization.

Organizations that meet criteria (a) and (b) above may be added to the list, or changes or corrections can be made to the list by contacting:

Office of the State Controller
Local Government Programs and Services Division
Local Government Policy Section
P. O. Box 942850
Sacramento, CA 94250

ORGANIZATION		AREAS OF MEMBERS OR SUBSCRIBERS BY COUNTY
1	CMD (Construction Market Data) Document Processing Center 30 Technology Parkway South, Suite 100 Norcross, GA 30092-2912 Phone: 800-424-3996 Email: customercare@cmdgroup.com Website www.cmdgroup.com	California
2	Construction Bidboard (Ebidboard) 11622 El Camino Real, #100 San Diego, CA 92130 Phone: 800-479-5314 Email: support@ebidboard.com Website: www.ebidboard.com	California
3	Dodge Data & Analytics 830 Third Avenue, 6 th Floor New York, NY 10022 Phone: 877-784-9556 Email: support@construction.com Website: www.construction.com	California

CHAPTER 1 INFORMATION FOR ADOPTION AND IMPLEMENTATION OF THE
CALIFORNIA UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT

ORGANIZATION		AREAS OF MEMBERS OR SUBSCRIBERS BY COUNTY
4	Humboldt Builders' Exchange, Inc. 1213 5th Street Eureka, California 95501 Phone: 707-442-3708 Website: www.humbx.com	Del Norte, Humboldt, Lake, Mendocino, Shasta, and Trinity
5	Shasta Builders' Exchange 5800 Airport Road Redding, CA 96002 Phone: 530-221-5556 Email: info@shastabe.com Website: www.shastabe.com	Butte, Colusa, Del Norte, Glenn, Humboldt, Lake, Lassen, Modoc, Plumas, Sacramento, Shasta, Siskiyou, Tehama, and Trinity
6	Valley Contractors Exchange, Inc. 951 East Eighth Street Chico, CA 95928 Phone: 530-343-1981 Email: info@vceonline.com Website: www.vceonline.com	Butte, Colusa, Glenn, Plumas, Sutter, and Yuba
7	North Coast Builders Exchange 1030 Apollo Way Santa Rosa, CA 95407 Phone: 707-542-9502 Fax: 707-542-2027 Website: www.ncbeonline.com	Lake, Marin, Mendocino, Napa, and Sonoma
8	Marin Builders Association 660 Las Gallinas Avenue San Rafael, CA 94903 Phone: 415-462-1220 Fax: 415-462-1225 Email: mba@marinbuilders.com Website: www.marinbuilders.com	Alameda, Contra Costa, Lake, Marin, Mendocino, Napa, Sacramento, San Francisco, San Joaquin, San Mateo, Santa Clara, Solano, Sonoma, and Yolo
9	Solano-Napa Builders Exchange 135 Camino Dorado Napa, CA 94558 Phone: 707-255-2515 Email: membership@snbe.com Website: http://snbe.org	Napa and Solano

CHAPTER 1 INFORMATION FOR ADOPTION AND IMPLEMENTATION OF THE
CALIFORNIA UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT

	ORGANIZATION	AREAS OF MEMBERS OR SUBSCRIBERS BY COUNTY
10	Sacramento Regional Builders' Exchange 5370 Elvas Avenue Sacramento, CA 95819 Phone: 916-442-8991 Fax: 916-446-3117 Email: tbrennan@srbx.org Website: www.srbx.org	El Dorado, Nevada, Placer, Sacramento, Solano, Sutter, Yolo, and Yuba
11	Placer County Contractors Association & Builders Exchange 10656 Industrial Avenue, Suite 160 Roseville, CA 95678 Phone: 916-771-7229 Fax: 916-771-0556 Website: www.pccamembers.com	Alameda, Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Fresno, Glenn, Humboldt, Lake, Lassen, Madera, Mariposa, Mendocino, Merced, Modoc, Mono, Monterey, Napa, Nevada, Placer, Plumas, Sacramento, San Benito, San Francisco, San Joaquin, Santa Clara, Shasta, Sierra, Siskiyou, Stanislaus, Solano, Sonoma, Sutter, Tehama, Trinity, Tuolumne, Yolo, and Yuba
12	Nevada County Contractors' Association 149 Crown Point Court Grass Valley, CA 95945 Phone: 530-274-1919 Email: nccaexec@pacbell.net Website: www.nccabuildingpros.com	Butte, El Dorado, Glenn, Lassen, Nevada, Placer, Plumas, Sacramento, Sierra, Sutter, Tehama, and Yuba
13	El Dorado Builders' Exchange 3430 Robin Lane, Suite 7 Shingle Springs, CA 95682 Phone: 530-672-2955	Amador, El Dorado, Nevada, Placer, Sacramento, and Yolo
14	The San Francisco Builders Exchange 850 South Van Ness Avenue San Francisco, CA 94110-1911 Phone: 415-282-8220 Email: deanna@bxofsf.com Website: www.bxofsf.com	Alameda, San Francisco, San Mateo, and Santa Clara
15	Bay Area Builders Exchange 3055 Alvarado Street San Leandro, CA 94577	Alameda, Contra Costa, San Francisco, San Mateo, and Santa Clara

CHAPTER 1 INFORMATION FOR ADOPTION AND IMPLEMENTATION OF THE
CALIFORNIA UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT

ORGANIZATION	AREAS OF MEMBERS OR SUBSCRIBERS BY COUNTY
(Continued information for Bay Area Builders Exchange) Phone: 510-483-8880 Email: info@bayareabx.com Website: www.bayareabx.com	
16 Bay Area Builders Exchange 2440 Stanwell Drive, Suite B Concord, CA 94520 Phone: 925-685-8630 Website: www.bayareabx.com	Alameda, Contra Costa, El Dorado, Lake, Mendocino, Napa, Placer, Sacramento, San Francisco, Santa Clara, Solano, and Sonoma
17 Peninsula Builders Exchange 735 Industrial Road San Carlos, CA 94070 Phone: 650-591-4486 Website: www.safetystar.org/safetystar	Alameda, Contra Costa, San Francisco, San Mateo, and Santa Clara
18 Builders' Exchange of Santa Clara County 400 Reed Street Santa Clara, CA 95050 Phone: 408-727-4000 Fax: 408-727-2779 Website: www.bxscco.com	Alameda, Monterey, San Francisco, San Mateo, Santa Clara, and Santa Cruz
19 Builders' Exchange of Stockton 4561 Quail Lake Drive, Suite B2 Stockton, CA 95207 Phone: 209-478-1000 Email: crobinson@besonline.com Website: www.besonline.com	Alameda, Calaveras, Contra Costa, Fresno, Madera, Merced, Sacramento, San Joaquin, Solano, and Stanislaus
20 Valley Builders Exchange, Inc. 1118 Kansas Avenue Modesto, CA 95351 Phone: 209-522-9031 Email: info@valleybx.com Website: www.valleybx.com	Amador, Calaveras, Merced, San Joaquin, Stanislaus, and Tuolumne
21 Builders Exchange of Merced & Mariposa	Fresno, Kern, Kings, Madera, Mariposa, Merced, San Joaquin, and Stanislaus

CHAPTER 1 INFORMATION FOR ADOPTION AND IMPLEMENTATION OF THE
CALIFORNIA UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT

ORGANIZATION		AREAS OF MEMBERS OR SUBSCRIBERS BY COUNTY
	(Continued information for Builders Exchange of Merced & Mariposa) 646 CA-HWY 59 Merced, CA 95341 Phone: 209-722-3612 Website: www.bxmm.org	
22	Central Coast Builders Association 242 East Romie Lane Salinas, CA 93907 Phone: 831-758-1624 Email: staff@ccbabuilds.com Website: www.ccbabuilds.com	Monterey, San Benito, San Luis Obispo, and Santa Cruz
23	Central California Builders Exchange 1244 N. Mariposa Street Fresno, CA 93703 Phone: 559-237-1831 Email: info@cencalbx.com Website: http://cencalbx.com/	Calaveras, Fresno, Kern, Kings, Madera, Mariposa, Merced, San Joaquin, Stanislaus, Tulare, and Tuolumne
24	Tulare & Kings Counties Builders Exchange 1223 S. Lovers Lane Visalia, CA 93292 Phone: 559-732-4568 Email: info@tkcbe.com Website: www.tkcbe.com	Fresno, Kern, Kings, and Tulare
25	Kern County Builders' Exchange, Inc. 4310 Ardmore Avenue, Ste. 100 Bakersfield, CA 93309 Phone: 661-324-4921 Website: www.kcbex.com	Kern
26	San Luis Obispo County Builders Exchange 153 Cross Street, #130 San Luis Obispo, CA 93401 Phone: 805-543-7330 Email: info@slocbe.com	Kern, Monterey, San Luis Obispo, and Santa Barbara

CHAPTER 1 INFORMATION FOR ADOPTION AND IMPLEMENTATION OF THE
CALIFORNIA UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT

ORGANIZATION		AREAS OF MEMBERS OR SUBSCRIBERS BY COUNTY
	(Continued information for San Luis Obispo County Builders Exchange) Website: www.slocbe.com	
28	Ventura County Contractors Association 1830 Lockwood Street, No. 110 Oxnard, CA 93036 Phone: 805-981-8088 Email: vcca@vccainc.com Website: www.vccainc.com	Santa Barbara and Ventura
29	Southern California Builders Association 732 N. Diamond Bar Blvd. #224 Diamond Bar, CA 91765 Phone: 909-396-1451 Email: scba@socalbuilders.org Website: www.socalbuilders.org	Imperial, Los Angeles, Orange, Riverside, San Bernardino, and San Diego
30	Construction Data Company 2001 9 th Avenue, 2 nd Floor Vero Beach, FL 32960 Phone: 800-800-652-0008 Email: service@cdcnews.com Website: www.cdcnews.com	Southern California-Imperial, Kern, Los Angeles, Orange, Riverside, San Bernardino, San Diego, San Luis Obispo, Santa Barbara, and Ventura
31	BidAmerica 41085 Elm Street Murrieta, CA 92562 Phone: 951-677-4819 Email: planroom@bidamerica.com Website: www.BidAmerica.com	California
32	Construction Bid Source Interactive 6265 HWY 9 Felton, CA 95018 Phone: 888-786-9450 Website: www.constructionbidsource.com	California
33	Demandstar – Onvia Supplier Services 509 Olive Way, Suite 400 Seattle, WA 98101	California

CHAPTER 1 INFORMATION FOR ADOPTION AND IMPLEMENTATION OF THE
CALIFORNIA UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT

ORGANIZATION		AREAS OF MEMBERS OR SUBSCRIBERS BY COUNTY
	(Continued information for Demandstar – Onvia Supplier Services) Phone: 800-575-1736 Website: www.demandstar.com or Website: www.onvia.com	
34	Challenge News 1276 Lincoln Avenue, Suite 203 San Jose, CA 95125 Phone: 408-998-2534 Email: challengenews@yahoo.com	California
35	Associated General Contractors of America San Diego Chapter, Inc. 6212 Ferris Square San Diego, CA 92121 Phone: 858-558-7444 Email: planroom@agcsd.org Website: www.agcsd.org	Orange, Riverside, San Bernardino, and San Diego
36	Builders Notebook P.O. Box 4883 Santa Barbara, CA 93140 Phone: 877-776-5436 Email: planroom@buildersnotebook.com Website: www.buildersnotebook.com	Los Angeles, San Luis Obispo, Santa Barbara, and Ventura
37	Tri-Co Reprographics 513 Laguna Street Santa Barbara, CA 93101 Phone: 805-966-1701 Email: sbplots@tricoblue.com Website: www.tricoblue.com	Santa Barbara, Ventura, and San Luis Obispo

PUBLIC NOTICE

DATE: November 1, 2021
FOR RELEASE: Immediately
SUBJECT: Application for Qualified Contractors List
CONTACT: Kristine Lawler, City Clerk
(707) 463-6217

All Licensed Contractors who wish to be included on the City of Ukiah's list of qualified bidders for the year 2022, should submit the name and address to which Notice of Bids or Proposals should be mailed, a phone number at which the contractor may be reached, the type of work in which the contractor is interested and for which the contractor is currently licensed (e.g. earthwork, pipelines, electrical, painting, general building, etc.) together with the class of contractor's license or licenses held, and the contractor's license number(s) (*NOTE – Insurance forms are not necessary at this time.*)

A Qualified Contractors List application form and insurance requirements may be obtained from the City Clerk or downloaded from the City of Ukiah's website: <http://www.cityofukiah.com/qualified-contractors/>.

Completed forms should be submitted to:

City of Ukiah
ATTN: CITY CLERK
300 Seminary Avenue
Ukiah, CA 95482

OR:
Fax to: (707) 463-6204

OR
Email: klawler@cityofukiah.com



**APPLICATION FOR QUALIFIED CONTRACTOR'S LIST
PER PUBLIC CONTRACTS CODE § 22032**

Full Name				Date	
Address					
Phone Number	()	Fax Number	()		
Email	@				
Name of Business					
Address (if different from above)					
Phone Number	()	Fax Number	()		
Email	@				
State of California Contractor's License Number			Expiration Date		
Classifications					
Insurance Provider (agent)					

The City of Ukiah requires that contractor(s) shall procure and maintain for the **duration of any contract** with the City of Ukiah insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work required.

Insurance forms and specific requirements are attached for your reference; please check with your agent to ensure your policy meets our requirements. These documents are not required until the contract is approved.

Mail, Fax, or Email completed form to: CITY OF UKIAH
Attn: City Clerk
300 Seminary Avenue
Ukiah, CA 95482
FAX: 707-463-6204
klawler@cityofukiah.com



INSURANCE REQUIREMENTS FOR CONTRACTORS (with Construction Risks)

Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.

I. **Minimum Scope of Insurance**

Coverage shall be at least as broad as:

- A. Insurance Services Office Commercial **General Liability coverage** (Form No. CG 20 10 10 01 and Commercial General Liability – Completed Operations Form No. CG 20 37 10 01).
- B. Insurance Services Office form number CA 0001 (Ed. 1/87) covering **Automobile Liability**, code 1 (any auto).
- C. **Workers' Compensation** insurance as required by the State of California and Employer's Liability Insurance.
- D. **Course of Construction** insurance covering for **"all risks" of loss**.

II. **Minimum Limits of Insurance**

Contractor shall maintain limits no less than:

- A. General Liability: \$1,000,000* 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, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit. Insurance must be written on an occurrence basis.
- B. Automobile Liability: \$1,000,000* per accident for bodily injury and property damage. Insurance must be written on an occurrence basis.
- C. Employer's Liability: \$1,000,000 per accident for bodily injury or disease.
- D. Course of Construction: Completed value of the project with no co-insurance penalty provisions.

***Dependent upon project scope, a higher or additional coverage may be required.**

III. **Deductibles and Self-Insured Retentions**

Any deductibles or self-insured retentions must be declared to and approved by the City. The City may require the insurer to reduce or eliminate such deductibles or self-insured retentions with respect to the City, its officers, officials, employees and volunteers; or the Contractor to provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration and defense expenses; or to approve the deductible without a guarantee.

IV. **REQUIRED Insurance Provisions**

Proof of **general liability and automobile liability** policies are to contain, or **be endorsed** to contain, the following provisions:

- A. The City, its officers, officials, employees, and volunteers are to be covered as ADDITIONAL INSURED with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the contractor; and with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts or equipment, furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance, or as a separate owner's policy.

- B. The **workers' compensation policy is to be endorsed with a waiver of subrogation**. The insurance company, in its endorsement, agrees to waive all rights of subrogation against the City, its officers, officials, employees and volunteers for losses paid under the terms of this policy which arises from the work performed by the named insured for the City. NOTE: You cannot be added as an additional insured on as workers' compensation policy.
- C. For any claims related to this project, the Contractor's insurance coverage shall be **primary insurance** with respect 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 Contractor's insurance and shall not contribute with it.
- D. Each insurance policy required by this clause shall be endorsed to state that coverage shall **not be canceled** by either party, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City.
- E. **Note: (This protects the Contractor)** –Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of Civil Code.
- F. **Course of construction policies shall contain the following provisions:**
- 1) The City shall be named as **loss payee**.
 - 2) The insurer shall **waive all rights of subrogation** against the City.

VI. **RATING – Acceptability of Insurers**

Insurance is to be placed with admitted California insurers with a current 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.

VII. **Verification of Coverage**

Contractor shall furnish the City with original certificates and amendatory endorsements affecting coverage required by this clause. The endorsements should be **on forms provided by the City**. If endorsements are on forms other than the City's forms, those endorsements must provide coverage that is equivalent to or better than the forms requested by the City. All certificates and endorsements are to be received and approved by the City before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications at any time.

VIII. **Subcontractors**

Contractor shall include all subcontractors as insured under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverage for subcontractors shall be subject to all of the requirements stated herein.

If you have questions regarding our insurance requirements contact:

Risk Manager
707) 463-62844

FAX (707) 463-6204

Reviewed: 10/8/21

RESOLUTION NO. 2022 -

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UKIAH APPROVING THE QUALIFIED CONTRACTORS LIST FOR THE 2022 CALENDAR YEAR

WHEREAS, under Ukiah City Code (UCC) sections §1541 - 1543, the City Clerk must request licensed contractors who are qualified to perform public work under contract with the City of Ukiah to submit their names, addresses, phone numbers, type of work in which they are interested, and license number; and

WHEREAS, the City Council is required to adopt a list of qualified contractors, identified according to categories of work; and

WHEREAS, the City Clerk has published the notice as required in UCC Section §1541 and compiled a list of qualified contractors based on information submitted in response to said notice; and

WHEREAS, the City Council finds and determines that the list as compiled complies with the requirements of the City Code and Public Contracts Code Section §22034(a) and shall constitute the City of Ukiah Contractors List for use in providing notice under the informal bidding procedure authorized in UCC Section §1543.

NOW, THEREFORE, BE IT RESOLVED, that the list attached to this resolution as "Exhibit A" is the Qualified Contractors List which is sorted by class for the City of Ukiah for the calendar year 2022, and City Staff is authorized and required to continuously update the list throughout the year.

PASSED AND ADOPTED this 19th day of January, 2022, by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Jim O. Brown, Mayor

ATTEST:

Kristine Lawler, City Clerk/CMC

CITY OF UKIAH'S 2022 QUALIFIED CONTRACTORS LIST

Company	Address 1	City	State	Class	State License Expiration	State License No.
Class A - General Engineering						
American Asphalt Repair & Resurfacing Co.	24200 Clawiter Road	Hayward	CA	A - General Engineering	5/31/2023	439591
American Pavement Systems Inc	1012 11th Street Ste.	Modesto	CA	A - General Engineering	2/28/2022	943792
Argonaut Constructors	P O Box 639	Santa Rosa	CA	A - General Engineering	12/31/2021	171432
Bartley Pump, Inc.	4000 South Moorland Avenue	Santa Rosa	CA	A - General Engineering	12/31/2023	1033562
BEST Contracting Services, Inc.	19027 S. Hamilton Ave.	Gardena	CA	A - General Engineering	5/31/2022	456263
Bowen Engineering and Environmental	4664 S. Cedar Avenue	Fresno	CA	A - General Engineering	1/31/2023	656741
C.V. Larsen Co.	1846 Ludwig Avenue	Santa Rosa	CA	A - General Engineering	5/31/2022	646209
Coleman Environmental Engineering, Inc.	P O BOX 1020	Upper Lake	CA	A - General Engineering	6/30/2022	764005
Commercial Pump & Mechanical	P O BOX 7947	Chico	CA	A - General Engineering	3/31/2023	921066
CWS Construction Group, Inc.	42 Digital Drive, Ste 1	Novato	CA	A - General Engineering	4/30/2023	811153
EBA Engineering	825 Sonoma Ave., Ste. C	Santa Rosa	CA	A - General Engineering	1/31/2023	662725
Ferranti Construction, Inc.	P O BOX 259	Redwood Valley	CA	A - General Engineering	3/31/2023	385543
Fort Bragg Electric, Inc.	P O BOX 1878	Fort Bragg	CA	A - General Engineering	7/31/2022	391464
GSE Construction Company, Inc.	3990 Yosemite Ave	Lathrop	CA	A - General Engineering	3/31/2023	401498
Ghilotti Construction	246 Ghilotti Avenue	Santa Rosa	CA	A - General Engineering	5/31/2022	644515
Granite Construction Company	1324 S. State Street	Ukiah	CA	A - General Engineering	5/31/2023	89
Gregg Simpson Trucking	11 Highland Ct	Ukiah	CA	A - General Engineering	9/30/2023	650339
Harvest Energy Services	520 Zang Street, Ste 200	Broomfield	CO	A - General Engineering	6/30/2023	1077501
Hanford Applied Resporation & Conservation	755 Baywood Drive, Ste. 380	Petaluma	CA	A - General Engineering	2/28/2022	461167
Intermountain Slurry Seal, Inc.	585 West Beach Street	Watsonville	CA	A - General Engineering	1/31/2022	462443
Live Oak Utility Infrastructure, LLC	3450 Broad St., #104	San Luis Obispo	CA	A - General Engineering	9/30/2023	1057965
MBC Contruction Co, Inc.	3342 N. State Street	Ukiah	CA	A - General Engineering	4/30/2022	945554
Mendocino Construction Services, Inc.	P O BOX 1517	Willits	CA	A - General Engineering	7/31/2021	443396
Meyer General Engineering Construction	701 Spanish Canyon Road	Ukiah	CA	A - General Engineering	4/30/2023	712845
Northwest Construction, Inc.	9011 Colony Drive	Redwood Valley	CA	A - General Engineering	10/31/2023	865329
Oak Grove Construction	431 Payran Street, Ste. 101	Petaluma	CA	A - General Engineering	6/30/2023	406464
Pacific Earthscape (aka Ford Logging, Inc)	1225 Central Ave. #11	McKinleyville	CA	A - General Engineering	4/30/2021	793279
Paulson Excavating, Inc.	P.O. Box 339	Albion	CA	A - General Engineering	7/31/2022	425362
Pavement Coatings Co.	10240 San Sevaie Way	Jurupa Valley	CA	A - General Engineering	9/30/2022	303609
Pierson Company	1200 W. Harris St.	Eureka	CA	A - General Engineering	3/31/2022	265024
RaPiD General Engineering	3072 Research Way, #54	Carson City	NV	A - General Engineering	4/30/2023	982748
Rege Construction, Inc.	600 Santana Dr.	Cloverdale	CA	A - General Engineering	10/31/2022	786253
Roberts Mechanical & Electrical, Inc.	355 Kunzler Ranch Road, Ste. E	Ukiah	CA	A - General Engineering	2/28/2023	556014
Sierra Nevada Construction Inc.	P O BOX 50760	Sparks	NV	A - General Engineering	5/31/2022	593393
Siri Grading & Paving, Inc.	P O BOX 3638	Santa Rosa	CA	A - General Engineering	1/31/2024	325681
Summit Signal, Inc.	260 Margie Drive	Willits	CA	A - General Engineering	7/31/2022	842536
Team Ghilotti, Inc.	2531 Petaluma Blvd., So.	Petaluma	CA	A - General Engineering	4/30/2023	895384
Telstar Instruments	4017 Vista Park Court	Sacramento	CA	A - General Engineering	5/31/2022	422364
TerraCon Constructors, Inc.	P O BOX 276	Healdsburg	CA	A - General Engineering	11/30/2023	562511
Valley Paving	P O BOX 559; 2601 Road E	Redwood Valley	CA	A - General Engineering	7/31/2023	674411
Wahlund Construction, Inc.	P.O. Box 6486	Eureka	CA	A - General Engineering	9/20/2022	678993
West Coast Environmental	3181 Fitzgerald Road	Rancho Cordova	CA	A - General Engineering	2/28/2022	718733
Western Water Constructors, Inc.	707 Aviation Boulevard	Santa Rosa	CA	A - General Engineering	4/30/2022	188068
WestPac Construction	1349 Lily Street	Healdsburg	CA	A - General Engineering	9/30/2023	1058561
Wipf Construction	P O BOX 234	Ukiah	CA	A - General Engineering	11/30/2023	629598
Wylatti Resource Management, Inc.	P O BOX 575 Cemetary Lane	Covelo	CA	A - General Engineering	6/30/2023	934597
Class ASB - Asbestos Removal Certification						

CITY OF UKIAH'S 2022 QUALIFIED CONTRACTORS LIST

Company	Address 1	City	State	Class	State License Expiration	State License No.
Bowen Engineering and Environmental	4664 S. Cedar Avenue	Fresno	CA	ASB - Asbestos Removal Certification	1/31/2023	656741
Pierson Company	1200 W. Harris St.	Eureka	CA	ASB - Asbestos Removal Certification	3/31/2022	265024
Solano County Roofing	4349 Cordelia Rd.	Fairfield	CA	ASB - Asbestos Removal Certification	7/31/2022	495355
Wahlund Construction, Inc.	P.O. Box 6486	Eureka	CA	ASB - Asbestos Removal Certification	9/20/2022	678993
West Coast Environmental	3181 Fitzgerald Road	Rancho Cordova	CA	ASB - Asbestos Removal Certification	2/28/2022	718733
Class B - General Building						
Alcal Specialty Contracting, Inc.	42950 Osgood Road	Fremont	CA	B - General Building	11/30/2022	815286
Apperson Energy Management	P O BOX 366	Redwood Valley	CA	B - General Building	11/30/2022	431271
Argonaut Constructors	P O Box 639	Santa Rosa	CA	B - General Building	12/31/2021	171432
BEST Contracting Services, Inc.	19027 S. Hamilton Ave.	Gardena	CA	B - General Building	5/31/2022	456263
Bowen Engineering and Environmental	4664 S. Cedar Avenue	Fresno	CA	B - General Building	1/31/2023	656741
Busch Construction & Electric	266 Terra Verde Court	Redwood Valley	CA	B - General Building	5/31/2023	404336
CWS Construction Group, Inc.	42 Digital Drive, Ste 1	Novato	CA	B - General Building	4/30/2023	811153
Carr's Construction Service, Inc.	3165 Calistoga Rd.	Santa Rosa	CA	B - General Building	3/31/2022	556444
Coastal Mountain Electric	14832 Lakeshore Dr.	Clearlake	CA	B - General Building	3/31/2023	507105
Cupples & Sons Construction, Inc.	221 Olive Ln., #G	Ukiah	CA	B - General Building	4/30/2022	806992
Enable Energy, Inc. (aka BayWa R.E. Energy Solutions, Inc.)	1101 National Dr., Ste B	Sacramento	CA	B - General Building	2/28/2022	990593
Ferranti Construction, Inc.	P O BOX 259	Redwood Valley	CA	B - General Building	3/31/2023	385543
Fort Bragg Electric, Inc.	P O BOX 1878	Fort Bragg	CA	B - General Building	7/31/2022	391464
FRC, Inc.	9680 Old Redwood Hwy	Windsor	CA	B - General Building	4/30/2022	715667
GCCI, Inc.	P O Box 11039	Santa Rosa	CA	B - General Building	11/30/2022	729437
GMH Builders, Inc.	P O Box 1773	Sonoma	CA	B - General Building	7/31/2022	1016384
GSE Construction Company, Inc.	3990 Yosemite Ave	Lathrop	CA	B - General Building	3/31/2023	401498
Granite Construction Company	1324 S. State Street	Ukiah	CA	B - General Building	5/31/2023	89
Harbert Roofing, Inc.	19799 Hirsch Ct.	Anderson	CA	B - General Building	10/31/2022	696974
JB Jordan & Associates	P O BOX 3629	Eureka	CA	B - General Building	12/31/2022	955247
Kirby Construction Company	625 Ware Ave.	Santa Rosa	CA	B - General Building	4/30/2022	812509
Menton Builders, Inc.	P O BOX 871	Ukiah	CA	B - General Building	8/31/2023	381334
Midstate Construction Corporation	1180 Holm Road	Petaluma	CA	B - General Building	7/31/2023	89455
Nor-Cal Pump & Well Drilling, Inc.	1325 Barry Road	Yuba City	CA	B - General Building	1/31/2022	908591
North Coast Floor & Tile	2510 Broadway	Eureka	CA	B - General Building	5/31/2022	808031
Oak Grove Construction	431 Payran Street, Ste. 101	Petaluma	CA	B - General Building	6/30/2023	406464
Pierson Company	1200 W. Harris St.	Eureka	CA	B - General Building	3/31/2022	265024
RCM Fire Protection, Inc.	350 Enterprise Pl	Tracy	CA	B - General Building	4/30/2023	793205
Sack Concrete Construction	1150 Hasting Road	Ukiah	CA	B - General Building	8/31/2023	625555
Solano County Roofing	4349 Cordelia Rd.	Fairfield	CA	B - General Building	7/31/2022	495355
Telstar Instruments	4017 Vista Park Court	Sacramento	CA	B - General Building	5/31/2022	422364
TerraCon Constructors, Inc.	P O BOX 276	Healdsburg	CA	B - General Building	11/30/2023	562511
Ukiah Electric	2000 Industry Road	Ukiah	CA	B - General Building	4/30/2022	713241
Valley Paving	P O BOX 559; 2601 Road E	Redwood Valley	CA	B - General Building	7/31/2023	674411
Wahlund Construction, Inc.	P.O. Box 6486	Eureka	CA	B - General Building	9/20/2022	678993
West Coast Environmental	3181 Fitzgerald Road	Rancho Cordova	CA	B - General Building	2/28/2022	718733
Wright Contracting LLC	3020 Dutton Ave.	Santa Rosa	CA	B - General Building	4/30/2023	1025609
Building Exchanges						
Construction BidBoard, Inc.	11622 El Camino Real, Ste 100	San Diego	CA	Building Exchanges		
Dodge Data & Analytics	2860 S. State Hwy 161, Ste. 160 #501	Grand Prairie	TX	Building Exchanges		
Humboldt Builders Exchange	1213 5th Street	Eureka	CA	Building Exchanges		
North Coast Builders Exchange	1030 Apollo Way	Santa Rosa	CA	Building Exchanges		

CITY OF UKIAH'S 2022 QUALIFIED CONTRACTORS LIST

Company	Address 1	City	State	Class	State License Expiration	State License No.
Marin Builders Association	660 Las Gallinas Avenue	San Rafael	CA	Building Exchanges		
Placer County Contractors Association, Inc.	10656 Industrial Ave., Suite 160	Roseville	CA	Building Exchanges		
Bay Area Builders Exchange	3055 Alvarado Street	San Leandro	CA	Building Exchanges		
Builders Exchange of Stockton	4561 Quail Lake Dr., Ste B2	Stockton	CA	Building Exchanges		
Sacramento Regional Builders Exchange	5370 Elvas Ave.	Sacramento	CA	Building Exchanges		
The San Francisco Builders Exchange	850 South Van Ness Avenue	San Francisco	CA	Building Exchanges		
Shasta Builders Exchange	5800 Airport Road	Redding	CA	Building Exchanges		
Valley Contractors Exchange	951 E. Eighth Street	Chico	CA	Building Exchanges		
Class C-2 Insulation & Acoustical						
Alcal Specialty Contracting, Inc.	42950 Osgood Road	Fremont	CA	C-02 Insulation & Acoustical	11/30/2022	815286
Apperson Energy Management	P O BOX 366	Redwood Valley	CA	C-02 Insulation & Acoustical	11/30/2022	431271
Granite Construction Company	1324 S. State Street	Ukiah	CA	C-02 Insulation & Acoustical	5/31/2023	89
Solano County Roofing	4349 Cordelia Rd.	Fairfield	CA	C-02 Insulation & Acoustical	7/31/2022	495355
West Coast Environmental	3181 Fitzgerald Road	Rancho Cordova	CA	C-02 Insulation & Acoustical	2/28/2022	718733
Class C-4 Boiler, Hot Water Heating & Steam Fitting						
CBS Plumbing & Heating, Inc.	P.O. Box 2385	Santa Rosa	CA	C-04 Boiler, Hot Water Heating & Steam Fitting	3/31/2022	294171
Intercounty Mechanical & Electrical, Inc.	189 Wabash Avenue	Ukiah	CA	C-04 Boiler, Hot Water Heating & Steam Fitting	12/31/2022	926337
Roberts Mechanical & Electrical, Inc.	355 Kunzler Ranch Road, Ste. E	Ukiah	CA	C-04 Boiler, Hot Water Heating & Steam Fitting	2/28/2023	556014
Class C-5 Carpentry						
Pierson Company	1200 W. Harris St.	Eureka	CA	C-05 Carpentry	3/31/2022	265024
Class C-6 Cabinet & Mill Work						
Orland Cabinet Shop, Inc.	35 A Street	Orland	CA	C-06 Cabinet & Mill Work	6/30/2023	189381
Class C-7 Low Voltage Communication & Wiring Systems						
Gaynor Telesystems, Inc.	9650 Tanqueray Ct.	Redding	CA	C-07 Low Voltage Communication & Wiring Systems	8/31/2023	339907
KS Telecom, Inc.	P.O. Box 330	Penryn	CA	C-07 Low Voltage Communication & Wiring Systems	2/28/2023	790922
PCD	1032 Maxwell Drive	Santa Rosa	CA	C-07 Low Voltage Communication & Wiring Systems	4/30/2022	527657
TEC-COM Low Voltage Solutions, Inc.	2045 Live Oak Blvd	Yuba City	CA	C-07 Low Voltage Communication & Wiring Systems	6/30/2023	769824
Telecom Services Co.	710 South State Street Suite D	Ukiah	CA	C-07 Low Voltage Communication & Wiring Systems	1/31/2022	802970
Telstar Instruments	4017 Vista Park Court	Sacramento	CA	C-07 Low Voltage Communication & Wiring Systems	5/31/2022	422364
Tri Path Technology Group	3075 Cohasset Rd., Ste 1	Chico	CA	C-07 Low Voltage Communication & Wiring Systems	7/31/2022	1016628
World Telecom & Surveillance, Inc.	1819 Keystone Court	Redding	CA	C-07 Low Voltage Communication & Wiring Systems	6/30/2022	793485
Class C-8 Concrete						
Ferranti Construction, Inc.	P O BOX 259	Redwood Valley	CA	C-08 Concrete	3/31/2023	385543
Ghilotti Construction	246 Ghilotti Avenue	Santa Rosa	CA	C-08 Concrete	5/31/2022	644515
Granite Construction Company	1324 S. State Street	Ukiah	CA	C-08 Concrete	5/31/2023	89
Pierson Company	1200 W. Harris St.	Eureka	CA	C-08 Concrete	3/31/2022	265024
Sack Concrete Construction	1150 Hasting Road	Ukiah	CA	C-08 Concrete	8/31/2023	625555
Class C-9 Drywall						
Pacific Drywall	P O BOX 503	Redwood Valley	CA	C-09 Drywall	2/28/2022	911180
West Coast Environmental	3181 Fitzgerald Road	Rancho Cordova	CA	C-09 Drywall	2/28/2022	718733
Class C-10 General Electrical						
Bartley Pump, Inc.	4000 South Moorland Avenue	Santa Rosa	CA	C10 General Electrical	12/31/2023	1033562
Bowen Engineering and Environmental	4664 S. Cedar Avenue	Fresno	CA	C10 General Electrical	1/31/2023	656741
Busch Construction & Electric	266 Terra Verde Court	Redwood Valley	CA	C10 General Electrical	5/31/2023	404336
Coastal Mountain Electric	14832 Lakeshore Dr.	Clearlake	CA	C10 General Electrical	3/31/2023	507105
Enable Energy, Inc. (aka BayWa R.E. Energy Solutions, Inc.)	1101 National Dr., Ste B	Sacramento	CA	C10 General Electrical	2/28/2022	990593

CITY OF UKIAH'S 2022 QUALIFIED CONTRACTORS LIST

Company	Address 1	City	State	Class	State License Expiration	State License No.
Fort Bragg Electric, Inc.	P O BOX 1878	Fort Bragg	CA	C10 General Electrical	7/31/2022	391464
Granite Construction Company	1324 S. State Street	Ukiah	CA	C10 General Electrical	5/31/2023	89
Intercounty Mechanical & Electrical, Inc.	189 Wabash Avenue	Ukiah	CA	C10 General Electrical	12/31/2022	926337
Joe Lunardi Electric, Inc.	5334 Sebastopol Rd.	Santa Rosa	CA	C10 General Electrical	3/31/2023	315543
KS Telecom, Inc.	P.O. Box 330	Penryn	CA	C10 General Electrical	2/28/2023	790922
Lawrence Electric, Inc.	3720 Christy Lane	Ukiah	CA	C10 General Electrical	2/28/2022	715591
Mike Brown Electric Company	561-A Mercantile Drive	Cotati	CA	C10 General Electrical	4/30/2022	306767
Northern Electric, Inc.	3190 Regional Parkway	Santa Rosa	CA	C10 General Electrical	3/31/2022	437655
PCD	1032 Maxwell Drive	Santa Rosa	CA	C10 General Electrical	4/30/2022	527657
Roberts Mechanical & Electrical, Inc.	355 Kunzler Ranch Road, Ste. E	Ukiah	CA	C10 General Electrical	2/28/2023	556014
Spencer Electric	P O BOX 42	Cutten	CA	C10 General Electrical	6/30/2022	917603
SPX Transformer Solutions	400 S. Prairie Avenue	Waukesha	WI	C10 General Electrical	5/31/2022	839522
Summit Signal, Inc.	260 Margie Drive	Willits	CA	C10 General Electrical	7/31/2022	842536
Telstar Instruments	4017 Vista Park Court	Sacramento	CA	C10 General Electrical	5/31/2022	422364
Ukiah Electric	2000 Industry Road	Ukiah	CA	C10 General Electrical	4/30/2022	713241
Western Water Constructors, Inc.	707 Aviation Boulevard	Santa Rosa	CA	C10 General Electrical	4/30/2022	188068
Class C-11 Elevator Installation						
Arrow Lift of California	101 Sunnyside Ave., Ste. 101	Clovis	CA	C11 Elevator Installation	8/31/2022	995486
Class C-12 Earthwork & Paving						
Inc.	690 Todd Road	Lakeport	CA	C12 Earthwork & Paving	7/31/2023	1056341
Pacific Earthscape (aka Ford Logging, Inc.)	1225 Central Ave. #11	McKinleyville	CA	C12 Earthwork & Paving	4/30/2021	793279
Ghilotti Construction	246 Ghilotti Avenue	Santa Rosa	CA	C12 Earthwork & Paving	5/31/2022	644515
Granite Construction Company	1324 S. State Street	Ukiah	CA	C12 Earthwork & Paving	5/31/2023	89
Mike Brown Electric Company	561-A Mercantile Drive	Cotati	CA	C12 Earthwork & Paving	4/30/2022	306767
Class C-13 Fencing						
Enable Energy, Inc. (aka BayWa R.E. Energy Solutions, Inc.)	1101 National Dr., Ste B	Sacramento	CA	C13 Fencing	2/28/2022	990593
Class C-15 Flooring & Floor Covering						
JB Jordan & Associates	P O BOX 3629	Eureka	CA	C15 Flooring & Floor Covering	12/31/2022	955247
Colusa Floor Covering	678 N Palora Ave.	Yuba City	CA	C15 Flooring & Floor Covering	5/31/2022	364608
North Coast Floor & Tile	2510 Broadway	Eureka	CA	C15 Flooring & Floor Covering	5/31/2022	808031
Class C-16 Fire Protecting Contractor						
Bartley Pump, Inc.	4000 South Moorland Avenue	Santa Rosa	CA	C16 Fire Protecting Contractor	12/31/2023	1033562
CBS Plumbing & Heating, Inc.	P.O. Box 2385	Santa Rosa	CA	C16 Fire Protecting Contractor	3/31/2022	294171
GSE Construction Company, Inc.	3990 Yosemite Ave	Lathrop	CA	C16 Fire Protecting Contractor	3/31/2023	401498
RCM Fire Protection, Inc.	350 Enterprise Pl	Tracy	CA	C16 Fire Protecting Contractor	4/30/2023	793205
Wipf Construction	P O BOX 234	Ukiah	CA	C16 Fire Protecting Contractor	11/30/2023	629598
Class C-17 Glazing						
Alcal Specialty Contracting, Inc.	42950 Osgood Road	Fremont	CA	C17 Glazing	11/30/2022	815286
Apperson Energy Management	P O BOX 366	Redwood Valley	CA	C17 Glazing	11/30/2022	431271
BEST Contracting Services, Inc.	19027 S. Hamilton Ave.	Gardena	CA	C17 Glazing	5/31/2020	456263
Class C-20 Warm-Air Heating, Ventilating & Air-Conditioning						
CBS Plumbing & Heating, Inc.	P.O. Box 2385	Santa Rosa	CA	C20 Warm-Air Heating, Ventilating & Air-	3/31/2022	294171
Intercounty Mechanical & Electrical, Inc.	189 Wabash Avenue	Ukiah	CA	C20 Warm-Air Heating, Ventilating & Air-	12/31/2022	926337
JMS Mechanical, Inc.	538 Martin Avenue, Suite D	Rohnert Park	CA	C20 Warm-Air Heating, Ventilating & Air-	8/31/2022	811562
Roberts Mechanical & Electrical, Inc.	355 Kunzler Ranch Road, Ste. E	Ukiah	CA	C20 Warm-Air Heating, Ventilating & Air-	2/28/2023	556014
Class C-21 Building Moving & Wrecking						

CITY OF UKIAH'S 2022 QUALIFIED CONTRACTORS LIST

Company	Address 1	City	State	Class	State License Expiration	State License No.
Bowen Engineering and Environmental	4664 S. Cedar Avenue	Fresno	CA	C21 Building Moving & Wrecking	1/31/2023	656741
Coleman Environmental Engineering, Inc.	P O BOX 1020	Upper Lake	CA	C21 Building Moving & Wrecking	6/30/2022	764005
Ghilotti Construction	246 Ghilotti Avenue	Santa Rosa	CA	C21 Building Moving & Wrecking	5/31/2022	644515
Granite Construction Company	1324 S. State Street	Ukiah	CA	C21 Building Moving & Wrecking	5/31/2023	89
Mendocino Construction Services, Inc.	P O BOX 1517	Willits	CA	C21 Building Moving & Wrecking	7/31/2023	443396
West Coast Environmental	3181 Fitzgerald Road	Rancho Cordova	CA	C21 Building Moving & Wrecking	2/28/2022	718733
Class C-22 Asbestos Abatement						
Bowen Engineering and Environmental	4664 S. Cedar Avenue	Fresno	CA	C22 - ASBESTOS ABATEMENT	1/31/2023	656741
Wahlund Construction, Inc.	P.O. Box 6486	Eureka	CA	C22 - ASBESTOS ABATEMENT	9/20/2022	678993
West Coast Environmental	3181 Fitzgerald Road	Rancho Cordova	CA	C22 - ASBESTOS ABATEMENT	2/28/2022	718733
Class C-23 Ornamental Metals						
N/A						
Class C-27 Landscaping						
Granite Construction Company	1324 S. State Street	Ukiah	CA	C27 Landscaping	5/31/2023	89
Hanford Applied Resporation & Conservation	755 Baywood Drive, Ste. 380	Petaluma	CA	C27 Landscaping	2/28/2022	461167
Johnson's Custom Landscaping, Inc.	591 Riverside Drive	Ukiah	CA	C27 Landscaping	3/31/2023	748725
Quality Landscape Company	11821 Westside Potter Valley Road	Potter Valley	CA	C27 Landscaping	11/30/2022	548558
Sangiaco Landscape	3150 Guidiville Road	Ukiah	CA	C27 Landscaping	1/31/2023	367676
Class C-28 Lock & Security Equipment						
N/A						
Class C-29 Masonry						
Granite Construction Company	1324 S. State Street	Ukiah	CA	C29 Masonry	5/31/2023	89
Class C-31 Construction Zone Traffic Control						
Granite Construction Company	1324 S. State Street	Ukiah	CA	C31 Construction Zone Traffic Control	5/31/2023	89
Live Oak Utility Infrastructure, LLC	3450 Broad St., #104	San Luis Obispo	CA	C31 Construction Zone Traffic Control	9/30/2023	1057965
Paulson Excavating, Inc.	P.O. Box 339	Albion	CA	C31 Construction Zone Traffic Control	7/31/2022	425362
Wipf Construction	P O BOX 234	Ukiah	CA	C31 Construction Zone Traffic Control	11/30/2023	629598
Class C-32 Parking & Highway Improvement						
American Asphalt Repair & Resurfacing Co., Inc.	24200 Clawiter Road	Hayward	CA	C32 Parking & Highway Improvement	5/31/2023	439591
Argonaut Constructors	P O Box 639	Santa Rosa	CA	C32 Parking & Highway Improvement	12/31/2021	171432
Pavement Coatings Co.	10240 San Sevaine Way	Jurupa Valley	CA	C32 Parking & Highway Improvement	9/30/2022	303609
Class C-33 Painting & Decorating						
Bowen Engineering and Environmental	4664 S. Cedar Avenue	Fresno	CA	C33 Painting & Decorating	1/31/2023	656741
Dunn Right Painting, Inc.	75 D Kunzler Ranch Road	Ukiah	CA	C33 Painting & Decorating	9/30/2023	691040
Zayco Performance Coatings	4501 Robertson Ave.	Sacramento	CA	C33 Painting & Decorating		
Class C-34 Pipeline						
Mike Brown Electric Company	561-A Mercantile Drive	Cotati	CA	C34 Pipeline	4/30/2022	306767
Class C-35 Lathing and Plastering						
Alcal Specialty Contracting, Inc.	42950 Osgood Road	Fremont	CA	C35 Lathing and Plastering	11/30/2022	815286
Granite Construction Company	1324 S. State Street	Ukiah	CA	C35 Lathing and Plastering	5/31/2023	89
Class C-36 Plumbing						
Aquamakx Plumbing	P O BOX 761	Redwood Valley	CA	C36 Plumbing	5/31/2023	932392
CBS Plumbing & Heating, Inc.	P.O. Box 2385	Santa Rosa	CA	C36 Plumbing	3/31/2022	294171
Coleman Plumbing	P.O. Box 754	Redwood Valley	CA	C36 Plumbing	12/31/2023	989129
Fort Bragg Electric, Inc.	P O BOX 1878	Fort Bragg	CA	C36 Plumbing	7/31/2022	391464
GSE Construction Company, Inc.	3990 Yosemite Ave	Lathrop	CA	C36 Plumbing	3/31/2023	401498
Granite Construction Company	1324 S. State Street	Ukiah	CA	C36 Plumbing	5/31/2023	89

CITY OF UKIAH'S 2022 QUALIFIED CONTRACTORS LIST

Company	Address 1	City	State	Class	State License Expiration	State License No.
Intercounty Mechanical & Electrical, Inc.	189 Wabash Avenue	Ukiah	CA	C36 Plumbing	12/31/2022	926337
R G Plumbing Group, Inc.	461 Todd Road	Santa Rosa	CA	C36 Plumbing	2/28/2022	802006
Roberts Mechanical & Electrical, Inc.	355 Kunzler Ranch Road, Ste. E	Ukiah	CA	C36 Plumbing	2/28/2023	556014
Weeks Drilling and Pump Co.	6100 Highway 12	Sebastopol	CA	C36 Plumbing	9/30/2022	177681
Class C-38 Refrigeration						
Intercounty Mechanical & Electrical, Inc.	189 Wabash Avenue	Ukiah	CA	C38 Refrigeration	12/31/2022	926337
Class C-39 Roofing						
Alcal Specialty Contracting, Inc.	42950 Osgood Road	Fremont	CA	C39 Roofing	11/30/2022	815286
B. A. S. Roofing	425 Pomo Drive	Ukiah	CA	C39 Roofing	1/31/2023	927007
BEST Contracting Services, Inc.	19027 S. Hamilton Ave.	Gardena	CA	C39 Roofing	5/31/2020	456263
Bowen Engineering and Environmental	4664 S. Cedar Avenue	Fresno	CA	C39 Roofing	1/31/2023	656741
Foam Experts Roofing, Inc.	1107 S. Wilbur St.	Mesa	CA	C39 Roofing	11/30/2022	501167
Granite Construction Company	1324 S. State Street	Ukiah	CA	C39 Roofing	5/31/2023	89
Harbert Roofing, Inc.	19799 Hirsch Ct.	Anderson	CA	C39 Roofing	10/31/2022	696974
Lucerne Roofing	74 Soda Bay Rd	Lakeport	CA	C39 Roofing	4/30/2022	388686
Solano County Roofing	4349 Cordelia Rd.	Fairfield	CA	C39 Roofing	7/31/2022	495355
Class C-42 Sanitation Systems						
Ghilotti Construction	246 Ghilotti Avenue	Santa Rosa	CA	C42 Sanitation Systems	5/31/2022	644515
Granite Construction Company	1324 S. State Street	Ukiah	CA	C42 Sanitation Systems	5/31/2023	89
Class C-43 Sheet Metal						
BEST Contracting Services, Inc.	19027 S. Hamilton Ave.	Gardena	CA	C43 Sheet Metal	5/31/2020	456263
CBS Plumbing & Heating, Inc.	P.O. Box 2385	Santa Rosa	CA	C43 Sheet Metal	3/31/2022	294171
JMS Mechanical, Inc.	539 Martin Avenue, Suite D	Rohnert Park	CA	C43 Sheet Metal	8/31/2022	811562
Solano County Roofing	4349 Cordelia Rd.	Fairfield	CA	C43 Sheet Metal	7/31/2022	495355
Class C-45 Electrical Signs						
Granite Construction Company	1324 S. State Street	Ukiah	CA	C45 Electrical Signs	5/31/2023	89
Class C-46 Solar						
Enable Energy, Inc. (aka BayWa R.E. Energy Solutions, Inc.)	1101 National Dr., Ste B	Sacramento	CA	C46 Solar	2/28/2022	990593
Class C-50 Steel Reinforcing						
Granite Construction Company	1324 S. State Street	Ukiah	CA	C50 Steel Reinforcing	5/31/2023	89
Class C-51 Structural Steel Contractor						
Granite Construction Company	1324 S. State Street	Ukiah	CA	C51 Structural Steel Contractor	5/31/2023	89
Class C-53 Swimming Pool						
N/A						
Class C-54 Ceramic & Mosaic Tile						
Colusa Floor Covering	678 N Palora Ave.	Yuba City	CA	C54 Ceramic & Mosaic Tile	5/31/2022	364608
North Coast Floor & Tile	2510 Broadway	Eureka	CA	C54 Ceramic & Mosaic Tile	5/31/2022	808031
Class C-55 Water Conditioning						
N/A						
Class C-57 Water Well Drilling						
Bartley Pump, Inc.	4000 South Moorland Avenue	Santa Rosa	CA	C57 Water Well Drilling	12/31/2023	1033562
Commercial Pump & Mechanical	P O BOX 7947	Chico	CA	C57 Water Well Drilling	3/31/2023	921066
Granite Construction Company	1324 S. State Street	Ukiah	CA	C57 Water Well Drilling	5/31/2023	89
Nor-Cal Pump & Well Drilling, Inc.	1325 Barry Road	Yuba City	CA	C57 Water Well Drilling	1/31/2022	908591
Weeks Drilling and Pump Co.	P O BOX 176	Sebastopol	CA	C57 Water Well Drilling	9/30/2022	177681
Class D-06 Concrete Related Services						
Spencer Electric	P O BOX 42	Cutten	CA	D06 - Concrete Related Services	6/30/2022	917603
Class D-09 Drilling, Blasting and Oil Field Work						

CITY OF UKIAH'S 2022 QUALIFIED CONTRACTORS LIST						
Company	Address 1	City	State	Class	State License Expiration	State License No.
Mike Brown Electric Company	561-A Mercantile Drive	Cotati	CA	D09 Drilling, Blasting and Oil Field Work	4/30/2022	306767
Nor-Cal Pump & Well Drilling, Inc.	1325 Barry Road	Yuba City	CA	D09 Drilling, Blasting and Oil Field Work	1/31/2022	908591
Class D-10 Elevated Floors						
N/A						
Class D-12 Synthetic Products						
Flexground Surfaces, Inc.	2029 Opportunity Drive Ste 3	Roseville	CA	C61 / D12 Synthetic Products	5/31/2023	1003439
Class D-21 Machinery & Pumps						
Alcal Specialty Contracting, Inc.	42950 Osgood Road	Fremont	CA	C61 / D21 Machinery & Pumps	11/30/2022	815286
Commercial Pump & Mechanical	P O BOX 7947	Chico	CA	C61 / D21 Machinery & Pumps	3/31/2023	921066
GSE Construction Company, Inc.	3990 Yosemite Ave	Lathrop	CA	C61 / D21 Machinery & Pumps	3/31/2023	401498
Nor-Cal Pump & Well Drilling, Inc.	1325 Barry Road	Yuba City	CA	C61 / D21 Machinery & Pumps	1/31/2022	908591
Weeks Drilling and Pump Co.	P O BOX 176	Sebastopol	CA	C61 / D21 Machinery & Pumps	9/30/2022	177681
Class D-23 Medical Gas Systems						
N/A						
Class D-24 Metal Products						
N/A						
Class D-28 Doors, Gates & Activating Devices						
N/A						
Class D-31 Pole Installation & Maintenance						
N/A						
Class D-34 Prefabricated Equipment						
Alcal Specialty Contracting, Inc.	42950 Osgood Road	Fremont	CA	C61 / D-34 Prefabricated Equipment	11/30/2022	815286
Flexground Surfaces, Inc.	2029 Opportunity Drive Ste 3	Roseville	CA	C61 / D-34 Prefabricated Equipment	5/31/2023	1003439
Class D-35 Pool and Spa Maintenance						
N/A						
Class D-38 Sand & Water Blasting						
Bowen Engineering and Environmental	4664 S. Cedar Avenue	Fresno	CA	D38 Sand & Water Blasting	1/31/2023	656741
Class D-39 Scaffolding						
N/A						
Class D-40 Srvc Stn Equip & Maint						
N/A						
Class D-41 Siding and Decking						
N/A						
Class D-42 Sign Installation						
Live Oak Utility Infrastructure, LLC	3450 Broad St., #104	San Luis Obispo	CA	D42 Non-Electrical Sign Installation	9/30/2023	1057965
Class D-49 Tree Service						
Family Tree Resource, Inc.	1155 S Main St., Ste 102	Willits	CA	D49 Tree Service	1/31/2023	1048457
Family Tree Service, Inc.	P O BOX 1325	Laytonville	CA	D49 Tree Service	2/28/2022	640013
Image Tree Service, Inc.	564 Caletti Ave.	Windsor	CA	D49 Tree Service	7/31/2023	719689
Wylatti Resource Management, Inc.	P O BOX 575 Cemetary Lane	Covelo	CA	D49 Tree Service	6/30/2023	934597
Class D-52 Window Covering						
Class D-64 Non Specialized						
N/A						
HAZ Hazardous Substance Removal Certification						
Argonaut Constructors	P O Box 639	Santa Rosa	CA	HAZ Hazardous Substance Removal Certification	12/31/2023	171432
Bowen Engineering and Environmental	4664 S. Cedar Avenue	Fresno	CA	HAZ Hazardous Substance Removal Certification	1/31/2023	656741
Coleman Environmental Engineering, Inc.	P O BOX 1020	Upper Lake	CA	HAZ Hazardous Substance Removal Certification	6/30/2022	764005
EBA Engineering	825 Sonoma Ave., Ste. C	Santa Rosa	CA	HAZ Hazardous Substance Removal Certification	1/31/2023	662725
Fort Bragg Electric, Inc.	P O BOX 1878	Fort Bragg	CA	HAZ Hazardous Substance Removal Certification	7/31/2022	391464

CITY OF UKIAH'S 2022 QUALIFIED CONTRACTORS LIST

Company	Address 1	City	State	Class	State License Expiration	State License No.
GSE Construction Company, Inc.	3990 Yosemite Ave	Lathrop	CA	HAZ Hazardous Substance Removal Certification	3/31/2023	401498
Ghilotti Construction	246 Ghilotti Avenue	Santa Rosa	CA	HAZ Hazardous Substance Removal Certification	5/31/2022	644515
Granite Construction Company	1324 S. State Street	Ukiah	CA	HAZ Hazardous Substance Removal Certification	5/31/2023	89
Paulson Excavating, Inc.	P.O. Box 339	Albion	CA	HAZ Hazardous Substance Removal Certification	7/31/2022	425362
Oak Grove Construction	431 Payran Street, Ste. 101	Petaluma	CA	HAZ Hazardous Substance Removal Certification	6/30/2023	406464
Siri Grading & Paving, Inc.	P O BOX 3638	Santa Rosa	CA	HAZ Hazardous Substance Removal Certification	1/31/2024	325681
Team Ghilotti, Inc.	2531 Petaluma Blvd., So.	Petaluma	CA	HAZ Hazardous Substance Removal Certification	4/30/2023	895384
TerraCon Constructors, Inc.	P O BOX 276	Healdsburg	CA	HAZ Hazardous Substance Removal Certification	11/30/2023	562511
Wahlund Construction, Inc.	P.O. Box 6486	Eureka	CA	HAZ Hazardous Substance Removal Certification	9/20/2022	678993
West Coast Environmental	3181 Fitzgerald Road	Rancho Cordova	CA	HAZ Hazardous Substance Removal Certification	2/28/2022	718733
HIC Home Improvement Certification						
N/A						



AGENDA SUMMARY REPORT

SUBJECT: Notification to City Council of Contract No. 2021-235 with Cinquini & Passarino Inc. for Consulting and Surveying Services at the Electric Service Center on Hastings Rd., in the Amount of \$17,500.

DEPARTMENT: Electric Utility

PREPARED BY: Diann Lucchetti, Administrative Secretary

PRESENTER: Cindy Sauers, Electric Utility Director

ATTACHMENTS:

1. COU# 2021-235 - Cinquini & Passarino, Inc - Complete
2. Amend. 1 Cinquini & Passarino, Inc - Land Surveying 2021-235-A1 - signed

Summary: Council will receive notification of Contract No. 2021-235 for consulting and surveying services at the Electric Service Center on Hastings Rd. for the amount of \$17,500.

Background: Pursuant to the requirements of Section 1522 of the Municipal Code, Staff is reporting to City Council a contract with Cinquini & Passarino Inc. for consulting and surveying services in the amount of \$17,500.00.

Discussion: On May 5, 2021, the City Council awarded a contract for site improvements at the Electric Service Center to CWS Construction. Due to workload, the civil engineer who designed the project was unavailable to assist the City and provide quality control and analysis during the construction phase of the project. Staff contacted five civil engineering firms to provide this support. Cinquini and Passarino was the only firm who responded and was available to assist.

On June 7, 2021, the City of Ukiah Electric Department entered into a contract (Attachment 1) with Cinquini & Passarino Inc. for consulting services related to land surveying and analysis during construction of the Electric Service Center Site Improvement Project at Hastings Road, Ukiah CA, for an amount not-to-exceed \$10,000.

On October 28, 2021, Amendment No. 1 to Contract No. 2021-235 (Attachment 2) was entered, revising the maximum dollar amount by an additional \$7,500 for a revised total contract amount not-to-exceed \$17,500.

Recommended Action: Receive notification of Contract No. 2021-235 with Cinquini & Passarino Inc., for the amount of \$17,500.00.

BUDGET AMENDMENT REQUIRED: No

CURRENT BUDGET AMOUNT: 80126100.80220.17023: \$540,110

PROPOSED BUDGET AMOUNT: N/A

FINANCING SOURCE: Electric CIP Fund

PREVIOUS CONTRACT/PURCHASE ORDER NO.: Contract No. 2121-235

COORDINATED WITH: Mary Horger, Financial Services Manager

Approved: 
Sage Sangiacomo, City Manager

COU No. 2021235

AGREEMENT FOR PROFESSIONAL CONSULTING SERVICES

This Agreement, made and entered into this 7th day of June, 2021 ("Effective Date"), by and between CITY OF UKIAH, CALIFORNIA, hereinafter referred to as "City" and Cinquini & Passarino, 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 land surveying and office analysis during construction of the Electric Service Center Site Improvement Project at 1350 Hastings Road, Ukiah CA 95482, APN 180-070-19.
- 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. 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 \$10,000. 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,

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.

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.

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 date of final approved invoice for this project.

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
CINDY SAUERS
300 SEMINARY AVENUE
UKIAH, CA 95482-5400

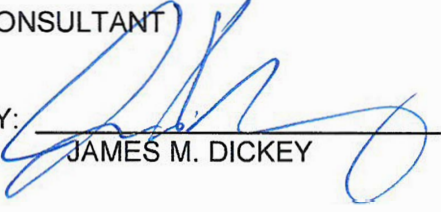
CINQUINI & PASSARINO, INC.
MR. ANTHONY G. CINQUINI
1360 NO. DUTTON AVE., SUITE 150
SANTA ROSA, CA 95401

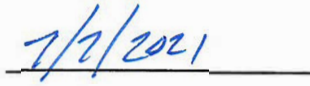
9.0 SIGNATURES

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

CONSULTANT

BY:


JAMES M. DICKEY


Date

IRS IDN Number

CITY OF UKIAH

BY:


SAGE SANGIACOMO
CITY MANAGER

Jul 16, 2021

Date

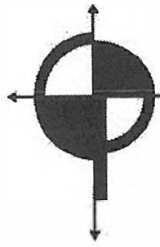
ATTEST


Kristine Lawler (Jul 16, 2021 11:18 PDT)

KRISTINE LAWLER
CITY CLERK

Jul 16, 2021

Date



▲ BOUNDARY
▲ RAILROAD

▲ TOPOGRAPHIC
▲ INFRASTRUCTURE

▲ CONSTRUCTION
▲ HYDROGRAPHIC

CINQUINI & PASSARINO, INC.
LAND SURVEYING

P11274

May 3, 2021

Cindy Sauers, P.E.
City of Ukiah
411 W. Clay Street
Ukiah, CA 95482
VIA EMAIL: CSAUERS@CITYOFUKIAH.COM

**Re: Scope of Work and Fee Proposal to Provide Land Surveying Services
APN 180-070-19 – 1350 Hasting Road, Ukiah, California 95482**

Dear Cindy:

Cinquini & Passarino, Inc. is very pleased to present to you this scope of work and fee proposal for the as-needed services during construction to provide quality assurance surveys during construction at the City of Ukiah Electric Service Center.

SCOPE OF WORK

C&P will provide up to 16 hours of quality assurance field surveys and associated office analysis during the construction of the City's Electric Service Center on an as-requested basis. The purpose of the surveys will be to confirm conformance to the positions of fixed works as shown on the plan set entitled "City of Ukiah Electric Service Center" prepared by Ron W. Franz, RCE, PLS, dated May 28, 2019.

Items that may be checked include:

- Horizontal location of contractor's construction staking.
- Elevations of contractor's construction staking.
- Slope of fixed works.
- Other surveys as requested by City of Ukiah.
- *A BOUNDARY SURVEY IS NOT A PART OF THIS SCOPE OF WORK.*
- *CITY OF UKIAH SHALL PROVIDE THE PROJECT ENGINEER'S CAD FILES WITH SURVEY CONTROL PRIOR REQUESTED FOR QUALITY ASSURANCE SURVEYS.*

Deliverables: Sealed hardcopy of Quality Assurance Survey Map. The Autocad "dwg" used to create the hardcopy will also be provided for your convenience.

PROJECT FEE

The hourly not to exceed fee for the quality assurance surveys will be \$5,600.00

PROJECT SCHEDULE

The quality assurance survey field work will be completed within 72 hours of request for survey.

Cindy Sauers, P.E.
City of Ukiah
May 3, 2021
Page 2 of 2

Cindy, thank you for choosing Cinquini & Passarino, Inc. to be a part of your team. Please feel free to contact me at (707) 542-6268 if you have any questions or require additional information.

Very truly yours,
CINQUINI & PASSARINO, INC.

Anthony G. Cinquini, P.E., P.L.S.
Principal



▲ BOUNDARY ▲ TOPOGRAPHIC ▲ CONSTRUCTION
▲ RAILROAD ▲ INFRASTRUCTURE ▲ HYDROGRAPHIC

EXHIBIT C
HOURLY FEE SCHEDULE
MARCH 1, 2021 TO FEBRUARY 28, 2022

OFFICE AND PROFESSIONAL

Professional Land Surveyor (4 HOUR MINIMUM) TRIALS, TESTIMONY & DEPOSITIONS	\$470.00 per hour
Professional Land Surveyor CONSULTATION, LEGAL RESEARCH & COURT EXHIBITS	\$275.00 per hour
Principal Professional Land Surveyor	\$220.00 per hour
Senior Professional Land Surveyor	\$195.00 per hour
Professional Land Surveyor	\$160.00 - \$185.00 per hour
Survey Technician	\$118.00 - \$165.00 per hour
Staff Surveyor	\$135.00 - \$175.00 per hour
GIS Analyst	\$134.00 per hour
Remote Pilot INCLUDES MISSION PLANNING, VEHICLES, UAS/DRONE, MILEAGE & MATERIAL	\$205.00 - \$220.00 per hour
Word Processing, Clerical and Deliveries	\$100.00 - \$150.00 per hour

FIELD CREWS

THE FOLLOWING INCLUDES VEHICLES, EQUIPMENT, MILEAGE & MATERIAL

1 Person Field Party	\$195.00 per hour
1 Person GPS Party	\$220.00 per hour
2 Person Field Party FIELD CREW CONSISTS OF PARTY CHIEF & CHAINMAN	\$290.00 per hour
3 Person Field Party FIELD CREWS CONSIST OF PARTY CHIEF, 2 CHAINMEN OR CHAINMAN & FLAGPERSON.	\$410.00 per hour
4 - Person Field Party FIELD CREWS CONSIST OF PARTY CHIEF, 3 CHAINMEN OR CHAINMAN & 2 FLAGPERSONS.	\$475.00 per hour

SUPPLEMENTAL ITEMS

Outside Contract Work	Cost plus 15%
Overtime Work	1.2 x base rate
Over 8 Hours on Saturday, all day on Sundays or Holiday	1.4 x base crew rate
Night Work (<i>shifts starting after 4 PM or before 5 AM</i>)	10% additional over base rates
Travel Time for 2-Man Crew (<i>beyond 1 hour of travel outside an 8 hour workday</i>)	\$125.00 per hour
GEDO Scan Equipment	\$1,000.00 per day
UAS Equipment	\$750.00 per day

Schedule 2021/2022

Cinquini & Passarino - Hastings Field Surveys 2021-235

Final Audit Report

2021-07-16

Created:	2021-07-13
By:	Kristine Lawler (klawler@cityofukiah.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAASxAfu7fSmTI25Xqh53vn0IP80ZKuKaZ

"Cinquini & Passarino - Hastings Field Surveys 2021-235" History

-  Document created by Kristine Lawler (klawler@cityofukiah.com)
2021-07-13 - 3:29:01 PM GMT- IP address: 12.12.163.2
-  Document emailed to Sage Sangiacomo (ssangiacomo@cityofukiah.com) for signature
2021-07-13 - 3:30:00 PM GMT
-  Document e-signed by Sage Sangiacomo (ssangiacomo@cityofukiah.com)
Signature Date: 2021-07-16 - 5:21:12 PM GMT - Time Source: server- IP address: 12.12.163.2
-  Document emailed to Kristine Lawler (lyricalwhims@gmail.com) for signature
2021-07-16 - 5:21:14 PM GMT
-  Email viewed by Kristine Lawler (lyricalwhims@gmail.com)
2021-07-16 - 6:17:53 PM GMT- IP address: 66.249.84.91
-  Document e-signed by Kristine Lawler (lyricalwhims@gmail.com)
Signature Date: 2021-07-16 - 6:18:04 PM GMT - Time Source: server- IP address: 12.12.163.2
-  Agreement completed.
2021-07-16 - 6:18:04 PM GMT

CITY OF UKIAH
AMENDMENT NO. 1
TO
PROFESSIONAL SERVICES CONTRACT 2021235
BETWEEN
CINQUINI & PASSARINO, INC and THE CITY OF UKIAH

This Amendment No. 1, entered on October 28th, 2021, revises the Agreement for Professional services dated June 7th, 2020 between the City of Ukiah and Cinquini & Passarino, Inc for professional consulting services related to land surveying and office analysis during construction of the Electric Service Center Site Improvement Project at 1350 Hastings Road, Ukiah CA 95482.

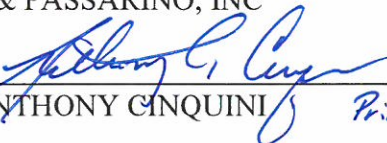
This Amendment No. 1 revises the following:

1. Revising the guaranteed maximum dollar amount by an additional \$7,500, for a revised, total contract amount not-to-exceed \$17,500.

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:

CINQUINI & PASSARINO, INC

BY: 
 ANTHONY CINQUINI *Principal*

DATE: 10/28/2021

CITY OF UKIAH

BY: 
 SAGE SANGIACOMO, CITY MANAGER

DATE: Dec 2, 2021

ATTEST

BY: 
 KRISTINE LAWLER, CITY CLERK

DATE: Dec 3, 2021

MEETING DATE: 1/19/2022

AGENDA SUMMARY REPORT

SUBJECT: Adoption of a Resolution of Application for a Revised Submittal to the Mendocino Local Agency Formation Commission (LAFCo) to Annex City-Owned Properties within Unincorporated Mendocino County; and Approval of the Community Development Director's Determination that the Proposed Annexation Qualifies for a CEQA Exemption.

DEPARTMENT:	Community Development	PREPARED BY:	Jesse Davis, Planning Manager, Craig Schlatter, Community Development Director
PRESENTER:	Jesse Davis, Planning Manager		

ATTACHMENTS:

1. Resolution
2. Exhibit A - Legal Description
3. Exhibit B-Plat Maps
4. City Owned Annexation - List of Parcels
5. LAFCo A-2021-01 Auditor Notice
6. City Maps
7. County Maps

Summary: Council will consider adoption of a resolution of application for revised submittal to the Mendocino Local Agency Formation Commission (LAFCo) to annex City-owned properties within unincorporated Mendocino County. Council will also consider approving the Community Development Director's determination that the proposed annexation qualifies for a CEQA Exemption.

Background: On November 4, 2020, the City Council adopted Resolution No. 2020-61. By adopting this resolution, the City of Ukiah approved submittal to the Mendocino County LAFCo of an application that requested annexation of previously acquired properties utilized for public purposes. The Change of Organization proposal for the City of Ukiah Annexation was subsequently reviewed by LAFCo on March 23, 2021 (LAFCo File No. A-2021-01). As part of that review, clarifications were requested by LAFCo staff prior to a Certificate of Filing being issued pursuant to Government Code §56658(f).

Over the past year, Staff has worked to address requested clarifications.

Discussion:

In order to proceed with this application for annexation, the City Council must adopt a revised resolution pursuant to Government Code §56654(a). The revised Resolution is included as **Attachment 1**, along with updated legal descriptions and plat map in Exhibits A and B to the Resolution.

To realize tax savings, the City must submit and receive approval of an application for annexation from the Mendocino Local Agency Formation Commission (LAFCo). The City-owned properties proposed for annexation are mostly contiguous to existing City boundaries, and all are within the City's Sphere of Influence. An updated list of parcels proposed for annexation is included as **Attachment 2**. Per the County of Mendocino Auditor-Controller, the estimated amount of annual property tax revenue generated by the associated proposed annexation is \$62,966. A copy of the Auditor-Controller letter has been included as **Attachment 3**.

What has Changed in the Revised Application

While the revised application remains effectively the same, it is bolstered by additional property descriptions, maps, and information to clarify the associated public facility uses occurring on each parcel proposed for annexation. It also corrects issues regarding errant historical parcel numbers that were included in the original application. These errant parcel numbers engendered confusion, as they were associated with parcels not intended for annexation.

The revised application will contain all required information needed by LAFCo to reevaluate the annexation request, including updated maps, metes and bounds, and other supporting documents that have been revised to address the requested clarifications. The existing development or uses for each property are appropriate, vested, or built-out, and are consistent with the City's General Plan and Public Facilities zoning district. The primary motivation for the proposed annexation is subject to the City's jurisdiction to parcels that the City currently owns in fee and uses for government purposes, but that remain outside its jurisdiction. It is the intention of the City to continue public use of these properties as described in Ukiah City Codes §9170.1 and §9170.2.

Within the City of Ukiah, the Public Facilities district classification is applied to properties used for or proposed to be used for public or quasi-public purposes or for specified public utility purposes. Upon review, it can be stated that the existing and associated uses for each area proposed for annexation conform to the uses allowed in the Public Facilities Zoning District. These uses are further detailed in **Attachment 2**.

The current municipal purposes for Areas 4 and 5 (see depiction and descriptions in Exhibits A and B to Attachment 1) have been substantiated, and annexation of these parcels is considered critical to reduce associated tax liabilities, as well as support the ongoing viability of the City's water and waste water treatment services. In 2018, the City acquired some parcels within Area 4 as part of a land-banking effort. At that time, boundary line adjustments were also facilitated to separate residential uses to ensure continued public facility usage. As described in the associated initial study for that acquisition, any future development of parcels within Area 4 would be subject to separate environmental review pursuant to the requirements of the California Environmental Quality Act (CEQA). The actual size, scope, and intensity of any future development project will be analyzed at the time of new project application submittal to determine any adverse impact on particular resources. It would be speculative to assume what size, type, and intensity of development might be proposed on the site in the future. That being said, any proposed use or improvement would be for the public benefit as required by the allowed uses in the Public Facilities zoning district and applicable Government Code sections, and subsequently reviewed under CEQA.

Per Government Code § 56742(3)(f), a city may lease territory annexed for any of the purposes described within Government Code § 37380 - § 37396. Per Government Code § 37382, a city may lease city-owned land used for agricultural purposes upon which sewage or waste water is discharged. As described and depicted on the enclosed City of Ukiah Maps (**Attachment 4**), Area 4 is served by treated wastewater for viticulture production, which substantiates its current municipal purpose per Government Code § 37382. Additionally, critical stages of the City's 'Purple Pipe' distribution are contained or adjacent to parcels within Area 4, distributing water north to municipal and agricultural users throughout the City. This distribution pipeline supports water for irrigating the Softball Field Complex, Oak Manor Park and School, Riverside Park and fields of grapes, alfalfa and pears. It also supports dust control efforts and cleaning at the Ukiah Solid Waste Systems Plant.

Area 5, while zoned within the County's Agricultural Zoning District as described in **Attachment 5**, was recently developed as a wastewater treatment pond. Per Government Code § 56472(3)(b), territory which is used by a city for the reclamation, disposal, and storage of treated wastewater may be annexed to the city pursuant to this Section without limitation as to the size of the territory.

Ukiah Valley Area Plan Consistency

Pursuant to Policy OC3.1b (Agricultural Land Conversion Criteria) in Section 9, Open Space and

Conservation, of the Ukiah Valley Area Plan (UVAP), proposals to convert agricultural lands to non-agricultural classification will be considered only after satisfying the following requirements:

1. *The project shall not result in a need for premature expansion of infrastructure in conflict with other Area Plan policies.*
2. *The project shall not have a significant adverse effect on agricultural uses in the area.*
3. *The project site is substantially unusable for agricultural purposes due to encroaching adjacent nonagricultural uses;*
4. *The proposal must achieve the long-range goals of the General Plan and Area Plan for the area as it existed prior to the proposal.*

The proposed project would be consistent with Policy OC3.1b of the UVAP for the following reasons:

1. No infrastructure is proposed or required for this project. The purpose of this annexation is to subject to the City's jurisdiction parcels that the City currently owns in fee and uses for government purposes, but that remain outside its jurisdiction. The City's current request is focused on the need to annex City-owned properties to reduce its tax burden. It is the intention of the City to continue the existing uses of these properties under a Public Facility zoning designation.
2. Agricultural uses within Area 4 are to remain under lease and will continue to receive water from the City of Ukiah's Recycled Water System. As described and depicted on the enclosed City of Ukiah Maps (**Attachment 4**), these agricultural operations are served by treated wastewater, which substantiates its current municipal purpose per Government Code § 37382. This public purpose is required to allow for annexation of these parcels. Any future development of parcels within Area 4 would be subject to separate environmental review pursuant to the requirements of CEQA. The actual size, scope and intensity of any future development project at that location will be analyzed at that time to determine any adverse impact on agricultural resources. Beyond the confines of Areas 4 and 5, parcels opposite the Russian River, as well as parcels south of Area 5, are each protected via existing Williamson Act contracts. None of the lands proposed for annexation are subject to the Williamson Act or agricultural preserve considerations;
3. While agricultural uses continue, Areas 4 and 5 are effectively bounded by industrial and transportation uses (i.e. U.S. 101) to the east, and the Russian River to the west. Within this bounded area, similar agricultural designations have recently been converted to non-agricultural designations. In addition, numerous industrial or public facility activities exist within this area, including solid-waste transfer, animal control services and waste-water treatment. Nearly all properties within this bounded area are owned and operated by municipal entities or quasi-public utilities, such as solid waste providers and transfer services. In 2018, the County of Mendocino facilitated a General Plan Amendment and Rezone (GP_2018-0002/R_2018-0004) to change 10.63± acres (APN 184-140-10) within this area from Agricultural to General Industrial (I-2). That request was intended to facilitate future industrial uses to centralize ongoing C&S Waste operations. The uses proposed for that property include wood/green waste chipping, concrete grinding and construction demolition and inert debris storage. As conveyed, Areas 4 and 5, while viable, are substantially unusable for agricultural activities, due to encroaching adjacent public facilities and industrial uses, which are necessary for the orderly development of the City of Ukiah;
4. The proposed project would be consistent with the objectives, goals, and policies of both the County General Plan and UVAP, especially with regard to goals that protect and increase water supply storage and capacity, as well as the reclamation and conservation of water. Again, while no development is presently identified for Area 4, annexation will allow for increased municipal control of land adjacent and containing existing and critical water-related infrastructure.

If approved by the City Council, it is a priority of Staff to finalize this annexation in 2022. Immediate next steps include:

1. January 20, 2022: Staff submits to the Mendocino Clerk Recorder's Office the Notice of Exemption for posting and recordation;
2. February 07, 2022: Staff submits to the Mendocino County LAFCo a revised application (LAFCo File No. A-2021-01) for annexation of City-owned properties.

Community Development Director CEQA Determination

The City of Ukiah previously approved the aforementioned Annexation request on November 4, 2020. It can be determined that there is no potential that this revised Annexation request will result in either a direct physical change to the environment or a reasonably foreseeable indirect change to the environment, because it is a change in governmental organization that merely authorizes a boundary change; it will not result in any direct or indirect changes to the environment, as all existing development entitlements or uses on each property are appropriate, vested or built-out, and are consistent with the City's general plan and zoning code. Under the categorical "change in organization" exemption (State CEQA Guidelines § 15320), the Annexation does not change the geographical area in which previously existing powers are exercised but is a boundary change to allow the continued provision of existing municipal services. Based on the foregoing, the project qualifies for the above CEQA exemption.

Staff recommends that Council adopt the revised Resolution in **Attachment 1** to authorize re-submittal of the City-owned properties annexation application to Mendocino LAFCo. Additionally, Staff recommends the Council approve the Community Development Director's determination that the proposed annexation qualifies for a CEQA Exemption.

Recommended Action: Adopt the revised Resolution in Attachment 1 to authorize re-submittal to the Mendocino LAFCo; and approve the Community Development Director's determination that the proposed annexation qualifies for a CEQA Exemption.

BUDGET AMENDMENT REQUIRED: N/A

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; Craig Schlatter, Community Development Director; Darcy Vaughn, Assistant City Attorney

Approved: 
Sage Sangiacomo, City Manager

RESOLUTION NO. 2022-__**RESOLUTION OF APPLICATION OF THE CITY COUNCIL OF THE CITY OF UKIAH INITIATING PROCEEDINGS FOR THE ANNEXATION OF LAND OWNED BY THE CITY OF UKIAH.****WHEREAS:**

1. The City of Ukiah desires to continue a proceeding for the adjustment of boundaries specified herein; and
2. Pursuant to Government Code Section 56654(a), the City must approve a resolution of application in order to initiate annexation proceedings.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that:

1. This proposal is made, and it is requested that proceedings be taken, pursuant to the Cortese/Knox/Hertzberg Local Government Reorganization Act of 2000, commencing with section 56000 of the California Government Code, specifically Government Code § 56654(a).
2. This proposal is an annexation to the City of Ukiah.
3. Legal descriptions of the affected territories are set forth in Exhibit A, and maps of the affected territories are set forth in Exhibit B, attached hereto and by reference incorporated herein.
4. A territory to be annexed is uninhabited and consists of one parcel of 283.5 acres (Area No. 1, below) that is non-contiguous to the City. Additional parcels (Area Nos. 2, 3, 4, and 5) are contiguous to the City boundaries.
5. The reasons for the proposal are to annex and subject to the City's jurisdiction parcels that the City currently owns in fee and uses for government purposes, which are currently outside the City's jurisdiction and not subject to County land use regulation or control. The parcels as numbered on Exhibits A and B consist of:

Area Number	City Use of Property
1, 2	Conservation and natural resource conservation areas
3	Airports and aviation-related functions and uses
4	Existing public utility facilities and uses (Wastewater); Ongoing lease for agricultural purposes per GC 37382;
5	Public utility facilities and uses (Wastewater); Refuse disposal and refuse transfer stations

6. The proposal to annex Area No. 1 complies with Government Code Section 56742 in that the property is 1) located in Mendocino County where the City is situated; (2) owned by the City and (3) used for municipal purposes at the time these commission proceedings are initiated.
7. Area Nos. 1, 2, 3, 4, and 5 are within the City's Sphere of Influence.
8. The annexation of Area No. 1 should be subject to the terms and conditions as set forth in Government Code Section 56742. No special conditions are proposed for Area Nos. 2, 3, 4, and 5.
9. The City Council adopts the determination by the City's Director of Community Development that this annexation is a categorically exempt project under the California Environmental Quality Act. Upon adoption of this resolution, the Director of Community Development is

authorized and directed to record a Notice of Exemption with the Mendocino County Clerk.

10. Once the territory is annexed by the City, it will no longer be subject to property taxes. Moreover, the use of the property for governmental purposes will not generate any other tax revenues, such as sales tax. As such, this reorganization will not result in any taxes that could be shared by the City and County pursuant to a tax sharing agreement.

PASSED AND ADOPTED this ____ day of _____, 2022, by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Jim O. Brown, Mayor

ATTEST:

Kristine Lawler, City Clerk

EXHIBIT "A"
LEGAL DESCRIPTION
CITY OF UKIAH ANNEXATION

All that real property situate in the unincorporated area of Mendocino County, State of California, described as follows:

AREA No. 1:

Being a portion of Lot 99 of the Healey's Survey and Map of Yokayo Rancho and being the lands of the City of Ukiah described in that certain deed recorded in Book 389 of Official Records at Page 557, Mendocino County Records (M.C.R), more particularly described as follows:

COMMENCING at a National Geodetic Survey station, being a 3-1/4" Aluminum Disc marked CA DOT / 101 MEN 25.13; thence North 78°01'20" East 13,294.14 feet to a point on the east line of said Lot 99 and the **POINT OF BEGINNING**; said point also being North 00°03'03" East 397.32 feet from the southwest corner of Section 11, Township 15 North, Range 12 West, M.D.M, said point also being the southeast corner of last said lands of the City of Ukiah; thence along the boundary of last said lands of City of Ukiah the following eighteen (18) courses:

1. (1) North 89°56'57" West 4,150.78 feet;
2. (2) North 25°56'57" West 114.79 feet;
3. (3) North 45°04'57" West 186.78 feet;
4. (4) North 41°08'57" West 130.49 feet;
5. (5) North 59°03'57" West 82.39 feet;
6. (6) North 65°11'57" West 83.69 feet;
7. (7) North 58°49'57" West 154.08 feet;
8. (8) North 77°44'57" West 73.19 feet;
9. (9) North 65°18'57" West 178.58 feet;
10. (10) North 70°03'57" West 220.68 feet;
11. (11) North 76°56'57" West 223.98 feet;
12. (12) North 73°49'57" West 243.67 feet;
13. (13) North 67°31'57" West 65.09 feet;
14. (14) North 65°10'57" West 157.18 feet;
15. (15) North 83°11'57" West 315.76 feet;
16. (16) North 02°46'33" West 733.99 feet;
17. (17) North 77°11'49" East 6,302.38 feet;
18. (18) South 00°03'03" West 3,036.00 feet to the **POINT OF BEGINNING**.

Area 1 containing 301.2 acres, more or less.

AREA No. 2:

Being a portion of the Southeast $\frac{1}{4}$ of Northeast $\frac{1}{4}$ Section 24, Township 15 North, Range 13 West, Mount Diablo Meridian, and being the lands of the City of Ukiah as described as Parcel One and Parcel Two in that certain Grant Deed recorded in Document No. 2013-09089, M.C.R, more particularly described as follows:

COMMENCING at a National Geodetic Survey station, being a 3-1/4" Aluminum Disc marked CA DOT / 101 MEN 25.13; thence South $68^{\circ}13'23''$ West 10,566.35 feet to the northeast corner of the said Southeast $\frac{1}{4}$ of Northeast $\frac{1}{4}$ of Section 24 and the **POINT OF BEGINNING**, said point being South $01^{\circ}40'53''$ East 1,380.15 feet from the northeast corner of said Section 24; said point also being the northeast corner of last said Parcel One; thence from said point of beginning along the boundary of last said lands of City of Ukiah and the boundary of the said Southeast $\frac{1}{4}$ of Northeast $\frac{1}{4}$ of Section 24 the following four (4) courses:

19. (1) South $01^{\circ}40'53''$ East 1,281.14 feet;
20. (2) North $89^{\circ}35'05''$ West 1,293.15 feet;
21. (3) North $01^{\circ}02'15''$ West 1,279.04 feet;
22. (4) South $89^{\circ}39'30''$ East 1,278.72 feet to the **POINT OF BEGINNING**.

Containing 37.8 acres, more or less.

EXCEPTING THEREFROM, areas # 2 and # 3 described as being excepting therefrom said Parcel One of said Grant Deed recorded in Document No. 2013-09089, M.C.R, more particularly described as follows:

COMMENCING at the northeast corner of the said Southeast $\frac{1}{4}$ of Northeast $\frac{1}{4}$ of Section 2, thence South $65^{\circ}44'36''$ West 573.61 feet to the northeast corner of said area # 2 and the **POINT OF BEGINNING**; thence along easterly boundary of said area # 2 the following two (2) courses:

23. (1) South $00^{\circ}00'00''$ East 114.99 feet
24. (2) South $30^{\circ}00'00''$ East 79.99 feet more or less to the centerline of Gibson Creek;

thence along the easterly and southerly boundary of said areas # 2 and 3 and the centerline of Gibson Creek the following seven (7) courses:

25. (1) South $34^{\circ}29'20''$ West 67.07 feet;
26. (2) South $21^{\circ}35'09''$ West 127.70 feet;
27. (3) South $57^{\circ}09'56''$ West 37.23 feet;
28. (4) South $35^{\circ}53'29''$ West 57.70 feet;
29. (5) South $74^{\circ}27'11''$ West 67.61 feet;

- 30. (6) South 82°23'58" West 69.99 feet;
- 31. (7) North 89°50'08" West 72.50 feet;

thence leaving said centerline of Gibson Creek and continuing along the boundary of said areas # 2 and 3 the following six (6) courses:

- 32. (1) South 00°00'00" East 79.99 feet;
- 33. (2) North 90°00'00" West 219.98 feet;
- 34. (3) North 00°00'00" West 259.97 feet;73
- 35. (4) North 90°00'00" East 219.98 feet;
- 36. (5) North 26°43'00" East 304.97 feet;
- 37. (6) North 90°00'00" East 179.98 feet to the **POINT OF BEGINNING**.

Exception area containing 4.0 acres, more or less.

Area 2 resultant area containing 33.8 acres, more or less

AREA No. 3:

Being a portion of Lot 73 of the Healey's Survey and Map of Yokayo Rancho, and being the lands of the City of Ukiah described in that certain Grant Deed recorded in Document No. 1999-05298, M.C.R, more particularly described as follows:

COMMENCING at a National Geodetic Survey station, being a 2-1/2" Aluminum Disc marked CA DOT / NPGN D CA 1-CG, thence North 17°57'43" West 10,348.76 feet to the **POINT OF BEGINNING**, said point also being the southeast corner of last said lands of the City of Ukiah; thence from said point of beginning along the boundary of last said lands of City of Ukiah the following six (6) courses:

- 38. (1) South 78°58'59" West 465.17 feet;
- 39. (2) North 08°18'52" West 157.78 feet;
- 40. (3) South 83°51'42" West 249.97 feet to a point on the easterly right-of-way line of South State Street; said point also being the beginning of a non-tangent curve, concave easterly, having a radius of 2,951.91 feet; and to which beginning a radial line bears South 83°32'58" West;
- 41. (4) northerly along last said easterly right-of-line and said curve, through a central angle of 00°37'28", an arc distance of 32.17 feet;
- 42. (5) leaving said easterly right-of-way line North 83°51'42" East 679.53 feet;
- 43. (6) South 21°00'55" East 155.49 feet to the **POINT OF BEGINNING**.

Area 3 containing 1.9 acres, more or less.

AREA No. 4:

Being a portion of Lots 70 and 71 of the Healey's Survey and Map of Yokayo Rancho, and being portions of the lands of City of Ukiah as said lands are described in that certain "Individual Grant Deed" recorded in Book 1500, at Page 242, M.C.R, and in that certain "Grand Deed in Lieu of Condemnation" recorded in Document No. 2007-11428, M.C.R, and in that certain "Grant Deed" record in Document No. 2018-06759, M.C.R; more particularly described as follows:

COMMENCING at a National Geodetic Survey station, being a 2-1/2" Aluminum Disc marked CA DOT / NGPN D CA 1-CG, thence North 10°16'16" West 7,481.51 feet to the **POINT OF BEGINNING**; said point being on the easterly right-of-way of Northwestern Pacific Railroad; said point also being a point on the boundary of said lands of City of Ukiah described in said "Grant Deed" recorded in Document No 2018-06759; thence along the boundary of last said lands of City of Ukiah the follow two (2) courses:

44. (1) North 72°06'47" East 157.38 feet;
45. (2) North 19°47'15" West 117.34 feet to the southwesterly corner of the lands of Norgard Properties, Inc. as said lands are described in that certain "Grant Deed" recorded in Document No. 2018-06761, M.C.R;
46. thence along the southerly line of said lands of Norgard Properties and its easterly prolongation North 83°11'52" East 267.38 feet to a point on the boundary of said lands of Ukiah;

thence along said boundary of City of Ukiah the following seven (7) courses:

47. (1) North 18°01'48" West 170.00 feet to a point on the centerline of Norgard Lane;
48. (2) along last said centerline and its easterly prolongation North 71°58'12" East 282.94 feet;
49. (3) leaving last said centerline and its easterly prolongation South 18°01'48" East 6.00 feet;
50. (4) South 65°16'14" East 79.76 feet;
51. (5) North 78°28'12" East 87.00 feet;
52. (6) North 18°01'48" West 70.00 feet;
53. (7) North 71°58'12" East 91.91 feet to a point on center of the channel of Russian River;

thence along continuing along said lands of City of Ukiah and said center of channel the following eleven (11) courses:

54. (1) South 26°25'18" East 285.98 feet;
55. (2) South 28°27'48" East 263.77 feet;
56. (3) South 46°31'18" East 323.86 feet;
57. (4) South 60°17'48" East 344.96 feet;
58. (5) South 65°01'48" East 239.72 feet;
59. (6) South 73°52'48" East 195.88 feet;

- 60. (7) South 68°57'48" East 378.81 feet;
- 61. (8) South 88°36'21" East 373.95 feet;
- 62. (9) South 56°40'31" East 391.22 feet;
- 63. (10) South 43°01'44" East 190.38 feet;
- 64. (11) South 27°48'04" East 242.52 feet;

thence leaving said center of channel and continuing along said boundary of said lands of City of Ukiah the following four (4) courses:

- 65. (1) South 84°00'16" West 1,904.56 feet;
- 66. (2) North 05°59'44" West 377.15 feet;
- 67. (3) South 84°00'17" West 938.48 feet to a point on the easterly right-of-way of Northwestern Pacific Railroad;
- 68. (4) along last said easterly right-of-way North 20°48'24" West 1,240.88 feet to the **POINT OF BEGINNING**.

Area 4 containing 67.2 acres, more or less.

AREA No. 5:

Being a portion of Lots 69 and 70 of the Healey's Survey and Map of Yokayo Rancho, more particularly described as follows:

COMMENCING at aforementioned Point "B"; said point being a point on the easterly right-of-way of Northwestern Pacific Railroad; thence along last said easterly right-of-way South 20°48'24" East 1,156.24 feet to the **POINT OF BEGINNING**;

- 69. thence from said point being continuing along last said easterly right-of-way South 20°48'24" East 55.75 feet to the northwesterly corner of the lands of City of Ukiah as said lands are described as Parcel One of that certain "Grant Deed" recorded in Document No. 2011-11526, M.C.R,
- 70. thence along the northerly boundary of last said lands of City of Ukiah North 85°48'06" East 2,638.83 feet to a point on the center of channel of Russian River;

thence continuing along the boundary of last said lands and said center of channel the following nine (9) courses:

- 71. (1) South 04°42'54" West 87.41 feet;
- 72. (2) South 41°18'20" West 185.74 feet;
- 73. (3) South 54°13'13" West 231.23 feet;
- 74. (4) South 63°18'43" West 347.79 feet;
- 75. (5) South 80°12'28" West 339.00 feet;

- 76. (6) South 55°36'44" West 90.18 feet;
- 77. (7) South 37°39'59" West 91.84 feet;
- 78. (8) South 21°25'25" West 170.28 feet;
- 79. (9) South 11°26'08" East 259.26 feet;

thence leaving said center of channel and continuing along the boundary of last said lands of City of Ukiah the following two (2) courses:

- 80. (1) South 81°10'50" West 1,126.78 feet to a point on the easterly right-of-way of Northwestern Pacific Railroad;
- 81. (2) along last said easterly right-of-way North 20°48'24" West 799.68 feet to the intersection with the southerly boundary and its easterly prolongation of the lands of the City of Ukiah as said lands are described in that certain "Grant Deed" recorded in Document 2017-03138; M.C.R;
- 82. thence along last said southerly boundary and its easterly prolongation South 81°47'40" West 547.08 feet to the southwest corner of last said lands of City of Ukiah; said corner being a point on the easterly right-of-way of Tayler Drive;
- 83. thence along last said easterly right-of-way North 07°20'50" West 423.99 feet to the northwest corner of last said lands of City of Ukiah;
- 84. thence along the northerly boundary of last said lands and its easterly prolongation North 83°07'21" East 448.40 feet to the **POINT OF BEGINNING**.

Area 5 containing 47.5 acres, more or less.

Total Combined Annexation Areas containing 451.6 acres, more or less

The basis of bearings for this description is based on NAD 83, California Coordinate System (CCS83), Zone 2 (2010.00 epoch date) using the two found National Geodetic Survey monuments designated "101 MEN 25.13 and "HPGN D CA 01 CG". All distances cited herein are grid values which are the basis for the areas shown hereon. To obtain ground values divide the distances by 0.999890795 to obtain ground distances.

The purpose of this description is for annexation purposes and to comply with the State Board of Equalization's "Written Legal (geodetic) Description Requirements". This description is to be used to establish geodetic position only and is not intended to establish property ownership.

Lester E. Carter Jr.

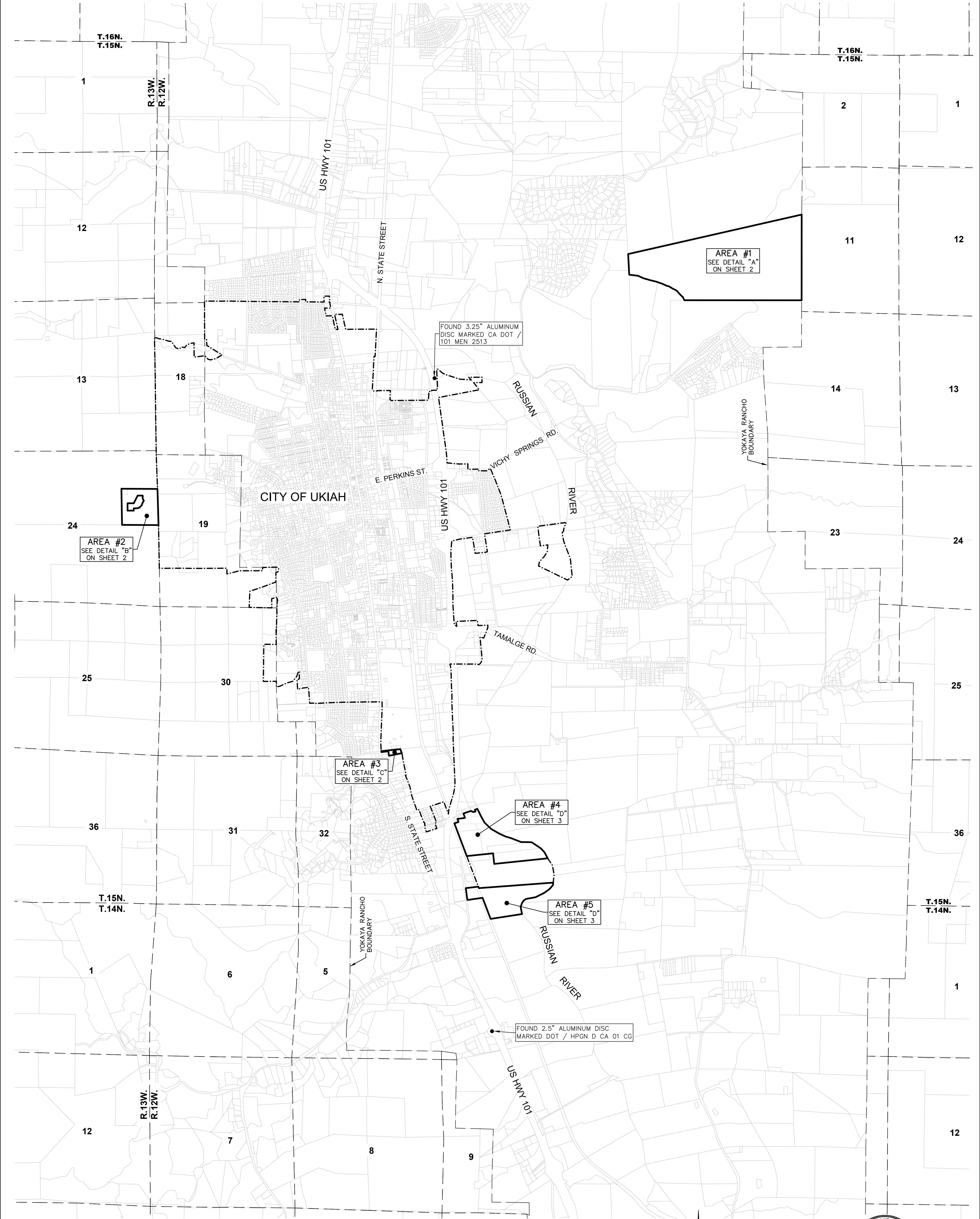
Lester E. Carter Jr., CA. LS No 6148

9/23/2021

Date



EXHIBIT "B"
CITY OF UKIAH ANNEXATION
PORTIONS OF LOTS 70, 71, 73, AND 99 OF THE YOKAYA RANCHO, AND
PORTION OF SECTION 24 TOWNSHIP 15 NORTH, RANGE 13 WEST,
MOUNT DIABLO MERIDIAN (M.D.M.)
MENDOCINO COUNTY, CALIFORNIA
SEPTEMBER 16, 2021
SHEET 1 OF 3



LEGEND:

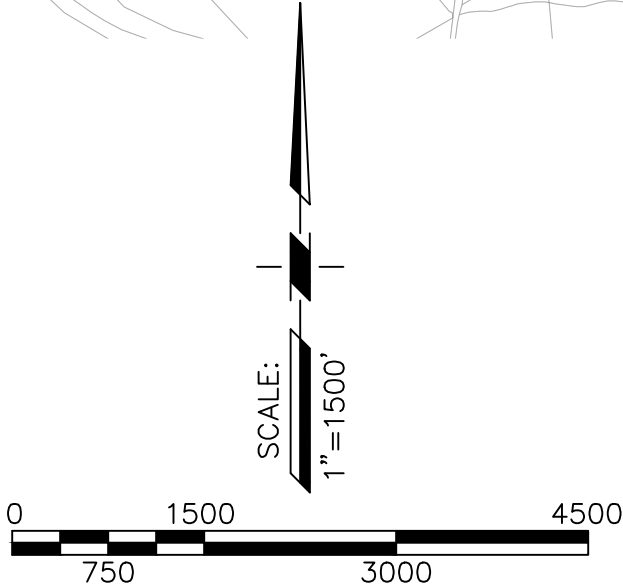
APN ASSESSOR PARCEL NUMBER
POB POINT OF BEGINNING
--- CURRENT CITY OF UKIAH BOUNDARY
--- PROPOSED CITY OF UKIAH ANNEXATION BOUNDARY

NOTES:

1. ALL DISTANCES SHOWN ARE IN FEET AND DECIMALS THEREOF.

2. THE BASIS OF BEARINGS FOR THIS DESCRIPTION IS BASED ON NAD 83, CALIFORNIA COORDINATE SYSTEM (CCS83), ZONE 2 (2010.00 EPOCH DATE) USING THE TWO FOUND NATIONAL GEODETIC SURVEY MONUMENTS DESIGNATED '101 MEN 25.13 AND 'HPGN D CA 01 CG'. ALL DISTANCES CITED HEREIN ARE GRID VALUES WHICH ARE THE BASIS FOR THE AREAS SHOWN HEREON. TO OBTAIN GROUND VALUES DIVIDE THE DISTANCES BY 0.999890795 TO OBTAIN GROUND DISTANCES.

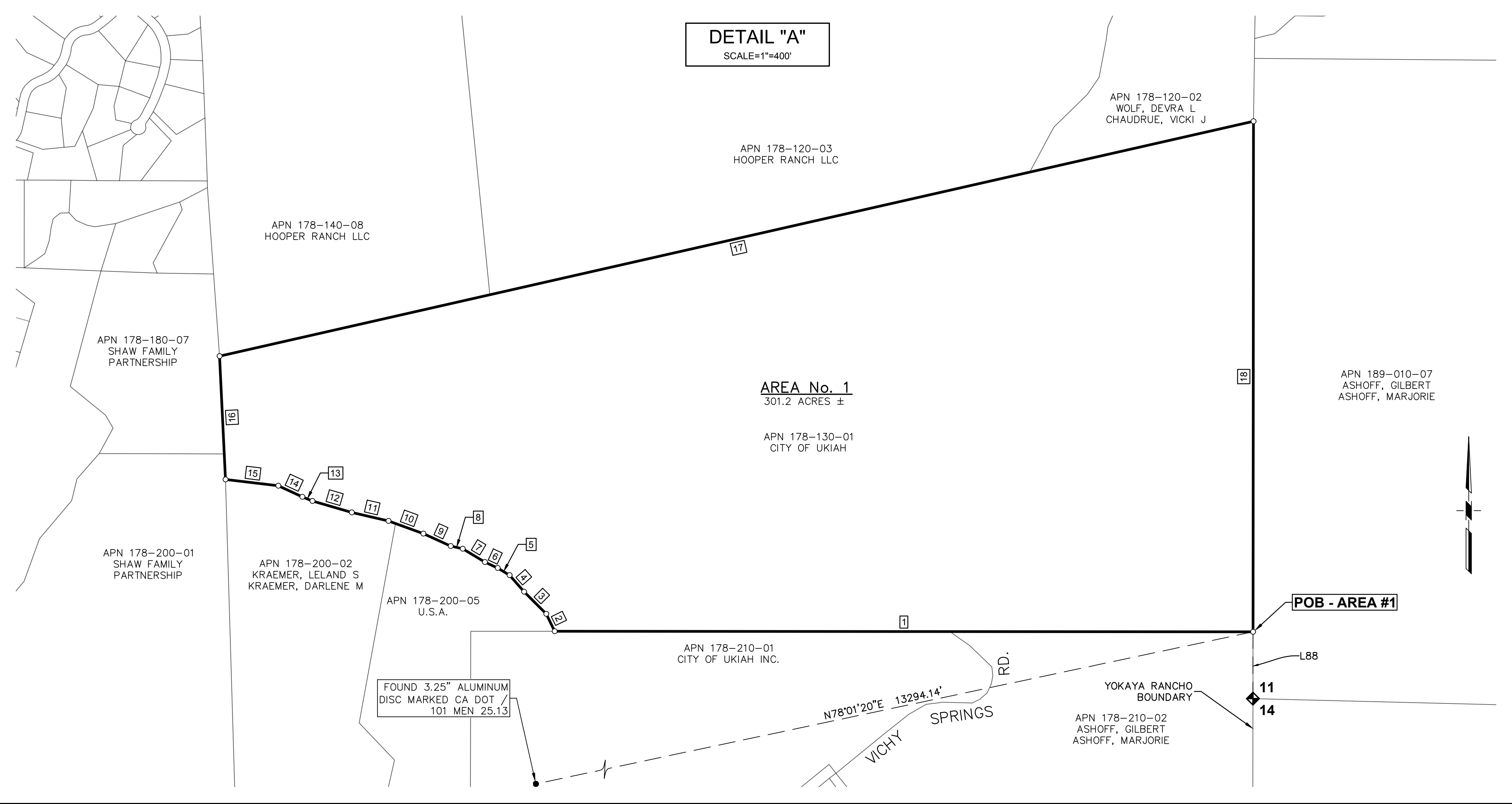
3. THE PURPOSE OF THIS EXHIBIT IS TO ACCOMPANY THE LEGAL DESCRIPTION "EXHIBIT A" FOR ANNEXATION PURPOSES AND TO COMPLY WITH THE STATE BOARD OF EQUALIZATION'S "WRITTEN LEGAL (GEODETIC) DESCRIPTION REQUIREMENTS". THE LEGAL DESCRIPTION AND THIS EXHIBIT IS TO BE USED TO ESTABLISH GEODETIC POSITION ONLY AND IS NOT INTENDED TO ESTABLISH PROPERTY OWNERSHIP.



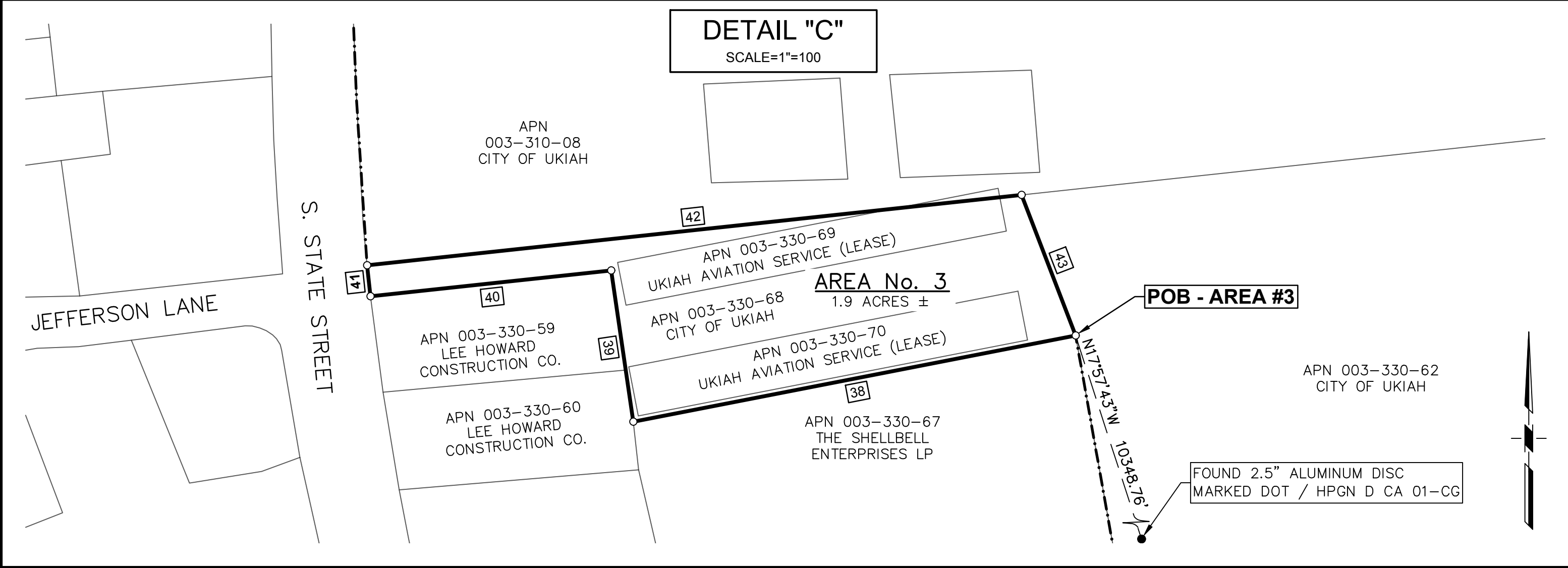
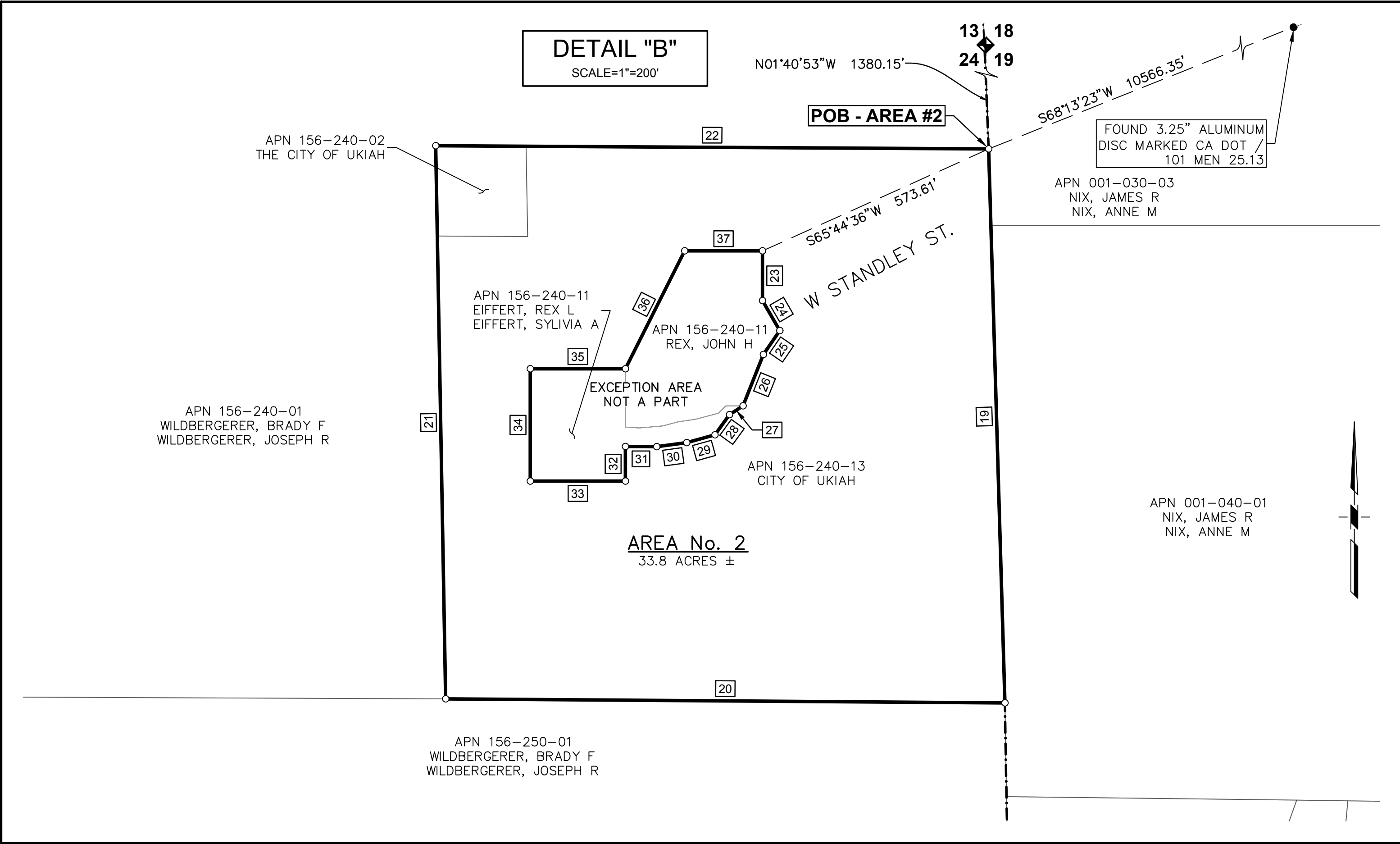
PSOMAS

PREPARED AT THE REQUEST OF:
CITY OF UKIAH

EXHIBIT "B"
CITY OF UKIAH ANNEXATION
PORTIONS OF LOTS 70, 71, 73, AND 99 OF THE YOKAYA RANCHO, AND
PORTION OF SECTION 24 TOWNSHIP 15 NORTH, RANGE 13 WEST,
MOUNT DIABLO MERIDIAN (M.D.M.)
MENDOCINO COUNTY, CALIFORNIA
SEPTEMBER 16, 2021
SHEET 2 OF 3



SEGMENT TABLE			
SEGMENT #	LENGTH	DIRECTION / DELTA	RADIUS
1	4150.78	N89° 56' 57"W	
2	114.79	N25° 56' 57"W	
3	186.78	N45° 04' 57"W	
4	130.49	N41° 08' 57"W	
5	82.39	N59° 03' 57"W	
6	83.69	N65° 11' 57"W	
7	154.08	N58° 49' 57"W	
8	73.19	N77° 44' 57"W	
9	178.58	N65° 18' 57"W	
10	220.68	N70° 03' 57"W	
11	223.98	N76° 56' 57"W	
12	243.67	N73° 49' 57"W	
13	65.09	N67° 31' 57"W	
14	157.18	N65° 10' 57"W	
15	315.76	N83° 11' 57"W	
16	733.99	N2° 46' 33"W	
17	6302.38	N77° 11' 49"E	
18	3036.00	S0° 03' 03"W	
19	1281.14	S1° 40' 53"E	
20	1293.15	N89° 35' 05"W	
21	1279.04	N1° 02' 15"W	
22	1278.72	S89° 39' 30"E	
23	114.99	S0° 00' 00"E	
24	79.99	S30° 00' 00"E	
25	67.07	S34° 29' 20"W	
26	127.70	S21° 35' 09"W	
27	37.23	S57° 09' 56"W	
28	57.70	S35° 53' 29"W	
29	67.61	S74° 27' 11"W	
30	69.99	S82° 23' 58"W	
31	72.50	N89° 50' 08"W	
32	79.99	S0° 00' 00"E	
33	219.98	N90° 00' 00"W	
34	259.97	N0° 00' 00"E	
35	219.98	N90° 00' 00"E	
36	304.97	N26° 43' 00"E	
37	179.98	N90° 00' 00"E	
38	465.17	S78° 58' 59"W	
39	157.78	N8° 18' 52"W	
40	249.97	S83° 51' 42"W	
41	32.17	0°37'28"	2951.91'
42	679.53	N83° 51' 42"E	
43	155.49	S21° 00' 55"E	



LEGEND:
APN ASSESSOR PARCEL NUMBER
POB POINT OF BEGINNING
--- CURRENT CITY OF UKIAH BOUNDARY
--- PROPOSED CITY OF UKIAH ANNEXATION BOUNDARY

PSOMAS

PREPARED AT THE REQUEST OF:
CITY OF UKIAH

EXHIBIT "B"

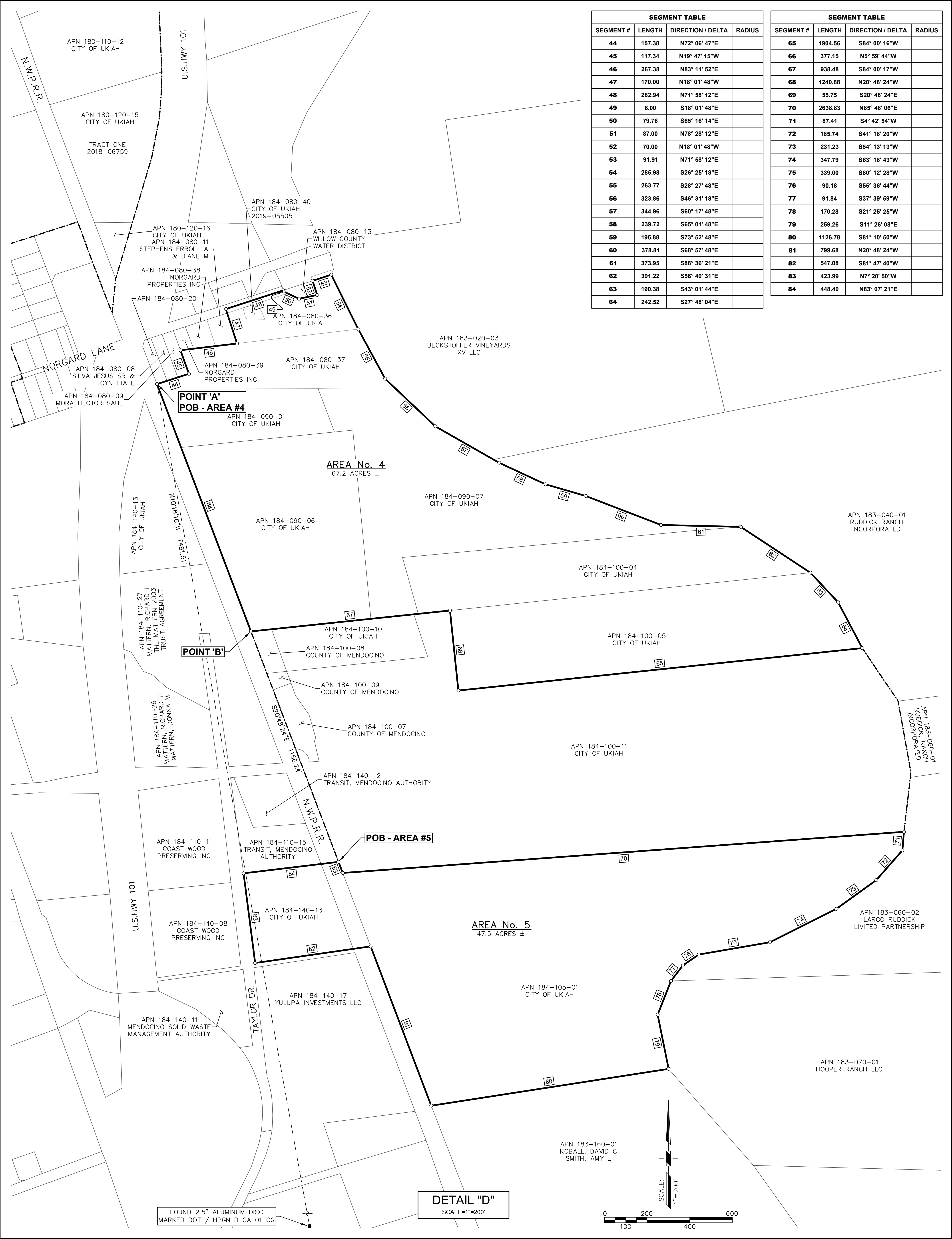
CITY OF UKIAH ANNEXATION

PORTIONS OF LOTS 70, 71, 73, AND 99 OF THE YOKAYA RANCHO, AND
PORTION OF SECTION 24 TOWNSHIP 15 NORTH, RANGE 13 WEST,
MOUNT DIABLO MERIDIAN (M.D.M.)

MENDOCINO COUNTY, CALIFORNIA

SEPTEMBER 16, 2021

SHEET 3 OF 3



LEGEND:

APN ASSESSOR PARCEL NUMBER

POB POINT OF BEGINNING

--- CURRENT CITY OF UKIAH BOUNDARY

--- PROPOSED CITY OF UKIAH ANNEXATION BOUNDARY

PSOMAS

PREPARED AT THE REQUEST OF:
CITY OF UKIAH

APN	Owner	SITUS	Acreage	Info - County PBS	County Zoning	County General Plan	Area Number	Current Status	Public Facilities Use	Water Service	Sewer Provider	Storm Drain
178-130-01	City of Ukiah	3100 Vichy Springs Road	±300	APN: 178-130-01 Acres: 301.2 Property Address: 3100 VICHY SPRINGS RD Owner: CITY OF UKIAH	Public Facilities (PF)	Public Services	1	Previous Landfill	Conservation and natural resource conservation areas.	RRFC	N/A	N/A
156-240-02	City of Ukiah	N/A	±1	APN: 156-240-02 Acres: 1.00± Property Address: N/A Owner: CITY OF UKIAH	Upland Residential (UR:40)	Remote Residential (RMR40)	2	Open-Space	Conservation and natural resource conservation areas	N/A	N/A	N/A
156-240-13	City of Ukiah	1970 W Standley Ave	±33.8	APN: 156-240-13 Acres: 33.8 Property Address: 1970 WE STANDLEY AVE Owner: CITY OF UKIAH	Upland Residential (UR:40)	Remote Residential (RMR40)	2	Open-Space	Conservation and natural resource conservation areas	N/A	N/A	N/A
003-330-68	City of Ukiah	1601 S State Street	±1.9	APN: 003-330-68 Acres: 1.9± Property Address: 1601 SO STATE ST Owner: CITY OF UKIAH	Limited Commercial (C1)	Commercial	3	Airport	Airports and aviation-related functions and uses	Willow Water	N/A	City of Ukiah
003-330-69	Aviation Ukiah (Leased)	1601 S State Street	(Lease)	APN: 003-330-70 Acres: 0.00± Property Address: 1601 SO STATE ST City: UK Owner: AVIATION UKIAH	Limited Commercial (C1)	Commercial	3	Airport	Airports and aviation-related functions and uses	Willow Water	N/A	City of Ukiah
003-330-70	Aviation Ukiah (Leased)	1601 S State Street	(Lease)	APN: 003-330-69 Acres: 0.00± Property Address: 1601 SO STATE ST City: UK Owner: AVIATION UKIAH	Limited Commercial (C1)	Commercial	3	Airport	Airports and aviation-related functions and uses	Willow Water	N/A	City of Ukiah
184-080-36	City of Ukiah	341 Norgard Lane	±2.8	APN: 184-080-36 Acres: 2.80± Property Address: 341 NORGDARD LN Owner: CITY OF UKIAH	Agriculture (AG:40)	Agricultural	4	Recyled Water Distribution;	Recyled Water Distribution; Ongoing lease for agricultural purposes per GC 37382	RRFD	N/A	N/A
184-080-37	City of Ukiah	341 Norgard Lane	±4.5	APN: 184-080-37 Acres: 4.50± Property Address: 341 NORGDARD LN Owner: CITY OF UKIAH	Agriculture (AG:40)	Agricultural	4	Recyled Water Distribution;	Recyled Water Distribution; Ongoing lease for agricultural purposes per GC 37382	RRFD	UVSD	N/A
184-090-01	City of Ukiah	N/A	±4	APN: 184-090-01 Acres: 4.00± Property Address: Owner: CITY OF UKIAH	Agriculture (AG:40)	Agricultural	4	Recyled Water Distribution;	Recyled Water Distribution; Ongoing lease for agricultural purposes per GC 37382	RRFD	UVSD	N/A
184-090-07	City of Ukiah	N/A	±13.92	APN: 184-090-07 Acres: 13.92± Property Address: N/A Owner: CITY OF UKIAH	Agriculture (AG:40)	Agricultural	4	Recyled Water Distribution;	Recyled Water Distribution; Ongoing lease for agricultural purposes per GC 37382	RRFD	N/A	N/A
184-100-04	City of Ukiah	N/A	±10.52	APN: 184-100-04 Acres: 10.52± Property Address: N/A Owner: CITY OF UKIAH	Agriculture (AG:40)	Agricultural	4	Recyled Water Distribution;	Recyled Water Distribution	RRFD	N/A	N/A
184-080-40	City of Ukiah	381 Norgard Lane	±0.12	APN: 184-080-40 Acres: 0.12± Property Address: 381 NORGDARD LN Owner: CITY OF UKIAH	Agriculture (AG:40)	Agricultural	4	Recyled Water Distribution;	Recyled Water Distribution	RRFD	N/A	N/A
184-100-05	City of Ukiah	300 Plant Road	±15.45	APN: 184-100-05 Acres: 15.45± Property Address: 300 PLANT RD Owner: CITY OF UKIAH	Agriculture (AG:40)	Agricultural	4	North Waste Water Pond	Public utility facilities and uses (Wastewater)	RRFD	N/A	N/A

184-090-06	City of Ukiah	217 Norgard Lane	±14.05	APN: 184-090-06 Acres: 14.05± Property Address: 217 NORGARD LN Owner: CITY OF UKIAH	Agriculture (AG:40)	Agricultural	4	Recyled Water Distribution;	Recyled Water Distribution; Ongoing lease for agricultural purposes per GC 37382	RRFD	UVSD	N/A
184-150-01	City of Ukiah	3495 Taylor Drive	±43	APN: 184-150-01 Acres: 43.00± Property Address: 3495 TAYLOR DR Owner: CITY OF UKIAH	Agriculture (AG:40)	Agricultural	5	South Waste Water Pond	Public utility facilities and uses (Wastewater)	RRFD	N/A	N/A
184-140-13	City of Ukiah	3151 Taylor Drive	±4.05	APN: 184-140-13 Acres: 4.05± Property Address: 3151 TAYLOR DR Owner: CITY OF UKIAH	General Industrial (I2)	Industrial	5	Existing Solid Waste Transfer Station	Refuse disposal/recycling areas, and refuse transfer stations and similar uses.	Willow Water	N/A	N/A

CHAMISE CUBBISON
 ACTING AUDITOR-CONTROLLER
 COUNTY OF MENDOCINO



501 LOW GAP ROAD, RM. 1080
 UKIAH, CALIFORNIA 95482
 PHONE (707) 234-6860 FAX (707) 467-2503
www.mendocinocounty.org

Date: September 22, 2021
 To: Affected Agencies, City of Ukiah
 Mendocino County Board of Supervisors
 From: Chamise Cubbison, Acting Auditor-Controller
 Re: LAFCo File A-2021-01 City of Ukiah Annexation of City of Ukiah owned properties

Per Revenue and Taxation Code 99(b)(3) the Auditor shall notify the governing body of each local agency whose service area or service responsibility will be altered by the jurisdictional change of the amount of, and allocation factors with respect to, property tax revenue estimated pursuant to paragraph (2) that is subject to negotiated exchange.

The estimated amount of property tax revenue generated in the Tax Rate Areas associated with the identified parcels, based on the 2020-21 assessed values is \$62,966.

The estimated revenue impact affects all agencies in the related Tax Rate Areas as the likelihood that the parcels will become exempt or zero tax is high. The estimated remaining revenue would come from unsecured assessed property and the value of that estimated tax revenue is \$11,356. Please see page 2 for breakdown of impact to affected entities.

There may be possible additional revenue due to possessory interests, roughly estimated to be \$7,343. The possessory related revenue is not included in the above remaining revenue estimate as that is dependent on long term leases.

It should be noted that this is an estimate and that there may be additional factors to consider should tax sharing negotiation take place.

Per Revenue & Taxation Code 99(b)(4) Upon receipt of the estimates pursuant to paragraph (3), the local agencies shall commence negotiations to determine the amount of property tax revenues to be exchanged between and among the local agencies. Except as otherwise provided, this negotiation period shall not exceed 60 days. If a local agency involved in these negotiations notifies the other local agencies, the county auditor, and the local agency formation commission in writing of its desire to extend the negotiating period, the negotiating period shall be 90 days.

If you have any questions regarding this process, please refer to Revenue & Taxation Code, Section 99 for procedures.

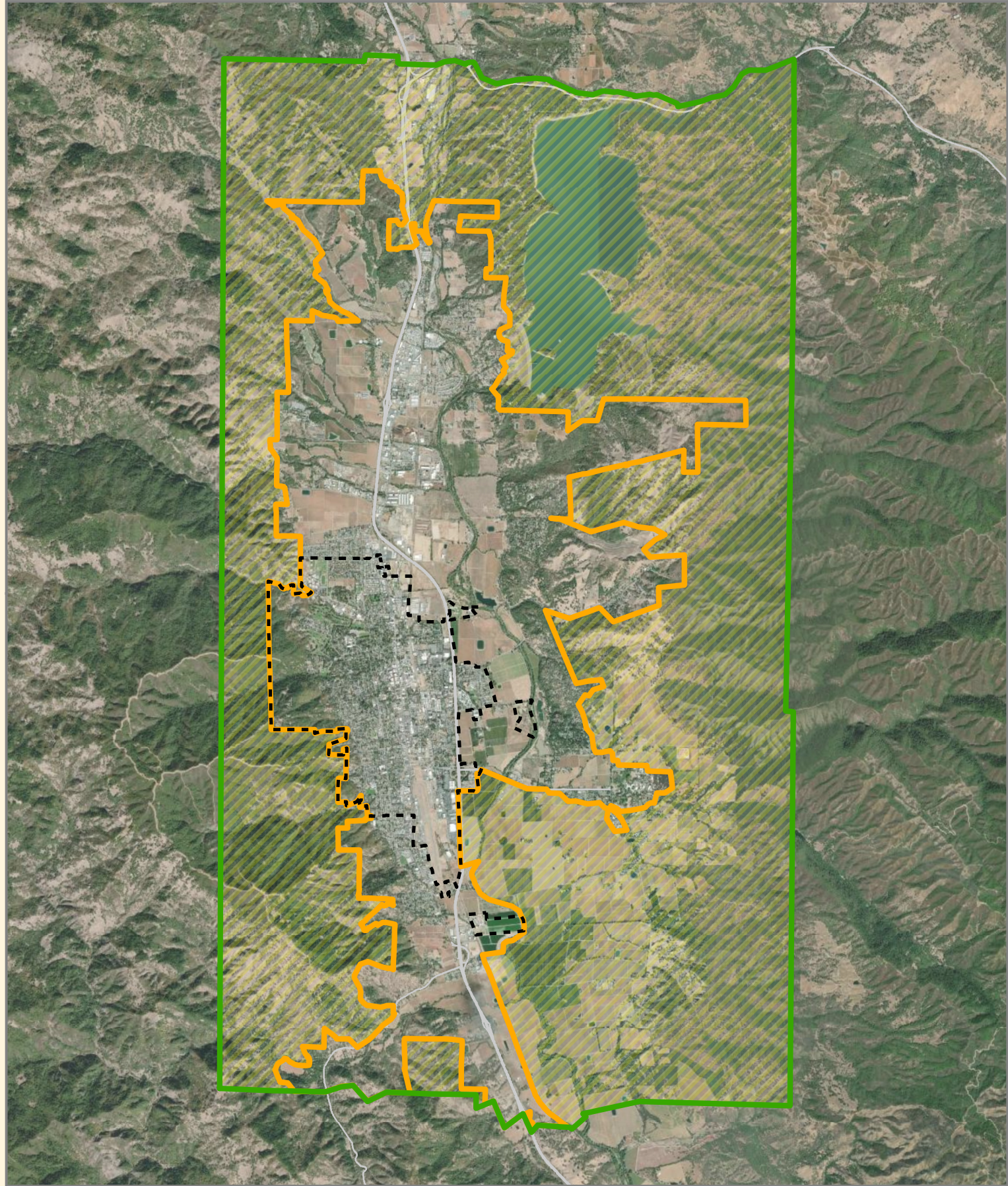
Cc: Mendocino County Counsel
Mendocino LAFCo

Auditor's Estimate of Property Tax Revenue

LAFCo File A-2021-01 Annexation of City of Ukiah

Tax Authority	Total Estimated Tax Revenue	Estimated Unsecured Portion	Estimated Difference	Overall Factor All TRAs
County	19,460	3,505	(18,514)	0.30904865
Russian River Cemetery	507	91	(415)	0.008044144
Ukiah Valley Fire	1,361	250	(1,111)	0.021614578
Mendocino County FC & WC Improvement District	82	15	(67)	0.001297519
Mendocino County RRFC & WCID	96	18	(78)	0.001525737
Ukiah Valley Sanitation	238	53	(185)	0.003783452
ERAF-Education Revenue Augmentation Fund	10,686	1,925	(8,761)	0.169704588
Mendocino County Office of Education	2,810	506	(2,304)	0.044631811
Mendocino Community College District	4,379	789	(3,590)	0.069542597
Ukiah Unified School District	23,348	4,205	(19,143)	0.370806924
Total Tax Revenue from PINs	62,966	11,356	(54,169)	1.00

Map of January 2020 City Council-Proposed Sphere of Influence



This map is a guide. Every reasonable effort has been made to ensure the accuracy of the map and data provided. Parcel lines are not intended to represent surveyed data.

Document Path: S:\Public Works\Stricklin, Andrew\GIS Maps\GIS\Projects\Planning\January 2020 Proposed SOI.mxd



- Ukiah City Limits
- UVAP/Current SOI
- Jan 2020 Proposed SOI
- Areas of Interest



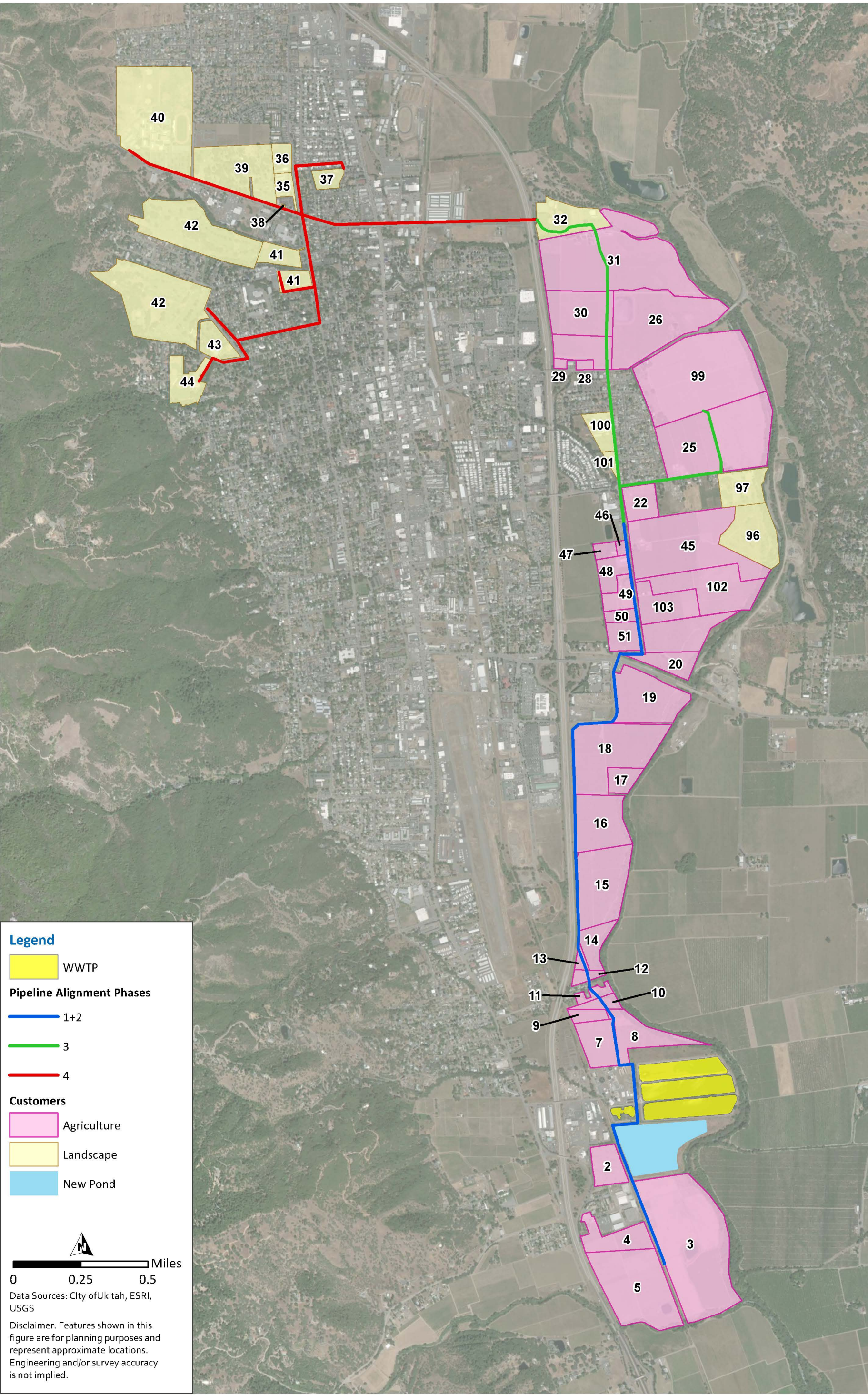
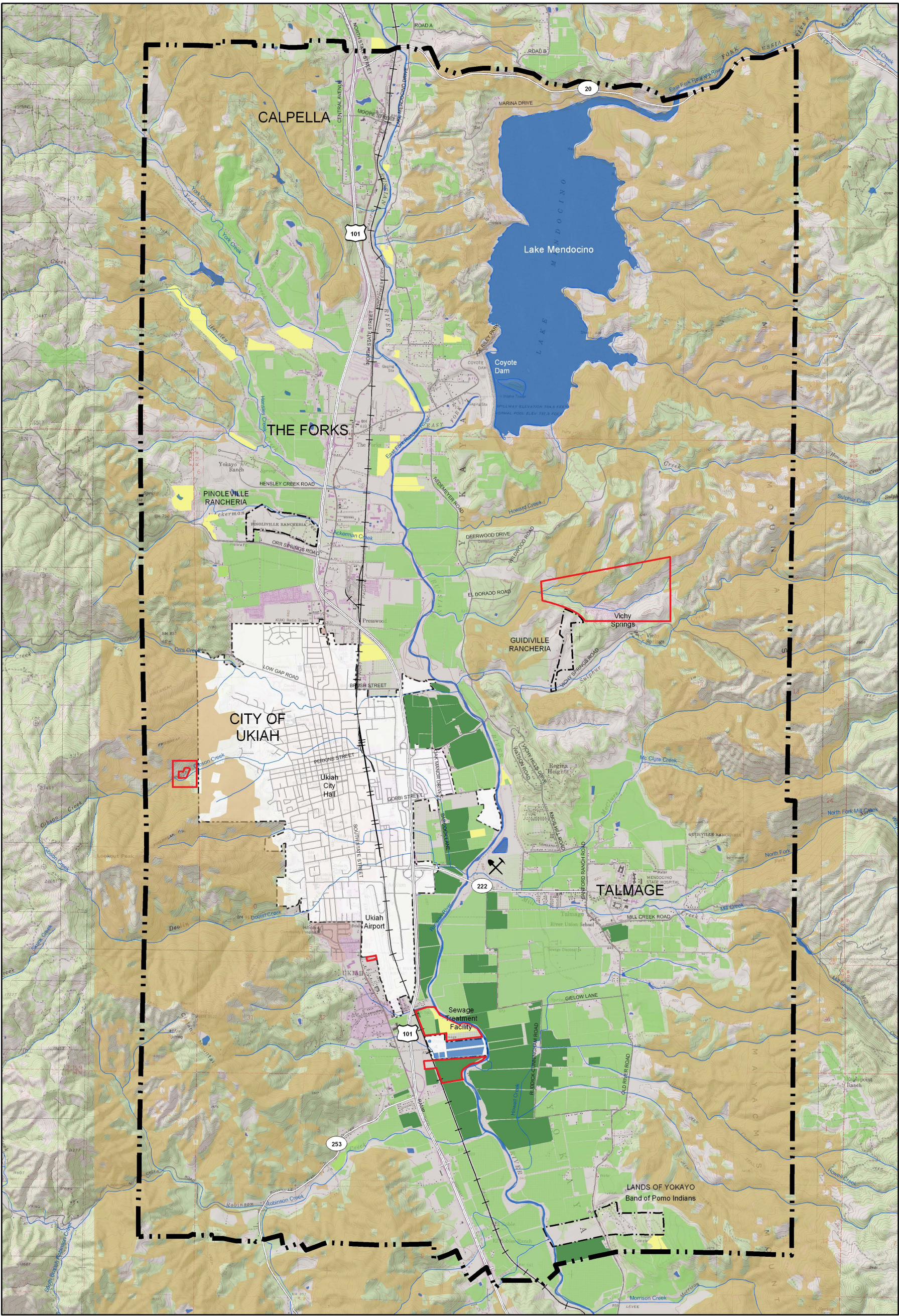


Figure 1 Phase 1 - Phase 4 Pipe Alignment



- | | | | | |
|----------------------------|-------------|-----------------------|------------------|------------------|
| Ukiah Valley Planning Area | Freeway | River And Tributaries | Pasture | Mining Operation |
| City of Ukiah | Local Roads | Orchard | Oak Woodlands | |
| Tribal Land | Railroad | Vineyard | Annexation Areas | |



Area #1

MILLVIEW COUNTY
WATER DISTRICT

ROGINA
WATER COMPANY



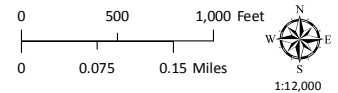
Russian River Flood District



County Water Districts



Ukiah Valley Sanitation Dist.



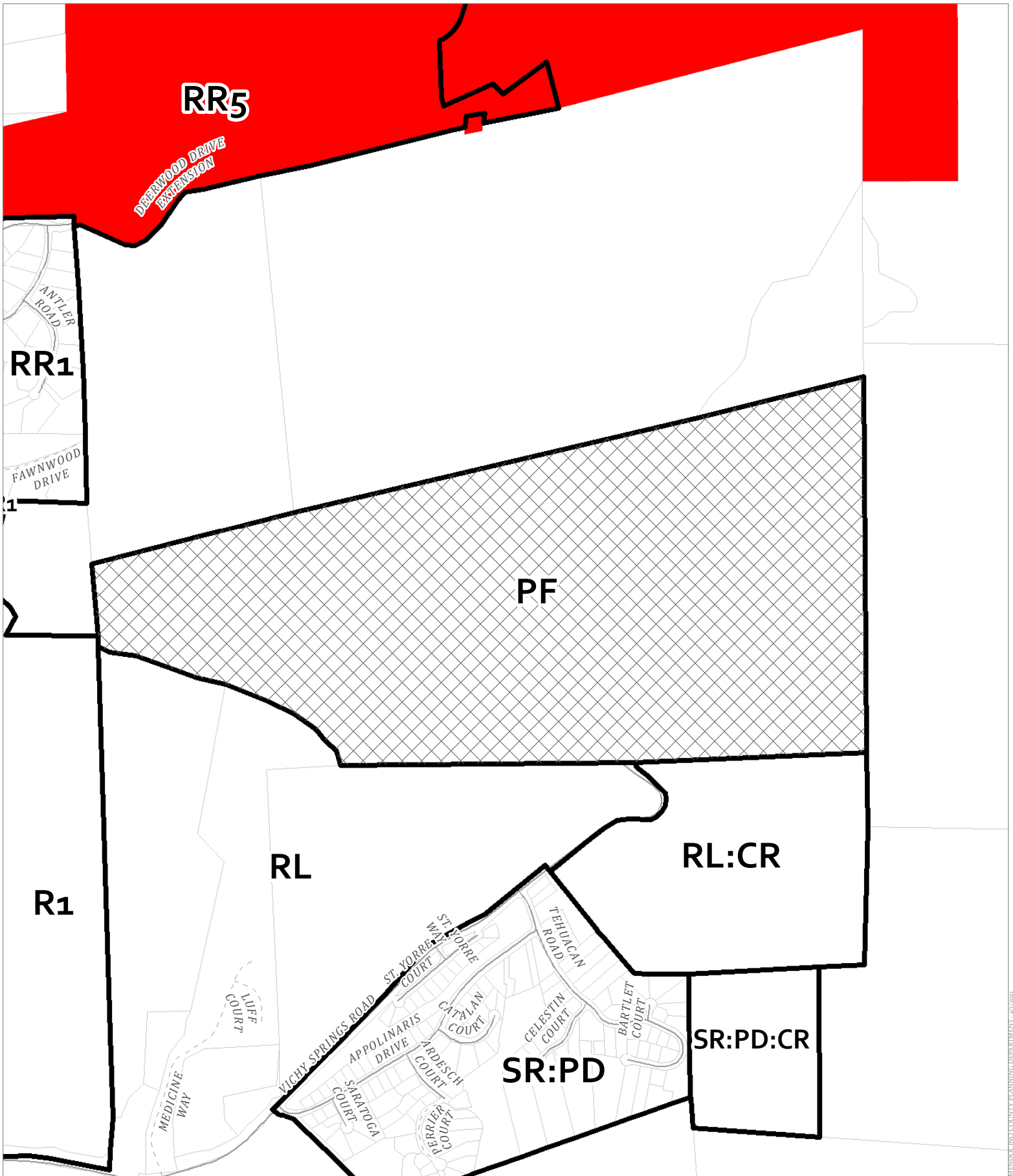
Map produced by the Mendocino County Planning & Building Svcs. Dept., April, 2021
 Coordinate System: NAD 83, Calif. State Plane Zone II
 Projection: Lambert Conformal Conic
 Parcel Data: Mendocino County Information Services, October, 2018
 Aerial Imagery: US Dept. of Agriculture/ArcGIS Online mosaic
 Topographic Data: USGS 7.5 minute quad series Mount Diablo Base & Meridian
 Parcel numbers are for tax purposes only and do not represent legal or salable parcels.
 All spatial data is approximate. This map is not a substitute for a proper land survey.

MENDOCINO COUNTY PLANNING DEPARTMENT - 4/1/2021

DISTRICTS

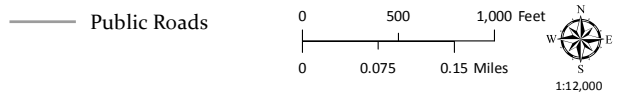
**THIS MAP AND DATA ARE PROVIDED WITHOUT WARRANTY OF ANY KIND.
 DO NOT USE THIS MAP TO DETERMINE LEGAL PROPERTY BOUNDARIES**

Page 109 of 856



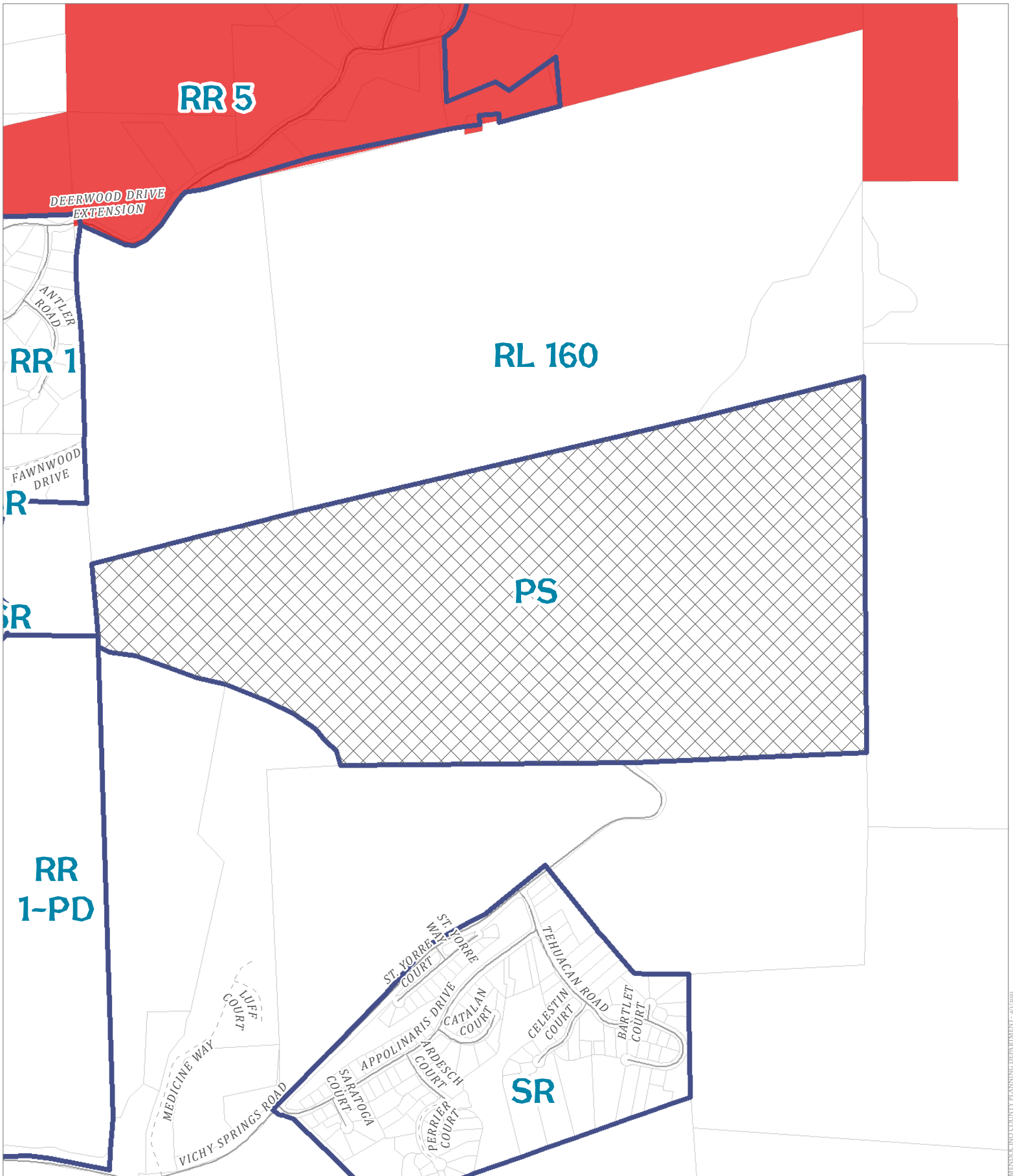
Map produced by the Mendocino County Planning & Building Svcs. Dept., April, 2021
 Coordinate System: NAD 83, Calif. State Plane Zone II
 Projection: Lambert Conformal Conic
 Parcel Data: Mendocino County Information Services, October, 2018
 Aerial Imagery: US Dept. of Agriculture/ArcGIS Online mosaic
 Topographic Data: USGS 7.5 minute quad series Mount Diablo Base & Meridian
 Parcel numbers are for tax purposes only and do not represent legal or salable parcels.
 All spatial data is approximate. This map is not a substitute for a proper land survey.

- Zoning Districts
- Cannabis Prohibition (CP) Districts
- Prohibition Districts



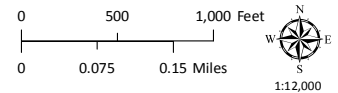
ZONING DISPLAY MAP

THIS MAP AND DATA ARE PROVIDED WITHOUT WARRANTY OF ANY KIND.
 DO NOT USE THIS MAP TO DETERMINE LEGAL PROPERTY BOUNDARIES



Map produced by the Mendocino County Planning & Building Svcs. Dept., April, 2021
 Coordinate System: NAD 83, Calif. State Plane Zone II
 Projection: Lambert Conformal Conic
 Parcel Data: Mendocino County Information Services, October, 2018
 Aerial Imagery: US Dept. of Agriculture/ArcGIS Online mosaic
 Topographic Data: USGS 7.5 minute quad series Mount Diablo Base & Meridian
 Parcel numbers are for tax purposes only and do not represent legal or salable parcels.
 All spatial data is approximate. This map is not a substitute for a proper land survey.

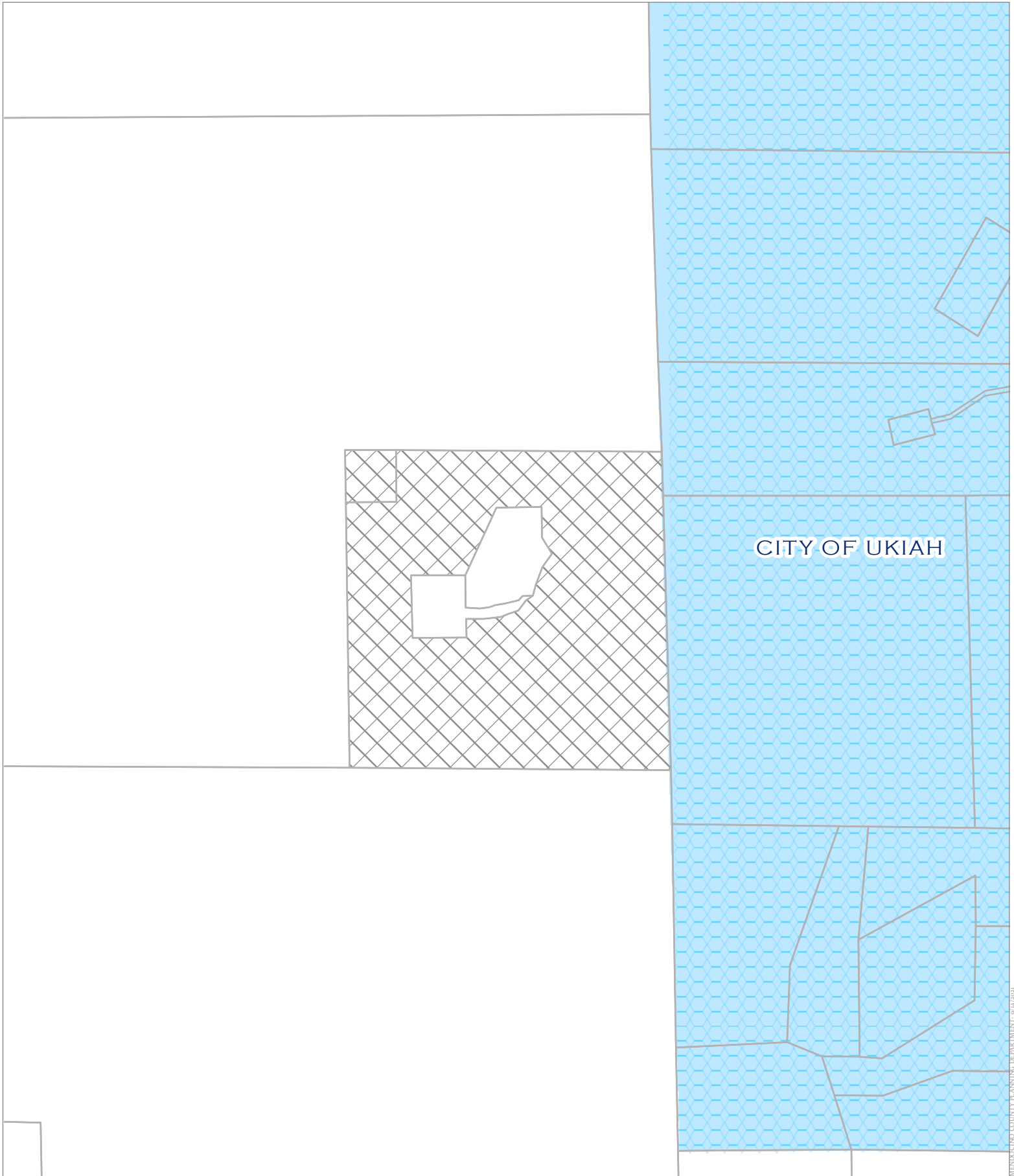
- General Plan Classes
- Prohibition Districts
- Public Roads



GENERAL PLAN CLASSIFICATIONS

**THIS MAP AND DATA ARE PROVIDED WITHOUT WARRANTY OF ANY KIND.
 DO NOT USE THIS MAP TO DETERMINE LEGAL PROPERTY BOUNDARIES**

Area #2



Map produced by the Mendocino County Planning & Building Svcs. Dept., September, 2021
 Coordinate System: NAD 83, Calif. State Plane Zone II
 Projection: Lambert Conformal Conic
 Parcel Data: Mendocino County Information Services, October, 2018
 Aerial Imagery: US Dept. of Agriculture/ArcGIS Online mosaic
 Topographic Data: USGS 7.5 minute quad series Mount Diablo Base & Meridian
 Parcel numbers are for tax purposes only and do not represent legal or salable parcels.
 All spatial data is approximate. This map is not a substitute for a proper land survey.

 Russian River Flood District
 County Water Districts

0 250 500 Feet
 0 0.0425 0.085 Miles

 1:6,000

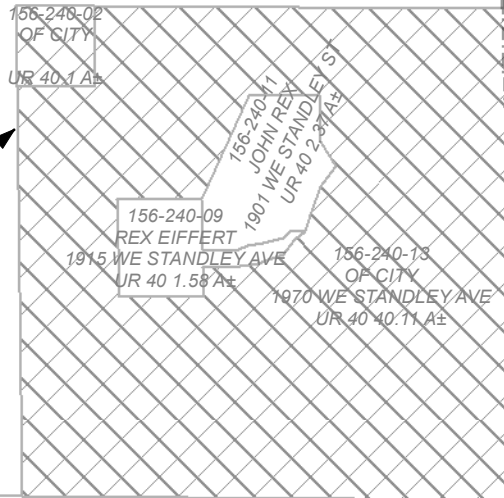
WATER DISTRICTS

THIS MAP AND DATA ARE PROVIDED WITHOUT WARRANTY OF ANY KIND.
 DO NOT USE THIS MAP TO DETERMINE LEGAL PROPERTY BOUNDARIES

SUBJECT PARCEL/S

156-190-03
BONNIE WILDBERGER
UR 40 80 A±

156-240-01
BONNIE WILDBERGER
UR 40 280 A±



6-250-02
SCO CASTRO
STANDLEY ST
40 40 A±

156-250-01
BONNIE WILDBERGER
UR 40 280 A±

001-030-01
CITY UKIAH
45.97 A±

001-030-05
DONALD STRICKLAND
0 A±

001-030-03
JAMES NIX
0 A±

001-030-04
CITY UKIAH
0 A±

001-030-06
MATTHEW EIFFERT
1305 WE STANDLEY AVE
4.96 A±

001-040-01
JAMES NIX
40 A±

001-040-02
GREGORY CAVALIN
40 A±

001-040-90
ISMAEL CEJA
350 JANIX DR
11.52 A±

001-040-92
RODERICK PIFFERO
335 JANIX DR
5 A±

001-040-73
JARED HULL
315 JANIX DR
6 A±

001-040-87
DAVID HULL
325 JANIX DR
5.17 A±

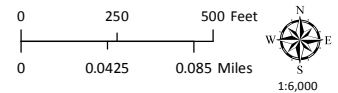
001-040-75
ZIYAD IBRAHIM
6.6 A±

001-040-85
WILLIAM EDWARDS
335 JANIX DR
4.06 A±

001-040-81
WILLIAM EDWARDS

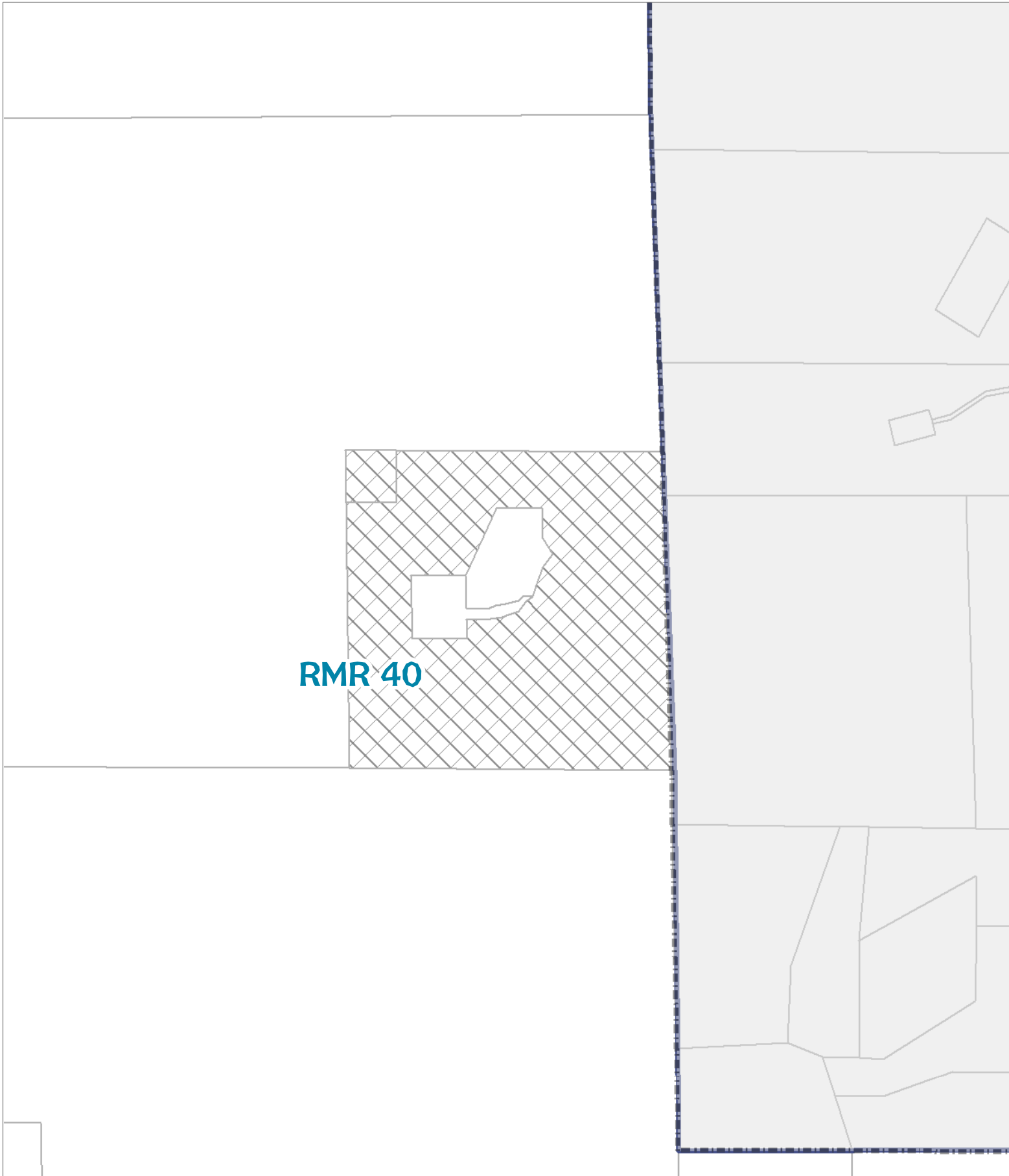
Map produced by the Mendocino County Planning & Building Svcs. Dept., September, 2021
Coordinate System: NAD 83, Calif. State Plane Zone II
Projection: Lambert Conformal Conic
Parcel Data: Mendocino County Information Services, October, 2018
Aerial Imagery: US Dept. of Agriculture/ArcGIS Online mosaic
Topographic Data: USGS 7.5 minute quad series Mount Diablo Base & Meridian
Parcel numbers are for tax purposes only and do not represent legal or salable parcels.
All spatial data is approximate. This map is not a substitute for a proper land survey.

City Limits



ADJACENT PARCELS

THIS MAP AND DATA ARE PROVIDED WITHOUT WARRANTY OF ANY KIND.
DO NOT USE THIS MAP TO DETERMINE LEGAL PROPERTY BOUNDARIES



Map produced by the Mendocino County Planning & Building Svcs. Dept., September, 2021
 Coordinate System: NAD 83, Calif. State Plane Zone II
 Projection: Lambert Conformal Conic
 Parcel Data: Mendocino County Information Services, October, 2018
 Aerial Imagery: US Dept. of Agriculture/ArcGIS Online mosaic
 Topographic Data: USGS 7.5 minute quad series Mount Diablo Base & Meridian
 Parcel numbers are for tax purposes only and do not represent legal or salable parcels.
 All spatial data is approximate. This map is not a substitute for a proper land survey.

 City Limits
 General Plan Classes

0 250 500 Feet
 0 0.0425 0.085 Miles

 1:6,000

GENERAL PLAN CLASSIFICATIONS

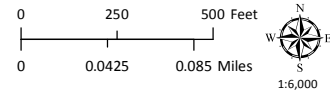
THIS MAP AND DATA ARE PROVIDED WITHOUT WARRANTY OF ANY KIND.
DO NOT USE THIS MAP TO DETERMINE LEGAL PROPERTY BOUNDARIES



Map produced by the Mendocino County Planning & Building Svcs. Dept., September, 2021
 Coordinate System: NAD 83, Calif. State Plane Zone II
 Projection: Lambert Conformal Conic
 Parcel Data: Mendocino County Information Services, October, 2018
 Aerial Imagery: US Dept. of Agriculture/ArcGIS Online mosaic
 Topographic Data: USGS 7.5 minute quad series Mount Diablo Base & Meridian
 Parcel numbers are for tax purposes only and do not represent legal or salable parcels.
 All spatial data is approximate. This map is not a substitute for a proper land survey.



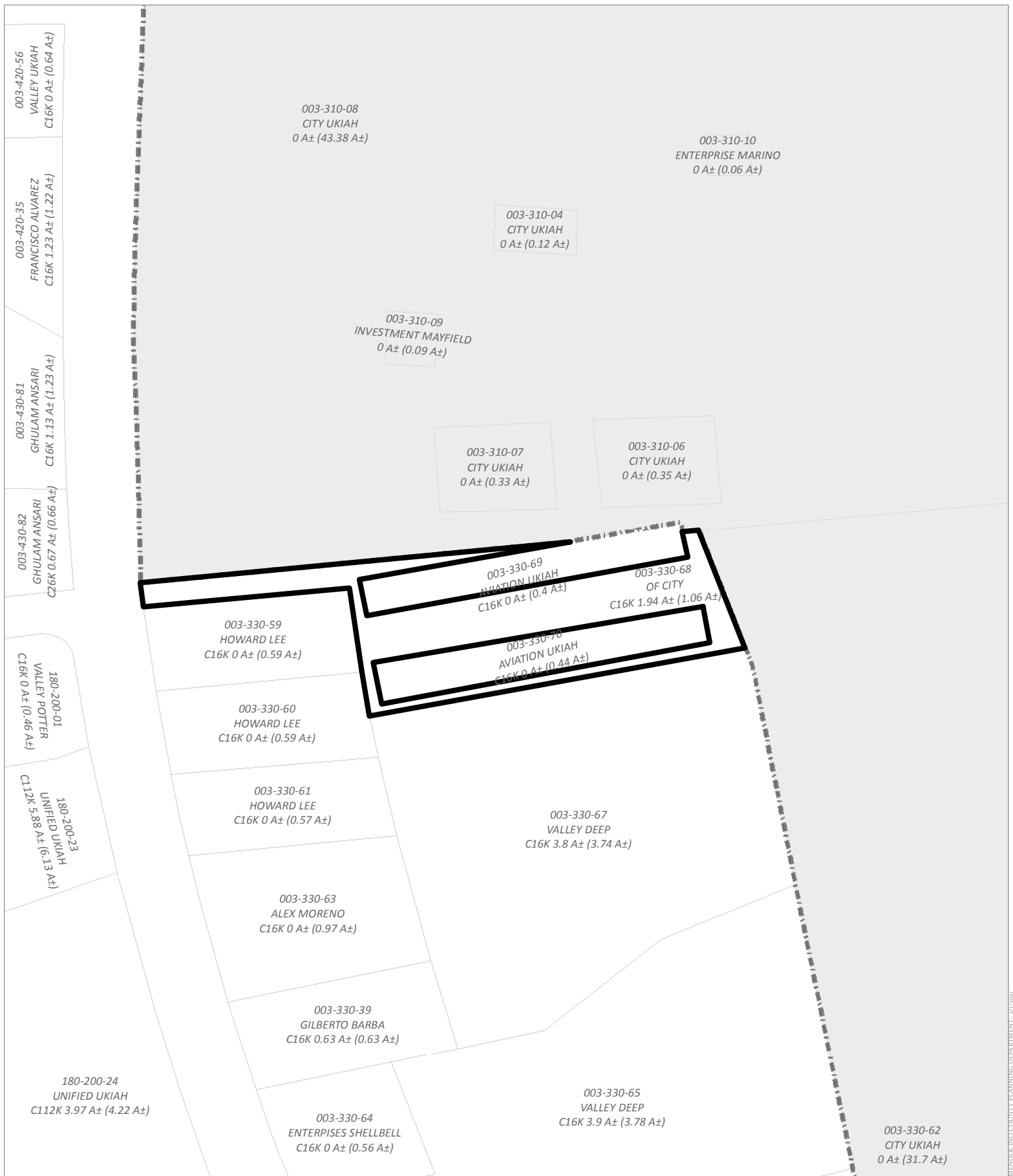
City Limits
 Zoning Districts



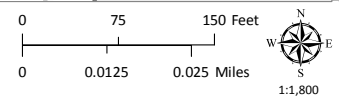
ZONING DISPLAY MAP

THIS MAP AND DATA ARE PROVIDED WITHOUT WARRANTY OF ANY KIND.
 DO NOT USE THIS MAP TO DETERMINE LEGAL PROPERTY BOUNDARIES

Area #3



Map produced by the Mendocino County Planning & Building Svcs. Dept., April, 2021
 Coordinate System: NAD 83, Calif. State Plane Zone II
 Projection: Lambert Conformal Conic
 Parcel Data: Mendocino County Information Services, October, 2018
 Aerial Imagery: US Dept. of Agriculture/ArcGIS Online mosaic
 Topographic Data: USGS 7.5 minute quad series Mount Diablo Base & Meridian
 Parcel numbers are for tax purposes only and do not represent legal or salable parcels.
 All spatial data is approximate. This map is not a substitute for a proper land survey.



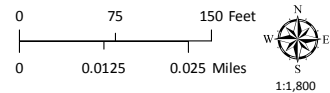
ADJACENT PARCELS

THIS MAP AND DATA ARE PROVIDED WITHOUT WARRANTY OF ANY KIND.
DO NOT USE THIS MAP TO DETERMINE LEGAL PROPERTY BOUNDARIES



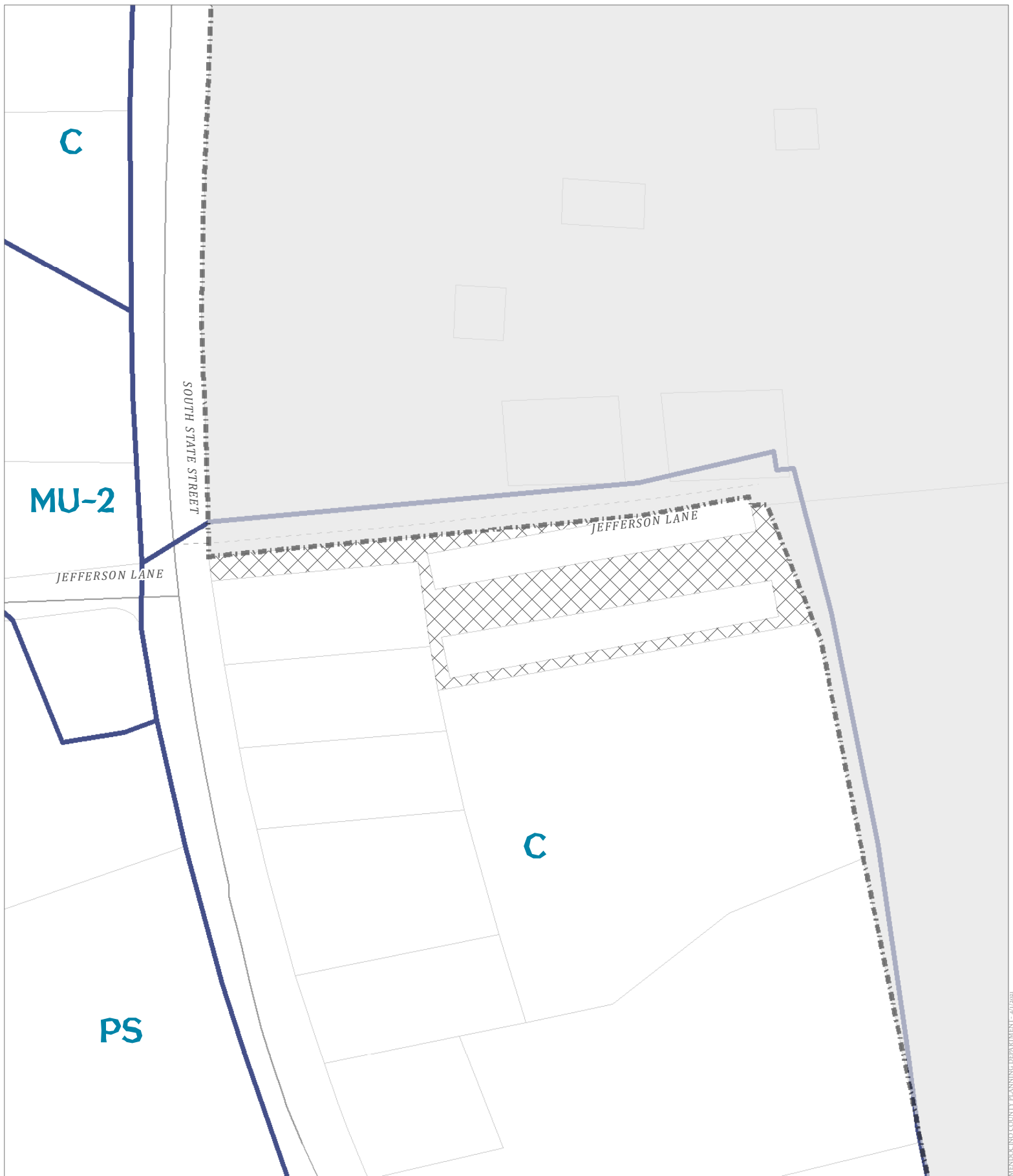
Map produced by the Mendocino County Planning & Building Svcs. Dept., April, 2021
 Coordinate System: NAD 83, Calif. State Plane Zone II
 Projection: Lambert Conformal Conic
 Parcel Data: Mendocino County Information Services, October, 2018
 Aerial Imagery: US Dept. of Agriculture/ArcGIS Online mosaic
 Topographic Data: USGS 7.5 minute quad series Mount Diablo Base & Meridian
 Parcel numbers are for tax purposes only and do not represent legal or salable parcels.
 All spatial data is approximate. This map is not a substitute for a proper land survey.

-  City Limits
-  Zoning Districts
-  Public Roads



ZONING DISPLAY MAP

THIS MAP AND DATA ARE PROVIDED WITHOUT WARRANTY OF ANY KIND.
 DO NOT USE THIS MAP TO DETERMINE LEGAL PROPERTY BOUNDARIES



Map produced by the Mendocino County Planning & Building Svcs. Dept., April, 2021
 Coordinate System: NAD 83, Calif. State Plane Zone II
 Projection: Lambert Conformal Conic
 Parcel Data: Mendocino County Information Services, October, 2018
 Aerial Imagery: US Dept. of Agriculture/ArcGIS Online mosaic
 Topographic Data: USGS 7.5 minute quad series Mount Diablo Base & Meridian
 Parcel numbers are for tax purposes only and do not represent legal or salable parcels.
 All spatial data is approximate. This map is not a substitute for a proper land survey.

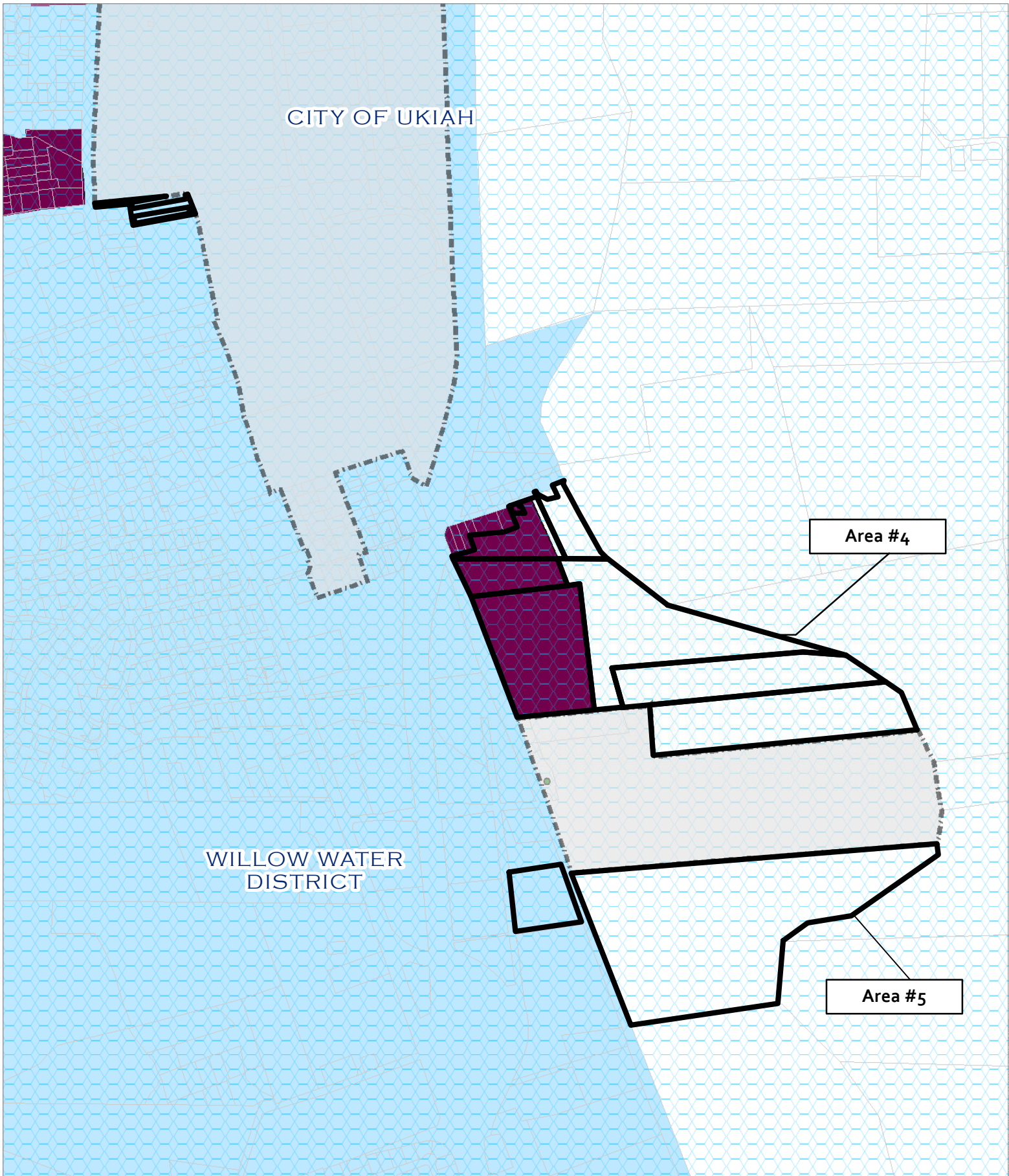
City Limits
 General Plan Classes
 Public Roads

0 75 150 Feet
 0 0.0125 0.025 Miles
 N
 W E
 S
 1:1,800

GENERAL PLAN CLASSIFICATIONS

THIS MAP AND DATA ARE PROVIDED WITHOUT WARRANTY OF ANY KIND.
DO NOT USE THIS MAP TO DETERMINE LEGAL PROPERTY BOUNDARIES

Areas #4 & #5



Map produced by the Mendocino County Planning & Building Svcs. Dept., April, 2021
 Coordinate System: NAD 83, Calif. State Plane Zone II
 Projection: Lambert Conformal Conic
 Parcel Data: Mendocino County Information Services, October, 2018
 Aerial Imagery: US Dept. of Agriculture/ArcGIS Online mosaic
 Topographic Data: USGS 7.5 minute quad series Mount Diablo Base & Meridian
 Parcel numbers are for tax purposes only and do not represent legal or salable parcels.
 All spatial data is approximate. This map is not a substitute for a proper land survey.



City Limits



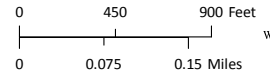
Russian River Flood District



County Water Districts

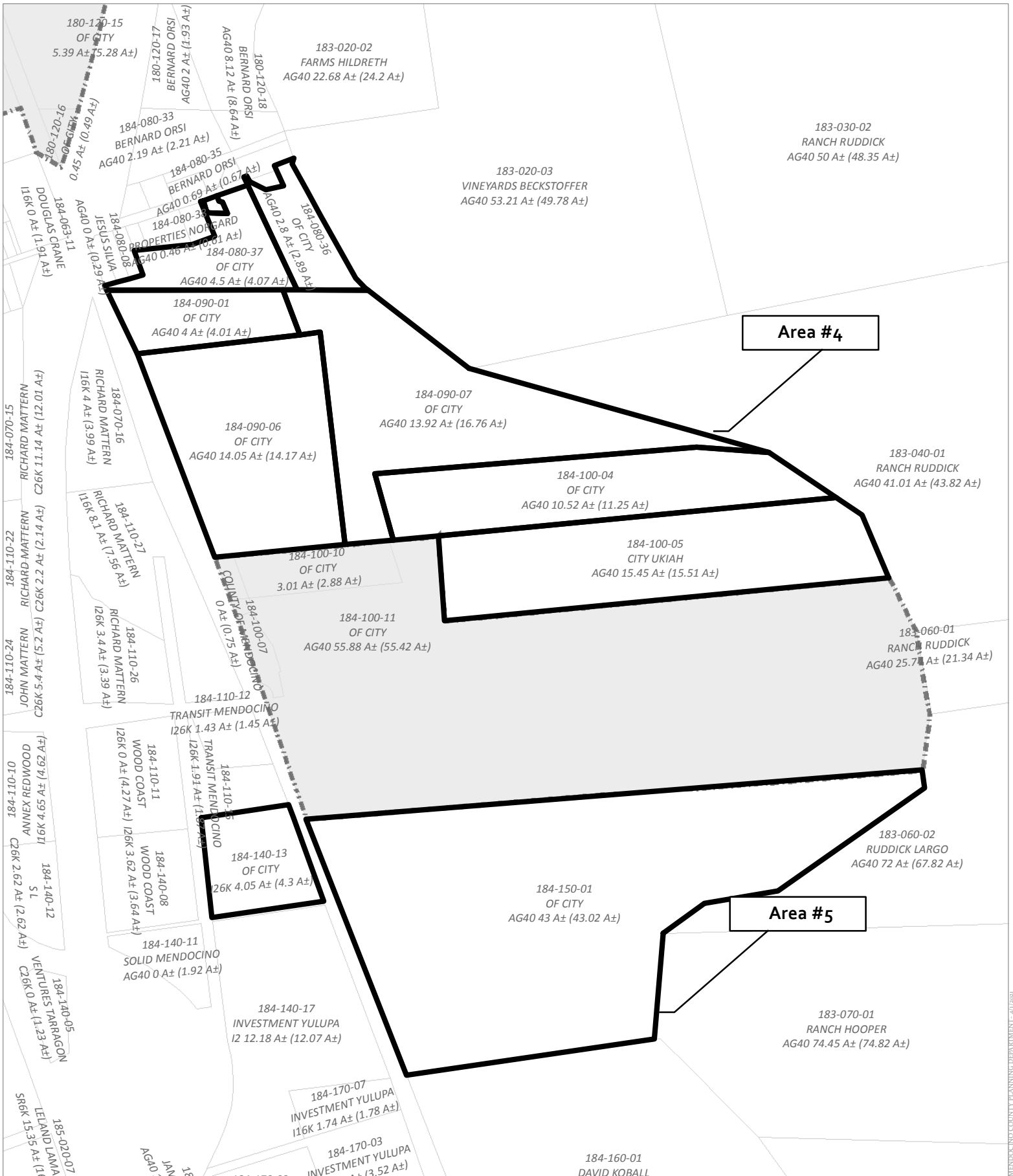


Ukiah Valley Sanitation Dist.



DISTRICTS

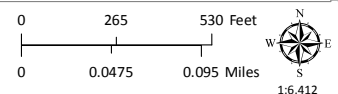
THIS MAP AND DATA ARE PROVIDED WITHOUT WARRANTY OF ANY KIND.
DO NOT USE THIS MAP TO DETERMINE LEGAL PROPERTY BOUNDARIES



Map produced by the Mendocino County Planning & Building Svcs. Dept., April, 2021
 Coordinate System: NAD 83, Calif. State Plane Zone II
 Projection: Lambert Conformal Conic
 Parcel Data: Mendocino County Information Services, October, 2018
 Aerial Imagery: US Dept. of Agriculture/ArcGIS Online mosaic
 Topographic Data: USGS 7.5 minute quad series Mount Diablo Base & Meridian
 Parcel numbers are for tax purposes only and do not represent legal or salable parcels.
 All spatial data is approximate. This map is not a substitute for a proper land survey.

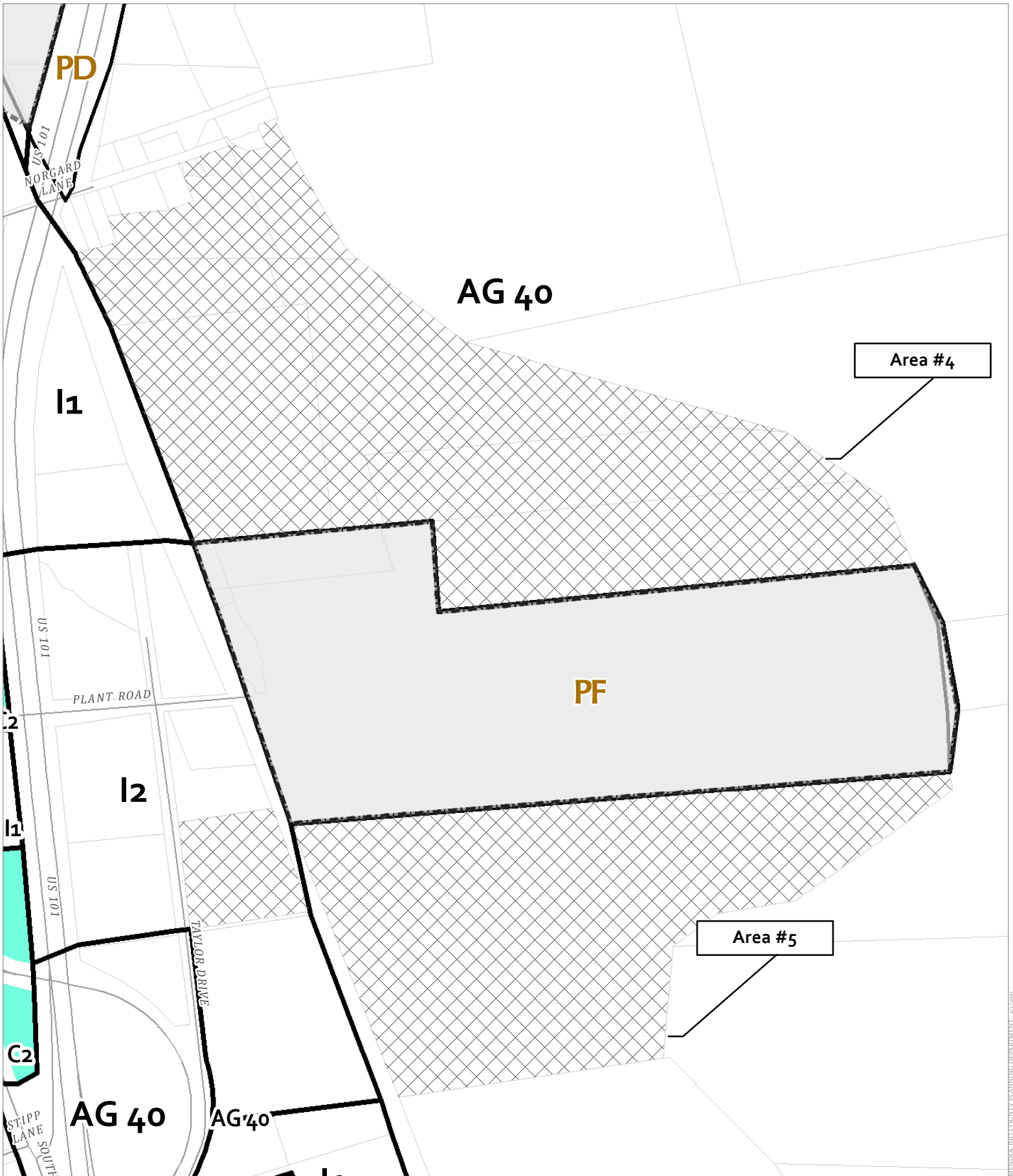


City Limits



ADJACENT PARCELS

**THIS MAP AND DATA ARE PROVIDED WITHOUT WARRANTY OF ANY KIND.
 DO NOT USE THIS MAP TO DETERMINE LEGAL PROPERTY BOUNDARIES**



Map produced by the Mendocino County Planning & Building Svcs. Dept., April, 2021
 Coordinate System: NAD 83, Calif. State Plane Zone II
 Projection: Lambert Conformal Conic
 Parcel Data: Mendocino County Information Services, October, 2018
 Aerial Imagery: US Dept. of Agriculture/ArcGIS Online mosaic
 Topographic Data: USGS 7.5 minute quad series Mount Diablo Base & Meridian
 Parcel numbers are for tax purposes only and do not represent legal or salable parcels.
 All spatial data is approximate. This map is not a substitute for a proper land survey.



City Limits

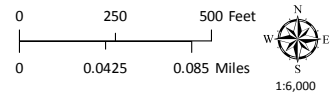


Zoning Districts



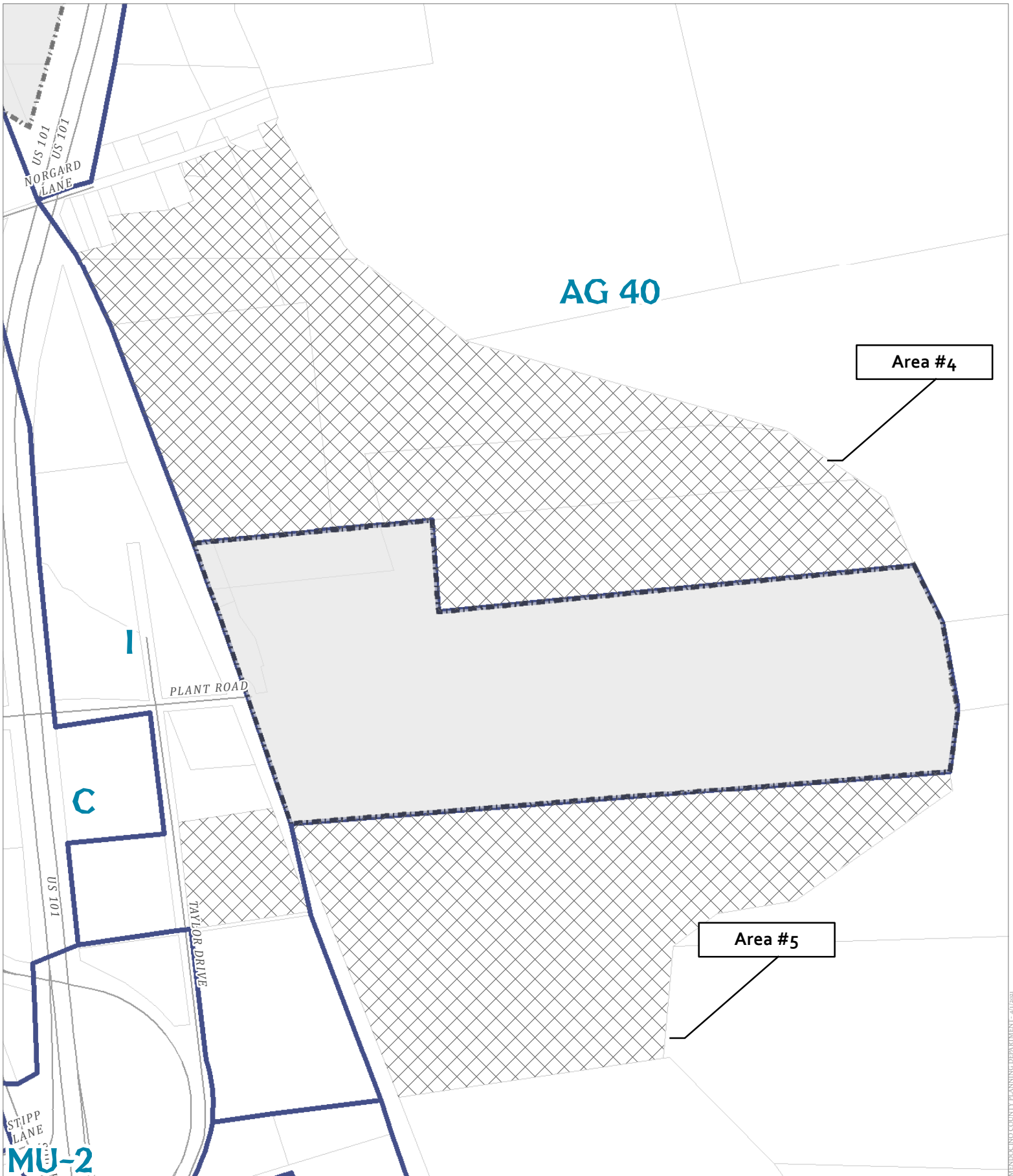
Community Character (CC) Districts

Public Roads



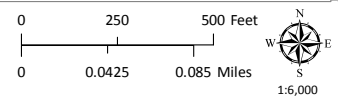
ZONING DISPLAY MAP

THIS MAP AND DATA ARE PROVIDED WITHOUT WARRANTY OF ANY KIND.
 DO NOT USE THIS MAP TO DETERMINE LEGAL PROPERTY BOUNDARIES



Map produced by the Mendocino County Planning & Building Svcs. Dept., April, 2021
 Coordinate System: NAD 83, Calif. State Plane Zone II
 Projection: Lambert Conformal Conic
 Parcel Data: Mendocino County Information Services, October, 2018
 Aerial Imagery: US Dept. of Agriculture/ArcGIS Online mosaic
 Topographic Data: USGS 7.5 minute quad series Mount Diablo Base & Meridian
 Parcel numbers are for tax purposes only and do not represent legal or salable parcels.
 All spatial data is approximate. This map is not a substitute for a proper land survey.

-  City Limits
-  General Plan Classes
-  Public Roads



GENERAL PLAN CLASSIFICATIONS

THIS MAP AND DATA ARE PROVIDED WITHOUT WARRANTY OF ANY KIND.
 DO NOT USE THIS MAP TO DETERMINE LEGAL PROPERTY BOUNDARIES



AGENDA SUMMARY REPORT

SUBJECT: Report to Council on PO #47411 Issued to Corrosion Protection Solutions in the Amount of \$61,560, as well as Change Order #01 in the Amount of \$4,843.80, for a Total of \$66,403, and Request a Budget Amendment for this Amount.

DEPARTMENT: Water Resources

PREPARED BY: Mary Williamson, Buyer II

PRESENTER: Sean White, Water Resources Director

ATTACHMENTS:

1. Corrosion Protection Solutions

Summary: Council will receive a report on PO #47411 issued to Corrosion Protection Solutions in the amount of \$61,560, as well as Change Order #01 in the amount of \$4,843.80, for a total of \$66,403, and request a Budget Amendment for this amount.

Background: In early 2021, Water Resources staff noticed a sharp increase in turbidity readings from Well 4. After a teardown and inspection of the facility, it was determined that the turbidity was caused by severely accelerated corrosion of the pump column. The pump column was replaced, and turbidity levels returned to normal.

Discussion: In order to prevent the same type of aggressive galvanic corrosion that resulted in the premature failure of the previous pump column, staff followed the repairs with the installation of a cathodic protection system. Purchase of the system was expedited so Well 4 could be reassembled and put back into service prior to the high demand season. This was particularly urgent with surface water rights being curtailed. A copy of the original proposal for Turnkey Corrosion Protection System - Summer 2021, Water Well #4 - Submerged Well Pipe, as well as a copy of the invoice to provide an additional day of work is attached (Attachment 1).

Recommended Action: Council will receive a report on PO #47411 issued to Corrosion Protection Solutions in the amount of \$61,560, as well as Change Order #01 in the amount of \$4,843.80, for a total of \$66,403 and request a Budget Amendment for this amount.

BUDGET AMENDMENT REQUIRED: Yes

CURRENT BUDGET AMOUNT: 82227113.80230.18281: \$0

PROPOSED BUDGET AMOUNT: 82227113.80230.18281: \$66,404

FINANCING SOURCE: Fund 820

PREVIOUS CONTRACT/PURCHASE ORDER NO.: PO 47411

COORDINATED WITH: Dave Kirch, Fleet & Maintenance Supervisor; Sean White, Director of Water Resources; Mary Horger, Financial Services Manager

Approved: 
Sage Sangiacomo, City Manager



"Providing Excellent Corrosion Engineering Services since 2003"

City of Ukiah
300 Seminary Avenue
Ukiah, CA 95482

Attention: Ms. Michelle Wagenet
Water Treatment Plant Supervisor

Subject: Proposal for "Turnkey" Corrosion (Cathodic) Protection System – Summer 2021
Water Well #4 – Submerged Well Pipe
City of Ukiah, California

Ms. Michelle Wagenet:

Thank you for allowing Corrosion Protection Solutions (CPS) the opportunity to provide The City of Ukiah with a proposal relating to the corrosion engineering and cathodic protection systems services for the subject project in Ukiah, California. Proposed pricing will include design, materials and installation, supervision during installation, technical support, final testing, comprehensive written report, and operations and maintenance (O&M) manuals.

All work on this project, which will be related to the cathodic protection system of the underground metallic pipes will be performed by, or under the direct supervision of a National Association of Corrosion Engineers (NACE) International, Certified Cathodic Protection (CP) Specialist, who has over 25 years of experience in related projects.

Corrosion control systems materials and installation will be provided by a licensed cathodic protection contractor.

The cathodic protection system design will be for a 30-year service life. Our conceptual design is for an impressed current cathodic protection (ICCP) system using a cathodic protection rectifier, platinum-niobium wire-type anodes, copper/copper-sulfate reference electrodes, and other related equipment. The CP rectifier will be an automatically controlled unit which will self-adjust as needed to maintain optimum corrosion protection levels for the submerged metallic surfaces of the water Well #4.

2058 Fostoria Circle
Danville, California 94526

www.corrosioncp.com

Ph: 1 925 788 4399
corrosioncp@gmail.com

CORROSION (CATHODIC) PROTECTION (CP) DESIGN, MATERIALS, INSTALLATION, SUPERVISION, TECH SUPPORT, TESTING AND REPORTS

We propose that our NACE Certified Cathodic Protection Specialist will come out to the project site at the water Well#4 in Ukiah, California.

We will gather design information from your office and provide corrosion engineering services such as recommending proper materials and protective coatings for the well pipes and its associated equipment, and other related tasks as part of the new well piping project.

The next phase of this project consists of corrosion protection design and other related work for the submerged well pipe at water Well #4.

The work will include, but is not limited to the following:

1. CPS will gather pertinent information as part of the design package for cathodic protection on the water well piping. This may include design current requirement tests using a portable CP rectifier, temporary anodes, electrical continuity tests, photographic records, measurements needed for the drawings, and other information.
2. Preparation of design package to include Auto-Cad design drawings and details, installation notes, and other information.
3. Prepare and submit, materials takeoffs, materials submittal package, and other documents, as needed by the City of Ukiah.
4. Provide materials and installation of CP system by a Licensed CP Contractor.
5. Materials and installation of AC power for the CP rectifier unit is the responsibility of others and is not included in our pricing.
6. Provide on-site construction supervision during the cathodic protection system installation to ensure that the system is being installed in a proper manner, and per the project design. Perform interim testing on the CP system.
7. Perform post-installation testing of CP system to include energization of the rectifier/transformer (if impressed current is being utilized), structure-to-water potential (voltage) tests, adjusting and calibrating the CP system, testing of the anodes and other equipment.
8. Provide a comprehensive written report which would discuss the post-installation testing and include the field data. Provide operations and maintenance (O&M) manuals for the new CP system.

CPS COST ESTIMATES

- A. PROVIDE CORROSION ENGINEERING CONSULTING SERVICES AND DESIGN OF CATHODIC PROTECTION SYSTEM AS INCLUDED IN ITEMS 1 AND 2 (INCLUDES FIELD AND OFFICE TASKS AS NECESSARY)**

Senior Corrosion Engineer/NACE Cathodic Protection Specialist
40 hours @ \$185.00: \$7,400.00

Auto-CAD Drafter:
40 hours @ \$95.00: \$3,800.00

- B. REPAIR OF LIST OF MATERIALS AND SUBMITTALS PACKAGE AND OTHER TECHNICAL SUPPORT SUCH AS ATTENDING MEETINGS, REPLIES TO REQUEST FOR INFORMATION AND OTHER RELATED WORK, AS INCLUDED IN ITEM 3**

Senior Corrosion Engineer/NACE Cathodic Protection Specialist and Assistant
12 hours @ \$185.00: \$2,220.00

- C. PROVIDE CATHODIC PROTECTION MATERIALS AND INSTALLATION**

Cost Estimate: \$40,000.00

- D. PROVIDE ON-SITE INSTALLATION SUPERVISION DURING INSTALLATION OF CP SYSTEM AND PERFORM INTERIM TESTING, AS INCLUDED IN ITEM 4**

Senior Corrosion Engineer/NACE Cathodic Protection Specialist and Assistant
24 hours @ \$185.00: \$4,440.00

- E. PERFORM POST-INSTALLATION TESTING AND PROVIDE WRITTEN REPORT. PREPARE AND SUBMIT OPERATIONS AND MAINTENANCE (O&M) MANUALS.**

Senior Corrosion Engineer/NACE Cathodic Protection Specialist and assistant
20 hours @ \$185.00: \$3,700.00

SUMMARY OF COST ESTIMATES (ITEMS A THROUGH E) *\$61,560.00

*Purchase Order (PO) amount for "Turnkey" cathodic protection project

*The price above includes labor, materials, and all other associated costs to provide a complete and operational cathodic protection system.

TERMS AND CONDITIONS

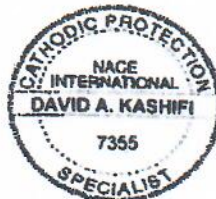
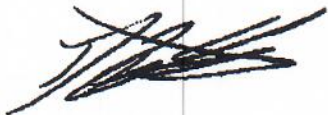
1. The cost estimate above includes all labor, test equipment, travel time to and from project site, vehicle, travel expenses (vehicle, test equipment, gas, etc.).
2. Cathodic protection Design, Materials, and Installation is included.
3. Additional time spent on the project that is above and beyond what is estimated above would be an extra charge, at a rate of \$185.00 per hour.
4. Supply and installation of AC input power to the CP rectifier is by others and is not included in our pricing.

It is our goal to continue to provide you with excellent corrosion engineering and cathodic protection services. We appreciate the opportunity to assist **The City of Ukiah** with this project.

If you have any questions, or if we can be of any additional assistance at this time, please contact our Danville office at (925) 788-4399.

Respectfully submitted,

Corrosion Protection Solutions, Inc.



David Kashifi,

Sr. Corrosion Engineer/Principal

NACE Certified Cathodic Protection Specialist – CP Level 4 (NACE #7355)

NACE Certified Coating Inspector – CIP Level 1 (NACE #24378)

Seth Strader

From: Sage Sangiacomo
Sent: Tuesday, August 3, 2021 5:53 PM
To: Mary Horger; Sean White; Michelle Wagenet
Cc: David Rapport; Seth Strader; Mary Williamson; Kristine Lawler
Subject: RE: Well 4 Corrosion Protection

Given the critical need to maintain the City's water system and sources, I'm approving this work to move forward immediately under emergency authorization. Please proceed with the contracting and work. A follow up report to the City Council will need to be made at the August 18 City Council meeting.

Thank you.

Sage Sangiacomo
City Manager

City of Ukiah
300 Seminary Avenue
Ukiah, CA 95482
P) 707-463-6221
C) 707-272-8283
F) 707-463-6740
ssangiacomo@cityofukiah.com
www.cityofukiah.com
www.visitukiah.com

From: Mary Horger
Sent: Tuesday, August 3, 2021 5:29 PM
To: Sean White <swhite@cityofukiah.com>; Michelle Wagenet <mwagenet@cityofukiah.com>
Cc: Sage Sangiacomo <ssangiacomo@cityofukiah.com>; David Rapport <drapport@cityofukiah.com>; Seth Strader <sstrader@cityofukiah.com>; Mary Williamson <mwilliamson@cityofukiah.com>
Subject: RE: Well 4 Corrosion Protection

Hi, Sean:

Thank you for the additional information ... this was very helpful to understand the situation you are in.

As far as the ASR is concerned, I still think the use of the Bartley ASR as authorization for this work is a stretch. I discussed with Dave Rapport, and he agrees. However, we can move forward with this as soon as Sage says we can under an emergency authorization, and follow-up next Council meeting under Consent to report to Council. Luckily, the work does not fall under the requirements of the Uniform Cost Accounting Act, so we have more flexibility in this situation than we normally would.

So as soon as Sage says the word, we'll proceed and get this taken care of. If you need our assistance with the budget transfer, please let us know.

Mary

From: Sean White

Sent: Tuesday, August 3, 2021 12:33 PM

To: Mary Horger <mhorger@cityofukiah.com>; Michelle Wagenet <mwagenet@cityofukiah.com>

Cc: Sage Sangiacomo <ssangiacomo@cityofukiah.com>; David Rapport <drapport@cityofukiah.com>; Seth Strader <sstrader@cityofukiah.com>; Mary Williamson <mwilliamson@cityofukiah.com>

Subject: RE: Well 4 Corrosion Protection



See below

Sean White, Water & Sewer Director

Email: swhite@cityofukiah.com

300 Seminary Ave., Ukiah, CA 95482

P:(707) 467-5712 F:(707) 463-6204

From: Mary Horger

Sent: Monday, August 02, 2021 1:40 PM

To: Sean White <swhite@cityofukiah.com>; Michelle Wagenet <mwagenet@cityofukiah.com>

Cc: Sage Sangiacomo <ssangiacomo@cityofukiah.com>; David Rapport <drapport@cityofukiah.com>; Seth Strader <sstrader@cityofukiah.com>; Mary Williamson <mwilliamson@cityofukiah.com>

Subject: Well 4 Corrosion Protection

Hi, Sean and Shelly:

I understand that Seth is working through getting a new turn-key corrosion protection system installed for Well 4 in the amount of \$61,560 from Corrosion Protection Solutions. There are a few things that we need to further work through:

1. Council Authorization: I see that you are relying on the Bartley ASR (attached) for the authority to enter into this contract with Corrosion Protection Solutions. That ASR was notifying Council of trouble-shooting and repair from Bartley in the amount of \$19,693, and allow additional repairs as needed from Bartley – which there did need to be additional repairs apparently, since the final PO amount ended up being \$72,780.52. I don't believe the intent of this approval was to give unlimited authority for any other contracts needed.

We are not looking for "unlimited authority" but the repair is still incomplete. We cannot reinstall the pump house until the grounding rectifier for the corrosion prevention is installed. The cause of this failure was galvanic corrosion. It is only a matter of time before it starts again, and we cannot afford to have this facility be out of service again. In addition, it would also be inefficient to reinstall the house, send it out for bid, remove the house, then reinstall it again.

2. Emergency and Sole Source Justification: It is unclear how this is an emergency. If it is the design and install of a new system, how this could fall under a repair, and why this would be considered an emergency. Why the sole source? Could you please clarify?

This facility was only a few years old and the casing became perforated from accelerated corrosion. It's a result of stainless casing and a mild steel column. We had not done this previously and had not experienced this sort of accelerated wear. If we don't protect this new column ASAP< corrosion will start again, and once it starts the battle is lost.

3. Budget: There aren't any funds budgeted for this work.

As this was an unexpected emergency...we didn't budget for it. We will find funds and get you an account to charge.

I have copied Dave R. and Sage. As other emergency items, the City Manager has the authority to approve moving forward without Council approval. We will do so upon his direction.

Thank you,
Mary



City of Ukiah

Mary Horger, Financial Services Manager
411 West Clay Street, Ukiah, CA 95482
(707) 463-6233, mhorger@cityofukiah.com

Contractor Information

Legal Entity Name

BluVoxel

Legal Entity Type

Corporation

Status

Active

Registration Number

PW-LR-1000802093

Registration effective date

7/19/2021

Registration expiration date

6/30/2022

Mailing Address

6150 Center Street, Unit 76 Clayton 94517 CA U...

Physical Address

6150 Center Street, Unit 76 Clayton 94517 CA U...

Email Address**Trade Name/DBA**

Built ICON

License Number(s)

CSLB:1060193

Registration History

Effective Date

7/19/2021

Expiration Date

6/30/2022

Legal Entity Information

Corporation Number:**Federal Employment Identification Number:****President Name:**

Eric Davis

Vice President Name:**Treasurer Name:****Secretary Name:****CEO Name:**

Eric Davis

Agent of Service Name:

Eric Davis

Agent of Service Mailing Address:

414 Hummingbird Place CA 94517 CA United States of America

Workers Compensation

Do you lease employees No
through Professional

**Employer Organization
(PEO)?:**
Please provide your
current workers

**compensation insurance
information below:**

PEO	PEO	PEO
PEO InformationName	Phone	Email

Insured by Carrier

Policy Holder Name:BluVoxel, Inc. dba Built ICON**Insurance Carrier:**

State Compensation Insurance FundPolicy Number:35076**Inception date:**10/26/2020

Expiration Date:10/26/2021

Contractor Information

Legal Entity Name
CORROSION PROTECTION SOLUTIONS, INC.
Legal Entity Type
Corporation
Status
Active
Registration Number
1000062194
Registration effective date
8/5/2021
Registration expiration date
6/30/2022
Mailing Address
2058 FOSTORIA CIR DANVILLE 94526 CA Unite...
Physical Address
2058 FOSTORIA CIR DANVILLE 94526 CA Unite...
Email Address
Trade Name/DBA
License Number(s)
Special Inspector:NONE

Registration History

Effective Date	Expiration Date
11/7/2018	6/30/2019
8/5/2021	6/30/2022

Legal Entity Information

Corporation Number:

C3438166

Federal Employment Identification Number:

President Name:

DAVID AIMAL KASHIFI

Vice President Name:

DAVID AIMAL KASHIFI

Treasurer Name:

DAVID AIMAL KASHIFI

Secretary Name:

DAVID AIMAL KASHIFI

CEO Name:

DAVID AIMAL KASHIFI

Agent of Service Name:

DAVID AIMAL KASHIFI

Agent of Service Mailing Address:

2058 FOSTORIA CIRCLE DANVILLE 94526 CA United States of America

Workers Compensation

Do you lease employees No
through Professional
Employer Organization
(PEO)?:

Please provide your
current workers
compensation insurance
information below:

PEO	PEO	PEO
PEO InformationName	Phone	Email

Details

David Kashifi



APC Coating Inspector Level 1 Certified (1378)

(/)Valid through: 2021-09-30

My Certification Portal

Language ▾

[Home \(/\)](#)
CP4 - Cathodic Protection Specialist (7355)

Valid through: 2020-12-31
[Verify Certification \(/view/verify\)](#)

Credential Registry
CP4 - Cathodic Protection Specialist (7355)

Valid through: 2023-12-31

Search Type *

Search for Cert Holder

Certificate Holder Search

Close

Certification *

CP4 - Cathodic Protection Specialist

City

DANVILLE

Country *

United States

State

Select an Option

(*) denotes a required field

Submit

Matched Results

Last Name	First Name	Credential	City	State	Country	Details
Kashifi	David	CP4 - Cathodic Protection Specialist	Danville	CA	US	Details

Total Results: 1

Details



David Kashifi



Powered by **BrightLink** (<http://www.thebrightlink.com>)

NACE Coating Inspector Level 1 - Certified (24378)

Valid through: 2021-09-30

CP4 - Cathodic Protection Specialist (7355)

Valid through: 2020-12-31

CP4 - Cathodic Protection Specialist (7355)

Valid through: 2023-12-31

Close

CONTRACTOR/SUBCONTRACTOR WORKER CLASSIFICATION

The California Department of Industrial Relations (DIR) requires a registration number for all contractors and subcontractors who perform work on public works projects as defined in Labor Code Section 1720. No contractor or subcontractor may be awarded a contract, on a public works project, unless registered with the Department of Industrial relations pursuant to Labor Code section 1725.5. Additionally, contractor and subcontractor are required to furnish electronic certified payroll record to the Labor Commissioner.

Revise and resubmit if changes occur with subcontractors during project.

Project No.		Project Title	
-------------	--	---------------	--

Prime Contractor (All fields must be completed)

Name of Prime Contractor Corrosion Protection Solutions		Prime Contractor's License Number NACE International CP-4 (#7355)		Prime Contractor's DIR Registration # 1000062194	
Mailing Address (Street Number or P.O. Box) 2058 Fostoria Circle		City Danville		State CA	Zip Code 94526
Prime Contractor's Telephone Number (925) 788-4399		Prime Contractor's Email Address CORROSIONCP@GMAIL.COM			
Project Manager (Name) David Kashifi	Project Manager's Email Address CORROSIONCP@GMAIL.COM		Project Manager's Phone Number (925) 788 4399		

Prime Contractor's Worker Classifications (select classifications that apply)			
☐ ASBESTOS	☐ BOILERMAKER	☐ BRICKLAYERS	☐ CARPENTERS
☐ CARPET/LINOLEUM	☐ CEMENT MASONS	☐ DRYWALL FINISHER	☐ DRYWALL/LATHERS
☐ ELECTRICIANS	☐ ELEVATOR MECHANIC	☐ GLAZIERS	☐ IRON WORKERS
☐ LABORERS	☐ MILLWRIGHTS	☐ OPERATING ENGINEER	☐ PAINTERS
☐ PILE DRIVER	☐ PIPE TRADES	☐ PLASTERERS	☐ ROOFERS
☐ SHEET METAL	☐ SOUND/COMM	☐ SURVEYORS	☐ TEAMSTER
☐ TILE WORKERS			

Check this box to indicate there are no other subcontractors and agree to report any subcontractors if used while providing services to City of Ukiah.

Prime contractor is to provide a listing of all sub-contractors who have a direct contractual relationship. (Only one subcontractor can be listed per trade).

Subcontractor 1: (All fields must be completed)

Name of Subcontractor BluVoxel d.b.a. Built ICON		Subcontractor's License Number B1060193		Subcontractor's DIR Registration Number PW-LR-1000802093	
Mailing Address (Street Number or P.O. Box) 6150 Center Street, Unit 76			City Clayton	State CA	Zip Code 94517
Subcontractor's Telephone Number (415) 265-4393		Subcontractor's Email Address ERIC@BUILTICON.COM		Work to Be Performed Cathodic Protection System Installation Well #4	
Sub-Contractor's Worker Classifications (select classifications that apply)					
☐ ASBESTOS	☐ BOILERMAKER	☐ BRICKLAYERS	☐ CARPENTERS		
☐ CARPET/LINOLEUM	☐ CEMENT MASONS	☐ DRYWALL FINISHER	☐ DRYWALL/LATHERS		
☒ ELECTRICIANS	☐ ELEVATOR MECHANIC	☐ GLAZIERS	☐ IRON WORKERS		
☐ LABORERS	☐ MILLWRIGHTS	☐ OPERATING ENGINEER	☐ PAINTERS		
☒ PILE DRIVER	☐ PIPE TRADES	☐ PLASTERERS	☐ ROOFERS		
☐ SHEET METAL	☐ SOUND/COMM	☐ SURVEYORS	☐ TEAMSTER		
☐ TILE WORKERS					

Subcontractor 2: (All fields must be completed)

Name of Subcontractor		Subcontractor's License Number		Subcontractor's DIR Registration Number	
Mailing Address (Street Number or P.O. Box)			City	State	Zip Code
Subcontractor's Telephone Number		Subcontractor's Email Address		Work to Be Performed	
Sub-Contractor's Contractor's Worker Classifications (select classifications that apply)					
☐ ASBESTOS	☐ BOILERMAKER	☐ BRICKLAYERS	☐ CARPENTERS		
☐ CARPET/LINOLEUM	☐ CEMENT MASONS	☐ DRYWALL FINISHER	☐ DRYWALL/LATHERS		
☐ ELECTRICIANS	☐ ELEVATOR MECHANIC	☐ GLAZIERS	☐ IRON WORKERS		
☐ LABORERS	☐ MILLWRIGHTS	☐ OPERATING ENGINEER	☐ PAINTERS		
☐ PILE DRIVER	☐ PIPE TRADES	☐ PLASTERERS	☐ ROOFERS		
☐ SHEET METAL	☐ SOUND/COMM	☐ SURVEYORS	☐ TEAMSTER		
☐ TILE WORKERS					

Corrosion Protection Solutions, Inc.
2058 Fostoria Circle
Danville, CA 94526
Phone (925) 788-4399 corrosioncp@gmail.com
www.corrosioncp.com

Invoice No. UKIAH-2021-3

INVOICE

Customer

Name **City of Ukiah Attention: Accounts Payable**
Address **300 Seminary Avenue**
City **Ukiah** State **CA** ZIP **95482**
Phone **(707) 467-5719 (Seth Strader)**

Misc

Date **11/15/2021**
PO# **Change Order**
Fiscal Year **2021**
Vendor ID: **N/A**

**Corrosion Consulting and CP Implementation Related Services
- City of Ukiah, CA**

6	Senior Corrosion Engineer/NACE CP Specialist	\$185.00	\$	1,110.00
6	Project Corrosion Engineer/NACE CP Tester	\$165.00	\$	990.00
6	Licensed General Contractor	\$165.00	\$	990.00
2	2 Vehicles @\$300 for Two (2) Days	\$300.00	\$	600.00
1	Lodging (At Cost)	\$1,153.80	\$	1,153.80

*****Change Order Approved by Shelly Wagenet for this Project*****

****Delivery Reference: Shelley Wagenet*****

****Thank You****

Subtotal \$ 4,843.80
Shipping

Tax Rate(s)

TOTAL \$ 4,843.80

Payment

Check

Comments: Thanks for your assistance.

Name: Ms. Shelley Wagenet & Mr. Seth Strader

Invoice #: **UKIAH-2021-3**

PO#: **Change Order**

Terms: Due on receipt

Please make payment payable to: **Corrosion Protection Solutions, Inc.**
2058 Fostoria Circle Danville, CA 94526

We appreciate the opportunity to work with you!



AGENDA SUMMARY REPORT

SUBJECT: Approval of Contract Amendment with BKF Engineers for the Additional Design to the Gobbi Street Utility Replacement Project, and Approval of a Corresponding Budget Amendment.

DEPARTMENT: Public Works

PREPARED BY: _____

PRESENTER: Tim Eriksen, Director of Public Works / City Engineer

ATTACHMENTS:

1. BKF Traffic Signal Proposal - Ukiah Gobbi St

Summary: The City Council will consider giving approval of a contract amendment with BKF Engineers for the additional design to the Gobbi Street Utility Replacement Project, which includes the addition of traffic signal design at East Gobbi Street and Main Street, and consider approving a corresponding budget amendment.

Background: At the September 1, 2021 meeting, Council awarded a professional services agreement to BKF Engineers in the amount of \$195,789 to prepare the plans, specifications and estimate for the Gobbi Street Utility Replacement Project. The project involves the replacement of the water and sewer utilities on Gobbi Street from US Highway 101 to South Dora Street. Final work will also include the design of ADA curb ramps as well as rehabilitation of the road. The electric and cable facilities have already been installed underground.

After design and study of the two intersections at Gobbi/Waugh and Gobbi/State, City staff identified the need to replace the four-way stop at Gobbi/Main with a traffic signal. In an effort to improve the east to west traffic flow on Gobbi Street as a main corridor, it is necessary to interconnect these three traffic signals to coordinate traffic timing and minimize backups.

Discussion: City staff requested a proposal for design services from BKF Engineers for the additional scope of preparing plans, specifications and estimates for the construction of a traffic signal at Gobbi Street and Main Street. This design will include traffic signal assembly, service enclosure, poles, vehicle and pedestrian indications and all necessary equipment per Caltrans standards, as well as upgrading existing curb ramps at the intersection to current ADA standards. Plans will also include interconnection between the intersection of Gobbi/State to the intersection of Gobbi/Waugh for corridor signal operation. The total fee for these additional professional services will be \$45,788. (Attachment 1) A budget amendment will be necessary in Fund 120 (Measure Y) to cover this additional work.

Recommended Action: Approve contract amendment with BKF Engineers for the additional design to the Gobbi Street Utility Replacement Project, and approve corresponding budget amendment.

BUDGET AMENDMENT REQUIRED: Yes

CURRENT BUDGET AMOUNT: 12024200.80230.18290: \$65,263; 82227113.80230.18290: \$65,263; 84427221.80230.18290: \$65,263

PROPOSED BUDGET AMOUNT: 12024200.80230.18290: \$111,051; 82227113.80230.18290: \$65,263; 84427221.80230.18290: \$65,263

FINANCING SOURCE: N/A

PREVIOUS CONTRACT/PURCHASE ORDER NO.: COU No. 2122-105

COORDINATED WITH: Tim Eriksen, Director of Public Works / City Engineer

Approved: 
Sage Sangiacomo, City Manager

January 3, 2022
BKF No C20210758-10



Andrew Stricklin, Associate Engineer
Dept. of Public Works
City of Ukiah
300 Seminary Avenue
Ukiah, CA 95482
Transmitted Via Email

**Subject: Ukiah Gobbi Street Utility Replacement
Additional Service Request No. 1
Traffic Signal Installation at the Gobbi Street / Main Street Intersection**

Andrew:

BKF is pleased to submit this additional service request for engineering services to prepare traffic signal installation plans for the intersection of Gobbi Street / Main Street in the City of Ukiah, as requested by the City. The additional design work illustrated herein will become part of the Gobbi Street Utility Replacement design package, including plans, specifications as notes on plans, and estimate. The following scope is presented to address your request for additional services.

Scope of Services

TASK 7: TRAFFIC SIGNAL DESIGN AT GOBBI STREET / MAIN STREET

BKF will prepare traffic signal plans at the intersection to install a traffic signal system. The signal plans will include traffic signal controller assembly, electric service enclosure, traffic signal poles, pull boxes, vehicular and pedestrian signal indications, detection system for both vehicular and pedestrian traffic, conduits and conductors. BKF anticipates that the traffic signal installation plan with a designed scale of 1"=20'. Signal equipment, including signal poles and signal mast arms, vehicular and pedestrian signal indications, controller cabinets and pull boxes are anticipated be shown on signal plan sheet in accordance with Caltrans and the City's standard legend. The traffic signal installation plans will also include a conduit and wiring schedule, pole and equipment schedule to clearly delineate type of signal poles, length of signal mast arms, signal indication mounting details, conduit and conductors routing. Plans will be based on Caltrans standards and City of Ukiah standard practices.

As part of signal design process BKF will also coordinate with PG&E for the possible electric service for the proposed traffic signal at this intersection. BKF will not be responsible for the service application fees charged by PG&E.

BKF assumes that signal warrants study is not part of scope of work and a copy of specification for a recent traffic signal project will be provided by the City.

TASK 8: TRAFFIC SIGNAL INTERCONNECTION DESIGN FROM SOUTH STATE STREET TO WAUGH LANE

BKF will prepare construction plans for signal interconnection between the intersection of Gobbi/State to the intersection of Gobbi/Waugh for a corridor signal coordination operation. As part of the scope BKF assumes that Encom wireless communication devices will be implemented.

TASK 9: CORRIDOR TRAFFIC SIGNAL TIMING PLANS FROM SOUTH STATE STREET TO WAUGH LANE

The corridor traffic signal timing plans will be prepared by Elite Transportation Group (ETG), BKF's sub consultant, at the following intersections:

1. Gobbi Street / State Street
2. Gobbi Street / Main Street
3. Gobbi Street / Waugh lane

The following tasks will be performed by ETG:

- Data Collection – Week day AM (7-9) and PM (4-6) intersection turning movements will be conducted at three intersections.
- Existing Conditions Baseline Synchro Models - Synchro models for the study periods (AM and PM Peak) models will be developed using Synchro Version 10.0 software
- Signal Timing Plan Optimization - Develop optimized signal timing plans using the baseline Synchro models for weekday both AM and PM peak hours.

TASK 10: CURB RAMP DESIGN AT GOBBI STREET / MAIN STREET

BKF will prepare curb ramp grading details for the curb ramps at the intersection of Gobbi Street and Main Street. BKF will prepare these plan with a designed scale of 1"=10' for clarity. Plans will be prepared based on the City of Ukiah standards, details and specifications.

Scope Qualifications and Assumptions

BKF's services are limited to those expressly set forth in the scope. BKF shall have no other obligations or responsibilities for the project, except as provided in this proposal letter, or as agreed to in writing. BKF's services shall be provided consistent with and limited to the standard of care acceptable to such services, which is that BKF shall provide its services consistent with the professional skill and care ordinarily provided by consultants practicing in the same or similar locality under the same or similar circumstances.

Schedule

BKF is able to commence working on this project immediately upon your authorization to proceed.

Fees for Professional Services

BKF proposes to provide the services on a Time & Materials basis as noted in the table below. We will invoice for our services on a percent complete basis for each task summarized as follows:

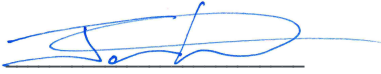
TASK	DESCRIPTION	FEE
7	Traffic Signal Design at Gobbi Street / Main Street	\$25,598
8	Traffic Signal Interconnection Design from South State Street to Waugh Lane	\$5030
9	Corridor Traffic Signal Timing Plans from South State Street to Waugh Lane	\$8,675
10	Curb Ramp Design at Gobbi Street / Main Street	\$5200
RE	Reimbursable Expenses	\$1,285
	TOTAL CIVIL FEE	\$45,788

It is recognized that is additional service request is an amendment to our Professional Services Agreement between BKF Engineers and the City of Ukiah, dated September 7, 2021. All terms of said agreement will remain the same except for the scope and fee items explicitly stated herein.

January 3, 2022

Should you have any questions, or would like additional clarification on any aspect of the scope of work, please feel free to contact me at 707-583-8515.

Respectfully,
BKF Engineers



Jason Kirchmann, PE, PLS
Vice President



AGENDA SUMMARY REPORT

SUBJECT: Adopt Resolution and Approve the Support Services Program Agreement (SSPA) with the Northern California Power Agency (NCPA)

DEPARTMENT: Electric Utility

PREPARED BY: Diann Lucchetti, Administrative Secretary

PRESENTER: Cindy Sauers, Electric Utility Director

ATTACHMENTS:

1. Support_Services_Program_Agreement
2. Resolution NCPA-Ukiah SSPA

Summary: Council will consider adopting a Resolution and approve the Support Services Program Agreement (SSPA) between the Northern California Power Agency (NCPA) and the City of Ukiah (City); authorize the City Manager or his delegate to execute the agreement; appoint the City Attorney, the City Manager, and Electric Utility Director as Designated Representatives under the SSPA; and delegate authority to them to jointly execute service confirmations for amounts not to exceed \$20,000 per confirmation.

Background: The City is a member of Northern California Power Agency (NCPA), a joint action agency providing members with opportunities for joint generation, transmission and other projects, as well as other supporting programs such as scheduling and dispatch services and publicly owned utility legislative advocacy services. The City currently receives benefits from various projects and programs offered by NCPA.

NCPA expanded service offerings to its members under the attached Support Services Agreement (Attachment 1), which provides additional economies of scale and efficiency savings through joint contracting among members. Other NCPA members have already executed the SSPA, namely: The Cities of Alameda, Biggs, Lodi, Lompoc, Redding, and Roseville along with the Port of Oakland and Truckee Donner Public Utilities District.

Discussion: Approval of the SSPA with NCPA will allow the City the opportunity to utilize various support services offered by NCPA. Additional services NCPA may offer to the City under the SSPA include, but are not limited to, engineering services, transmission and distribution planning, power marketing and analysis, employee training, employment and human relations assistance, customer services and billing, metering and data management, power plant operations, and other forms of assistance and professional services relating to the operation of a publicly owned electric utility, as related to either the generation, transmission, or distribution of electricity or the wholesale or retail operation of such a utility, all within the scope of the NCPA Joint Powers Agreement.

Under the SSPA, Designated Representatives are responsible for committing to individual service offerings on behalf of the member organization and such Designated Representatives are delegated authority by their governing board or City Council to bind the City/member to contractually receive and pay for such elected services. The agreement automatically renews annually, with two years advance written notice of termination required. The authorization to Designated Representatives allows NCPA to rely on their signatures as binding the City, if the cost of the particular service is within the specific dollar limits on the Designated Representatives' authority. However, before the Designated Representatives sign each confirmation, the City will verify the associated NCPA Multi-Task service agreement meets the City's insurance and indemnification requirements.

Fiscal Impact: None. Funding source: approved budget or City Council approved budget amendment. Amounts greater than \$20,000 per confirmation will require Council approval. Costs related to this agreement will be based on the City's level of participation and use of the various services offered in each specific procurement activity or service provided by NCPA.

Staff Recommendation: Adopt Resolution (Attachment 2) and approve the Support Services Program Agreement (SSPA) between NCPA and the City of Ukiah (City); authorize the City Manager or his delegate to execute the agreement; Appoint the City Attorney, City Manager, and Electric Utility Director as Designated Representatives under the SSPA and authority to them, together, to execute service confirmations for amounts not to exceed \$20,000 per confirmation or such greater amount as may be authorized by City Council action or applicable City ordinance.

Recommended Action: Adopt Resolution and approve the Support Services Program Agreement (SSPA) between NCPA and the City of Ukiah (City); authorize the City Manager or his delegate to execute the agreement; Appoint the City Attorney, City Manager, and Electric Utility Director as Designated Representatives under the SSPA and authorize them, together, to execute service confirmations for amounts not to exceed \$20,000 per confirmation or such greater amount as may be authorized by City Council action or applicable City ordinance.

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, Mary Horger, Financial Services Manager and Norther California Power Agency

Approved: 
Sage Sangiacomo, City Manager

NORTHERN CALIFORNIA POWER AGENCY

**SUPPORT SERVICES PROGRAM
AGREEMENT**

SUPPORT SERVICES PROGRAM AGREEMENT

PREAMBLE

This Support Services Program Agreement is entered into as of the 25th day of February, 2016 ("the Effective Date") by and between the Northern California Power Agency, a joint powers agency of the State of California ("NCPA") and those members of NCPA who execute this Agreement (each a "Signatory Member" and together the "Signatory Members"). NCPA and each Signatory Member are referred to individually as a "Party" and together as the "Parties."

RECITALS

A. NCPA and its Members desire to establish a support services program by which NCPA may offer to provide certain support services to the Members from time to time. These support services may include, but are not limited to, joint purchasing, engineering services, transmission and distribution planning, power marketing and analysis, employee training, employment and human relations assistance, customer services and billing, metering and data management, power plant operations and other forms of assistance and professional services relating to the operation of a publicly owned electric utility, as related to either the generation, transmission or distribution of electricity or the wholesale or retail operation of such a utility, all within the scope of the NCPA Joint Powers Agreement ("Support Services").

B. Particular Support Services will from time to time be offered by NCPA to those Signatory Members who choose to accept and pay for such particular Support Services. Such offers will be without any liability on the part of Members of NCPA who are not Signatory Members nor any liability on the part of Signatory Members who do not choose to become a Participating Member with respect to the particular Support Services. A Signatory Member choosing to accept and pay for a particular Support Service will become a "Participating Member" with respect to that Support Service. A Signatory Member is not required to accept any particular Support Services by reason of being a Signatory Member.

C. Support Services shall be broadly construed. Provided, however:

(1) Support Services does not include the procurement of either energy (or the attributes of energy, such as renewable energy credits) which is provided through the Market Purchase Program Agreement, Single Member Services Agreements and the Pooling Agreement.

(2) Support Services does not include procurement of natural gas which is provided through the Natural Gas Program Agreement.

(3) Support Services does not include services provided by NCPA pursuant to third phase agreements relating to generation projects or other project agreements previously or subsequently entered into by NCPA and certain of its Members.

(4) Support Services does not include any on-going services which are to be provided by NCPA to its Members through program agreements. For example, Support Services does not include any legislative and regulatory services provided through the Legislative and Regulatory Affairs Program Agreement.

D. The Signatory Members desire that NCPA negotiate and enter into agreements with third parties to provide the Support Services for the benefit of Participating Members. This Agreement does not authorize NCPA to directly provide Support Services utilizing NCPA's own staff, except in limited circumstances. Such direct provision of Support Services may be provided to one or more Members through either a Single Member Service Agreement or a Professional Services/Operating Agreement as deemed appropriate by NCPA.

E. Each Support Service will be offered by NCPA to all the Signatory Members. Those Signatory Members wishing to accept the offer with respect to a particular Support Service will execute a written confirmation for that Support Service (a "Confirmation") and thereby become a Participating Member with respect to such Support Service. The Participating Members executing a particular Confirmation will pay NCPA the cost of providing the Support Services offered by such Confirmation as detailed in the Confirmation including the cost of developing the Confirmation; Signatory Members not executing a particular Confirmation will have no obligation with respect to the Support Services provided pursuant to that Confirmation.

F. Each Signatory Member, in executing this Agreement, will provide the identity of the Designated Representatives authorized to execute Confirmations on its behalf, and agrees that, subject to such not to exceed dollar limitations as are set forth in its signature page to this Agreement (as such limitations may be amended), any Confirmations executed by such Designated Representatives are binding upon the Signatory Member without further approval by the Signatory Member's Governing Board.

G. NCPA desires to provide, and the Signatory Members desire to secure, Support Services under this Agreement in a manner that balances their operational and economic interests and the interests of other NCPA Members with the ongoing financial viability and professional responsibilities of NCPA. Accordingly, Signatory Members desire to secure Support Services under this Agreement by accepting a limited insurance based recourse against NCPA, with the option of procuring additional insurance at Signatory Members' sole expense, thereby ensuring that NCPA will substantially limit its risk for the provision of such Support Services which, in turn, allocates risks back to the Signatory Members in the event NCPA is not adequately insured.

NOW, THEREFORE, the Parties agree as follows:

Section 1. Definitions and Interpretation.

1.1 Definitions. Whenever used in this Agreement (including in the preamble and recitals hereto), the following terms shall have the means ascribed to them in this section:

“Agreement” means this NCPA Support Services Program Agreement, including all exhibits or schedules attached hereto, as the same may be amended from time to time in accordance with the terms and conditions hereof.

“All Resources Bill” means the single, combined monthly invoice from NCPA to a Participating Member with respect to all NCPA programs and projects.

“Annual Budget” means the budget for the Fiscal Year adopted by the Commission, as it may be amended from time to time.

“Associate Member” means the Plumas-Sierra Rural Electric Cooperative, an associate member of NCPA.

“Business Day” means any day except a Saturday, Sunday or a Federal Reserve Bank holiday. A Business Day shall open at 8:00 a.m. and close at 5:00 p.m., Pacific Time.

“Commission” means the NCPA Commission.

“Confirmation” has the meaning set forth in the recitals hereto.

“Costs” means both (i) the cost billed to NCPA by a third party provider of Support Services, plus (ii) the direct or indirect costs incurred by NCPA in obtaining such Support Services from the third party provider, including development of the Confirmation, administration of any agreements with the third party provider and any over-head costs incurred. Overhead costs shall be determined by NCPA on a Confirmation –by- Confirmation basis. “Costs” shall also include any NCPA direct or indirect costs, including salary, incurred in those limited instances where NCPA directly provides the Support Services under a Confirmation.

“Constitutive Documents” means, with respect to NCPA, the Joint Powers Agreement and any resolutions or bylaws adopted thereunder, and with respect to each Signatory Member, the California Government Code and other statutory provisions applicable to such Signatory Member and any applicable agreements, charters, contracts, or other documents concerning the formation, operation or decision making of such Signatory Member, including, if applicable, its City Charter, and any codes, ordinances, bylaws, and resolutions adopted by such Signatory Member’s Governing Body.

“Defaulting Party” has the meaning set forth in Section 12.1.

“Designated Representatives” means, with respect to NCPA, both its General Manager, and its General Counsel, acting jointly, and with respect to each Signatory Member means both its Utility Director (or an employee or official other than the Utility Director designated by resolution of the Signatory Member’s Governing Board) and its City Attorney or General Counsel, acting jointly.

“Effective Date” has the meaning set forth in the preamble hereof.

“Electric System” means, with respect to each Signatory Member except the San Francisco Bay Area Rapid Transit District (“BART”), all properties and assets, real and personal, tangible and intangible, of the Signatory Member now or hereafter existing, used or pertaining to the generation for resale, transmission, transformation, distribution or sale of electric capacity and energy, or the utilization of such, including all additions, extensions, expansions, improvements and betterments thereto and equipment thereof; provided, however, that to the extent the Signatory Member is not the sole owner of an asset or property or to the extent that an asset or property is used in part for the above described purposes, only the Signatory Member’s ownership interest in such asset or property or only the part of the asset or property used for electric purposes shall be considered to be part of its Electric System. “Electric System” means, with respect to BART, all properties and assets, real and personal, tangible and intangible, of BART now or hereafter existing, used or pertaining to the operation or maintenance of its transportation system, including all additions, extensions, expansions, improvements and betterments thereto and equipment thereof; provided, however, that to the extent BART is not the sole owner of an asset or property or to the extent that an asset or property is used in part for the above described purposes, only BART’s ownership interest in such asset or property or only the part of the asset or property used for transportation system purposes shall be considered to be part of its Electric System.

“Event of Default” shall have the meaning provided in Section 12.1.

“Fiscal Year” means the NCPA fiscal year; currently the twelve month period beginning July 1 and ending on the next-following June 30.

“General Manager” means the General Manager of NCPA.

"Good Utility Practice" means any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result of the lowest reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region and consistently adhered to by the electric utility industry.

“Governing Board” means with respect to NCPA its Commission, and with respect to each Signatory Member means its city council, board of directors, board of port commissioners, or other duly constituted legislative body having approval authority for contracting and purchasing under the terms of the Constitutive Documents of the Signatory Member.

“Joint Powers Agreement” or “JPA” means that certain Amended and Restated Northern California Power Agency Joint Power Agreement dated as of January 1, 2008, as the same may be amended from time to time.

“Member” means any member of NCPA or any Associate Member of NCPA.

“NCPA” has the meaning set forth in the preamble of this Agreement.

“NCPA Procurement Policies” means those policies for the procurement of goods and services adopted by the Commission, as the same may be amended from time to time.

“NERC” means the North American Electric Reliability Corporation, or its successor in interest as the national electric reliability organization designated by the Federal Energy Regulatory Commission.

“Participating Member” has the meaning set forth in the recitals of this Agreement.

“Party” or “Parties” has the meaning set forth in the preamble of this Agreement.

“Revenues” means, with respect to each Signatory Member with the exception of the San Francisco Bay Area Rapid Transit District (“BART”), all income, rents, rates, fees, charges, and other moneys derived by the Signatory Member from the ownership or operation of its Electric System, including, without limiting the generality of the foregoing: (a) all income, rents, rates, fees, charges or other moneys derived from the sale, furnishing and supplying of electric capacity and energy and other services, facilities, and commodities sold, furnished, or supplied through the facilities of its Electric System; (b) the earnings on and income derived from the investment of such income, rents, rates, fees, charges or other moneys to the extent that the use of such earnings and income is limited by or pursuant to law to its Electric System; and (c) the proceeds derived by the Signatory Member directly or indirectly from the sale, lease or other disposition of all or a part of the Electric System, but the term Revenues shall not include (i) customers’ deposits or any other deposits subject to refund until such deposits have become the property of the Signatory Member, or (ii) contributions from customers for the payment of costs of construction of facilities to serve them. In regard to BART, “Revenues” means all income, rents, rates, fees, charges, grants, fares or tariffs, subventions and other moneys derived by the BART from its operation including, without limiting the generality of the foregoing, (i) the earnings on and income derived from the investment of such income, rents, rates, fees, charges grants, fares or tariffs, subventions or other moneys, and (ii) the proceeds derived by the BART directly or indirectly from the sale,

lease or other disposition of all or a part of its assets, but the term Revenues shall not include any moneys derived from sources the use of which is limited by law to expenditures other than BART operating expenses.

“Security Account” means an account established by NCPA and funded by Participating Members in accordance with Section 7.2, the funds of which are available for use by NCPA with respect to a particular Confirmation in accordance with the terms and conditions herein and those of the particular Confirmation.

“Signatory Member” has the meaning set forth in the preamble hereto.

“Support Services” has the meaning set forth in the recitals of this Agreement .

“Uncontrollable Force” means any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm, flood, earthquake, explosion, any curtailment, order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities or any other cause beyond the reasonable control of the Party claiming Uncontrollable Force which could not be avoided through the exercise of Good Utility Practice.

“Utility Director” means, with respect to each Signatory Member with the exception of the San Francisco Bay Area Rapid Transit District (“BART”), the person having administrative charge of and responsibility for the operation and maintenance of the Electric System of a Signatory Member. In regards to BART, “Utility Director” means the person having administrative charge of and responsibility for the procurement of electrical energy for the operation of the BART transportation system.

1.2 Interpretation of Agreement. As used in this Agreement (including the preamble and recitals hereto), unless in any such case the context requires otherwise:

1.2.1 The terms “herein,” “hereto,” “herewith” and “hereof” are references to this Agreement taken as a whole and not to any particular provision; the term “include,” “includes” or “including” shall mean “including, for example and without limitation;” and references to a “Section,” “subsection,” “clause,” or “Exhibit” shall mean a Section, subsection, clause or Exhibit of this Agreement, as the case may be.

1.2.2 All references to a given agreement, instrument or other document shall be a reference to that agreement, instrument or other document as modified, amended, supplemented and restated through the date as of which such reference is made, and reference to a law, regulation or ordinance includes any amendment or modification thereof.

1.2.3 A reference to a “person” includes any individual, partnership, firm, company, corporation, joint venture, trust, association, government, organization or other entity, in each case whether or not having a separate legal personality and includes its successors and permitted assigns.

1.2.4 The singular shall include the plural and the masculine shall include the feminine, and vice versa.

1.2.5 All references to a “day” shall refer to a calendar day, unless specified as a Business Day.

Section 2. Effectiveness of Agreement; Signature Authority

2.1 Effective Date as to Signatory Member. Following the approval of this Agreement by the Commission, any Member may become a Signatory Member by providing an executed counterpart of this Agreement to NCPA. This Agreement shall become effective as to a given Signatory Member upon the later of the Effective Date and the date on which an executed copy of this Agreement is provided to NCPA. NCPA shall provide a copy of each executed signature page of a Signatory Member to all other Signatory Members.

2.2 Form of Signature Page; Amendment of Designated Representatives and Not to Exceed Dollar Authority. Each Signatory Member signature page shall be in the form attached hereto as Exhibit “A.” Each signature page shall identify the initial Designated Representatives of the Signatory Member and the monetary not to exceed authority for any individual Confirmations for that Signatory Member.

2.2.1 Any Signatory Member may amend its not to exceed authority at any time (either increasing or decreasing such authorities), by providing thirty (30) days written notice of such change to NCPA accompanied by a resolution of the Governing Board of the Signatory Member approving such change in the not to exceed authorities.

2.2.2 Signatory Members shall provide written notice to NCPA upon a change in the identity of either of its Designated Representatives.

Section 3. Support Services Procurement.

3.1 Offers to Procure Support Services. NCPA may, from time to time in its sole discretion, offer to procure one or more Support Services for the Signatory Members. Signatory Members desiring to accept such offer with respect to a particular Support Service shall execute a Confirmation prepared by NCPA for that Support Service and thereby become a Participating Member with respect to such Confirmation and Support Service. Confirmations shall be in substantially the form attached hereto as Exhibit “B,” and as provided in Section 5. Each such Confirmation shall indicate that the particular Support Service will be accomplished by NCPA contracting with a named third party to provide the Support Service, which contract shall thereafter be entered into by NCPA in accordance with the NCPA Procurement Policies. NCPA’s Designated Representatives shall have the authority to execute Confirmations without the further approval of the Commission where the underlying contract with a third party is within the contracting authority of the General Manager as established by the NCPA Procurement Policies. Provided, however, that NCPA may in its sole discretion choose to self-

provide the Support Services, rather than contracting with a third party, where it is providing training, human resources assistance, assistance with NERC or other regulatory compliance, or assistance in the form of student interns to the Signatory Members.

3.2 NCPA Procurement of Support Services. NCPA agrees, upon receipt of a Confirmation executed by the Designated Representatives of one (1) or more Participating Members, to procure the Support Service specified in such Confirmation on behalf of the Participating Member(s). Provided, however, that NCPA may in its discretion decline to provide Support Services unless the number of Participating Members and the extent of participation is acceptable to NCPA.

3.3 NCPA Payment of Costs. NCPA shall pay all Costs incurred in providing Support Services under a particular Confirmation using funds: (a) received from Participating Members during the normal course of monthly billing of Members, with the Costs of each Confirmation itemized on the NCPA All Resources Bill; or (b) as necessary from Security Account funds for that Confirmation, if any, paid to NCPA in accordance with Section 7.2; or (c) such other sources and methods as may be agreed upon in writing by the Parties from time to time or as specified in a particular Confirmation.

Section 4. No Purchase of Energy or Natural Gas; Other Exclusions. Support Services do not include the purchase of natural gas, energy, or any attributes of energy including capacity, reliability or environmental attributes (such as credits, benefits, emissions reductions, offsets, and allowances, however titled). This Agreement and associated Confirmations shall not be utilized for the procurement of natural gas, energy, or any attributes of energy. NCPA shall continue to buy and sell natural gas and energy, or its attributes, on behalf of its Members through other existing agreements, including the Gas Purchase Program Agreement, the Market Purchase Program Agreement, Single Member Service Agreements and the Pooling Agreement. Support Services do not include those items referred to in Recital C.

Section 5. Format of Confirmations; Dollar Not to Exceed Limitations; Amendments

5.1 Format of Confirmations. Confirmations shall generally be in substantially the form provided by Exhibit “B. Confirmations shall define the scope of the particular Support Service to be provided, the means by which NCPA will procure such Support Service, and any other terms on which such Support Services shall be provided, to the extent such terms are not defined by this Agreement.

5.1. The Confirmation shall identify the third party who will provide the Support Services and incorporate by reference the agreement between the third party and NCPA.

5.1.2 Confirmations shall not amend the terms of this Agreement. In the event NCPA and the Participating Members desire to include a provision in a Confirmation inconsistent with this Agreement, such Confirmation shall be effective only if approved by the Governing Boards of all Participating Members and the Commission.

5.2 Dollar Not to Exceed Limitations of Confirmations. Each Confirmation shall include a “not to exceed” amount or dollar limitation, broken down by Participating Member, indicating the maximum amount that each Participating Member shall be required to pay for the Support Services provided under the Confirmation. The “not to exceed” shall not relieve a Participating Member of its obligations under this Agreement, including Sections 7 and 11 hereof.

5.2.1 Except as provided in sections 7.4 (relating to use of Security Accounts) and 7.5 (relating to emergency additions to Security Accounts), no Participating Member shall be required to pay for Costs incurred in excess of its stated limitation on a given Confirmation, unless agreed to by the Participating Members.

5.2.2 Any Participating Member may amend its “not to exceed” amount or dollar limitation for a given Confirmation by providing written notice of the change to NCPA executed by its Designated Representatives.

5.3 Amendment of Confirmations. A Confirmation may be amended with respect to all Participating Members only in writing executed by the signatures of the Designated Representatives of NCPA and the Participating Members. Amendments relating to the “not to exceed” amount or dollar limitation of one or more Participating Members shall be accomplished as provided in subsection 5.2.2.

Section 6. Participating Member Authority to Execute Confirmations. Each Participating Member acknowledges and agrees to be bound by their respective Designated Representatives’ execution of Confirmations without further approval by the Governing Board of the Participating Member or other approvals, and agrees that such execution is in accordance with its Constitutive Documents.

Section 7. Payment Obligations; Confirmation Security Account; Invoicing.

7.1 Payment Obligations. Each Signatory Member agrees to pay NCPA each month its share of Costs specific to each Confirmation for which the Signatory Member is a Participating Member.

Such amounts shall be included by NCPA on the monthly All Resources Bill for each Signatory Member, except to the extent that a given Confirmation provides for a different invoicing mechanism and NCPA agrees thereto.

7.2 Confirmation Security Accounts.

7.2.1 Upon issuance of any Confirmation, NCPA shall determine whether or not a Participating Member deposit to a Security Account for that Confirmation will be required in order to provide the Support Service in question. If so, the amount of the required Security Account deposit shall be

noted on the Confirmation and the Participating Member or Members shall make the required deposits prior to provision of any Support Services pursuant to that Confirmation. Within ten days of NCPA's notice of the amount of the Security Account deposit, the affected Participating Member shall have the option of withdrawing its Confirmation and not receiving the Support Service requested therein.

7.2.2 Periodically, and at least quarterly, NCPA shall review and revise its determination of the security necessary for a particular Confirmation and whether each Participating Member has a sufficient balance in the Security Account for that Confirmation.

To the extent that any Participating Member's balance in the Security Account for the Confirmation is greater than one hundred and ten percent (110%) of the amount required, NCPA shall credit the difference between the balance and the amount required as soon as practicable to the Participating Member's next following All Resource Bill. To the extent that any Participating Member's balance in the Security Account for the Confirmation is less than ninety percent (90%) of the amount required, NCPA shall add the difference between the balance and the ninety percent (90%) as soon as practicable to the Participating Member's next following All Resource Bill, or as necessary, to a special invoice to the Participating Member.

7.3 Security Account in Addition to Other Security Accounts. Any required deposits into a Security Account for a Confirmation pursuant to this Agreement shall be separate from, and in addition to, any security accounts maintained pursuant to other agreements between NCPA and its Members, including but not limited to the Market Purchase Program Agreement, Single Member Services Agreement and the Gas Purchase Program Agreement. Each Security Account for a Confirmation shall be separate from, and in addition to, any Security Account for a different Confirmation.

7.4 Use of Security Account Funds. Security Account funds shall be segregated by Confirmation. NCPA may use any and all funds deposited into the Security Account for a particular Confirmation to pay any Costs it incurs in providing Support Services pursuant to that Confirmation, including making payments to counterparties under any agreement, or for termination payments, requests for assurances by third parties, credit support, payment of claims and related expenses under a Confirmation. Such use shall be without regard to any individual Participating Member's balance in the Security Account or its proportionate share of Confirmation Costs and irrespective of whether NCPA has issued an All Resources Bill or invoice for such Costs to the Participating Members or whether a Participating Member has made timely payments of All Resources Bills or invoices.

If funds deposited into the Security Account are used by NCPA to pay any Costs it incurs with respect to a particular Confirmation, NCPA will maintain a detailed accounting of each Participating Member's shares of funds withdrawn from the Security Account or letter of credit, and upon the collection of all or a part of such withdrawn funds from the applicable Participating Member or Members, NCPA will credit back to each Participating Member the

funds collected in proportion to such non-defaulting Participating Member's share of funds withdrawn from the Security Account.

Funds deposited into a Security Account for a particular Confirmation shall not be used to pay the Costs incurred pursuant to a different Confirmation, nor shall any funds in other security accounts maintained by NCPA and not established pursuant to this Agreement be used.

7.5. Emergency Additions. In the event that the funds are withdrawn pursuant to Section 7.4 of this Agreement, or if the Security Account for a particular Confirmation is insufficient to allow payment of an invoice, demand, request for further assurances or claims by third parties with respect to a particular Confirmation, NCPA shall notify all Participating Members for that Confirmation and then prepare and send a special or emergency assessment to the Participating Members. Each Participating Member shall pay to NCPA such assessment when and if assessed by NCPA within ten (10) days of the invoice date of the assessment. NCPA shall maintain a detailed accounting of each Participating Member's deposits into and shares of withdrawals from the Security Account for the particular Confirmation.

7.6. Interest on Security Accounts. Monies on deposit in the Security Accounts created pursuant to this Agreement shall be invested by NCPA in accordance with the investment policy adopted by the NCPA Commission. Interest earned (or losses sustained) on the Security Accounts shall be proportionately credited to the Participating Members in accordance with each Participating Member's Security Account obligations.

7.7. Return of Funds in Security Accounts. Upon the completion of the provision of Support Services under a particular Confirmation, or upon a permitted withdrawal of a Participating Member from a Confirmation, NCPA shall return the share of affected Security Account funds within ninety (90) days. Provided, however, that NCPA shall, in its sole discretion, as determined by the General Manager, estimate the then outstanding liabilities of the Participating Members including any estimated contingent liabilities and shall retain all such funds until all such liabilities have been fully paid or otherwise satisfied in full.

Section 8. Invoicing.

8.1. Invoices. As part of the All Resources Bill or by separate special invoice, as required in the circumstances, NCPA will issue an invoice to each Signatory Member for the fixed Support Services Program Agreement Costs as provided in Section 7.1 and its proportionate share of the Costs of any Confirmation as to which it is a Participating Member.

8.2. Payment of Invoices. All non-emergency invoices delivered by NCPA in the normal course of billing hereunder (including the All Resources Bill) are due and payable on the date indicated on such invoice, but in any event no later than thirty (30) days following receipt thereof; provided, however, that any amount due on a day other than a Business Day may be paid on the following Business Day. NCPA may apply a Participating Member's share of an applicable Security Account to the payment of all or any portion of an invoice issued to such Participating Member, provided that application of such funds from a Security Account relating

to a particular Confirmation shall not relieve the Participating Member from any late payment charges pursuant to Section 8.3. To the extent that NCPA applies funds from the Security Account to pay an amount due under an invoice, following receipt of payment of such invoice by the relevant Participating Member, NCPA shall deposit the relevant portion of the payment into the Security Account and credit such deposit to such Participating Member. Emergency invoices shall be due as indicated in Section 7.5.

8.3 Late Payments. Any amount due and not timely paid by a Signatory Member shall bear interest computed on a daily basis until paid at the lesser of (i) the per annum prime rate (or reference rate) of the Bank of America NT&SA then in effect, plus two percent (2%), or (ii) the maximum rate permitted by law.

Section 9. Settlement Data and Examination of Books and Records; Signatory Member Covenants.

9.1 Settlement Data. NCPA will make settlement data available to the Participating Members. Procedures and formats for the provision of such data will be as established by the NCPA Commission from time to time.

9.2 Records.

9.2.1 NCPA Books and Records. NCPA shall maintain any and all ledgers, books of account, invoices, vouchers, cancelled checks and other records or documents evidencing or relating to charges for the Support Services or expenditures or disbursements to the Signatory Members for a minimum of three (3) years, or for any longer period required by law, from the date of their payment.

9.2.2 Examination of Books and Records. Any Signatory Member shall have the right to examine the books and records created and maintained by NCPA pursuant to this Agreement, including but not limited to (a) those required to be kept by Section 9.2.1 and (b) those required by NCPA to be kept by any third party provider of Support Services, at any reasonable, mutually agreed upon time.

9.2.3 Ownership of Records. Except as otherwise provided in a particular Confirmation, all reports, reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that NCPA prepares or obtains for a Participating Member pursuant to a Confirmation and that relate to the matters covered hereunder shall be the property of the Participating Member. NCPA hereby agrees to deliver those documents to the Participating Member upon termination of the Confirmation to which they refer. It is understood and agreed that the documents and other materials, including but not limited to those described above, prepared pursuant to this Agreement are prepared specifically for the Participating Member and are not necessarily suitable for any future or other use. Participating Member and NCPA agree that, until final approval by Participating Member, all data, plans, specifications, reports and other documents are confidential and will not be released to third

parties without prior written consent of the parties to a Confirmation, except as may otherwise be required by applicable law.

9.3 Signatory Member Covenants. Each Signatory Member covenants and agrees: (i) to continue to pay or advance to NCPA, from its Revenues all payments required under this Agreement; (ii) to make payments to NCPA under this Agreement where NCPA has incurred Costs or is obligated to pay a third party with respect to a Confirmation whether or not there is an interruption in, interference with, or reduction or suspension of Support Services provided under this Agreement, such payments not being subject to any reduction, whether by offset or otherwise, and regardless of whether any dispute exists provided such interruption, interference or reduction in Support Services is caused by forces constituting an Act of God and not reasonably contemplated by the Parties; and (iii) to operate its Electric System and the business in connection therewith in an efficient manner and at reasonable cost and to maintain its Electric System in good repair, working order, and condition.

Section 10. Administration of Agreement.

10.1 General. The NCPA Commission has sole overall responsibility and authority for the administration of this Agreement. Any acts, decisions or approvals taken, made or sought by NCPA under this Agreement shall be taken, made or sought, as applicable, in accordance with NCPA's Constitutive Documents.

10.2 Withdrawal of Signatory Member. A Signatory Member may voluntarily withdraw from this Agreement at any time by providing two (2) year's advance written notice to NCPA and the other Signatory Members. A withdrawing Signatory Member shall reimburse NCPA for any and all Costs resulting from the withdrawal including the legal, accounting and administrative costs of winding up and assuring the complete satisfaction and discharge of the withdrawing Signatory Member's obligations. A withdrawing Signatory Member will continue to be liable for any Costs or on-going obligations relating to a Confirmation as to which that withdrawing Signatory Member is a Participating Member, and withdrawal from any given Confirmation shall be permitted only in accordance with the terms of the particular Confirmation. A withdrawing Signatory Member shall not be liable for Costs under a Confirmation, subsequent to the effective date of the Signatory Member's withdrawal and if unrelated to Support Services provided under the Confirmation to that withdrawing Signatory Member.

10.3 Termination of Agreement by NCPA. NCPA may terminate this Agreement at any time upon six (6) month's written notice to the Signatory Members. Any such termination shall not affect any on-going obligations of NCPA relating to Confirmations then in effect, provided that no additional Confirmations shall be offered to the Signatory Members by NCPA after the six month notice of termination has been provided to them by NCPA.

10.4 Termination by Signatory Members. Upon the occurrence of an Event of Default where NCPA is the Defaulting Party, and following the applicable cure periods, one or more Signatory Members may, without limiting their other rights or remedies available under this

Agreement, at law or in equity, and without constituting or resulting in a waiver, release or estoppel of any right, action or cause of action the Signatory Members may have against NCPA, terminate this Agreement in whole, subject to the provisions of Section 12.6.4. Termination by one Signatory Member shall not affect the validity of the Agreement as to other Signatory Members.

Section 11. Insurance, Defense and Indemnity Obligations

11.1 Limitation of NCPA Liability. Except as otherwise provided in this Section 11, NCPA shall not at any time be liable for any injury or damage occurring to a Participating Member or any other person or property from any cause whatsoever arising out of this Agreement or any Confirmation entered into pursuant to this Agreement.

11.2 Limited Right of Recourse. The provisions of Section 11.1 shall not apply where the injury or damage is to a Participating Member and is caused by the active negligence of NCPA or of any employee, agent or contractor of NCPA, provided, however, that any liability under this subsection is limited to the extent of the actual coverage and coverage limits of the insurance policies described in this Section 11.

11.2.1 Reimbursement of NCPA Deductibles. Notwithstanding Section 11.2 above, the applicable Participating Member agrees to reimburse NCPA, in a timely manner, for all deductibles or and/or self-insured retentions payable by NCPA for any claim, liability, or damage arising out of this Agreement or any Confirmation entered into pursuant to this Agreement.

11.3 Indemnity Obligation of Participating Members. Except as provided in Section 11.2 above, each Participating Member as to the particular Confirmation involved shall, at its sole cost and expense, indemnify and hold harmless NCPA, and its Members, and their respective officers, agents and employees (“Indemnitees”) from and against any and all liability, obligation, damages, penalties, claims, liens, costs, charges, losses and expenses (including reasonable attorneys’ fees), which may be imposed upon, incurred by or be asserted against the Indemnitees arising out of this Agreement or any Confirmation entered into pursuant to this Agreement.

11.4 Defense Obligation of Participating Members. In the event any action or proceeding shall be brought against the Indemnitees by reason of any matter for which the Indemnitees are indemnified hereunder, the Participating Members as to the Confirmation involved shall, upon reasonable prior written notice from any of the Indemnitees, at Participating Member’s sole cost and expense, resist and defend the same with legal counsel mutually selected by Indemnitee and the Participating Member or Members, unless mutual selection of counsel is expressly prohibited by an applicable insurance policy; provided however, that neither Indemnitee nor Participating Member shall admit liability in any such matter or on behalf of the other without express written consent, which consent shall not be unreasonably withheld or delayed, nor enter into any compromise or settlement of any claim for which Indemnitees are indemnified hereunder without prior express written consent. The Participating

Member's duty to defend shall begin upon receipt of a written notice identifying with specificity the allegations that give rise to this duty to defend.

11.5. Notice of Claims Required. The Parties shall give each other prompt written notice of the making of any claim or the commencement of any action, suit or other proceeding covered by the provisions of this Section 11.

11.6 NCPA Obligation to Maintain Insurance. During the term of the Agreement and prior to providing Support Services under any Confirmation issued pursuant to this Agreement, NCPA shall maintain, or cause to be maintained, in full force and effect, and at its sole cost and expense, the types and limits of insurance as are annually approved by the governing Commission of NCPA.

11.7 Participating Member Insurance. The Signatory Members acknowledge that there are significant limits on NCPA's liability under the this section 11 and that upon becoming a Participating Member as to one or more Confirmations, the Participating Member may wish to purchase additional insurance of its own to cover the additional risks and the potential additional liabilities it is assuming under this Agreement and Confirmations entered into pursuant to this Agreement. Each Participating Member will, with respect to any additional insurance it obtains or which is otherwise available to it, cause its insurers to issue an endorsement providing a waiver of subrogation rights as to the Indemnitees.

11.8 Survival of Obligations. The defense and indemnity obligations of this Section 11 shall survive the termination of this Agreement.

Section 12. Default and Remedies.

12.1 Events of Default. An Event of Default under this Agreement shall exist upon the occurrence of any one or more of the following by a Party in default of its obligations hereunder ("Defaulting Party"):

- (i) if any Signatory Member or Participating Member fails to make any payment due hereunder or to provide assurances as required of NCPA under a Confirmation when due hereunder within two (2) Business Days after receipt of notice given by NCPA of such non-payment; or
- (ii) the failure of a Signatory Member to perform any other covenant or obligation under this Agreement where such failure is not cured within ten (10) calendar days following receipt of a notice from NCPA demanding cure (provided that this shall not apply to any failure to make payments (which is covered by Section 12.1 (i)); or
- (iii) if any representation or warranty of a Signatory Member material to the transactions contemplated hereby shall prove to have been incorrect in any material respect when made and the Signatory Member does not cure the facts underlying such incorrect representation or warranty so that the representation or warranty becomes true and

correct within ten (10) calendar days of the date of receipt of notice from any other Party demanding cure; or

(iv) if a Signatory Member is in default or in breach of any of its covenants under any other agreement with NCPA and such default or breach is not cured within the time periods specified in such agreement; or

(v) the failure of NCPA to perform any covenant or obligation under this Agreement following a ten (10) calendar day notice to cure by any non-defaulting Signatory Member.

12.2 Cure of an Event of Default. An Event of Default shall be deemed cured only if such default shall be remedied within the time period specified in Section 12.1 above, as may be applicable, after written notice has been sent to the Defaulting Party from NCPA or a non-defaulting Signatory Member specifying the default and demanding that the same be remedied; provided, however, that the failure of a Party to provide such notice shall not be deemed a waiver of such default.

12.3 Participation Rights Of Defaulting Signatory Member. Notwithstanding anything herein to the contrary, upon the occurrence of an Event of Default and until such Event of Default is cured, the Signatory Member that is the Defaulting Party shall not have the right to participate under any additional Confirmations.

12.4 Remedies in the Event of Default.

12.4.1 Remedies of NCPA. Upon the occurrence of an Event of Default where a Signatory Member is the Defaulting Party, without limiting its other rights or remedies available under this Agreement, at law or in equity, and without constituting or resulting in a waiver, release or estoppel of any right, action or cause of action NCPA may have against the Defaulting Party Participant, NCPA may: (i) suspend the provision of Support Services under this Agreement or any Confirmation issued pursuant to this Agreement to such Defaulting Party until the Event of Default is cured; (ii) demand that the Defaulting Party provide further assurances to compel the correction of the default, including the collection of a surcharge, or such other actions as may be necessary to produce Revenues to secure the cure of the Event of Default; and (iii) terminate this Agreement or any Confirmation as to the Defaulting Party, following the expiration of any applicable cure period pursuant to section 12.1, on ten (10) calendar days' prior written notice to the Defaulting Party.

12.4.2 Remedies of Signatory Members. Upon the occurrence of an Event of Default where NCPA is the Defaulting Party, and following the applicable cure periods pursuant to section 12.1, one or more Signatory Members may, without limiting their other rights or remedies available under this Agreement, at law or in equity, and without constituting or resulting in a waiver, release or estoppel of any right, action or cause of action they may have against NCPA, terminate this Agreement as to themselves and without affecting the validity of the Agreement as to other Signatory Members, subject to the provisions of Section 12.6.4.

12.5 Special Covenants Regarding Security Accounts. In the event that a Participating Member's balance in a required Security Account is insufficient to cover all invoices for Costs incurred under this Agreement sent to such Participating Member, then, without limiting NCPA's other rights or remedies available under this Agreement, at law or in equity, such Participating Member shall cooperate in good faith with NCPA and shall cure the deficit as rapidly as possible, on an emergency basis, taking all such action as is necessary, including, but not limited to, raising rates and charges to its customers to increase its Revenues to replenish its share of the Security Accounts as provided herein, drawing on its cash-on-hand and lines of credit, obtaining further assurances by way of credit support and letters of credit, and taking all such other action as will cure the default with all due haste.

12.6 Effect of Termination or Suspension.

12.6.1 Generally. The suspension or termination of this Agreement will not terminate, waive, or otherwise discharge any ongoing or undischarged contingent liabilities or obligations arising from this Agreement until such obligations are satisfied in full, and all of the Costs incurred by NCPA in connection with such suspension or termination, including reasonable attorney fees, the fees and expenses of other experts, including auditors and accountants, other costs and expenses that NCPA is entitled to recover under this Agreement, and other reasonable and necessary costs associated with any and all of the remedies, are paid in full.

12.6.2 Suspension by NCPA. If performance of all or any portion of this Agreement is suspended by NCPA with respect to a Signatory Member in accordance with Section 12.4.1(i) such Signatory Member shall pay any and all Costs incurred by NCPA as a result of such suspension including reasonable attorney fees, the fees and expenses of other experts, including auditors and accountants, other reasonable and necessary costs associated with such suspension and any portion of the Costs that were not recovered from such Signatory Member as a result of such suspension.

12.6.3 Termination by NCPA. If this Agreement is terminated by NCPA with respect to a Signatory Member in accordance with Section 12.4.1(iii) such Signatory Member shall pay any and all Costs incurred by NCPA as a result of such termination, including reasonable attorney fees, the fees and expenses of other experts, including auditors and accountants, other reasonable and necessary costs associated with such termination and any portion of the Costs that were not, or will not be, recovered from such Signatory as a result of such termination; provided, however, if NCPA terminates this Agreement with respect to the last remaining Signatory Member, then this Agreement shall terminate.

12.6.4 Termination by Signatory Members. If this Agreement is terminated by all Signatory Members in accordance with Section 10.4, or by unanimous consent of all of the Parties hereto, then the Signatory Members shall pay to NCPA all previously unpaid Costs incurred as of the date of such termination. The Signatory Members shall indemnify NCPA for any costs incurred in connection with such termination, including reasonable attorney fees, fees

and expenses of other experts, including auditors and accountants and other reasonable and necessary costs. If the Parties are unable to reach agreement as to the foregoing, then the Parties agree to submit the matter to mediation with a mutually agreed upon mediator. If the Parties are still unable to reach agreement following mediation, then the matter shall be submitted to binding arbitration subject to the rules of the American Arbitration Association, the costs of such arbitration being borne equally among the Signatory Members.

Section 13. Uncontrollable Forces.

13.1 Uncontrollable Force In General. Obligations of the Parties, other than those to pay money when due, shall be excused for so long as and to the extent that failure to perform such obligations is due to an Uncontrollable Force; provided, however, that if a Party is unable to perform due to an Uncontrollable Force, such Party shall exercise due diligence to remove such inability with reasonable dispatch. Nothing contained in this Agreement shall be construed as requiring a Party to settle any strike, lockout, or labor dispute in which it may be involved, or to accept any permit, certificate, contract, or any other service agreement or authorization necessary for the performance of this Agreement or any Confirmations issued pursuant to this Agreement which contains terms and conditions which a Party determines in its good faith judgment are unduly burdensome or otherwise unacceptable.

13.2 Each Party shall notify the others promptly, by telephone to the other Parties' operating personnel as applicable and to the parties' Designated Representatives upon becoming aware of any Uncontrollable Force which may adversely affect the performance under this Agreement or any Confirmation entered into pursuant to this Agreement. A Party shall additionally provide written notice to any affected Parties within 24 hours after providing. Each Party shall notify the others promptly, when an Uncontrollable Force has been remedied or no longer exists.

Section 14. Dispute Resolution.

14.1 Informal Dispute Resolution. If any dispute arises between the Parties that cannot be settled after engaging in good faith negotiations, Signatory Members and NCPA agree to resolve the dispute in accordance with the following:

14.1.1 Each Party shall designate a senior management or executive level representative to negotiate any dispute;

14.1.2 The representatives shall attempt, through good faith negotiations, to resolve the dispute by any means within their authority.

14.1.3 If the issue remains unresolved after thirty (30) days of good faith negotiations, despite having used their best efforts to do so, either Party may pursue arbitration pursuant to Section 14.2.

14.2 Arbitration. In the event that a dispute is unresolved following the informal dispute resolution process established in Section 14.1, either Party may, within sixty (60) days of the termination of such informal dispute resolution process, initiate binding arbitration to resolve such dispute. Disputes shall be arbitrated pursuant to the Commercial Arbitration and Mediation Rules of the American Arbitration Association. The costs of arbitration shall be equally shared by the Parties, and the Parties shall bear their own attorneys' fees. The arbitrator shall have no authority to amend this Agreement or any Confirmation.

14.3 Claims. This informal resolution process is not intended to nor shall it be construed to, change the time periods for filing a claim or action specified by Government Code § 900, *et seq.*

Section 15. Miscellaneous

15.1 Compliance with Applicable Laws. NCPA and any subcontractors shall comply with all laws applicable to the performance or provision of the Support Services hereunder.

15.2 Other Governmental Regulations. To the extent that this Agreement or any Confirmation entered into pursuant to this Agreement may be funded by fiscal assistance from another governmental entity, NCPA and any subcontractors shall comply with all applicable rules and regulations to which Participating Members are bound by the terms of such fiscal assistance program.

15.3 Licenses and Permits. NCPA represents and warrants to Participating Members that NCPA and its employees, agents, and any subcontractors have all licenses, permits, qualifications, and approvals of whatsoever nature that is legally required to practice their respective professions. NCPA represents and warrants to Participating Members that NCPA and its employees, agents, any subcontractors shall, at their sole cost and expense, keep in effect at all times during the term of this Agreement any licenses, permits, and approvals that are legally required to practice their respective professions.

15.4 Independent Contractor. At all times during the term of this Agreement, NCPA shall be an independent contractor and shall not be an employee of any Participating Member. A Participating Member shall not have the right to control the means by which NCPA accomplishes Support Services rendered pursuant to this Agreement and the Confirmations entered into pursuant to this Agreement. Notwithstanding any other agency, state, local or federal policy, rule, regulation, law, or ordinance to the contrary, NCPA and any of its employees, agents, and subcontractors providing Support Services under this Agreement and the Confirmations entered into pursuant to this Agreement shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any compensation, benefit, or any incident of employment by any Participating Member, including but not limited to eligibility to enroll in the California Public Employees Retirement System (PERS) as an employee of a Participating Member and entitlement to any contribution to be paid by a Participating Member for employer contributions and/or employee contributions for PERS benefits.

15.5 Confidentiality. The Parties will keep confidential all confidential or trade secret information made available to them in connection with this Agreement (including all Confirmations entered into pursuant to this Agreement), to the extent possible, consistent with applicable laws, including the California Public Records Act. It shall be the responsibility of the holder of the claim of confidentiality or trade secret to defend at its expense against any request that such information be disclosed. Confidential or trade secret information shall be marked or expressly identified as such.

15.6 Liabilities of Signatory Members.

15.6.1 No Signatory Member shall be liable under this Agreement for the obligations of any Confirmation as to which it is not a Participating Member. Notwithstanding the foregoing, the Parties acknowledge that any debts or obligations entered into by NCPA pursuant to this Agreement not connected with any Confirmation shall be jointly and severally borne by them as Signatory Members, and not by non-Signatory Members of NCPA, pursuant to Article IV, Section 3(b) of the Joint Powers Agreement.

15.6.2 Each Participating Member shall be solely responsible and liable for performance of its own obligations under this Agreement as to those Confirmations under which it has chosen to receive Member Services. The obligation of each Participating Member under a given Confirmation is a several obligation and not a joint obligation with those other Participating Members with respect to a given Confirmation, subject to the authority of NCPA pursuant to section 7 to utilize Security Account funds if necessary for a given Confirmation regardless of the Participating Member which provided such Security Account funds.

15.7 No Consequential Damages. FOR ANY BREACH OF ANY PROVISION OF THIS AGREEMENT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED IN THIS AGREEMENT, THE LIABILITY OF THE DEFAULTING PARTY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER DAMAGES OR REMEDIES ARE HEREBY WAIVED. IF NO REMEDY OR MEASURE OF DAMAGE IS EXPRESSLY PROVIDED, THE LIABILITY OF THE DEFAULTING PARTY SHALL BE LIMITED TO ACTUAL DAMAGES ONLY AND ALL OTHER DAMAGES AND REMEDIES ARE HEREBY WAIVED. IN NO EVENT SHALL NCPA OR ANY PARTICIPATING OR SIGNATORY OR OTHER MEMBER OR THEIR RESPECTIVE SUCCESSORS, ASSIGNS, REPRESENTATIVES, DIRECTORS, OFFICERS, AGENTS, OR EMPLOYEES BE LIABLE FOR ANY LOST PROFITS, CONSEQUENTIAL, SPECIAL, EXEMPLARY, INDIRECT, PUNITIVE OR INCIDENTAL LOSSES OR DAMAGES, INCLUDING LOSS OF USE, LOSS OF GOODWILL, LOST REVENUES, LOSS OF PROFIT OR LOSS OF CONTRACTS ARISING FROM THIS AGREEMENT OR ANY CONFIRMATION ENTERED INTO PURSUANT TO THIS AGREEMENT EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. EACH SIGNATORY MEMBER EACH HEREBY WAIVES SUCH CLAIMS AND RELEASES EACH OTHER AND EACH OF NCPA AND ITS MEMBERS FROM ANY SUCH LIABILITY.

The Parties acknowledge that California Civil Code section 1542 provides that: “A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.” The Parties waive the provisions of section 1542, or other similar provisions of law, and intend that the waiver and release provided by this section of this Agreement shall be fully enforceable despite its reference to future or unknown claims and its application to future and unknown Confirmations.

15.8 Amendments. Except where this Agreement specifically provides otherwise, this Agreement may be amended only by written instrument executed by the Parties with the same formality as this Agreement.

15.9 Severability. In the event that any of the terms, covenants or conditions of this Agreement or the application of any such term, covenant or condition, including application to any particular Confirmation, shall be held invalid as to any person or circumstance by any court having jurisdiction, all other terms, covenants or conditions of this Agreement and their application shall not be affected thereby, but shall remain in force and effect unless the court holds that such provisions are not severable from all other provisions of this Agreement.

15.10 Governing Law. This Agreement shall be interpreted, governed by, and construed under the laws of the State of California.

15.11 Headings. All indices, titles, subject headings, section titles and similar items are provided for the purpose of convenience and are not intended to be inclusive, definitive, or affect the meaning of the contents of this Agreement or the scope thereof.

15.12 Notices. Any notice, demand or request required or authorized by this Agreement or any Confirmation entered into pursuant to this Agreement, to be given to any Party shall be in writing. They shall either be personally delivered to a Signatory Member's Designated Representatives and to the Secretary of the Commission or transmitted to the Signatory Member's Designated Representatives and to the Secretary of the Commission at the addresses shown on the signature pages hereof by U.S. mail, first class postage prepaid. The designation of such address may be changed at any time by written notice given to the Secretary of the Commission who shall thereupon give written notice of such change to each Participant. Notices shall be deemed received upon delivery or three (3) days after mailing.

15.13 Warranty of Authority. Each Party represents and warrants that it has been duly authorized by all requisite approval and action to execute and deliver this Agreement and that this Agreement is a binding, legal, and valid agreement enforceable in accordance with its terms as to that Party.

15.14 Counterparts. This Agreement may be executed in any number of counterparts, and each executed counterpart shall have the same force and effect as an original instrument and as if all the signatories to all of the counterparts had signed the same instrument. Any signature page of this Agreement may be detached from any counterpart of this Agreement without

impairing the legal effect of any signatures thereon, and may be attached to another counterpart of this Agreement identical in form hereto but having attached to it one or more signature pages.

15.15 No Assignment. Except as otherwise provided in a particular Confirmation, no Signatory Member may assign or otherwise transfer any other rights and obligations under this Agreement without the express written consent of NCPA.

15.16 Venue. In the event that a Party brings any action under this Agreement or any Confirmation issued pursuant to this Agreement, the Parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of Placer or in the United States District Court for the Eastern District of California.

15.17 Attorneys' Fees. If a Party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement or any Confirmation issued pursuant to this Agreement, the Parties shall bear their own attorneys' fees.

15.18 Interpretation. Each Party to this Agreement is sophisticated in the operation of electric utilities, and operates a publicly owned Electric System. Each Party to this Agreement was represented by counsel during the negotiation of this Agreement. Hence, this Agreement and all Confirmations issued pursuant to this Agreement shall be interpreted as being equally drafted by all Parties and without reference to Civil Code Section 1654 requiring interpretation against Parties causing an ambiguity.

15.19 No Third Party Beneficiaries. Except as otherwise provided in a particular Confirmation to the contrary, nothing contained in this Agreement or any Confirmation issued pursuant to this Agreement is intended by the Parties, nor shall any provision of this Agreement or any Confirmation issued pursuant to this Agreement be deemed or construed by the Parties or by any third person, to be for the benefit of any third party, nor shall any third party have any right to enforce any provision of this Agreement or any Confirmation issued pursuant to this Agreement or be entitled to damages for any breach by the Parties of any of the provisions of this Agreement or any Confirmation issued pursuant to this Agreement.

15.20 No Implied Waiver of Breach. The waiver of any breach of a specific provision of this Agreement or any Confirmation does not constitute a waiver of any other breach of that term or any other term of this Agreement or Confirmation.

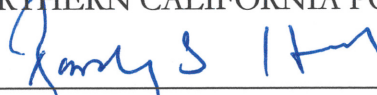
15.21 Successors and Assigns. The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the Parties.

15.22 Conflict of Interest. NCPA shall not employ any Participating Member official or employee to perform Support Services for that Participating Member. No officer or employee of Participating Member shall have any financial interest in this Agreement or any Confirmation entered into pursuant to this Agreement that would violate California Government Code Sections 1090 *et seq.*

15.23 List of Exhibits. The Exhibits referenced herein are incorporated by this reference. They shall be denoted as follows:
Exhibit "A": Form of Signatory Member execution page including designation of Designated Representatives and purchasing amount limitations.
Exhibit "B": Form of Confirmation.

IN WITNESS WHEREOF, each Signatory Member has executed this Agreement with the approval of its Governing Body, and NCPA has authorized execution of this Agreement by its General Manager in accordance with the authorization of its Commission.

NORTHERN CALIFORNIA POWER AGENCY

By: 
Randy S. Howard, General Manager

Attest:

Cary Padgett, Assistant Secretary to the Commission

Approved as to Form:
By: 
Michael F. Dean, General Counsel

EXHIBIT "A"

**NORTHERN CALIFORNIA POWER AGENCY
SUPPORT SERVICES PROGRAM AGREEMENT**

Signatory Member Execution Page

The Support Services Program Agreement is hereby approved, executed and joined by the following NCPA Member as a Signatory Member:

_____ [Name of NCPA Member Agency]

1. The initial Designated Representatives of the Signatory Member who are jointly authorized to execute Confirmations on behalf of the Signatory Member are:

Utility Director

General Counsel or City Attorney

2. The Designated Representatives are authorized to jointly execute any given individual Confirmation for Support Services on behalf of the Signatory Member which does not exceed \$_____.

The NCPA Support Services Program Agreement was approved on _____, 20____
by resolution no. _____ of the _____ [Name of
Governing Body of Signatory Member, e.g., "city council" or "board of directors"].

By: _____ [Signature of person executing]

Its: _____ [Title of person executing]

Attest:

_____ [Signature of Person Attesting to Approval]

Its: _____ [Title of Person Attesting]

Approved as to Form:

By: _____

Title: _____

EXHIBIT "B"

**NCPA Services Program Agreement Form of Confirmation:
CONFIRMATION UNDER THE NCPA SUPPORT SERVICES PROGRAM
AGREEMENT**

1. This is a Confirmation pursuant to the Support Services Program Agreement and subject to the terms and conditions of that agreement, except as expressly provided in this Confirmation. All capitalized terms have the meaning given to them in the Support Services Program Agreement.

2. The Participating Members for this Confirmation are:

3. NCPA agrees to provide the following Support Services to the Participating Members:

The Support Services will be contracted for by NCPA with _____ using an agreement in substantially the form attached to this Confirmation.

4. The Participating Members executing this Confirmation agree to pay for the Support Services in the not to exceed amounts specified in this Confirmation and in accordance with the provisions of the Support Services Program Agreement:

5. A Security Account deposit [is not required for this Confirmation/is required for this Confirmation in the amount of \$ _____]

Participating Member _____ NORTHERN CALIFORNIA POWER AGENCY

By: _____

By its Designated Representatives:

_____ Randy S. Howard, General Manager
and

_____ Attest:

Cary Padgett,
Assistant Secretary to the Commission

Approved as to Form:

By: _____

General Counsel

2507645.12

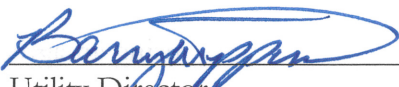
EXHIBIT "A"

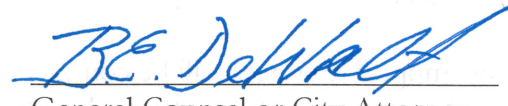
**NORTHERN CALIFORNIA POWER AGENCY
SUPPORT SERVICES PROGRAM AGREEMENT
Signatory Member Execution Page**

The Support Services Program Agreement is hereby approved, executed and joined by the following NCPA Member as a Signatory Member:

Redding [Name of NCPA Member Agency]

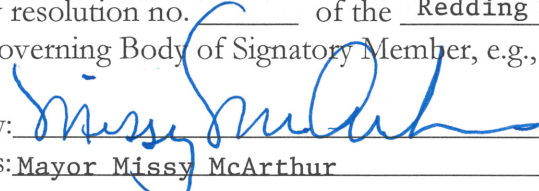
1. The initial Designated Representatives of the Signatory Member who are jointly authorized to execute Confirmations on behalf of the Signatory Member are:

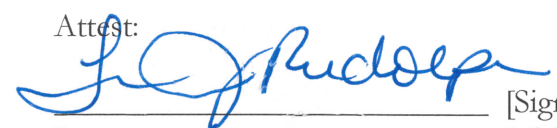

Utility Director
Barry Tippin


General Counsel or City Attorney
Barry E. DeWalt

2. The Designated Representatives are authorized to jointly execute any given individual Confirmation for Support Services on behalf of the Signatory Member which does not exceed \$ 125,000.00 .

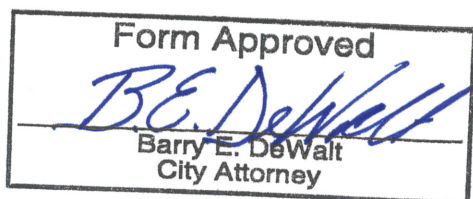
The NCPA Support Services Program Agreement was approved on April 19 , 20 16 by resolution no. _____ of the Redding City Council [Name of Governing Body of Signatory Member, e.g., "city council" or "board of directors"].

By:  [Signature of person executing]
Its: Mayor Missy McArthur [Title of person executing]

Attest:
 [Signature of Person Attesting to Approval]
Its: City Clerk Pamela Mize [Title of Person Attesting]

Approved as to Form:

By: _____
Title: _____





CITY OF REDDING

777 CYPRESS AVENUE, REDDING, CA 96001

P.O. BOX 496071, REDDING, CA 96049-6071

OFFICE OF THE CITY MANAGER

BARRY TIPPIN, CITY MANAGER

GREG CLARK, DEPUTY CITY MANAGER

July 11, 2017

Randy S. Howard
NCPA General Manager
Northern California Power Agency
651 Commerce Drive
Roseville, CA 95678-6411

Dear Mr. Howard:

On April 16, 2017, Redding City Council approved the Support Services Program Agreement (SSPA) (C-6862) with the Northern California Power Agency, authorized the Mayor to sign the same, and Appointed the City Manager, or his Designee, together with the City Attorney as the designated representatives under the SSPA, and delegated authority to such designated representatives to execute Confirmations as described in the SSPA for selected services desired by Redding for amounts not to exceed \$125,000 per confirmation.

Effective July 11, 2017, and until further notice, the Redding City Manager, Barry Tippin, designates Interim Utility Director, Daniel Beans, to execute Confirmations as described in the SSPA and approved council minutes.

Sincerely,

A handwritten signature in blue ink, appearing to read "Barry Tippin", is written over a faint, larger blue ink signature that is partially obscured.

Barry Tippin
City Manager

c: Linda Stone

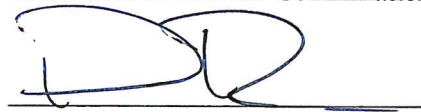
EXHIBIT "A"

**NORTHERN CALIFORNIA POWER AGENCY
SUPPORT SERVICES PROGRAM AGREEMENT
Signatory Member Execution Page**

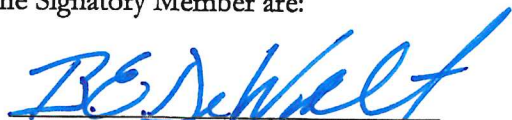
The Support Services Program Agreement is hereby approved, executed and joined by the following NCPA Member as a Signatory Member:

Redding [Name of NCPA Member Agency]

1. The initial Designated Representatives of the Signatory Member who are jointly authorized to execute Confirmations on behalf of the Signatory Member are:



Utility Director
Dan Beans



General Counsel or City Attorney
Barry E. DeWalt

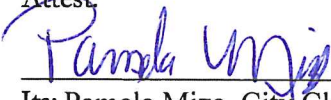
2. The Designated Representatives are authorized to jointly execute any given individual Confirmation for Support Services on behalf of the Signatory Member which does not exceed \$ 200,000.00 .

The procurement limits were approved by City Council on 07/21/20 (second read) and take effect 30 days after final approval per Government Code 36937. The increases are a part of Muni-Code 4.20.

The NCPA Support Services Program Agreement was approved on April 19, 2016 by resolution no. _____ of the Redding City Council [Name of Governing Body of Signatory Member, e.g., "city council" or "board of directors"].

By:  [Signature of person executing]
Its: Barry Tippin, City Manager [Title of person executing]

Attest:



[Signature of Person Attesting to Approval]
Its: Pamela Mize, City Clerk [Title of Person Attesting]

Approved as to Form:

By: _____
Title: _____

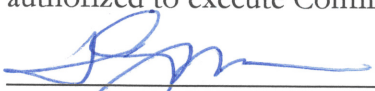
EXHIBIT "A"

**NORTHERN CALIFORNIA POWER AGENCY
SUPPORT SERVICES PROGRAM AGREEMENT
Signatory Member Execution Page**

The Support Services Program Agreement is hereby approved, executed and joined by the following NCPA Member as a Signatory Member:

PORT OF OAKLAND [Name of NCPA Member Agency]

1. The initial Designated Representatives of the Signatory Member who are jointly authorized to execute Confirmations on behalf of the Signatory Member are:


Chris Lytle, Executive Director


for Danny Wan, General Counsel

2. The Designated Representatives are authorized to jointly execute any given individual Confirmation for Support Services on behalf of the Signatory Member which does not exceed \$ 150,000 .

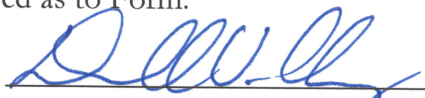
The NCPA Support Services Program Agreement was approved on April 14,, 2016 by resolution no. 16-45 of the Board of Port Commissioners [Name of Governing Body of Signatory Member, e.g., "city council" or "board of directors"].

By:  Chris Lytle [Signature of person executing]
Its: Executive Director [Title of person executing]

Attest:

 John Betterton [Signature of Person Attesting to Approval]
Its: Secretary to the Board [Title of Person Attesting]

Approved as to Form:

By: 
Title: General Counsel
Deputy Port Attorney

PA# 2016-305

EXHIBIT "A"

**NORTHERN CALIFORNIA POWER AGENCY
SUPPORT SERVICES PROGRAM AGREEMENT
Signatory Member Execution Page**

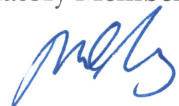
The Support Services Program Agreement is hereby approved, executed and joined by the following NCPA Member as a Signatory Member:

City of Santa Clara [Name of NCPA Member Agency]

1. The initial Designated Representatives of the Signatory Member who are jointly authorized to execute Confirmations on behalf of the Signatory Member are:



City Manager

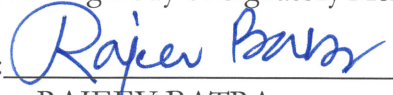


General Counsel or City Attorney

2. The Designated Representatives are authorized to jointly execute any given individual Confirmation for Support Services on behalf of the Signatory Member which does not exceed \$ 150,000.

The NCPA Support Services Program Agreement was approved on May 24, 2016, by resolution no. 16-8327 of the Santa Clara City Council [Name of

Governing Body of Signatory Member, e.g., "city council" or "board of directors"].

By:  [Signature of person executing]
RAJEEV BATRA

Its: Acting City Manager [Title of person executing]

Attest: 

Its: City Clerk [Title of Person Attesting]

Approved as to Form:

By: 

Title: City Attorney

EXHIBIT "A"

**NORTHERN CALIFORNIA POWER AGENCY
SUPPORT SERVICES PROGRAM AGREEMENT
Signatory Member Execution Page**

The Support Services Program Agreement is hereby approved, executed and joined by the following NCPA Member as a Signatory Member:

CITY OF ALAMEDA DBA ALAMEDA MUNICIPAL POWER

1. The initial Designated Representatives of the Signatory Member who are jointly authorized to execute Confirmations on behalf of the Signatory Member are:



AMP General Manager
Elizabeth Warmerdam, Interim



AMP General Counsel
Alan M. Cohen

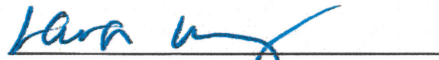
2. The Designated Representatives are authorized to jointly execute any given individual Confirmation for Support Services on behalf of the Signatory Member which does not exceed **\$ 75,000**.

The NCPA Support Services Program Agreement was approved on June 8, 2016 by City of Alameda Resolution No. 15154.

By: 

Elizabeth Warmerdam, Interim General Manager

Attest:



Lara Weisiger, City Clerk

Approved as to Form:

By: 

Title: Janet C. Kern, City Attorney

EXHIBIT "A"

**NORTHERN CALIFORNIA POWER AGENCY
SUPPORT SERVICES PROGRAM AGREEMENT
Signatory Member Execution Page**

The Support Services Program Agreement is hereby approved, executed and joined by the following NCPA Member as a Signatory Member:

CITY OF BIGGS [Name of NCPA Member Agency]

1. The initial Designated Representatives of the Signatory Member who are jointly authorized to execute Confirmations on behalf of the Signatory Member are:

MARK SORENSEN
Utility Director

Gregory P. Einhorn
General Counsel or City Attorney

2. The Designated Representatives are authorized to jointly execute any given individual Confirmation for Support Services on behalf of the Signatory Member which does not exceed \$ 125,000.

The NCPA Support Services Program Agreement was approved on Aug 09, 2016
by resolution no. _____ of the CITY COUNCIL [Name of
Governing Body of Signatory Member, e.g., "city council" or "board of directors"].

By: [Signature] [Signature of person executing]
Its: CITY ADMINISTRATOR [Title of person executing]

Attest:

Robert Dawson [Signature of Person Attesting to Approval]
Its: City Clerk [Title of Person Attesting]

Approved as to Form:

By: [Signature]
Title: City Attorney

EXHIBIT "A"

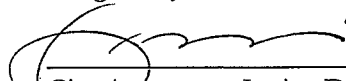
**NORTHERN CALIFORNIA POWER AGENCY
SUPPORT SERVICES PROGRAM AGREEMENT
Signatory Member Execution Page**

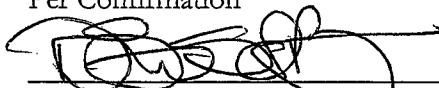
The Support Services Program Agreement is hereby approved, executed and joined by the following NCPA Member as a Signatory Member:

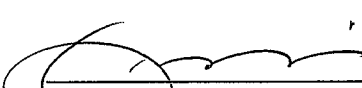
THE CITY OF LODI

1. The initial Designated Representatives of the Signatory Member who are jointly authorized to execute Confirmations on behalf of the Signatory Member are:


Utility Director – Elizabeth Kirkley
Authorized for Not More Than \$15,000
Per Confirmation


City Attorney – Janice D. Magdich


City Manager – Steve Schwabauer
Authorized for Not More Than \$20,000
Per Confirmation


City Attorney – Janice D. Magdich

2. The Designated Representatives are authorized to jointly execute any given individual Confirmation for Support Services on behalf of the Signatory Member which does not exceed the dollar amounts specified above.

The NCPA Support Services Program Agreement was approved on September 7, 2016 by Resolution no. 2006-162 of the Lodi City Council.

By: Jennifer M. Ferraiolo [Signature of person executing]
Its: City Clerk [Title of person executing]

Attest:

By: Jennifer M. Ferraiolo
Jennifer M. Ferraiolo
Its: City Clerk

Approved as-to Form:

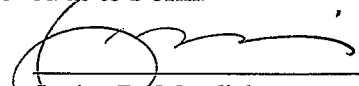
By: 
Janice D. Magdich
Title: City Attorney

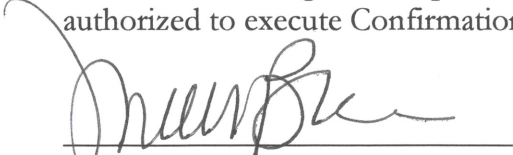
EXHIBIT "A"

**NORTHERN CALIFORNIA POWER AGENCY
SUPPORT SERVICES PROGRAM AGREEMENT
Signatory Member Execution Page**

The Support Services Program Agreement is hereby approved, executed and joined by the following NCPA Member as a Signatory Member:

City of Roseville [Name of NCPA Member Agency]

1. The initial Designated Representatives of the Signatory Member who are jointly authorized to execute Confirmations on behalf of the Signatory Member are:



Utility Director
Michelle Bertolino

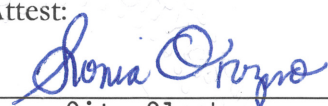


General Counsel or City Attorney
Robert Schmitt

2. The Designated Representatives are authorized to jointly execute any given individual Confirmation for Support Services on behalf of the Signatory Member which does not exceed \$ 50,000 .

The NCPA Support Services Program Agreement was approved on October 5, 2016
by resolution no. 16-428 of the Roseville City Council [Name of
Governing Body of Signatory Member, e.g., "city council" or "board of directors"].

By:  [Signature of person executing]
Its: City Manager [Title of person executing]

Attest:
 [Signature of Person Attesting to Approval]
Its: City Clerk [Title of Person Attesting]

Approved as to Form:

By: 
Title: City Attorney

EXHIBIT "A"

**NORTHERN CALIFORNIA POWER AGENCY
SUPPORT SERVICES PROGRAM AGREEMENT
Signatory Member Execution Page**

The Support Services Program Agreement is hereby approved, executed and joined by the following NCPA Member as a Signatory Member:

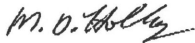
TRUCKEE DONNER PUBLIC UTILITY DISTRICT ("TDPUD")

1. The initial Designated Representatives of the Signatory Member who is authorized to execute individual Confirmations on behalf of the Signatory Member for **not more than \$15,000** is:



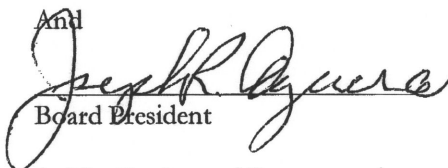
Michael Holley, General Manager

2. The initial Designated Representatives of the Signatory Member who are jointly authorized to execute individual Confirmations on behalf of the Signatory Member, upon approval by the Signatory Member's Board of Directors, for **over \$15,000 but not more than \$250,000** are:



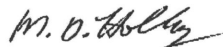
Michael Holley, General Manager

And


Board President

3. The Designated Representatives are authorized to jointly execute any given individual Confirmation for Support Services on behalf of the Signatory Member which does not exceed the dollar amounts specified above.
4. The attached letter from TDPUD's general counsel shall constitute compliance with the SSPA, including Sections 1.1 and 2, as to a general counsel serving as a designated representative

The NCPA Support Services Program Agreement was approved on November 2, 2016 by resolution no. 2016-26 of the Board of Directors of the Truckee Donner PUD.



By: _____ [Signature of person executing]
Its: Michael D. Holley, P.E., General Manager [Title of person executing]

Attest:


Shanna D. Kuhlemier, Deputy District Clerk



Truckee Donner Public Utility District

Directors

Joseph R. Aguera
Jeff Bender
Bob Ellis
Tony Laliotis
Paul Warmerdam

General Manager

Michael D. Holley

March 3, 2017

Northern California Power Agency
651 Commerce Drive
Roseville, CA 95678
Attn: Randy S. Howard

SUBJECT: Support Services Program Agreement
Approval by General Counsel as Designated Representative

The Board of Directors of the Truckee Donner Public Utility District ("TDPUD") approved execution of the Support Services Program Agreement ("SSPA") with the Northern California Power Agency ("NCPA") as of November 2, 2016. Pursuant to the SSPA terms, TDPUD is now a Signatory Member.

The SSPA requires, for any Support Services provided thereunder, the execution of a written Confirmation by "Designated Representatives" of the Signatory Member. The SSPA defines "Designated Representatives" as "both its Utility Director (or an employee or official other than the Utility Director designated by resolution of the Signatory Member's Governing Board) and its City Attorney or General Counsel, acting jointly."

As General Counsel for TDPUD, I hereby agree that this document constitutes my joint approval as a Designated Representative for all individual Confirmations executed by TDPUD's General Manager in an amount not more than \$15,000 and all individual Confirmations executed by TDPUD's General Manager and Board President, upon approval by TDPUD's Board of Directors, in an amount over \$15,000 but not more than \$250,000, which approval shall remain valid and in effect until revoked by written Notice to NCPA.

Steven C. Gross
TDPUD General Counsel

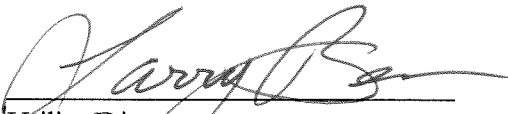
EXHIBIT "A"

**NORTHERN CALIFORNIA POWER AGENCY
SUPPORT SERVICES PROGRAM AGREEMENT
Signatory Member Execution Page**

The Support Services Program Agreement is hereby approved, executed and joined by the following NCPA Member as a Signatory Member:

City of Lompoc [Name of NCPA Member Agency]

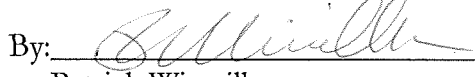
1. The initial Designated Representatives of the Signatory Member who are jointly authorized to execute Confirmations on behalf of the Signatory Member are:


Utility Director
Larry Bean


City Attorney
Joseph W. Pannone

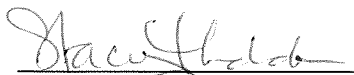
2. The Designated Representatives are authorized to jointly execute any given individual Confirmation for Support Services on behalf of the Signatory Member which does not exceed \$ 125,000.

The NCPA Support Services Program Agreement was approved on November 15, 2016 by resolution no. 6078(16) of the City of Lompoc City Council [Name of Governing Body of Signatory Member, e.g., "city council" or "board of directors"].

By:  [Signature of person executing]
Patrick Wiemiller

Its: City Manager [Title of person executing]

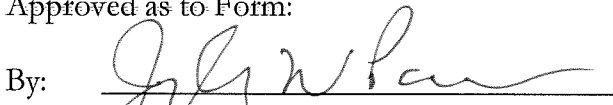
Attest:

 [Signature of Person Attesting to Approval]

Stacey Haddon

Its: City Clerk [Title of Person Attesting]

Approved as to Form:

By: 
Joseph W. Pannone

Title: City Attorney

EXHIBIT "A"

**NORTHERN CALIFORNIA POWER AGENCY
SUPPORT SERVICES PROGRAM AGREEMENT
Signatory Member Execution Page**

The Support Services Program Agreement is hereby approved, executed and joined by the following NCPA Member as a Signatory Member for a period of ten (10) years:

CITY OF PALO ALTO [Name of NCPA Member Agency]

1. The initial Designated Representatives of the Signatory Member who are jointly authorized to execute Confirmations on behalf of the Signatory Member are:



City Manager
James Keene



City Attorney
Molly Stump

2. The Designated Representatives are authorized to jointly execute any given individual Confirmation for Support Services on behalf of the Signatory Member, as follows:

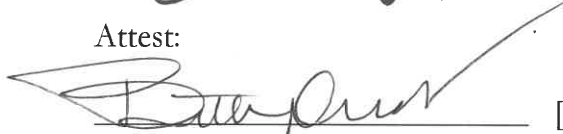
(a) without Council approval, provided the term of the Confirmation does not exceed three years and the total not-to-exceed amount with any individual vendor does not exceed \$85,000 per year; or

(b) with Council approval, provided the total not-to-exceed amount with any individual vendor does not exceed \$250,000 per year, for the term set by Council.

The NCPA Support Services Program Agreement was approved on June 5, 2017 by Resolution No. 9681 of the Council of the City of Palo Alto.

By:  [Signature of person executing]
Its: CITY MANAGER [Title of person executing]

Attest:



Its: City Clerk [Signature of Person Attesting to Approval]

Approved as to Form:

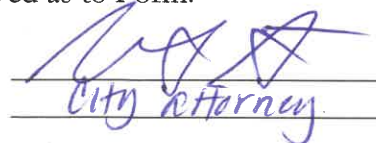
By: 
Title: CITY ATTORNEY

EXHIBIT "A"

**NORTHERN CALIFORNIA POWER AGENCY
SUPPORT SERVICES PROGRAM AGREEMENT
Signatory Member Execution Page**

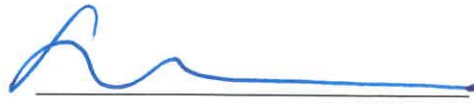
The Support Services Program Agreement is hereby approved, executed and joined by the following NCPA Member as a Signatory Member:

City of Healdsburg [Name of NCPA Member Agency]

1. The initial Designated Representatives of the Signatory Member who are jointly authorized to execute Confirmations on behalf of the Signatory Member are:



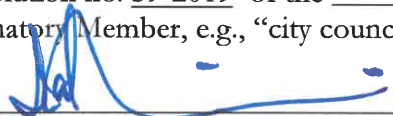
David Mickaelian
City Manager



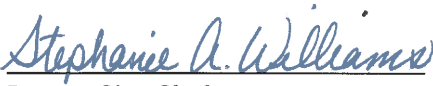
Samantha W. Zutler
General Counsel or City Attorney

2. The Designated Representatives are authorized to jointly execute any given individual Confirmation for Support Services on behalf of the Signatory Member which does not exceed \$ 50,000 .

The NCPA Support Services Program Agreement was approved on May 6, 2019 by resolution no. 59-2019 of the City Council [Name of Governing Body of Signatory Member, e.g., "city council" or "board of directors"].

By:  [Signature of person executing]
Its: City Manager [Title of person executing]

Attest:

 [Signature of Person Attesting to Approval]
Its: City Clerk [Title of Person Attesting]

Approved as to Form:

By: 
Title: City Attorney

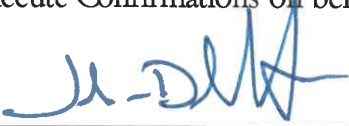
EXHIBIT "A"

**NORTHERN CALIFORNIA POWER AGENCY
SUPPORT SERVICES PROGRAM AGREEMENT
Signatory Member Execution Page**

The Support Services Program Agreement is hereby approved, executed by the following NCPA Member as a Signatory Member:

CITY OF SHASTA LAKE

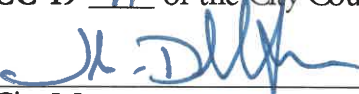
1. The initial Designated Representative of the Signatory Member who is authorized to execute Confirmations on behalf of the Signatory Member is:



John N. Duckett
City Manager

2. The Designated Representatives are authorized to jointly execute any given individual Confirmation for Support Services on behalf of the Signatory Member which does not exceed \$75,000.

The NCPA Support Services Program Agreement was approved on July 2, 2019, by resolution no. CC-19- 49 of the City Council of the City of Shasta Lake.

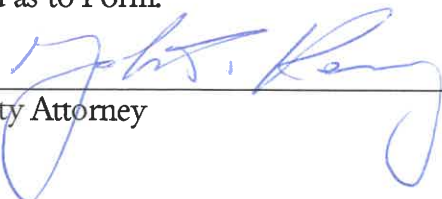
By: 

Its: City Manager

Attest:


Its: City Clerk

Approved as to Form:

By: 

Title: City Attorney

January 8, 2020

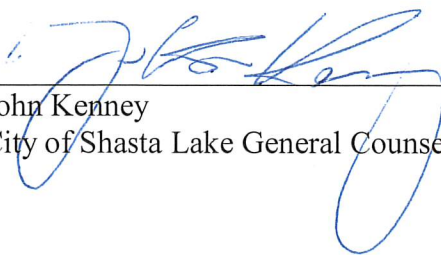
Northern California Power Agency
651 Commerce Drive
Roseville, CA 95678
Attn: Randy Howard

Subject: Support Services Program Agreement – Approval by General Counsel

The City of Shasta Lake City Council approved execution of the NCPA Support Services Program Agreement (SSPA) on July 2, 2019. Pursuant to the SSPA terms, the City of Shasta Lake is now a Signatory Member.

The SSPA requires, for any Support Services provided thereunder, the execution of a written Confirmation by “Designated Representatives” of the Signatory Member. The SSPA defines “Designated Representatives” as both its Utility Director (or an employee or official other than the Utility Director designated by resolution of the Signatory Member’s Governing Board) and its City Attorney or General Counsel, acting jointly.” The City has designated its City Manager.

As General Counsel for the City of Shasta Lake, I hereby agree that this document constitutes my joint approval as a Designated Representative for all individual Confirmations executed by the City Manager within the applicable delegated spending authority for the City’s “On Call List for Professional Services,” including any updated changes by the City Council from time to time, and is currently \$75,000. This approval shall remain in effect until revoked by written notice to NCPA.


John Kenney
City of Shasta Lake General Counsel

RESOLUTION No.____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UKIAH APPROVING THE SUPPORT SERVICES PROGRAM AGREEMENT WITH THE NORTHERN CALIFORNIA POWER AGENCY

WHEREAS, the City of Ukiah is a member of the Northern California Power Agency (NCPA), a joint action agency providing members with opportunities for joint generating, transmission and other projects, as well as other supporting programs such as scheduling and dispatch services and legislative advocacy services to publicly owned utilities throughout Northern California; and

WHEREAS, the City of Ukiah is a member of NCPA and currently receives benefit from various projects and programs offered at NCPA; and

WHEREAS, NCPA has expanded service offerings to its members by offering additional support services such as joint purchasing, engineering services, transmission and distribution planning, power marketing and analysis, employee training, employment and human relations assistance, customer services and billing, metering and data management, power plant operations, and other forms of assistance and professional services relating to the operation of a publicly owned electric utility, as related to either the generation, transmission, or distribution of electricity or the wholesale or retail operation of such a utility; and

WHEREAS, approval of the attached Support Services Program Agreement (SSPA) between the Northern California Power Agency (NCPA) and the City of Ukiah will provide the opportunity for the City of Ukiah to utilize the benefit of these new services; and

WHEREAS, the SSPA provides that Designated Representatives are responsible for committing to individual service offerings on behalf of a member organization and that the governing board of said member delegate authority to bind the City/member to contractually receive and pay for service offerings in writing through a confirmation process; and

WHEREAS, Staff recommends that the City Council appoints the City Attorney, City Manager and Electric Utility Director as Designated Representatives under the SSPA and authority to them, together, to execute service confirmations for amounts not to exceed \$20,000 per confirmation or such greater amount as may be authorized by City Council action or applicable City ordinance.;

NOW, THEREFORE BE IT RESOLVED, that the City of Ukiah Council hereby:

- 1) Approves the Support Services Agreement between the Northern California Power Agency and the City of Ukiah and authorizes the City Manager or his delegate to execute the agreement; and
- 2) Appoints the City Attorney, City Manager and Electric Utility Director as Designated Representatives under the SSPA and authority to them, together, to execute service confirmations for amounts not to exceed \$20,000 per confirmation or such greater amount as may be authorized by City Council action or applicable City ordinance.

PASSED, ADOPTED and APPROVED this 19th day of January, 2022 by the following roll call vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Jim O. Brown, Mayor

Kristine Lawler, City Clerk



AGENDA SUMMARY REPORT

SUBJECT: Notification of Purchase Order #47600-02 Issued to Bartley Pump PM, LLC for the Teardown, Inspection, and Rehabilitation of Well #8 in the Amount of \$28,689.70.

DEPARTMENT: Water Resources

PREPARED BY: Sean White, Water Resources Director, Seth Strader, Buyer I

PRESENTER: Consent Calendar

ATTACHMENTS:

1. Well 8 rehab PO (Attachment 1)

Summary: Council will receive notification of Purchase Order #47600-02 issued to Bartley Pump PM, LLC for the teardown, inspection, and rehabilitation of Well #8 in the amount of \$28,689.70.

Background: Well #8 was designed and constructed to produce approximately 1,100 gallons per minute (gpm). However, Well #8 has never performed to anticipated levels since its construction in 2008. Actual production has ranged from 370-500 gpm. As a result the pump, motor, and Variable Frequency Drive (VFD) have never operated correctly. This mismatch has been the source of premature pump and motor failure in the past. Both the pump and motor recently failed again.

Additionally, the reduced capacity of this facility became a significant production limitation during the drought of 2021.

Discussion: Staff has been planning on rehabilitating this facility when the existing pump and motor reached the end of its service. With the recent failure of these components, and the possibility of another year of drought, staff has begun rehabilitation prior to the onset of the high-demand season. Purchase Order #47600-02 was issued to Bartley Pump PM, LLC on December 2, 2021, for the teardown, inspection, and rehabilitation of Well #8 in the amount of \$28,689.70.

Following rehabilitation of the well casing, a new motor and pump will be installed that will be designed to match post-rehabilitation test results. This will ensure maximum equipment service life, as well as greatly improve energy efficiency.

Recommended Action: Receive notification of Purchase Order #47600-02 issued to Bartley Pump PM, LLC for the teardown, inspection, and rehabilitation of Well #8 in the amount of \$28,689.70.

BUDGET AMENDMENT REQUIRED: No

CURRENT BUDGET AMOUNT: 82027111.56120 - \$36,059.71

PROPOSED BUDGET AMOUNT: N/A

FINANCING SOURCE: Water Fund

PREVIOUS CONTRACT/PURCHASE ORDER NO.: PO 47600

COORDINATED WITH: Mary Horger

Approved: 
Sage Sangiacomo, City Manager

Purchase Order



Fiscal Year 2022

Page 1 of 1

THIS NUMBER MUST APPEAR ON ALL INVOICES,
PACKAGES AND SHIPPING PAPERS.Purchase
Order #**47600-02**Delivery must be made within
doors of specified destination.B
I
L
L
T
OCITY OF UKIAH
ATTN: ACCOUNTS PAYABLE
300 SEMINARY AVENUE
UKIAH, CA 95482V
E
N
D
O
RBARTLEY PUMP PM, LLC
4000 S MOORLAND AVE
SANTA ROSA CA 95407S
H
I
P
T
OCITY OF UKIAH - WTP
935 RIVER ROAD
UKIAH CA 95482

Vendor Phone Number		Vendor Fax Number	Buyer		Date Ordered	Date Required	
707-584-9191			Mary Horger		12/02/2021		
Delivery Reference		Freight Method/Terms		Department/Location		Sales Tax Rate	
		N30/FOB UKAIAH		WATER PRODUCTION		7.880	
Item#	Description/Part No.			Qty	UOM	Unit Price	Extended Price
1	PULL PUMP OUT OF WELL #8 AND RUN WELL VIDEO TO SEE THE INTEGRITY OF THE CASING AND SCREEN. FURTHER RECOMMENDATIONS TO FOLLOW.			9460.0	DOLL	\$1.000	\$9,460.00
2	LABOR TO PRE-BRUSH WELL, THEN PERFORM AN AIRSHOCK TO GET PERFORATIONS OPENED AND CLEANED, THEN SWAB THE SCREENED AREA AND BAIL BOTTOM CLEAN, AND PERFORM A POST VIDEO, PER QUOTE DATED 12/27/2021.			19229.7	DOLL	\$1.000	\$19,229.70
REF REQ E38897 AS PER QUOTE DATED 12/1/21 SUBJECT TO PREVAILING WAGE ADDENDUM, ATTACHED. MH 1/3/2022: ADDED LINE 2. WILL GO TO COUNCIL TO REPORT.							

CHANGE ORDER

By Purchasing Supervisor

VENDOR COPY

PO Total

Page 194 of 856
\$28,689.70

1. **GENERALLY.** These Terms and Conditions of Sale ("Terms and Conditions") apply to all purchases by City of Ukiah. (Referred to as "Buyer"). The supplier of goods and services under this transaction is herein referred to as "Seller". The goods or service purchased are referred to as the "Purchase."

2. **TERMS EXCLUSIVE.** Buyer will order the goods or services described herein only upon the terms and conditions contained herein. Seller's acceptance of this order shall occur either through commencement of performance under this order or acknowledgment of this order. By accepting this order, Seller waives all terms and conditions contained in its quotation, acknowledgment, invoice or other documents which are different from or additional to those contained herein and all such different or additional terms and conditions shall be null and void. **SELLER MAY NOT CHANGE MATERIAL OF MANUFACTURE, SOURCES OF SUPPLY, MANUFACTURING PROCESS OR LOCATION WITHOUT THE PRIOR WRITTEN CONSENT OF BUYER.**

3. **INSPECTION.** All goods shall be received subject to Buyer's inspection and rejection. Defective goods and goods otherwise not conforming to this order shall be held for Seller's instruction and at Seller's risk, and if Seller so directs, shall be returned at Seller's expense. No defective goods shall be replaced without a new purchase order. Payment by Buyer shall not be construed as an acceptance of goods. Buyer may return to Seller any non-defective, excess goods within thirty (30) days of receiving them.

4. **CHANGES.** City may make changes within the general scope of this order in drawings and specifications for specially manufactured supplies, place of delivery, method of shipment or packing of the order by giving notice to Seller and subsequently confirming such changes in writing. If such changes affect the cost of or the time required for performance of this order, an equitable adjustment in the price or delivery or both must be made. No change by Seller is allowed without City's written approval. Any claim by Seller for an adjustment under this section must be made in writing within thirty (30) days from the date of receipt by Seller of notification of such change unless City waives this condition in writing. Nothing in this section excuses Seller from proceeding with performance of the order as changed.

5. **TERMINATION.** City may terminate this order at any time, either verbally or in writing, with or without cause. Should termination occur, City will pay Seller as full performance until such termination the unit or pro rata order price for the performed and accepted portion of the Purchase. City may provide written notice of termination for Seller's default if Seller refuses or fails to comply with this order. If Seller does not cure such failure within a reasonable time period, or fails to perform the Purchase within the time specified (or allowed by extension), Seller will be liable to City for any excess costs incurred by City.

6. **TIME EXTENSION.** Time is of the essence City may extend the time for completion if, in City's sole determination, Seller was delayed because of causes beyond Seller's control and without Seller's fault or negligence. In the event delay was caused by City, Seller's sole remedy is limited to recovering money actually and necessarily expended by Seller because of the delay; there is no right to recover anticipated profit.

7. **REMEDIES CUMULATIVE.** City's rights and remedies under this order are not exclusive and are in addition to any rights and remedies provided by law.

8. **TITLE.** Title to materials and supplies purchased under this order pass directly from Seller to City upon City's written acceptance following an actual inspection and City's opportunity to reject.

9. **PAYMENT.** City will pay Seller after receiving acceptable invoices for materials and supplies delivered and accepted or services rendered and accepted. City will not pay cartage, shipping, packaging or boxing expenses unless specified in this order.

10. **INDEMNIFICATION.** Seller agrees to indemnify and hold harmless from and against any claim, action, damages, costs (including, without limitation, attorney's fees), injuries, or liability, arising out of the Purchase or the order, or their performance. Should City be named in any suit, or should any claim be brought against it by suit or otherwise, whether the same be groundless or not, arising out of the Purchase or order, or their performance, Seller will defend City (at City's request and with counsel satisfactory to City) and indemnify City for any judgment rendered against it or any sums paid out in settlement or otherwise. For purposes of this section "City" includes City's officers, elected officials, and employees. This paragraph 9 will survive termination of this order. The requirements as to the types and limits of insurance coverage to be maintained by Seller, and any approval of such insurance by City, are not intended to and will not in any manner limit or qualify the liabilities and obligations otherwise assumed by Seller pursuant to this order, including, without limitation, to the provisions concerning indemnification.

11. **WARRANTY.** Seller agrees that the Purchase is covered by the most favorable commercial warranties the Seller gives to any customer for the same or substantially similar supplies or services, or such other more favorable warranties as is specified in this order. Warranties will be effective notwithstanding any inspection or acceptance of the Purchase by City.

12. **ASSIGNMENT.** City may assign this order. Except as to any payment due under this order, Seller may not assign or subcontract the order without City's written approval. Should City give consent, it will not relieve Seller from any obligations under this order and any transferee or subcontractor will be considered Seller's agent.

13. **INSURANCE.** Seller must provide the insurance indicated on the face sheet of this order.

14. **PERMITS.** Seller must procure all necessary permits and licenses, and abide by all federal, state, and local laws, for performing this order.

15. **INDEPENDENT CONTRACTOR.** City and Seller agree that Seller will act as an independent contractor and will have control of all work and the manner in which it is performed. Seller will be free to contract for similar service to be performed for other employers while under contract with City. Seller is not an agent or employee of City and is not entitled to participate in any pension plan, insurance, bonus or similar benefits City provides for its employees. Any provision in this order that may appear to give City the right to direct Seller as to the details of doing the work or to exercise a measure of control over the work means the Seller will follow the direction of the City as to end results of the work only.

16. **WAIVER.** City's review or acceptance of, or payment for, work product prepared by Seller under this order will not be construed to operate as a waiver of any rights City may have under this Agreement or of any cause of action arising from Seller's performance. A waiver by City of any breach of any term, covenant, or condition contained in this order will not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition contained in this order, whether of the same or different character.

17. **INTERPRETATION.** This Agreement was drafted in, and will be construed in accordance with the laws of the State of California, and exclusive venue for any action involving this agreement will be in Mendocino County.



AGENDA SUMMARY REPORT

SUBJECT: Authorize City Manager to Sign Airport Rescue Grant Offer, Grant No. 3-06-0268-021-2022 for Ukiah Municipal Airport in the Amount of \$32,000, and Approve Corresponding Budget Amendment(s).

DEPARTMENT: Airport

PREPARED BY: Greg Owen, Airport Manager

PRESENTER: Greg Owen, Airport Manager

ATTACHMENTS:

1. Grant Agreement

Summary: Council will consider authorizing the City Manager to sign a Federal Aviation Administration Airport Rescue Grant Offer, Grant No. 3-06-0268-021-2022 for the Ukiah Municipal Airport for the amount of \$32,000, and approval of corresponding budget amendment(s). These funds will be used to support the airport's operating budget.

Background: Staff has submitted to the FAA an Airport Rescue Grant Application dated November 18, 2021, for a grant of Federal funds. The purpose of this Airport Rescue Grant is to provide eligible sponsors with funding for costs related to operations, personnel, cleaning, sanitization, janitorial services, combating the spread of pathogens at the airport, and debt service payments.

Discussion: This Airport Rescue Grant "Attachment 1 Grant Agreement" is provided in accordance with the American Rescue Plan Act ("ARP Act", or "the Act"), Public Law 117-2, as described below, to provide eligible Sponsors with funding for costs related to operations, personnel, cleaning, sanitization, janitorial services, combating the spread of pathogens at the airport, and debt service payments. Airport Rescue Grant amounts to specific airports are derived by legislative formula (See Section 7102 of the Act). The purpose of this Airport Rescue Grant is to prevent, prepare for, and respond to the coronavirus pandemic. Funds provided under this Airport Rescue Grant Agreement must be used only for purposes directly related to the airport. Such purposes can include the reimbursement of an airport's operational expenses or debt service payments in accordance with the limitations prescribed in the Act.

Grant No. 3-06-0268-021-2022 Airport Rescue Grants may be used to reimburse airport operational expenses directly related to Ukiah Municipal incurred no earlier than January 20, 2020. Airport Rescue Grants also may be used to reimburse a Sponsor's payment of debt service where such payments occur on or after March 11, 2021. Funds provided under this Airport Rescue Grant Agreement will be governed by the same principles that govern "airport revenue." New airport development projects not directly related to combating the spread of pathogens may not be funded with this Grant Funding under this Grant for airport development projects to combat the spread of pathogens will be reallocated using an addendum to this Agreement for identified and approved projects.

Recommended Action: Authorize City Manager to sign Airport Rescue Grant Offer, Grant No. 3-06-0268-021-2022 for Ukiah Municipal Airport in the amount of \$32,000, and approve corresponding budget amendment{s}.

BUDGET AMENDMENT REQUIRED: Yes

CURRENT BUDGET AMOUNT: 77700000.43290.18270: \$0

PROPOSED BUDGET AMOUNT: 77700000.43290.18270: \$32,000

FINANCING SOURCE: FAA

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH:

Approved: 
Sage Sangiacomo, City Manager

3-06-0268-021-2022



U.S. Department
of Transportation
Federal Aviation
Administration

Airports Division
Western-Pacific Region
California

FAA SFO ADO
1000 Marina Boulevard
Suite 115
Brisbane, CA 94005

Airport Rescue Grant Transmittal Letter

January 10, 2022

Mr. Greg Owen
Airport Manager
City of Ukiah
1403 S. State Street
Ukiah, CA 95482

Dear Mr. Owen:

Please find the following electronic Airport Rescue Grant Offer, Grant No. 3-06-0268-021-2022 for Ukiah Municipal Airport. This letter outlines expectations for success. Please read and follow the instructions carefully.

To properly enter into this agreement, you must do the following:

- a. The governing body must provide authority to execute the grant to the individual signing the grant; i.e. the sponsor's authorized representative.
- b. The sponsor's authorized representative must execute the grant, followed by the attorney's certification, no later than **January 24, 2022** in order for the grant to be valid.
- c. You may not make any modification to the text, terms or conditions of the grant offer.
- d. The grant offer must be digitally signed by the sponsor's legal signatory authority and then routed via email to the sponsor's attorney. Once the attorney has digitally attested to the grant, an email with the executed grant will be sent to all parties.

Subject to the requirements in 2 CFR §200.305, each payment request for reimbursement under this grant must be made electronically via the Delphi eInvoicing System. Please see the attached Grant Agreement for more information regarding the use of this System. The terms and conditions of this agreement require you draw down and expend these funds within four years.

An airport sponsor may use these funds for costs related to operations, personnel, cleaning, sanitization, janitorial services, combating the spread of pathogens at the airport, and debt service payments. Please refer to the [Airport Rescue Grants Frequently Asked Questions](#) for further information.

With each payment request you are required to upload an invoice summary directly to Delphi. The invoice summary should include enough detail to permit FAA to verify compliance with the American Rescue Plan Act (Public Law 117-2). Additional details or invoices may be requested by FAA during the review of your payment requests.

As part of your final payment request, you are required to include in Delphi:

- A signed SF-425, *Federal Financial Report*
- A signed closeout report (a sample report is available [here](#)).

Until the grant is completed and closed, you are responsible for submitting a signed and dated SF-425 annually, due 90 days after the end of each Federal fiscal year in which this grant is open (due December 31 of each year this grant is open).

As a condition of receiving Federal assistance under this award, you must comply with audit requirements as established under 2 CFR part 200. Subpart F requires non-Federal entities that expend \$750,000 or more in Federal awards to conduct a single or program specific audit for that year. Note that this includes Federal expenditures made under other Federal-assistance programs. Please take appropriate and necessary action to assure your organization will comply with applicable audit requirements and standards.

I am readily available to assist you and your designated representative with the requirements stated herein. The FAA sincerely values your cooperation in these efforts.

Sincerely,

Amy Choi for Laurie Suttmeier
Amy Choi for Laurie Suttmeier (Jan 10, 2022 10:06 PST)

Laurie J. Suttmeier
Manager



U.S. Department
of Transportation
Federal Aviation
Administration

AIRPORT RESCUE GRANT

GRANT AGREEMENT

Part I - Offer

Federal Award Offer Date January 10, 2022

Airport/Planning Area Ukiah Municipal Airport

Airport Rescue Grant No. 3-06-0268-021-2022

Unique Entity Identifier 152110466

TO: City of Ukiah

(herein called the "Sponsor")

FROM: The United States of America (acting through the Federal Aviation Administration, herein called the "FAA")

WHEREAS, the Sponsor has submitted to the FAA an Airport Rescue Grant Application dated November 18, 2021, for a grant of Federal funds at or associated with the Ukiah Municipal Airport, which is included as part of this Airport Rescue Grant Agreement;

WHEREAS, the Sponsor has accepted the terms of FAA's Airport Rescue Grant offer;

WHEREAS, in consideration of the promises, representations and assurances provided by the Sponsor, the FAA has approved the Airport Rescue Grant Application for the Ukiah Municipal Airport, (herein called the "Grant" or "Airport Rescue Grant") consisting of the following:

WHEREAS, this Airport Rescue Grant is provided in accordance with the American Rescue Plan Act ("ARP Act", or "the Act"), Public Law 117-2, as described below, to provide eligible Sponsors with funding for costs related to operations, personnel, cleaning, sanitization, janitorial services, combating the spread of pathogens at the airport, and debt service payments. Airport Rescue Grant amounts to specific airports are derived by legislative formula (See Section 7102 of the Act).

WHEREAS, the purpose of this Airport Rescue Grant is to prevent, prepare for, and respond to the coronavirus pandemic. Funds provided under this Airport Rescue Grant Agreement must be used only for purposes directly related to the airport. Such purposes can include the reimbursement of an airport's operational expenses or debt service payments in accordance with the limitations prescribed in the Act.

Airport Rescue Grants may be used to reimburse airport operational expenses directly related to Ukiah Municipal incurred no earlier than January 20, 2020.

Airport Rescue Grants also may be used to reimburse a Sponsor's payment of debt service where such payments occur on or after March 11, 2021. Funds provided under this Airport Rescue Grant Agreement will be governed by the same principles that govern "airport revenue." New airport development projects not directly related to combating the spread of pathogens may not be funded with this Grant. Funding under this Grant for airport development projects to combat the spread of pathogens will be reallocated using an addendum to this Agreement for identified and approved projects.

NOW THEREFORE, in accordance with the applicable provisions of the ARP Act, Public Law 117-2, the representations contained in the Grant Application, and in consideration of (a) the Sponsor's acceptance of this Offer; and, (b) the benefits to accrue to the United States and the public from the accomplishment of the Grant and in compliance with the conditions as herein provided,

THE FEDERAL AVIATION ADMINISTRATION, FOR AND ON BEHALF OF THE UNITED STATES, HEREBY OFFERS AND AGREES to pay 100% percent of the allowable costs incurred as a result of and in accordance with this Grant Agreement.

Assistance Listings Number (Formerly CFDA Number): 20.106

This Offer is made on and **SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:**

CONDITIONS

1. **Maximum Obligation.** The maximum obligation of the United States payable under this Offer is \$32,000, allocated as follows:
 \$32,000 ARPA KW2022
2. **Grant Performance.** This Airport Rescue Grant Agreement is subject to the following Federal award requirements:
 - a. The Period of Performance:
 1. Shall start on the date the Sponsor formally accepts this agreement, and is the date signed by the last Sponsor signatory to the agreement. The end date of the period of performance is 4 years (1,460 calendar days) from the date of acceptance. The period of performance end date shall not affect, relieve, or reduce Sponsor obligations and assurances that extend beyond the closeout of this Grant Agreement.
 2. Means the total estimated time interval between the start of an initial Federal award and the planned end date, which may include one or more funded portions, or budget periods. (2 Code of Federal Regulations (CFR) § 200.1)
 - b. The Budget Period:
 1. For this Airport Rescue Grant is 4 years (1,460 calendar days). Pursuant to 2 CFR § 200.403(h), the Sponsor may charge to the Grant only allowable costs incurred during the budget period.
 2. Means the time interval from the start date of a funded portion of an award to the end date of that funded portion during which the Sponsor is authorized to expend the funds awarded, including any funds carried forward or other revisions pursuant to § 200.308.
 - c. Close out and Termination.

1. Unless the FAA authorizes a written extension, the Sponsor must submit all Grant closeout documentation and liquidate (pay-off) all obligations incurred under this award no later than 120 calendar days after the end date of the period of performance. If the Sponsor does not submit all required closeout documentation within this time period, the FAA will proceed to close out the Grant within one year of the period of performance end date with the information available at the end of 120 days. (2 CFR § 200.344)
2. The FAA may terminate this Airport Rescue Grant, in whole or in part, in accordance with the conditions set forth in 2 CFR § 200.340, or other Federal regulatory or statutory authorities as applicable.
3. **Unallowable Costs.** The Sponsor shall not seek reimbursement for any costs that the FAA has determined to be unallowable under the ARP Act.
4. **Indirect Costs - Sponsor.** The Sponsor may charge indirect costs under this award by applying the indirect cost rate identified in the Grant Application as accepted by the FAA, to allowable costs for Sponsor direct salaries and wages only.
5. **Final Federal Share of Costs.** The United States' share of allowable Grant costs is 100%.
6. **Completing the Grant without Delay and in Conformance with Requirements.** The Sponsor must carry out and complete the Grant without undue delays and in accordance with this Airport Rescue Grant Agreement, the ARP Act, and the regulations, policies, standards, and procedures of the Secretary of Transportation ("Secretary"). Pursuant to 2 CFR § 200.308, the Sponsor agrees to report to the FAA any disengagement from funding eligible expenses under the Grant that exceeds three months or a 25 percent reduction in time devoted to the Grant, and request prior approval from FAA. The report must include a reason for the stoppage. The Sponsor agrees to comply with the attached assurances, which are part of this agreement and any addendum that may be attached hereto at a later date by mutual consent.
7. **Amendments or Withdrawals before Grant Acceptance.** The FAA reserves the right to amend or withdraw this offer at any time prior to its acceptance by the Sponsor.
8. **Offer Expiration Date.** This offer will expire and the United States will not be obligated to pay any part of the costs unless this offer has been accepted by the Sponsor on or before January 24, 2022, or such subsequent date as may be prescribed in writing by the FAA.
9. **Improper Use of Federal Funds.** The Sponsor must take all steps, including litigation if necessary, to recover Federal funds spent fraudulently, wastefully, or in violation of Federal antitrust statutes, or misused in any other manner, including uses that violate this Airport Rescue Grant Agreement, the ARP Act, or other provision of applicable law. For the purposes of this Airport Rescue Grant Agreement, the term "Federal funds" means funds however used or dispersed by the Sponsor that were originally paid pursuant to this or any other Federal grant agreement(s). The Sponsor must return the recovered Federal share, including funds recovered by settlement, order, or judgment, to the Secretary. The Sponsor must furnish to the Secretary, upon request, all documents and records pertaining to the determination of the amount of the Federal share or to any settlement, litigation, negotiation, or other efforts taken to recover such funds. All settlements or other final positions of the Sponsor, in court or otherwise, involving the recovery of such Federal share require advance approval by the Secretary.
10. **United States Not Liable for Damage or Injury.** The United States is not responsible or liable for damage to property or injury to persons which may arise from, or relate to this Airport Rescue

Grant Agreement, including, but not limited to, any action taken by a Sponsor related to or arising from, directly or indirectly, this Airport Rescue Grant Agreement.

11. System for Award Management (SAM) Registration and Unique Entity Identifier (UEI).

- a. Requirement for System for Award Management (SAM): Unless the Sponsor is exempted from this requirement under 2 CFR 25.110, the Sponsor must maintain the currency of its information in SAM until the Sponsor submits the final financial report required under this Grant, or receives the final payment, whichever is later. This requires that the Sponsor review and update the information at least annually after the initial registration and more frequently if required by changes in information or another award term. Additional information about registration procedures may be found at the SAM website (currently at <http://www.sam.gov>).
- b. Unique entity identifier (UEI) means a 12-character alpha-numeric value used to identify a specific commercial, nonprofit or governmental entity. A UEI may be obtained from SAM.gov at <https://sam.gov/SAM/pages/public/index.jsf>.

12. Electronic Grant Payment(s). Unless otherwise directed by the FAA, the Sponsor must make each payment request under this agreement electronically via the Delphi eInvoicing System for Department of Transportation (DOT) Financial Assistance Awardees.

13. Air and Water Quality. The Sponsor is required to comply with all applicable air and water quality standards for all projects in this grant. If the Sponsor fails to comply with this requirement, the FAA may suspend, cancel, or terminate this Agreement.

14. Financial Reporting and Payment Requirements. The Sponsor will comply with all Federal financial reporting requirements and payment requirements, including submittal of timely and accurate reports.

15. Buy American. Unless otherwise approved in advance by the FAA, in accordance with 49 United States Code (U.S.C.) § 50101, the Sponsor will not acquire or permit any contractor or subcontractor to acquire any steel or manufactured goods produced outside the United States to be used for any project for which funds are provided under this grant. The Sponsor will include a provision implementing Buy American in every contract.

16. Audits for Sponsors.

PUBLIC SPONSORS. The Sponsor must provide for a Single Audit or program-specific audit in accordance with 2 CFR Part 200. The Sponsor must submit the audit reporting package to the Federal Audit Clearinghouse on the Federal Audit Clearinghouse's Internet Data Entry System at <http://harvester.census.gov/facweb/>. Upon request of the FAA, the Sponsor shall provide one copy of the completed audit to the FAA.

17. Suspension or Debarment. When entering into a "covered transaction" as defined by 2 CFR § 180.200, the Sponsor must:

- a. Verify the non-Federal entity is eligible to participate in this Federal program by:
 1. Checking the excluded parties list system (EPLS) as maintained within the System for Award Management (SAM) to determine if the non-Federal entity is excluded or disqualified; or
 2. Collecting a certification statement from the non-Federal entity attesting the entity is not excluded or disqualified from participating; or

3. Adding a clause or condition to covered transactions attesting the individual or firm is not excluded or disqualified from participating.
- b. Require prime contractors to comply with 2 CFR § 180.330 when entering into lower-tier transactions (e.g., subcontracts).
- c. Immediately disclose to the FAA whenever the Sponsor (1) learns the Sponsor has entered into a covered transaction with an ineligible entity, or (2) suspends or debars a contractor, person, or entity.

18. Ban on Texting While Driving.

- a. In accordance with Executive Order 13513, Federal Leadership on Reducing Text Messaging While Driving, October 1, 2009, and DOT Order 3902.10, Text Messaging While Driving, December 30, 2009, the Sponsor is encouraged to:
 1. Adopt and enforce workplace safety policies to decrease crashes caused by distracted drivers, including policies to ban text messaging while driving when performing any work for, or on behalf of, the Federal government, including work relating to this Airport Rescue Grant or subgrant funded by this Grant.
 2. Conduct workplace safety initiatives in a manner commensurate with the size of the business, such as:
 - A. Establishment of new rules and programs or re-evaluation of existing programs to prohibit text messaging while driving; and
 - B. Education, awareness, and other outreach to employees about the safety risks associated with texting while driving.
- b. The Sponsor must insert the substance of this clause on banning texting while driving in all subgrants, contracts, and subcontracts funded by this Airport Rescue Grant.

19. Trafficking in Persons.

- a. You as the recipient, your employees, subrecipients under this Airport Rescue Grant, and subrecipients' employees may not –
 1. Engage in severe forms of trafficking in persons during the period of time that the award is in effect;
 2. Procure a commercial sex act during the period of time that the award is in effect; or
 3. Use forced labor in the performance of the award or subawards under the Airport Rescue Grant.
- b. The FAA as the Federal awarding agency may unilaterally terminate this award, without penalty, if you or a subrecipient that is a private entity –
 1. Is determined to have violated a prohibition in paragraph a. of this Airport Rescue Grant Agreement term; or
 2. Has an employee who is determined by the agency official authorized to terminate the Airport Rescue Grant Agreement to have violated a prohibition in paragraph a. of this Airport Rescue Grant term through conduct that is either –
 - A. Associated with performance under this Airport Rescue Grant; or

- B. Imputed to the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR Part 180, “OMB Guidelines to Agencies on Government-wide Debarment and Suspension (Nonprocurement),” as implemented by the FAA at 2 CFR Part 1200.
- c. You must inform us immediately of any information you receive from any source alleging a violation of a prohibition in paragraph a. of this Grant condition during this Airport Rescue Grant Agreement.
- d. Our right to terminate unilaterally that is described in paragraph a. of this Grant condition:
 - 1. Implements section 106(g) of the Trafficking Victims Protection Act of 2000 (TVPA), as amended (22 U.S.C. § 7104(g)), and
 - 2. Is in addition to all other remedies for noncompliance that are available to the FAA under this Airport Rescue Grant.

20. Employee Protection from Reprisal.

- a. Prohibition of Reprisals —
 - 1. In accordance with 41 U.S.C. § 4712, an employee of a grantee or subgrantee may not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing to a person or body described in sub-paragraph (a)(2) of this Grant condition, information that the employee reasonably believes is evidence of:
 - a. Gross mismanagement of a Federal grant;
 - b. Gross waste of Federal funds;
 - c. An abuse of authority relating to implementation or use of Federal funds;
 - d. A substantial and specific danger to public health or safety; or
 - e. A violation of law, rule, or regulation related to a Federal grant.
 - 2. Persons and bodies covered: The persons and bodies to which a disclosure by an employee is covered are as follows:
 - a. A member of Congress or a representative of a committee of Congress;
 - b. An Inspector General;
 - c. The Government Accountability Office;
 - d. A Federal employee responsible for oversight or management of a grant program at the relevant agency;
 - e. A court or grand jury;
 - f. A management official or other employee of the Sponsor, contractor, or subcontractor who has the responsibility to investigate, discover, or address misconduct; or
 - g. An authorized official of the Department of Justice or other law enforcement agency.
 - 3. Submission of Complaint — A person who believes that they have been subjected to a reprisal prohibited by paragraph a. of this Airport Rescue Grant Agreement may submit a complaint regarding the reprisal to the Office of Inspector General (OIG) for the U.S. Department of Transportation.
 - 4. Time Limitation for Submittal of a Complaint — A complaint may not be brought under this subsection more than three years after the date on which the alleged reprisal took place.

5. Required Actions of the Inspector General — Actions, limitations, and exceptions of the Inspector General's office are established under 41 U.S.C. § 4712(b).
6. Assumption of Rights to Civil Remedy — Upon receipt of an explanation of a decision not to conduct or continue an investigation by the Office of Inspector General, the person submitting a complaint assumes the right to a civil remedy under 41 U.S.C. § 4712(c).
21. **Limitations.** Nothing provided herein shall be construed to limit, cancel, annul, or modify the terms of any Federal grant agreement(s), including all terms and assurances related thereto, that have been entered into by the Sponsor and the FAA prior to the date of this Airport Rescue Grant Agreement.
22. **Face Coverings Policy.** The sponsor agrees to implement a face-covering (mask) policy to combat the spread of pathogens. This policy must include a requirement that all persons wear a mask, in accordance with Centers for Disease Control (CDC) and Transportation Security Administration (TSA) requirements, as applicable, at all times while in all public areas of the airport property, except to the extent exempted under those requirements. This special condition requires the airport sponsor continue to require masks until [Executive Order 13998, Promoting COVID-19 Safety in Domestic and International Travel](#), is no longer effective.

SPECIAL CONDITIONS FOR USE OF AIRPORT RESCUE GRANT FUNDS

CONDITIONS FOR EQUIPMENT -

1. **Equipment or Vehicle Replacement.** The Sponsor agrees that when using funds provided by this Grant to replace equipment, the proceeds from the trade-in or sale of such replaced equipment shall be classified and used as airport revenue.
2. **Equipment Acquisition.** The Sponsor agrees that for any equipment acquired with funds provided by this Grant, such equipment shall be used solely for purposes directly related to combating the spread of pathogens at the airport.
3. **Low Emission Systems.** The Sponsor agrees that vehicles and equipment acquired with funds provided in this Grant:
 - a. Will be maintained and used at the airport for which they were purchased; and
 - b. Will not be transferred, relocated, or used at another airport without the advance consent of the FAA.

The Sponsor further agrees that it will maintain annual records on individual vehicles and equipment, project expenditures, cost effectiveness, and emission reductions.

CONDITIONS FOR UTILITIES AND LAND -

4. **Utilities Proration.** For purposes of computing the United States' share of the allowable airport operations and maintenance costs, the allowable cost of utilities incurred by the Sponsor to operate and maintain airport(s) included in the Grant must not exceed the percent attributable to the capital or operating costs of the airport.
5. **Utility Relocation in Grant.** The Sponsor understands and agrees that:
 - a. The United States will not participate in the cost of any utility relocation unless and until the Sponsor has submitted evidence satisfactory to the FAA that the Sponsor is legally responsible for payment of such costs;

- b. FAA participation is limited to those utilities located on-airport or off-airport only where the Sponsor has an easement for the utility; and
- c. The utilities must serve a purpose directly related to the Airport.

The Sponsor's acceptance of this Offer and ratification and adoption of the Airport Rescue Grant Application incorporated herein shall be evidenced by execution of this instrument by the Sponsor. The Offer and Acceptance shall comprise an Airport Rescue Grant Agreement, as provided by the ARP Act, constituting the contractual obligations and rights of the United States and the Sponsor with respect to this Grant. The effective date of this Airport Rescue Grant Agreement is the date of the Sponsor's acceptance of this Offer.

Please read the following information: By signing this document, you are agreeing that you have reviewed the following consumer disclosure information and consent to transact business using electronic communications, to receive notices and disclosures electronically, and to utilize electronic signatures in lieu of using paper documents. You are not required to receive notices and disclosures or sign documents electronically. If you prefer not to do so, you may request to receive paper copies and withdraw your consent at any time.

Dated January 10, 2022

**UNITED STATES OF AMERICA
FEDERAL AVIATION ADMINISTRATION**

Amy Choi for Laurie Suttmeier

Amy Choi for Laurie Suttmeier (Jan 10, 2022 10:06 PST)

(Signature)

Amy Choi for Laurie Suttmeier

(Typed Name)

Assistant Manager SFO ADO

(Title of FAA Official)

Part II - Acceptance

The Sponsor does hereby ratify and adopt all assurances, statements, representations, warranties, covenants, and agreements contained in the Airport Rescue Grant Application and incorporated materials referred to in the foregoing Offer under Part I of this Airport Rescue Grant Agreement, and does hereby accept this Offer and by such acceptance agrees to comply with all of the terms and conditions in this Offer and in the Airport Rescue Grant Application and all applicable terms and conditions provided for in the ARP Act and other applicable provisions of Federal law.

Please read the following information: By signing this document, you are agreeing that you have reviewed the following consumer disclosure information and consent to transact business using electronic communications, to receive notices and disclosures electronically, and to utilize electronic signatures in lieu of using paper documents. You are not required to receive notices and disclosures or sign documents electronically. If you prefer not to do so, you may request to receive paper copies and withdraw your consent at any time.

I declare under penalty of perjury that the foregoing is true and correct. ¹

Dated

City of Ukiah

(Name of Sponsor)

(Signature of Sponsor's Designative Official/Representative)

By:

(Type Name of Sponsor's Designative Official/Representative)

Title:

(Title of Sponsor's Designative Official/Representative)

¹ Knowingly and willfully providing false information to the Federal government is a violation of 18 U.S.C. Section 1001 (False Statements) and could subject you to fines, imprisonment, or both.

CERTIFICATE OF SPONSOR'S ATTORNEY

I, _____, acting as Attorney for the Sponsor do hereby certify:

That in my opinion the Sponsor is empowered to enter into the foregoing Grant Agreement under the laws of the State of California. Further, I have examined the foregoing Grant Agreement and the actions taken by said Sponsor and Sponsor's official representative has been duly authorized and that the execution thereof is in all respects due and proper and in accordance with the laws of the said State and the ARP Act. The Sponsor understands funding made available under this Grant Agreement may only be used for costs related to operations, personnel, cleaning, sanitization, janitorial services, and combating the spread of pathogens at the airport incurred on or after January 20, 2020, or for debt service payments that are due on or after March 11, 2021. Further, it is my opinion the foregoing Grant Agreement constitutes a legal and binding obligation of the Sponsor in accordance with the terms thereof.

Please read the following information: By signing this document, you are agreeing that you have reviewed the following consumer disclosure information and consent to transact business using electronic communications, to receive notices and disclosures electronically, and to utilize electronic signatures in lieu of using paper documents. You are not required to receive notices and disclosures or sign documents electronically. If you prefer not to do so, you may request to receive paper copies and withdraw your consent at any time.

Dated at _____

By:

(Signature of Sponsor's Attorney)

AIRPORT RESCUE GRANT ASSURANCES

AIRPORT SPONSORS

A. General.

1. These Airport Rescue Grant Assurances are required to be submitted as part of the application by sponsors requesting funds under the provisions of the American Rescue Plan Act of 2021 (“ARP Act,” or “the Act”), Public Law 117-2. As used herein, the term “public agency sponsor” means a public agency with control of a public-use airport; the term “private sponsor” means a private owner of a public-use airport; and the term “sponsor” includes both public agency sponsors and private sponsors.
2. Upon acceptance of this Airport Rescue Grant offer by the sponsor, these assurances are incorporated into and become part of this Airport Rescue Grant Agreement.

B. Sponsor Certification.

The sponsor hereby assures and certifies, with respect to this Airport Rescue Grant that:

It will comply with all applicable Federal laws, regulations, executive orders, policies, guidelines, and requirements as they relate to the application, acceptance, and use of Federal funds for this Airport Rescue Grant including but not limited to the following:

FEDERAL LEGISLATION

- a. 49 U.S.C. Chapter 471, as applicable
- b. Davis-Bacon Act — 40 U.S.C. 276(a), et. seq.
- c. Federal Fair Labor Standards Act — 29 U.S.C. 201, et. seq.
- d. Hatch Act — 5 U.S.C. 1501, et. seq.²
- e. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 Title 42 U.S.C. 4601, et. seq.
- f. National Historic Preservation Act of 1966 — Section 106 — 16 U.S.C. 470(f).
- g. Archeological and Historic Preservation Act of 1974 — 16 U.S.C. 469 through 469c.
- h. Native Americans Grave Repatriation Act — 25 U.S.C. Section 3001, et. seq.
- i. Clean Air Act, P.L. 90-148, as amended.
- j. Coastal Zone Management Act, P.L. 93-205, as amended.
- k. Flood Disaster Protection Act of 1973 — Section 102(a) — 42 U.S.C. 4012a.
- l. Title 49, U.S.C., Section 303, (formerly known as Section 4(f)).
- m. Rehabilitation Act of 1973 — 29 U.S.C. 794.
- n. Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin).
- o. Americans with Disabilities Act of 1990, as amended, (42 U.S.C. § 12101 et seq.), prohibits discrimination on the basis of disability).
- p. Age Discrimination Act of 1975 — 42 U.S.C. 6101, et. seq.

- q. American Indian Religious Freedom Act, P.L. 95-341, as amended.
- r. Architectural Barriers Act of 1968 — 42 U.S.C. 4151, et. seq.
- s. Power plant and Industrial Fuel Use Act of 1978 — Section 403- 2 U.S.C. 8373.
- t. Contract Work Hours and Safety Standards Act — 40 U.S.C. 327, et. seq.
- u. Copeland Anti-kickback Act — 18 U.S.C. 874.1.
- v. National Environmental Policy Act of 1969 — 42 U.S.C. 4321, et. seq.
- w. Wild and Scenic Rivers Act, P.L. 90-542, as amended.
- x. Single Audit Act of 1984 — 31 U.S.C. 7501, et. seq.²
- y. Drug-Free Workplace Act of 1988 — 41 U.S.C. 702 through 706.
- z. The Federal Funding Accountability and Transparency Act of 2006, as amended (Pub. L. 109-282, as amended by section 6202 of Pub. L. 110-252).

EXECUTIVE ORDERS

- a. Executive Order 11246 – Equal Employment Opportunity
- b. Executive Order 11990 – Protection of Wetlands
- c. Executive Order 11998 – Flood Plain Management
- d. Executive Order 12372 – Intergovernmental Review of Federal Programs
- e. Executive Order 12699 – Seismic Safety of Federal and Federally Assisted New Building Construction
- f. Executive Order 12898 – Environmental Justice
- g. Executive Order 14005 – Ensuring the Future Is Made in All of America by All of America's Workers.

FEDERAL REGULATIONS

- a. 2 CFR Part 180 – OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement).
- b. 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.^{3,4}
- c. 2 CFR Part 1200 – Nonprocurement Suspension and Debarment.
- d. 28 CFR Part 35 – Discrimination on the Basis of Disability in State and Local Government Services.
- e. 28 CFR § 50.3 – U.S. Department of Justice Guidelines for Enforcement of Title VI of the Civil Rights Act of 1964.
- f. 29 CFR Part 1 – Procedures for predetermination of wage rates.¹
- g. 29 CFR Part 3 – Contractors and subcontractors on public building or public work financed in whole or part by loans or grants from the United States.¹

- h. 29 CFR Part 5 – Labor standards provisions applicable to contracts covering Federally financed and assisted construction (also labor standards provisions applicable to non-construction contracts subject to the Contract Work Hours and Safety Standards Act).¹
- i. 41 CFR Part 60 – Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor (Federal and Federally assisted contracting requirements).¹
- j. 49 CFR Part 20 – New restrictions on lobbying.
- k. 49 CFR Part 21 – Nondiscrimination in Federally-assisted programs of the Department of Transportation - effectuation of Title VI of the Civil Rights Act of 1964.
- l. 49 CFR Part 23 – Participation by Disadvantage Business Enterprise in Airport Concessions.
- m. 49 CFR Part 26 – Participation by Disadvantaged Business Enterprises in Department of Transportation Program.
- n. 49 CFR Part 27 – Nondiscrimination on the Basis of Handicap in Programs and Activities Receiving or Benefiting from Federal Financial Assistance.¹
- o. 49 CFR Part 28 – Enforcement of Nondiscrimination on the Basis of Handicap in Programs or Activities conducted by the Department of Transportation.
- p. 49 CFR Part 30 – Denial of public works contracts to suppliers of goods and services of countries that deny procurement market access to U.S. contractors.
- q. 49 CFR Part 32 – Government-wide Requirements for Drug-Free Workplace (Financial Assistance).
- r. 49 CFR Part 37 – Transportation Services for Individuals with Disabilities (ADA).
- s. 49 CFR Part 41 – Seismic safety of Federal and Federally assisted or regulated new building construction.

FOOTNOTES TO AIRPORT RESCUE GRANT ASSURANCE B

- ¹ These laws do not apply to airport planning sponsors.
- ² These laws do not apply to private sponsors.
- ³ Cost principles established in 2 CFR Part 200 subpart E must be used as guidelines for determining the eligibility of specific types of expenses.
- ⁴ Audit requirements established in 2 CFR Part 200 subpart F are the guidelines for audits.

SPECIFIC ASSURANCES

Specific assurances required to be included in grant agreements by any of the above laws, regulations, or circulars are incorporated by reference in this Grant Agreement.

1. Purpose Directly Related to the Airport

It certifies that the reimbursement sought is for a purpose directly related to the airport.

2. Responsibility and Authority of the Sponsor.

a. Public Agency Sponsor:

It has legal authority to apply for this Grant, and to finance and carry out the proposed grant; that an official decision has been made by the applicant's governing body authorizing the filing of the application, including all understandings and assurances contained therein, and directing

and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.

b. **Private Sponsor:**

It has legal authority to apply for this Grant and to finance and carry out the proposed Grant and comply with all terms, conditions, and assurances of this Grant Agreement. It shall designate an official representative and shall in writing direct and authorize that person to file this application, including all understandings and assurances contained therein; to act in connection with this application; and to provide such additional information as may be required.

3. Good Title.

It, a public agency or the Federal government, holds good title, satisfactory to the Secretary, to the landing area of the airport or site thereof, or will give assurance satisfactory to the Secretary that good title will be acquired.

4. Preserving Rights and Powers.

- a. It will not take or permit any action which would operate to deprive it of any of the rights and powers necessary to perform any or all of the terms, conditions, and assurances in this Grant Agreement without the written approval of the Secretary, and will act promptly to acquire, extinguish, or modify any outstanding rights or claims of right of others which would interfere with such performance by the sponsor. This shall be done in a manner acceptable to the Secretary.
- b. If the sponsor is a private sponsor, it will take steps satisfactory to the Secretary to ensure that the airport will continue to function as a public-use airport in accordance with this Grant Agreement.
- c. If an arrangement is made for management and operation of the airport by any agency or person other than the sponsor or an employee of the sponsor, the sponsor will reserve sufficient rights and authority to insure that the airport will be operated and maintained in accordance Title 49, United States Code, the regulations, and the terms and conditions of this Grant Agreement.

5. Consistency with Local Plans.

Any project undertaken by this Grant Agreement is reasonably consistent with plans (existing at the time of submission of the Airport Rescue Grant application) of public agencies that are authorized by the State in which the project is located to plan for the development of the area surrounding the airport.

6. Consideration of Local Interest.

It has given fair consideration to the interest of communities in or near where any project undertaken by this Grant Agreement may be located.

7. Consultation with Users.

In making a decision to undertake any airport development project undertaken by this Grant Agreement, it has undertaken reasonable consultations with affected parties using the airport at which project is proposed.

8. Pavement Preventative Maintenance.

With respect to a project undertaken by this Grant Agreement for the replacement or reconstruction of pavement at the airport, it assures or certifies that it has implemented an effective airport pavement maintenance-management program and it assures that it will use such program for the useful life of any pavement constructed, reconstructed, or repaired with Federal financial assistance at the airport, including Airport Rescue Grant funds provided under this Grant Agreement. It will provide such reports on pavement condition and pavement management programs as the Secretary determines may be useful.

9. Accounting System, Audit, and Record Keeping Requirements.

- a. It shall keep all Grant accounts and records which fully disclose the amount and disposition by the recipient of the proceeds of this Grant, the total cost of the Grant in connection with which this Grant is given or used, and the amount or nature of that portion of the cost of the Grant supplied by other sources, and such other financial records pertinent to the Grant. The accounts and records shall be kept in accordance with an accounting system that will facilitate an effective audit in accordance with the Single Audit Act of 1984.
- b. It shall make available to the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, for the purpose of audit and examination, any books, documents, papers, and records of the recipient that are pertinent to this Grant. The Secretary may require that an appropriate audit be conducted by a recipient. In any case in which an independent audit is made of the accounts of a sponsor relating to the disposition of the proceeds of a Grant or relating to the Grant in connection with which this Grant was given or used, it shall file a certified copy of such audit with the Comptroller General of the United States not later than six (6) months following the close of the fiscal year for which the audit was made.

10. Minimum Wage Rates.

It shall include, in all contracts in excess of \$2,000 for work on the airport funded under this Grant Agreement which involve labor, provisions establishing minimum rates of wages, to be predetermined by the Secretary of Labor, in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a-276a-5), which contractors shall pay to skilled and unskilled labor, and such minimum rates shall be stated in the invitation for bids and shall be included in proposals or bids for the work.

11. Veteran's Preference.

It shall include in all contracts for work on any airport development project funded under this Grant Agreement which involve labor, such provisions as are necessary to insure that, in the employment of labor (except in executive, administrative, and supervisory positions), preference shall be given to Vietnam-era veterans, Persian Gulf veterans, Afghanistan-Iraq war veterans, disabled veterans, and small business concerns owned and controlled by disabled veterans as defined in Section 47112 of Title 49, United States Code. However, this preference shall apply only where the individuals are available and qualified to perform the work to which the employment relates.

12. Operation and Maintenance.

- a. The airport and all facilities which are necessary to serve the aeronautical users of the airport, other than facilities owned or controlled by the United States, shall be operated at all times in a safe and serviceable condition and in accordance with the minimum standards as may be required or prescribed by applicable Federal, State and local agencies for maintenance and

operation. It will not cause or permit any activity or action thereon which would interfere with its use for airport purposes. It will suitably operate and maintain the airport and all facilities thereon or connected therewith, with due regard to climatic and flood conditions. Any proposal to temporarily close the airport for non-aeronautical purposes must first be approved by the Secretary. In furtherance of this assurance, the sponsor will have in effect arrangements for:

1. Operating the airport's aeronautical facilities whenever required;
 2. Promptly marking and lighting hazards resulting from airport conditions, including temporary conditions; and
 3. Promptly notifying airmen of any condition affecting aeronautical use of the airport. Nothing contained herein shall be construed to require that the airport be operated for aeronautical use during temporary periods when snow, flood or other climatic conditions interfere with such operation and maintenance. Further, nothing herein shall be construed as requiring the maintenance, repair, restoration, or replacement of any structure or facility which is substantially damaged or destroyed due to an act of God or other condition or circumstance beyond the control of the sponsor.
- b. It will suitably operate and maintain noise compatibility program items that it owns or controls upon which Federal funds have been expended.

13. Hazard Removal and Mitigation.

It will take appropriate action to assure that such terminal airspace as is required to protect instrument and visual operations to the airport (including established minimum flight altitudes) will be adequately cleared and protected by removing, lowering, relocating, marking, or lighting or otherwise mitigating existing airport hazards and by preventing the establishment or creation of future airport hazards.

14. Compatible Land Use.

It will take appropriate action, to the extent reasonable, including the adoption of zoning laws, to restrict the use of land adjacent to or in the immediate vicinity of the airport to activities and purposes compatible with normal airport operations, including landing and takeoff of aircraft.

15. Exclusive Rights.

The sponsor shall not grant an exclusive right to use an air navigation facility on which this Grant has been expended. However, providing services at an airport by only one fixed-based operator is not an exclusive right if—

- a. it is unreasonably costly, burdensome, or impractical for more than one fixed-based operator to provide the services; and
- b. allowing more than one fixed-based operator to provide the services requires a reduction in space leased under an agreement existing on September 3, 1982, between the operator and the airport.

16. Airport Revenues.

- a. This Grant shall be available for any purpose for which airport revenues may lawfully be used to prevent, prepare for, and respond to coronavirus. Funds provided under this Airport Rescue Grant Agreement will only be expended for the capital or operating costs of the airport; the local airport system; or other local facilities which are owned or operated by the owner or operator of the airport(s) subject to this agreement and all applicable addendums for costs

related to operations, personnel, cleaning, sanitization, janitorial services, combating the spread of pathogens at the airport, and debt service payments as prescribed in the Act.

- b. For airport development, 49 U.S.C. § 47133 applies.

17. Reports and Inspections.

It will:

- a. submit to the Secretary such annual or special financial and operations reports as the Secretary may reasonably request and make such reports available to the public; make available to the public at reasonable times and places a report of the airport budget in a format prescribed by the Secretary;
- b. in a format and time prescribed by the Secretary, provide to the Secretary and make available to the public following each of its fiscal years, an annual report listing in detail:
 - 1. all amounts paid by the airport to any other unit of government and the purposes for which each such payment was made; and
 - 2. all services and property provided by the airport to other units of government and the amount of compensation received for provision of each such service and property.

18. Land for Federal Facilities.

It will furnish without cost to the Federal Government for use in connection with any air traffic control or air navigation activities, or weather-reporting and communication activities related to air traffic control, any areas of land or water, or estate therein, or rights in buildings of the sponsor as the Secretary considers necessary or desirable for construction, operation, and maintenance at Federal expense of space or facilities for such purposes. Such areas or any portion thereof will be made available as provided herein within four months after receipt of a written request from the Secretary.

19. Airport Layout Plan.

- a. Subject to the FAA Reauthorization Act of 2018, Public Law 115-254, Section 163, it will keep up to date at all times an airport layout plan of the airport showing:
 - 1. boundaries of the airport and all proposed additions thereto, together with the boundaries of all offsite areas owned or controlled by the sponsor for airport purposes and proposed additions thereto;
 - 2. the location and nature of all existing and proposed airport facilities and structures (such as runways, taxiways, aprons, terminal buildings, hangars and roads), including all proposed extensions and reductions of existing airport facilities;
 - 3. the location of all existing and proposed non-aviation areas and of all existing improvements thereon; and
 - 4. all proposed and existing access points used to taxi aircraft across the airport's property boundary. Such airport layout plans and each amendment, revision, or modification thereof, shall be subject to the approval of the Secretary which approval shall be evidenced by the signature of a duly authorized representative of the Secretary on the face of the airport layout plan. The sponsor will not make or permit any changes or alterations in the airport or any of its facilities which are not in conformity with the airport layout plan

as approved by the Secretary and which might, in the opinion of the Secretary, adversely affect the safety, utility or efficiency of the airport.

- b. Subject to the FAA Reauthorization Act of 2018, Public Law 115-254, Section 163, if a change or alteration in the airport or the facilities is made which the Secretary determines adversely affects the safety, utility, or efficiency of any federally owned, leased, or funded property on or off the airport and which is not in conformity with the airport layout plan as approved by the Secretary, the owner or operator will, if requested, by the Secretary (1) eliminate such adverse effect in a manner approved by the Secretary; or (2) bear all costs of relocating such property (or replacement thereof) to a site acceptable to the Secretary and all costs of restoring such property (or replacement thereof) to the level of safety, utility, efficiency, and cost of operation existing before the unapproved change in the airport or its facilities except in the case of a relocation or replacement of an existing airport facility due to a change in the Secretary's design standards beyond the control of the airport sponsor.

20. Civil Rights.

It will promptly take any measures necessary to ensure that no person in the United States shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination in any activity conducted with, or benefiting from, funds received from this Grant.

- a. Using the definitions of activity, facility, and program as found and defined in §§ 21.23 (b) and 21.23 (e) of 49 CFR Part 21, the sponsor will facilitate all programs, operate all facilities, or conduct all programs in compliance with all non-discrimination requirements imposed by or pursuant to these assurances.
- b. Applicability
 - 1. Programs and Activities. If the sponsor has received a grant (or other Federal assistance) for any of the sponsor's program or activities, these requirements extend to all of the sponsor's programs and activities.
 - 2. Facilities. Where it receives a grant or other Federal financial assistance to construct, expand, renovate, remodel, alter, or acquire a facility, or part of a facility, the assurance extends to the entire facility and facilities operated in connection therewith.
 - 3. Real Property. Where the sponsor receives a grant or other Federal financial assistance in the form of, or for the acquisition of, real property or an interest in real property, the assurance will extend to rights to space on, over, or under such property.

- c. Duration

The sponsor agrees that it is obligated to this assurance for the period during which Federal financial assistance is extended to the program, except where the Federal financial assistance is to provide, or is in the form of, personal property, or real property, or interest therein, or structures or improvements thereon, in which case the assurance obligates the sponsor, or any transferee for the longer of the following periods:

- 1. So long as the airport is used as an airport, or for another purpose involving the provision of similar services or benefits; or
- 2. So long as the sponsor retains ownership or possession of the property.

- d. Required Solicitation Language

It will include the following notification in all solicitations for bids, Requests for Proposals for work, or material under this Grant and in all proposals for agreements, including airport concessions, regardless of funding source:

“The **City of Ukiah**, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§ 2000d to 2000d-4) and the Regulations, hereby notifies all bidders that it will affirmatively ensure that for any contract entered into pursuant to this advertisement, disadvantaged business enterprises and airport concession disadvantaged business enterprises will be afforded full and fair opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award.”

e. Required Contract Provisions.

1. It will insert the non-discrimination contract clauses requiring compliance with the acts and regulations relative to non-discrimination in Federally-assisted programs of the DOT, and incorporating the acts and regulations into the contracts by reference in every contract or agreement subject to the non-discrimination in Federally-assisted programs of the DOT Acts and regulations.
2. It will include a list of the pertinent non-discrimination authorities in every contract that is subject to the non-discrimination acts and regulations.
3. It will insert non-discrimination contract clauses as a covenant running with the land, in any deed from the United States effecting or recording a transfer of real property, structures, use, or improvements thereon or interest therein to a sponsor.
4. It will insert non-discrimination contract clauses prohibiting discrimination on the basis of race, color, national origin, creed, sex, age, or handicap as a covenant running with the land, in any future deeds, leases, license, permits, or similar instruments entered into by the sponsor with other parties:
 - A. For the subsequent transfer of real property acquired or improved under the applicable activity, grant, or program; and
 - B. For the construction or use of, or access to, space on, over, or under real property acquired or improved under the applicable activity, grant, or program.
 - C. It will provide for such methods of administration for the program as are found by the Secretary to give reasonable guarantee that it, other recipients, sub-recipients, sub-grantees, contractors, subcontractors, consultants, transferees, successors in interest, and other participants of Federal financial assistance under such program will comply with all requirements imposed or pursuant to the acts, the regulations, and this assurance.
 - D. It agrees that the United States has a right to seek judicial enforcement with regard to any matter arising under the acts, the regulations, and this assurance.

21. Foreign Market Restrictions.

It will not allow funds provided under this Grant to be used to fund any activity that uses any product or service of a foreign country during the period in which such foreign country is listed by the United States Trade Representative as denying fair and equitable market opportunities for products and suppliers of the United States in procurement and construction.

22. Policies, Standards and Specifications.

It will carry out any project funded under an Airport Rescue Grant in accordance with policies, standards, and specifications approved by the Secretary including, but not limited to, current FAA Advisory Circulars for AIP projects, as of November 18, 2021.

23. Access By Intercity Buses.

The airport owner or operator will permit, to the maximum extent practicable, intercity buses or other modes of transportation to have access to the airport; however, it has no obligation to fund special facilities for intercity buses or for other modes of transportation.

24. Disadvantaged Business Enterprises.

The sponsor shall not discriminate on the basis of race, color, national origin or sex in the award and performance of any DOT-assisted contract covered by 49 CFR Part 26, or in the award and performance of any concession activity contract covered by 49 CFR Part 23. In addition, the sponsor shall not discriminate on the basis of race, color, national origin or sex in the administration of its Disadvantaged Business Enterprise (DBE) and Airport Concessions Disadvantaged Business Enterprise (ACDBE) programs or the requirements of 49 CFR Parts 23 and 26. The sponsor shall take all necessary and reasonable steps under 49 CFR Parts 23 and 26 to ensure nondiscrimination in the award and administration of DOT-assisted contracts, and/or concession contracts. The sponsor's DBE and ACDBE programs, as required by 49 CFR Parts 26 and 23, and as approved by DOT, are incorporated by reference in this agreement. Implementation of these programs is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the sponsor of its failure to carry out its approved program, the Department may impose sanctions as provided for under Parts 26 and 23 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1936 (31 U.S.C. 3801).

25. Acquisition Thresholds.

The FAA deems equipment to mean tangible personal property having a useful life greater than one year and a per-unit acquisition cost equal to or greater than \$5,000. Procurements by micro-purchase means the acquisition of goods or services for which the aggregate dollar amount does not exceed \$10,000, unless authorized in accordance with 2 CFR § 200.320. Procurement by small purchase procedures means those relatively simple and informal procurement methods for securing goods or services that do not exceed the \$250,000 threshold for simplified acquisitions.

Current FAA Advisory Circulars Required for Use in AIP Funded and PFC Approved Projects

View the most current Series 150 Advisory Circulars (ACs) for Airport Projects at
http://www.faa.gov/airports/resources/advisory_circulars and
http://www.faa.gov/regulations_policies/advisory_circulars



AGENDA SUMMARY REPORT

SUBJECT: Approve the Purchase of Mobile Data Terminals (MDT) for the Ukiah Valley Fire Authority (UVFA) in the Amount of \$173,830.11 for the Initial Three Years, and Approve Corresponding Budget Amendment.

DEPARTMENT: Fire

PREPARED BY: Eric Singleton, Battalion Chief

PRESENTER: Doug Hutchison, Fire Chief

ATTACHMENTS:

1. RadioMobile CAL FIRE Case Study 11-2019
2. RadioMobile (SourceWell-Quote)

Summary: The Council will consider the purchase of Mobile Data Terminals (MDT's) from RadioMobile for the amount of \$173,830.11 and approval of corresponding budget amendment.

Background: To maintain safety as a top priority, the Ukiah Valley Fire Authority would like to purchase Mobile Data Terminals(MDT's), which will provide security in multiple ways:

- Communications from unit to unit, and unit to dispatch center.
- Reduce routine radio traffic (i.e., incident acknowledgment, response, on-scene, clear, etc.,) allowing for additional incident dispatch or priority/pertinent traffic to be relayed.
- Provide the location of every unit in the fleet via GPS, Satellite, and Cellular; allowing the closest unit to be sent, which will save valuable time when responding to emergencies, in comparison to the current system that assigns a unit to a zone.
- System is also utilized by CalFire
- Using GPS & satellites will allow tracking of the units in real-time, giving the ability to better coordinate offensive and defensive fire strategies & tactics.
- Internet accessibility, emergency incidents are considered highly dynamic and fluid situations. Providing Staff with the most up-to-date information available to them when faced with situations ranging from Haz-mat, rescues (High/Low angle), confined, water, fire, and medical, will ensure quicker and more efficient responses.
- Data includes hundreds of pre-plans and floor plans constructed by the prevention office.

See CalFire case study (Attachment 1.)

Discussion: This item was built into this year's fiscal budget, with the stipulation of the annexation (District overlay of the City) being approved. The original budgeted amount was reduced, pending the annexation, with detailed notes that reduced budget item amounts are to be considered for restoration if the annexation successfully passed.

With the approval of the annexation, the UVFA would like to move forward with the purchase. The total first-year cost for all units and hardware is \$120,652.07, including tax and shipping. Years two and three will be an additional \$26,589.02 per year to meet Radio Mobile's three-year commitment requirement, resulting in a total amount of \$173,830.11 for the full three years (See Attachment 2).

RadioMolie is the only provider capable of integrating both the current dispatch system CAD, as well as interface

with CalFire's MDT service. The purchase was split between the UVFA general fund (Fund 105) and the enterprise Ambulance fund (Fund 710).

Staff is recommending to approve the purchase of Mobile Data Terminals in the amount of \$173,830.11 from RadioMobile, and approve the corresponding budget amendment.

Recommended Action: Approve the purchase of Mobile Data Terminals in the amount of \$173,830.11 from RadioMobile, and approve the corresponding budget amendment.

BUDGET AMENDMENT REQUIRED: Yes

CURRENT BUDGET AMOUNT: 71021100.54330.18271: \$19,100; 71021100.54320.18271: \$3,250; 10521210.54330.18271: \$10,023; 10521210.54320.18271: \$20,000

PROPOSED BUDGET AMOUNT: 71021100.54330.18271: \$19,100; 71021100.54320.18271: \$20,976.01; 10521210.54330.18271: \$78,302.07; 10521210.54320.18271: \$55,452.03

FINANCING SOURCE: New Funding

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH: Doug Hutchison, Fire Chief

Approved: 
Sage Sangiacomo, City Manager

CASE STUDY

Leading the Way in Fire Apparatus Connectivity and Location Accuracy for Fire Responders



How CAL FIRE implemented new technology to improve safety and efficiency

The Need

The California Department of Forestry & Fire Protection is not your typical fire department. Better known as CAL FIRE, the agency provides fire protection services across more than 31 million acres of privately-owned wildlands in the nation's most populous state. In addition to those responsibilities, CAL FIRE's thousands of firefighters provide all-hazard emergency services—responding to medical emergencies, auto accidents, hazmat incidents and more—in 36 of the state's 58 counties. The 812 fire stations operated by CAL FIRE are organized in 21 administrative units that each have their own computer-aided dispatch (CAD) system and connectivity challenges. One area might have great 4G coverage, while another is so remote that cellular communication is impossible. To overcome those obstacles, CAL FIRE set out to increase operational efficiency, safety, and connectivity in two ways:

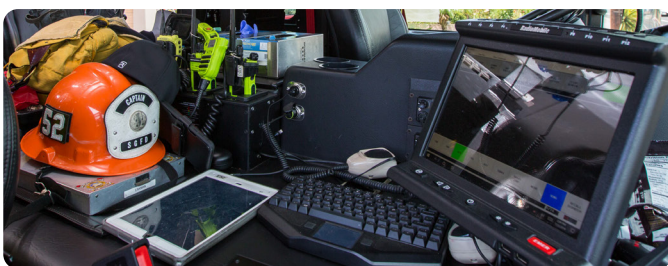
1. Create seamless communications connectivity for their entire fleet of fire apparatus.
2. Equip all frontline vehicles with automatic vehicle location (AVL) technology that functions in all 31 million acres of service area.

The Solution

CAL FIRE researched countless technology options, but kept running into walls, including inflexible contract rules and an overall inability to provide a total solution for their connectivity and location accuracy needs.

Then CAL FIRE discovered RadioMobile, a San Diego-based company whose clients include Los Angeles Fire Department and Los Angeles County Fire Department.

"RadioMobile was so willing to find a total solution, and they allowed us to do a proof of concept with them before ever purchasing anything, which was great," says Dan Marksbury, CAL FIRE's Chief Technology Officer. This was an important step in allowing CAL FIRE to realize its goal of increased dispatch, response efficiency and on-scene accountability.



Patriot All-in-One MDC

After additional research, CAL FIRE decided to install the Patriot All-In-One mobile data computer in over 1,100 of their frontline vehicles.

“By using the Patriot MDC along with technology that provides connectivity over LTE/4G, satellite, and CAL FIRE's private land mobile radio (LMR)-based mobile data system (using narrowband frequencies), each vehicle was integrated into the AVL system.

“As a CAL FIRE vehicle drives through an area, the system automatically finds a connection with 4G; when 4G is not available, the application (IQ Mobile) running on the mobile data computer (MDC) intelligently connects through the narrowband system or via satellite as a last option to always maintain data connectivity to the dispatch center.

The application can also run on tablets and other devices. The communications center can now see exactly where responding vehicles are instead of guessing where they might be within their assigned service area, allowing dispatchers to send the closest available unit every time.



Patriot A-i-O MDC | Side Profile | User Interface

Beyond knowing exactly where a vehicle is at the time of dispatch, the ability to track a vehicle as they respond through urban, suburban and rural environments on the vehicle location system, is invaluable, according to CAL FIRE. A dispatcher or incident commander on a large-scale incident can provide turn-by-turn directions in remote or unfamiliar areas if needed, increasing the efficiency of any response. Crew members also have the incident detail and up-to-date information at their fingertips and no longer have to rely on hand-written notes scribbled onto scraps of paper as they are being dispatched; the address and other potential life-saving information is displayed on the Patriot's screen along with a live map that routes them to the scene. With the entire map database contained within the MDC, the crew tracks their own movements and can also backtrack (breadcrumb) out of unfamiliar or low visibility areas even if network connectivity is lost.

CASE STUDY

Leading the Way in Fire Apparatus Connectivity and Location Accuracy for Fire Responders



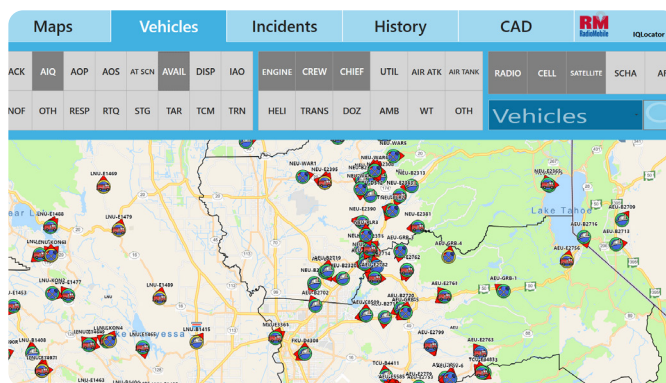
The Solution (continued)



Patriot All-in-One MDC

The collaboration between CAL FIRE and RadioMobile has resulted in a new level of on-scene and whole-system situational awareness across the entire state. “The Patriot allows us to see where resources are while on a fire scene, and that is huge from an accountability standpoint,” shared Battalion Chief Matt Damon.

And that visibility using real-time GPS and AVL technology helps CAL FIRE achieve its overarching goal: to increase the safety for responders and the people they protect.



Change to- IQ Locator AVL and Incident Tracking

Overcoming Challenges

As with any implementation process—especially for a statewide agency separated into 21 departments, each with its own unique set of circumstances—CAL FIRE faced challenges along the way. “For example, our vehicles don’t use shore power like a typical city fleet,” Marksbury explains. “So, when you’re dealing with systems that are designed to use the station as a power source to retain settings like sound and screen brightness, you run into some issues.”

The CAL FIRE and RadioMobile implementation team worked together to address issues such as not having electrical connections when in the station and others unique to each of the agency’s units. Successful implementation of a system in an agency this size takes collaboration and creativity.



CAL FIRE is well on its way to accomplishing its key technology goals through this innovative partnership. “The high level of commitment and customer service by RadioMobile makes me confident this is the right solution for CAL FIRE,” says Damon.

CAL FIRE’s advancements in communications and connectivity are only just beginning. CAL FIRE is working on new interoperability solutions that will allow fire personnel to communicate with other outside agencies, especially during major events like wildfires.

Now having accurate and very timely location, status and incident information automatically via data, much less voice traffic is needed, the benefits are huge.



RadioMobile Inc.
8801 Kenamar Drive
San Diego, CA 92121
858.530.1060

System Quote (Sourcewell)

MDC - LTE - Satellite - AVL - Mobile App - IQ Flex

To: Ukiah Valley Fire Authority
(CAL FIRE MEU Schedule A)
ATTN: Fire Chief Doug Hutchison
1500 South State Street
Ukiah, CA 95482

Quotation No. Q220113-1
Date: January 13, 2022

Sourcewell Contracts: 042021-RDO
051321-RDO

Item	Part No.	Qty	U/M	Description	MSRP	Retail	Sourcewell	Extended
Mobile Equipment for MDC: MDC / LTE / Satellite								
1	PATR-3	11	ea	Patriot Mobile Data Computer, "All in One" Includes: 1TB SSD, 16GB RAM, Multi-Touch Screen, 3.5" Industrial SBC, 12.1" Display, 5-yr warr.	\$ 3,624.50	\$ 3,295.00	\$ 3,189.56	\$ 35,085.16
2	508-1610-64	11	ea	OS, License, WIN10 Pro, 64 BIT (optional)	\$ 187.00	\$ 170.00	\$ 164.56	\$ 1,810.16
3	170-4428	4	ea	Battery Backup Module (Saver) for MDC (optional)	\$ 181.50	\$ 165.00	\$ 159.72	\$ 638.88
4	508-1710-6	11	ea	Ruggedized Keyboard with 6ft Cable, USB (optional)	\$ 302.50	\$ 275.00	\$ 266.20	\$ 2,928.20
5	508-1320-VP-SW2F-8-2461 508-1320-VB-181	11	ea	MDC Mounting Hardware Includes: 8" Upper Pole w/flange, monitor & Keyboard mount, Mount, Universal Drill-Down, Vertical Base	\$ 324.50	\$ 295.00	N/A	\$ 3,245.00
6	CP-MA3-0900600M	11	ea	Cradlepoint COR IBR900 LTE Router *1 Incl: Single embedded LTE Advanced 600 Mbps LTE/HSPA+ modem, WiFi, GPS, DC Cable, ltd lifetime warranty while under NetCloud Service Plan, <u>3-Yr</u> NetCloud Mobile Essentials	\$ 1,119.00	\$ 1,119.00	N/A	\$ 12,309.00
7	AG-AP-MMF-CCWWG	11	ea	Airgain MULTIMAX FV 5in1 SharkFin Antenna Includes: 2xLTE, 2xWiFi, GNSS, 2.4/5GHz, Bolt Mount, 15' cable, 3-yr warr., Black	\$ 346.50	\$ 315.00	\$ 304.92	\$ 3,354.12
8	270-5042-15	11	ea	Ethernet Cable LTE Router-Patriot	\$ 20.90	\$ 19.00	\$ 18.39	\$ 202.31
9	170-SAT-FLEXCOM	5	ea	Flexcom Satellite Terminal Includes 2-way messaging capability	\$ 1,529.00	\$ 1,390.00	\$ 1,345.52	\$ 6,727.60
10	170-POE-FLEXCOM-DC	5	ea	Flexcom PoE Injector: DC 9-36V --> DC	\$ 88.00	\$ 80.00	\$ 77.44	\$ 387.20
11	170-ETH10-FLEXCOM	5	ea	Flexcom Ethernet Cable POE, 10m	\$ 88.00	\$ 80.00	\$ 77.44	\$ 387.20

*1 3-Year NetCloud Mobile Essentials Renewal = \$540 /device (after initial term expiration).

Mobile Equipment for iPad: Satellite / LTE								
12	170-SAT-FLEXCOM	2	ea	Flexcom Satellite Terminal Includes 2-way messaging capability	\$ 1,529.00	\$ 1,390.00	\$ 1,345.52	\$ 2,691.04
13	170-POE-FLEXCOM-DC	2	ea	Flexcom PoE Injector: DC 9-36V --> DC	\$ 88.00	\$ 80.00	\$ 77.44	\$ 154.88
14	170-ETH10-FLEXCOM	2	ea	Flexcom Ethernet Cable POE, 10m	\$ 88.00	\$ 80.00	\$ 77.44	\$ 154.88
15	CP-MA3-0900600M	2	ea	Cradlepoint COR IBR900 LTE Router *1*2 Incl: Single embedded LTE Advanced 600 Mbps LTE/HSPA+ modem, WiFi, GPS, DC Cable, ltd lifetime warranty while under NetCloud Service Plan, <u>3-Yr</u> NetCloud Mobile Essentials	\$ 1,119.00	\$ 1,119.00	N/A	\$ 2,238.00
16	AG-AP-MMF-CCWWG	2	ea	Airgain MULTIMAX FV 5in1 SharkFin Antenna Includes: 2xLTE, 2xWiFi, GNSS, 2.4/5GHz, Bolt Mount, 15' cable, 3-yr warr., Black	\$ 346.50	\$ 315.00	\$ 304.92	\$ 609.84

*1 3-Year NetCloud Mobile Essentials Renewal = \$540 /device (after initial term expiration).

*2 Router required for satellite terminal interface

Mobile Software-as-a-Service (MSaaS): MDC (Windows)								
17	S708-LIC-2100-8.1-M	11	ea annual	License, IQ Mobile Software (Windows) CAL FIRE Schedule A (\$25 /device/month)	\$ 330.00	\$ 300.00	\$ 290.40	\$ 3,194.40
Mobile Software-as-a-Service (MSaaS): iPad (iOS)								
18	S708-LIC-2100-IQT-M	7	ea annual	License, IQ Tablet Software (iOS) CAL FIRE Schedule A (\$25 /device/month)	\$ 330.00	\$ 300.00	\$ 290.40	\$ 2,032.80
IQ Flex Lite Server-as-a-Service (LSaaS)								
19	S708-LIC-IQMSL-M	18	ea annual	License, IQ Mobile Server Lite AVL Interface to CAL FIRE (\$22 /vehicle-device /month)	\$ 290.40	\$ 264.00	\$ 255.55	\$ 4,599.94
20	S708-LIC-IQMSL-INT-M	18	ea annual	License, IQ Mobile Server Lite Device Interface to CAL FIRE (\$36 /MSaaS license /month)	\$ 475.20	\$ 432.00	\$ 418.18	\$ 7,527.17
21	700-SAT-INT-ORB-M	7	ea annual	License, Satellite device interface to satellite service gateway (\$4 /satellite terminal /month)	\$ 52.80	\$ 48.00	\$ 46.46	\$ 325.25
22	700-LIC-IQMSL-IQL-M	1	ea	License, IQ Locator Software (map)	\$ 145.20	\$ 132.00	\$ 127.78	\$ 127.78
Satellite Service Plan								
23	700-SAT-FLEXCOM10-1	7	ea annual	10 MB Satellite Service Plan (per device), 1-Year Term ¹ (\$108 /month). If data usage exceeds 10MB; \$15 /MB	\$ 1,425.60	\$ 1,296.00	\$ 1,254.53	\$ 8,781.70
24	700-SAT-FLEXCOM5-1	optional	ea annual	5 MB Satellite Service Plan (per device), 1-Year Term ¹ (\$65 /month). If data usage exceeds 5MB; \$18 /MB	\$ 858.00	\$ 780.00	\$ 755.04	\$ -
Professional Services								
25	RM-SVR-IQMSL	1	ea	Onboarding: IQ Flex Configuration, Resource Provisioning, Account Setup (one time per billable agency)	\$ 11,000.00	\$ 10,000.00	\$ 9,680.00	\$ 9,680.00
26	P606-Project Mgmt	1	Lot	Project Management, Admin Support, Documentation	\$ 5,500.00	\$ 5,000.00	\$ 4,840.00	\$ 4,840.00
27	RM-IQLSEAT-SETUP	1	ea	IQ Locator Software Setup	\$ 1,100.00	\$ 1,000.00	\$ 968.00	\$ 968.00
28	Installation-AVL	0	ea	Installation Training 1 st Device (LTE Router/Antenna or Sat)	\$ 935.00	\$ 850.00	\$ 822.80	\$ -
29	Installation-Patriot	0	ea	Installation Training Patriot MDC	\$ 550.00	\$ 500.00	\$ 484.00	\$ -
30	Installation-ANT	0	ea	Installation Training 2 nd Device (Satellite Terminal/Antenna)	\$ 165.00	\$ 150.00	\$ 145.20	\$ -
31	TRAINING	optional	Lot	Formal Training Services (per class)	\$ 8,250.00	\$ 7,500.00	\$ 7,260.00	\$ -
32	TRAINING	optional	ea	Informal Training Services (In-vehicle)	\$ 165.00	\$ 150.00	\$ 145.20	\$ -
33	TRAVEL	0	Lot	Travel and living expense Onsite services; install training	\$ 1,100.00	\$ 1,100.00	N/A	\$ -

Pricing Summary		
	Mobile Equipment for MDC Subtotal (one-time)	\$ 67,074.83
	Mobile Equipment for iPad Subtotal (one-time)	\$ 5,848.64
	Mobile Software-as-a-Service for MDC Subtotal (annual recurring)	\$ 3,194.40
	Mobile Software-as-a-Service for iPad Subtotal (annual recurring)	\$ 2,032.80
	Lite Server-as-a-Service Subtotal (annual recurring)	\$ 12,580.13
	Satellite Service Plan (annual recurring)	\$ 8,781.70
	Professional Services (one-time)	\$ 15,488.00
	First Year Subtotal	\$ 115,000.50
	Tax (7.875%)	\$ 5,651.57
	Shipping / Handling	\$ 795.00
	First Year Total	\$ 120,652.07
First Year Summary		
	Total one-time (pre-tax) Hardware, professional services	\$ 88,411.47
	Total recurring annual Software licenses	\$ 26,589.02

NOTES:

- ♦ Payment terms: 1) 25% with PO
2) Milestones upon receipt
- ♦ 3-year minimum subscription term
- ♦ Prices are effective Jan 1, 2022 and are valid for 60 days
- ♦ Shipping to be included on final invoice
- ♦ 1.5% interest per month charged on balances over 30 days
- ♦ Services through the Lite Server are intended for use by Schedule A agencies within jurisdiction of this Unit only.

Prepared by: Ron Lyons
rlyons@radiomobile.com
619.855.7041



AGENDA SUMMARY REPORT

SUBJECT: Report the Emergency Purchase of all Materials and Labor for the Traffic Signal Control Cabinets Replacement at the Intersections of State & Standley and State & Perkins Streets from DC Electric Group in the Amount of \$58,935.00.

DEPARTMENT: Public Works

PREPARED BY: Seth Strader, Buyer I

PRESENTER: Tim Eriksen, Director of Public Works/City Engineer

ATTACHMENTS:

1. DC Quote
2. Attachment 2 - PO

Summary: Council will receive a report of the acquisition of an emergency purchase of two traffic signal cabinet replacements from DC Electric Group for the amount of \$58,935.00.

Background: In November 2021, City staff identified a problem with the design of the traffic signal control mechanisms at the intersections of State Street and Perkins Street and Standley Street. The existing controllers that were planned to be reused do not adequately adapt to the new hardware and software that were installed as part of the Streetscape Project. Note, supply chain issues had previously hampered the full installation of the system prior to the identification of the problems with the cabinet .

Discussion: City staff and the contractors involved in the Streetscape Project reviewed DC Electric Group's proposal and decided that it was the most economical and timely solution to get the two intersections operating correctly. Please see Attachment 1. An emergency Purchase Order (Attachment 2) was created and provided to DC Electric Group, due to the need to get the traffic signals operational as soon as possible and without further delays.

Recommended Action: Receive Report for the Emergency Purchase of all Materials and Labor for the Traffic Signal Control Cabinets Replacement at the Intersections of State & Standley and State & Perkins Streets from DC Electric Group in the Amount of \$58,935.00.

BUDGET AMENDMENT REQUIRED: No

CURRENT BUDGET AMOUNT: 12024200.80230.18019: \$58,935

PROPOSED BUDGET AMOUNT: N/A

FINANCING SOURCE: N/A

PREVIOUS CONTRACT/PURCHASE ORDER NO.: 47585

COORDINATED WITH: Tim Eriksen, Director of Public Works/City Engineer

Approved: 
Sage Sangiacomo, City Manager



November 16, 2021

City of Ukiah
 Attn: Andrew Stricklin
 Via email: astricklin@cityofukiah.com
 300 Seminary Avenue
 Ukiah, CA 95482-5400

47585

Job Name: Replace Two (2) Traffic Signal Cabinets and Controllers
 Job Location: 1.) N. State St. & Standley
 2.) N. State St. & E. Perkins

Dear Andrew,

Per your request, we offer to perform the following work at each of the two (2) subject intersections, based on our standard terms and conditions:

- Excavate approximately 1-ft deep around perimeter of existing cabinet foundation, install rebar dowels, and pour concrete to allow for new cabinet installation on modified foundation.
- Establish temporary traffic control, place stop signs, and disconnect power to intersection (i.e. black).
- Disconnect, remove & salvage existing externally mounted BBS enclosure for re-use.
- Disconnect, remove & salvage existing service meter panel for re-use.
- Remove and dispose of the existing traffic signal cabinet.
- Furnish and install one (1) new fully loaded 332L cabinet on the existing foundation.
- Furnish and install one (1) new 2070E controller complete with 2033 software and 2010 Conflict Monitor.
- Re-install existing externally mounted BBS enclosure and make necessary connections.
- Re-install existing service meter panel and make necessary connections.
- Restore power to intersection and place intersection back in Red Flash as soon as possible.
- Terminate all remaining field conductors and enter signal timing (provided by City/others).
- Check all detection, check all signal indications, and notify City when complete.

Total Labor, Material & Equipment... \$58,935.00

Note: This price excludes follow-up field meetings on-site with Polara/Iteris representatives for final programming of their new equipment (APS and video detection) and final testing of FYA signal operations.

All material is stock with DC Electric Group, Inc. and work can begin within fifteen (15) business days from receipt of Notice to Proceed from the City of Ukiah. This price is valid for 30 days.

This offer is hereby accepted on this _____ day of _____, 2021.

City of Ukiah

DC Electric Group, Inc.

By: _____


 Tim Carter

Title: _____

Regional Manager

DC Electric Group, Inc., 605 W. Sierra Ave, Cotati, CA 94931 t: (707) 992-0141 f: (888) 525-8419
 Lic. #949934 DIR #1000003395 SBE #1748848



Purchase Order

Fiscal Year 2022 Page 1 of 1

THIS NUMBER MUST APPEAR ON ALL INVOICES, PACKAGES AND SHIPPING PAPERS.

Purchase Order #47585-00

Delivery must be made within doors of specified destination.

BILL TO

CITY OF UKIAH
ATTN: ACCOUNTS PAYABLE
300 SEMINARY AVENUE
UKIAH, CA 95482

VENDOR

DC ELECTRIC GROUP INC
PO BOX 7525
COTATI CA 94931

SHIP TO

CITY OF UKIAH - CIVIC CENTER
300 SEMINARY AVENUE
UKIAH CA 95482

Vendor Phone Number		Vendor Fax Number	Buyer		Date Ordered	Date Required
			Mary Williamson		11/18/2021	12/31/2021
Delivery Reference		Freight Method/Terms		Department/Location		Sales Tax Rate
JASON BENSON		UKIAH / NET 30		PUBLIC WORKS DEPARTMENT		0.000
Item#	Description/Part No.	Qty	UOM	Unit Price	Extended Price	
1	ALL LAOBOR, MATERIALS AND EQUIPMENT TO PERFORM THE WORK AS LISTED ON THE ATTACHED QUOTE AT 2 LOCATIONS: N. STATE & STANDLEY AND N. STATE AND E. PERKINS 120.12.12.24.242.2420.24200.80230.18254 \$58,935.00 REQ #E32827 PER QUOTE DATED 11/16/2021, JOB NAME: REPLACE TWO (2) TRAFFIC SIGNAL CABINETS AND CONTROLLERS WORK PERFORMED WILL BE SUBJECT TO PREVAILING WAGE ADDENDUM ATTACHMENT #A, DATED 11/18/2021	1.0	EACH	\$58,935.000	\$58,935.00	



AGENDA SUMMARY REPORT

SUBJECT: Approval of a Professional Service Contract with GHD for Flood Mapping Review Support in the Amount Not to Exceed \$17,000, and Corresponding Budget Amendment.

DEPARTMENT: Public Works

PREPARED BY: Tim Eriksen, Public Works Director/City Engineer

PRESENTER: Tim Eriksen, Public Works Director/City Engineer

ATTACHMENTS:

1. GHD Proposal - FEMA Flood Mapping Review

Summary: The City Council will consider given an approval of a professional service contract with GHD for flood mapping review support in the amount not to exceed \$17,000, and consider approval of a corresponding budget amendment.

Background: In 2020, the Federal Emergency Management Agency (FEMA) began the process of updating the flood plain elevations throughout the City of Ukiah. The first preliminary results were reported to the City Engineering team in 2021. The results were radically different than what currently exists in the City, the implications of which could have significant impacts on development and insurance rates throughout the city. Since that time, in order to protect the interests and investments of the community, City Staff has worked on solutions with FEMA staff to review the study results and discuss contradictions with observed historic flood events in the City. In short, City Staff have been concerned about the fact that the FEMA study does not seem to reflect what City Staff has witnessed in the City. The Engineering Department has searched for experts in the hydraulic field in order to assist in the review of the FEMA results.

Discussion: The Engineering Staff discussed this issue with experts in the hydraulic field with GHD Engineering. Staff also discussed this approach with FEMA and both agree that the additional expert review and engagement is going to be helpful to this process. GHD provided a proposal for this review (Attachment 1). GHD will be able to start immediately and FEMA will share their flood models with our experts for a more robust review of this model that the Engineering Staff is questioning. As part of the scope of work, GHD will prepare technical memo for staff and Council review. This will be a high-level review with recommendations for further study and collaboration as needed.

This item was unforeseen and was not included in the 21/22 fiscal year budget. Staff is asking for a budget amendment for this work.

Recommended Action: Approve the Professional Service Contract with GHD for Flood Mapping Review Support in the Amount Not to Exceed \$17,000, and Approval of Corresponding Budget Amendment.

BUDGET AMENDMENT REQUIRED: Yes

CURRENT BUDGET AMOUNT: 10024210.52100: \$0

PROPOSED BUDGET AMOUNT: 10024210.52100: \$17,000

FINANCING SOURCE: 100 Fund Balance

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH:

Approved: 
Sage Sangiacomo, City Manager



2235 Mercury Way, Suite 150
 Santa Rosa, CA 95407
 USA
 www.ghd.com

20 May 2021

Tim Eriksen, PE
 Director of Public Works/City Engineer
 City of Ukiah
 Public Works Department
 300 Seminary Avenue
 Ukiah, CA 95482-5400

2021 FEMA Flood Mapping Review Support

Dear Mr. Eriksen

GHD is pleased to provide this proposal for professional services in support of the evaluation of the Department of Homeland Security's Federal Emergency Management Agency (FEMA) updated Flood Insurance Rate Map (FIRM) panels and Flood Insurance Study (FIS) reports for Mendocino County. FEMA Risk Analysis Branch Chief for Region IX, Alison Kerns, sent a letter to the City of Ukiah (City) Mayor, Honourable Juan Orozco, dated February 4, 2021 to notify an update on the FEMA FIRM mapping. In the letter, FEMA requested that the City respond to the update through review and comment by April 18, 2021, with the caveat that there will be additional opportunities to provide feedback on the Special Flood Hazard Area delineations before being finalized.

To support the City to respond to the FEMA notification on the mapping update, GHD proposed to providing feedback by comparing the preliminary 2021 models and mapping to the effective 2011 versions. The mapping comparison review includes:

- Coordination with key stakeholders
- Obtain preliminary hydrologic and hydraulic models, and available supporting Geographic Information System (GIS) files
- Compare floodplain mapping within an ArcGIS platform and identify changes between 2011 and 2021 mapping
- Investigate changes in hydrologic and hydraulic modelling and analysis
- Document the findings and recommendations in a technical memorandum (TM)

This will be a high-level review with recommendations for further study and collaboration as needed.

Based on our understanding of the City needs, and our experience to similar supporting task, the following is a GHD proposed scope of service to support the City to review the FEMA mapping update.

Task 1: Project Management

GHD will conduct monthly progress and coordination meetings with the City. We will document meetings by providing an agenda and meeting summary, as well as potential handouts and preparation of power point slides as required for each meeting. The anticipated project meetings include:

- Kick-off meeting.
- Monthly progress and coordination meetings.

It has been assumed that all meetings will be virtual using Microsoft Teams or other platform that the City prefers and all documents will be provided to the City in electronic form.

Task 2: Stakeholder Coordination

GHD will identify and engage stakeholders including FEMA, STARR II, Mendocino County (County) and the City. The intent of this task will be to gain insight into different perspectives, an understanding of the timeline, and coordinate review and commenting to provide feedback to FEMA. We anticipate that the level of effort will include three (3) meetings with FEMA and STARR II and one (1) meeting with the County. We will document meetings by providing an agenda, meeting summary, and sign-in sheet, as well as potential handouts and preparation of power point slides as required for each meeting. The anticipated project meetings include:

- Meeting with FEMA and STARR II to set the timeline and gather materials.
- Meeting with FEMA and STARR II to discuss initial findings.
- Meeting with the County to gain County perspective and intent, and to coordinate mapping review efforts.
- Meeting with FEMA and STARR II to discuss review findings and recommendations.

It has been assumed that all meetings will be virtual using Microsoft Teams or other platform that the City prefers and all documents will be provided to the City in electronic form.

Task 3: Hydrologic, Hydraulic Modelling Review and GIS Mapping

The effective 2011 FIS and SFHA will be compared to the 2021 and any discrepancies investigated through a detailed review of preliminary modelling versus assumptions used in the effective modelling. The analysis will include an inventory of information reviewed and recommendations for resolving any discrepancies. It is noted that no new modelling or analysis will be conducted (review only).

Task 4: Reporting

GHD will prepare a draft TM and a final TM. The final TM will be completed after review and comment from the City. It has been assumed that all comments will be incorporated into one revision round.

Project Team

The scope of work will be conducted by the Hydrologic and Hydraulic Engineering Team with the following team members proposed for this project. Raymond Wong will be responsible as the Project Manager and provide technical supervision and resourcing for the project. Steve Allen will act as the Project Director ensuring that all ISO 9001 checks and balances have been completed. Paul Glenn will be our Project Engineer to provide technical review on the hydrology and hydraulic analysis, and floodplain mapping.

Matt Kennedy will be our client manager and will be available as needed to provide additional support and coordination.

An introduction of our Hydrologic and Hydraulic Engineering Team is summarized in the following table:



Steve Allen, PE - Project Director

Steven Allen is a proud, third generation native of the North Coast bringing over 24 years of experience to our team, overseeing projects involving hydrology, hydraulics, fluvial geomorphology, floodplain design, channel restoration, wetland mitigation construction, stream bank protection, bioengineering techniques, stormwater management and flood control, open channel water conveyance, grading plans, erosion and sediment control design and plans, construction services, and regulatory compliance in sensitive environments. Steven has served in a high-level leadership capacity for all of restoration experience on the North Coast (notably leading our West Coast Water Restoration Group) and has led habitat restorations, enhancements, and passage improvements for agencies throughout Northern California, such as the BCRAA, the Humboldt County RCD, the California Water Service Company (CalWater), CalTrout, the California Coastal Conservancy (CCC), Alameda County Water District, and California Department of Fish & Wildlife (CDFW), as well as for such cities as Trinidad, Fortuna, and Eureka, and local tribal entities.



Raymond Wong, PhD, PE, LEED AP, CFM - Project Manager

Dr. Raymond Wong is an ASFPM Certified Floodplain Manager specializing in water resources engineering including urban flood protection, stream restoration, and watershed planning and management. His technical emphasis includes hydrology, hydraulic, geomorphology, and numerical modeling. Raymond is a proven technical leader, managing multi-discipline teams to deliver timely and high-quality services to clients. He has consulted on numerous storm drainage floodplain coupled studies and modeling projects, developed and advised on over \$200 million of Capital Improvement Projects (CIP) for his clients. Raymond received his honor undergraduate degree at the University of Toronto and graduate degrees at Stanford University and University of California - Berkeley. His research work studied flood control projects and watershed programs in the San Francisco Bay Area, Los Angeles Area, Milwaukee, Toronto, Beijing, and Singapore, and he has presented at conferences and workshops across the US and internationally, such as in France and China.



Paul Glenn, PE, PG - Project Engineer

Paul is a project manager, civil engineer, and hydrogeologist with over 22 years of experience in delivering water resources related projects. His skills are specialized in stormwater and water quality, surface water, and groundwater assessments including hydrological and hydraulic analysis; stormwater and water quality master planning and design; flood mitigation alternatives and design; groundwater flow and contaminant transport analysis; groundwater dewatering, injection, and remediation design; and geotechnical engineering. As part of assessment and evaluations, Paul has developed significant experience in hydrologic, hydraulic, and water quality modeling for both surface water and groundwater environments. In 2017, Paul was designated as a Subject-Matter Expert (SME) technical review representative on behalf of the Federal Emergency Management Agency (FEMA) responsible for the review of hydrology and hydraulics as well as levee/floodwall designs related to letters of map revision (LOMR) and conditional letters of map revisions (CLOMR).

Project Fee and Schedule

We anticipate that all tasks can be completed within three months after receiving notice to proceed.

GHD proposes a time-and-materials fee not to exceed \$17,000 to complete the review. The attached fee table outline the proposed fee and staff hour estimates for each task.

We welcome the opportunity to work with you on this important study, and look forward to contributing to its success. Should you have any questions, please do not hesitate to contact me.

Sincerely,
GHD

A handwritten signature in blue ink that reads "Raymond Wong".

Raymond Wong, PhD, PE, CFM, LEED AP
Project Manager

650.867.3304
raymond.wong@ghd.com

City of Ukiah
 2021 FEMA Flood Mapping Review Support
 5/20/2021

	Project Director	Project Manager	Project Engineer	Engineer	Staff Engineer	GIS Specialist	Admin	Hours	Labor	Subtotal	Total
	\$275	\$265	\$245	\$185	\$145	\$135	\$95				
Task 1 - Project Management	1	4	7	0	0	0	0	12	\$3,050	\$3,050	\$3,050
Kick-off Meeting	1	2	3					6	\$1,540	\$1,540	\$1,540
Monthly Progress Meetings		2	4					6	\$1,510	\$1,510	\$1,510
Task 2 - Stakeholder Coordination	0	8	8	0	0	0	0	16	\$4,080	\$4,080	\$4,080
Four (4) Meetings		8	8					16	\$4,080	\$4,080	\$4,080
Task 3 - Hydrologic, Hydraulic Modeling Review and GIS Mapping	2	2	9	5	7	8	0	33	\$6,305	\$6,305	\$6,305
Review	1	1	5	5	7	8		27	\$4,785	\$4,785	\$4,785
Recommendations	1	1	4					6	\$1,520	\$1,520	\$1,520
Task 4 - Reporting	2	2	6	3	0	2	2	17	\$3,565	\$3,565	\$3,565
Draft and Final TMs	2	2	6	3		2	2	17	\$3,565	\$3,565	\$3,565
GRAND TOTAL	5	16	30	8	7	10	2	78	\$17,000	\$17,000	\$17,000



AGENDA SUMMARY REPORT

SUBJECT: Conduct a Public Hearing and Consider Adopting Respective Resolutions Authorizing Lease Revenue Bonds, Series 2022 to Renovate the City Corporation Yard and Construct Improvements to Various City Streets (*This item was continued from December 15, 2021.*)

DEPARTMENT: Finance

PREPARED BY: Dan Buffalo, Finance Director

PRESENTER: Dan Buffalo, Finance Director

ATTACHMENTS:

1. 1 Ukiah City Reso- Lease
2. 2 Ukiah Authority Reso- Issue Bonds
3. 3 Site Lease - Ukiah
4. 4 Lease Agreement - Ukiah
5. 5 Indenture - Ukiah
6. 6 Assignment Agmt - Ukiah
7. 7 POS (Ukiah LRBs)
8. 8 Bond Purchase Agreement (Piper Sandler)

Summary:

The City Council will consider adopting respective resolutions authorizing lease revenue bonds, Series 2022 to renovate the City Corporation Yard and construct improvements to various city streets. The terms and the amounts presented in this report are subject to change. This item has been placed on the agenda to allow Council the ability to consider authorization should it be deemed warranted.

Background: The City has developed a capital financing strategy to take advantage of current municipal financial market rates to engage in and complete certain capital projects at a lower cost than other ordinary alternatives. It intends to issue debt to finance these projects, funded primarily by the general fund, most notably resources derived from Measure Y. Proceeds from the Lease Revenue Bonds, Series 2022 (the "Bonds") will be used to renovate the City's Corporation Yard and construct improvements to various city streets.

The Corporation Yard is the base of operations for the City Fleet and Plant Maintenance Facility, Street Maintenance Crew, Water and Wastewater Maintenance Crew, and Electric Utility Maintenance Crew. The estimated renovation cost is \$15 million.

The streets projects primarily consist of improvements to certain streets, rights-of-way reconstruction, and related underground utility projects, as follows: Dora Street: reconstruct Mill to Grove streets and overlay Upper Luce Avenue to Mill Street; Gobbi Street: reconstruct from Highway 101 to Dora Street; Main Street: reconstruct from Gobbi to Norton streets; Perkins Street: Main Street to Hwy. 101; Dora and State Streets: overlay Beacon Lane to Washington Avenue; Clara Avenue: reconstruct/overlay from State Street to North Orchard Avenue; and Low Gap Road: reconstruct/overlay from State to Bush Streets. The estimated streets project cost is \$30 million (\$20.7 million for streets and \$9.3 million for street utilities).

The City has expressed its intention to issue municipal tax-exempt bonds to pay the costs associated with renovating the City's Corporation Yard and constructing improvements to various city streets.

City staff worked with its municipal advisor (NHA Advisors, LLC) to develop a financing plan and engage bond counsel (Jones Hall), an underwriter (Piper Sandler), and other parties to complete the financing.

The Ukiah Public Financing Authority (the "Authority") will be used as the conduit entity to assist in the financing as the counterparty to the various legal agreements and as issuer of the Bonds in an aggregate amount of not-to-exceed Forty-Eight Million Dollars (\$48,000,000). It is anticipated that the Corporation Yard component of the Bonds will be repaid over a 30-year term, the utilities component repaid over a 20-year term, and the streets component repaid over a 10-year term. As a result, annual debt service on the Bonds is estimated to be approximately \$3.4 million through FY 2031-32, approximately \$2.1 million from FY 2032-33 through FY 2032-33, and approximately \$1.05 million through the remaining term of the Bonds (FY 2051-52).

A public hearing on this item was scheduled on December 15, 2021 originally, but was continued to this meeting, January 19, 2022. Staff informed Council that a potential funding opportunity for streets had presented itself and needed further evaluation. Through the CalTrans Local Partnership Program the City may have an opportunity to leverage existing City funds (currently planned for encumbrance against a bond issue) as a match for state grant funding. As of the date of this report, staff is still waiting on word from CalTrans on the City's eligibility and, following that, what funding would be available. This item may require an additional continuance to a date and time certain on February 2, 2022.

Discussion: The Financing Documents are being presented to the City Council as "form-only documents." The final form of the documents will be produced at this time because the exact amounts, dates, and certain other information will not be known until the actual sale date. The resolutions (Attachments #1 and #2) authorize and direct certain City and Authority officers and Staff respectively to finalize the Financing Documents as and when appropriate, and to do all things necessary to provide for the issuance of the Bonds. If the final terms for any reason should fall outside of expected parameters, Staff will return for further direction before finalizing the transaction.

The Financing Documents, and a brief description of each, is as follows:

Attachment #3. Site Lease: This is the agreement between the City and Authority, which provides the mechanism of leasing the Leased Assets, respectively, to the Authority so that they can be leased back pursuant to the respective Lease Agreements.

Attachment #4. Lease Agreement: This agreement provides for the lease of the Leased Assets, respectively, back to the City in exchange for Lease Payments commensurate with the debt service schedule for the Bonds. Under the Lease Agreement, the City is pledging its General Fund to make the annual Lease Payments for the life of the Bonds.

The Lease Agreement, among other things, provides the following:

- That the City must include Lease Payments due each Fiscal Year in each corresponding annual budget and make the necessary annual appropriations for all such Lease Payments.
- That the City must, at its sole cost and expense, keep and maintain the Site and Facilities in a clean, safe, and good condition and repair.
- That the City shall have the option at any time to substitute other real property in place of the Site and Facilities (i.e., the City has the right to substitute the collateral of the lease transaction), provided that the City is able to first satisfy all of the requirements set forth in Section 3 of the Lease Agreement.
- That the City must procure and maintain throughout the term of the financing, the insurance set forth in Section 5 of each Lease Agreement.
- That the obligation of the City to pay Lease Payments shall be abated during any period in which by reason

of any damage, destruction or condemnation there is substantial interference with the use and occupancy of the Leased Assets or any portion thereof by the City.

- That upon termination or expiration of a Lease Agreement, and the first date upon which the respective Bonds are no longer outstanding, all right, title and interest in and to the respective Leased Asset shall vest in the City.
- That the Authority covenants that, prior to the discharge of a Lease Agreement and the corresponding series of Bonds, it will diligently maintain its status as a joint powers authority under the laws of the State of California, and will not engage in any activities inconsistent with the purposes for which the Authority is organized.

Attachment #5. Indenture of Trust: This agreement provides for execution and delivery of the Bonds in exchange for proceeds in the par amount of the Bonds, and further lays out the covenants and specifics of the Bonds, as well as the Trustee's duties, repayment mechanisms, default and remedies provisions, and Bondholder's associated rights and remedies.

Attachment #6. Assignment Agreement: This agreement provides the terms and conditions under which the Authority assigns the City's Lease Payments to the Trustee, for ultimate payment to the Bondholders.

Attachment #7. Preliminary Official Statement: The offering document that discloses to prospective investors certain information that would aid in and investors decision to purchase the Bonds. The current version of the Official Statement (OS) as attached to this staff report is the Preliminary Official Statement. The OS outlines the terms of the sale of the Bonds, security for the Bonds, interest rate, obligations of the City and Authority, information about the City, and potential risks of purchasing the Bonds.

Attachment #8. Bond Purchase Agreement: In this agreement, the underwriter (Piper Sandler) agrees to purchase all the Bonds provided that the terms and conditions set forth therein are satisfied. Piper Sandler will then sell the Bonds to investors.

TIMING:

Assuming approval of the resolutions by the City and the Authority, City Staff and its financing team will deliver a credit rating presentation to S&P Global Ratings (S&P) in mid-December. S&P will provide a public credit rating for the Bonds. Upon receipt of the credit rating, Staff anticipates that the Bonds will be sold to investors in mid-January, at which time, a final interest rate will be locked. Delivery of funds is expected in late January.

FINANCIAL IMPACT:

The annual debt service on the Bonds is estimated to be approximately \$3.4 million through FY 2031-32, approximately \$2.1 million from FY 2032-33 through FY 2032-33, and approximately \$1.05 million through the remaining term of the Bonds (FY 2051-52).

GOOD FAITH ESTIMATES:

The following information consists of estimates that have been provided by the Municipal Advisor (NHA Advisors, LLC) and has been represented by such party to have been provided in good faith:

1. True Interest Cost of the Bonds: 2.80%
2. Finance Charge of the Bonds (sum of all fees/charges paid to third parties): \$456,325
3. Net Proceeds of the Bonds to be Received (net of finance charges, reserves and capitalized interest, if any): \$45,025,000

4. Total Payment Amount through Maturity of the Bonds: \$65,252,941

The foregoing constitute good faith estimates only. The principal amount of the Bonds, the true interest cost of the Bonds, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to: (a) the actual date of the sale of the Bonds being different than the date assumed for purposes of such estimates; (b) the actual principal amount of Bonds sold being different from the estimated amount used for purposes of such estimates; (c) the actual amortization of the Bonds being different than the amortization assumed for purposes of such estimates; (d) the actual market interest rates at the time of sale of the Bonds being different than those estimated for purposes of such estimates; (e) other market conditions; or (f) alterations in the City's financing plan, or a combination of such factors.

The actual date of sale of the Bonds and the actual principal amount of Bonds sold will be determined by the City based on a variety of factors. The actual interest rates borne by the Bonds may be subject to change from what is presented above and that may have an impact on the amortization of the Bonds.

Recommended Action: Adopt resolutions authorizing the issuance of lease revenue bonds and authorizing the City Manager to execute all related documents for the renovation of the City Corporation Yard and improvements to various City streets.

BUDGET AMENDMENT REQUIRED: N/A

CURRENT BUDGET AMOUNT: N/A

PROPOSED BUDGET AMOUNT: N/A

FINANCING SOURCE: N/A

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH: NHA Advisors

Approved: 
Sage Sangiacomo, City Manager

RESOLUTION 2022-_____**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UKIAH AUTHORIZING A LEASE FINANCING AND APPROVING THE ISSUANCE AND SALE OF LEASE REVENUE BONDS BY THE UKIAH PUBLIC FINANCING AUTHORITY TO FINANCE PUBLIC CAPITAL IMPROVEMENTS, AND APPROVING RELATED DOCUMENTS AND OFFICIAL ACTIONS RELATED THERETO**

WHEREAS, the City of Ukiah desires to renovate its Corporation Yard and construct improvements to various City streets (collectively, the “Project”); and

WHEREAS, the Ukiah Public Financing Authority (the “Authority”) was formed to, among other things, assist the City with financing public capital improvements, including the Project; and

WHEREAS, in order to provide financing for the Project, the City has agreed to lease certain real property, consisting of city streets (the “Leased Property”), to the Authority as provided in a Site Lease, as defined herein; and

WHEREAS, in order to fund its payment obligation under the Site Lease, the Authority proposes to issue and sell its Lease Revenue Bonds, Series 2022 (Capital Projects) (the “Bonds”) under Article 4 of Chapter 5, Division 7, Title 1 of the Government Code of the State of California, commencing with Section 6584 of said Code (the “Bond Law”); and

WHEREAS, in order to secure the payments of principal of and interest on the Bonds, the Authority proposes to lease the Leased Property back to the City under a Lease Agreement (the “Lease Agreement”), under which the City is obligated to pay semiannual lease payments as rental for the Leased Property, and the Authority will assign substantially all of its rights under the Lease Agreement to The Bank of New York Mellon Trust Company, National Association, as trustee for the Bonds; and

WHEREAS, to provide for development of the most favorable debt structure for the City and to ensure the most favorable reception in the marketplace for the Bonds, the City has requested the Authority to sell the Bonds through a negotiated sale pursuant to the terms of a Bond Purchase Agreement (the “Bond Purchase Agreement”) between the Authority, the City and Piper Sandler , as underwriter (the “Underwriter”); and

WHEREAS, for purposes of the sale of the Bonds, the City has caused to be prepared an Official Statement describing the Bonds, the preliminary form of which is on file with the City Clerk and the Council, with the aid of their staff, have undertaken such review of the Official Statement as hereinafter described as is necessary to assure proper disclosure of all material facts relating to the Bonds that are within the personal knowledge of Council members and the staff; and

WHEREAS, as required by Section 6586.5 of the California Government Code, the City has caused publication of a notice of a public hearing on the financing of the public capital improvements included within the Project once at least five (5) days prior to the hearing in a newspaper of general circulation in the City; and

WHEREAS, the Council held a public hearing at which all interested persons were provided the opportunity to speak on the subject of financing such public capital improvements; and

WHEREAS, the information required to be obtained and disclosed by the City Council related to the Bonds pursuant to Government Code Section 5852.1 is set forth in the staff report accompanying this Resolution; and

WHEREAS, the Council wishes at this time to approve all proceedings of the City relating to the foregoing;

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

Section 1. The Council hereby approves the issuance of the Bonds by the Authority under the Bond Law in a maximum principal amount not to exceed \$48,000,000, for the purpose of financing the Project. The Council hereby finds that issuance of the Bonds by the Authority for the purpose of financing the Project will result in significant public benefits of the type described in Section 6586 of the California Government Code, including, but not limited to, a more efficient delivery of City services to residential and commercial developments within the City and demonstrable savings in effective interest rate, bond preparation, bond underwriting and/or bond issuance costs.

Section 2. The Council hereby approves each of the following agreements required for the issuance and sale of the Bonds, in substantially the respective forms on file with the City Clerk together with any changes therein or additions thereto deemed advisable by the Mayor, Vice Mayor, City Manager, Finance Director, or a designee appointed by such person (each, an "Authorized Officer"), whose execution thereof shall be conclusive evidence of the approval of any such changes or additions. An Authorized Officer is hereby authorized and directed for and on behalf of the City to execute, and the City Clerk is hereby authorized and directed to attest, the final form of each such agreement, as follows:

- Site Lease, between the City as lessor and the Authority as lessee, under which the City leases the Leased Property to the Authority in consideration of the payment of an upfront amount which will be applied by the City to the Project;
- Lease Agreement, between the Authority as lessor and the City as lessee, under which the Authority leases the Leased Property back to the City and the City agrees to pay semiannual lease payments to provide revenues with which to pay principal of and interest on the Bonds when due; and
- Continuing Disclosure Certificate, to be executed by the City for the purpose of providing annual financial information and notice of certain enumerated events to holders and beneficial owners of the Bonds.

Section 3. The Council hereby approves the negotiated sale of the Bonds by the Authority to the Underwriter. The Bonds shall be sold pursuant to the terms and provisions of the Bond Purchase Agreement among the Authority, the City and the Underwriter in

substantially the form on file with the City Clerk together with any changes therein or additions thereto deemed advisable by an Authorized Officer. The principal amount of the principal obligation of the City under the Lease Agreement shall not exceed \$48,000,000, the true interest cost of the Bonds shall not exceed 3.25% and the Underwriter's discount shall not exceed 0.7%.

Section 4. The Council hereby approves the preliminary Official Statement describing the Bonds in substantially the form on file with the City Clerk. An Authorized Officer is hereby authorized and directed to approve any changes in or additions to said preliminary Official Statement, and to execute an appropriate certificate stating the City's determination that the preliminary Official Statement (together with any changes therein or additions thereto) has been deemed nearly final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934. Distribution of the preliminary Official Statement by the Underwriter is hereby approved. An Authorized Officer is hereby authorized and directed to approve any changes in or additions to a final form of said Official Statement, and the execution thereof by an Authorized Officer shall be conclusive evidence of approval of any such changes and additions. The Council hereby authorizes the distribution of the final Official Statement by the Underwriter. The final Official Statement shall be executed on behalf of the City by an Authorized Officer.

Section 5. The firm of NHA Advisors LLC is hereby retained as municipal advisor to the City in connection with the issuance and sale of the Bonds by the Authority. An Authorized Officer is authorized to execute an agreement with said firm in a form as approved by an Authorized Officer, as necessary.

Section 6. The firm of Jones Hall, A Professional Law Corporation, is hereby retained as bond counsel and disclosure counsel to the City in connection with the issuance and sale of the Bonds by the Authority. An Authorized Officer is authorized to execute an agreement with said firm in a form as approved by an Authorized Officer, as necessary.

Section 7. The Authorized Officers, the City Attorney, the City Clerk and all other officers of the City are each authorized and directed on behalf of the City to make any and all leases, assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance or termination, warrants and other documents, which they or any of them deem necessary or appropriate in order to consummate any of the transactions contemplated by the agreements and documents approved under this Resolution. An Authorized Officer may revise the identity of the Leased Property (including by adding thereto) as necessary in order to accomplish the purposes of this Resolution. Whenever in this Resolution any officer of the City is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

Section 8. This Resolution shall take effect immediately upon its passage and adoption.

* * * * *

PASSED AND ADOPTED by the City Council of the City of Ukiah on _____, 2022
by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Jim Brown, Mayor

ATTEST:

Kristine Lawler, City Clerk

RESOLUTION NO. PFA 2022-_____**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE UKIAH PUBLIC FINANCING AUTHORITY AUTHORIZING THE ISSUANCE AND SALE OF LEASE REVENUE BONDS TO FINANCE PUBLIC CAPITAL IMPROVEMENTS, AND APPROVING RELATED DOCUMENTS AND OFFICIAL ACTIONS RELATED THERETO**

WHEREAS, the Ukiah Public Financing Authority (the “Authority”) was formed to, among other things, assist the City of Ukiah (the “City”) with financing public capital improvements, including capital projects of the City; and

WHEREAS, the City desires to renovate its Corporation Yard and construct improvements to various City streets (collectively, the “Project”); and

WHEREAS, in order to provide financing for the Project, the City has agreed to lease certain real property, consisting of certain city streets (the “Leased Property”), to the Authority as provided in a Site Lease, as defined herein; and

WHEREAS, in order to fund its payment obligation under the Site Lease, the Authority proposes to issue and sell its Lease Revenue Bonds, Series 2022 (Capital Projects) (the “Bonds”) under Article 4 of Chapter 5, Division 7, Title 1 of the Government Code of the State of California, commencing with Section 6584 of said Code (the “Bond Law”); and

WHEREAS, in order to secure the payments of principal of and interest on the Bonds, the Authority proposes to lease the Leased Property back to the City under a Lease Agreement (the “Lease Agreement”), under which the City is obligated to pay semiannual lease payments as rental for the Leased Property, and the Authority will assign substantially all of its rights under the Lease Agreement to The Bank of New York Mellon Trust Company, National Association, as trustee for the Bonds; and

WHEREAS, to provide for development of the most favorable debt structure for the City and to ensure the most favorable reception in the marketplace for the Bonds, the City has requested the Authority to sell the Bonds through a negotiated sale pursuant to the terms of a Bond Purchase Agreement (the “Bond Purchase Agreement”) between the Authority, the City and Piper Sandler & Co. as underwriter (the “Underwriter”); and

WHEREAS, for purposes of the sale of the Bonds, the City has caused to be prepared an Official Statement describing the Bonds, the preliminary form of which is on file with the Secretary and the Board of Directors, with the aid of their staff, have undertaken such review of the Official Statement as hereinafter described as is necessary to assure proper disclosure of all material facts relating to the Bonds that are within the personal knowledge of members of the Board of Directors and the staff; and

WHEREAS, as required by Section 6586.5 of the California Government Code, the City has caused publication of a notice of a public hearing on the financing of the public capital improvements included within the Project once at least five (5) days prior to the hearing in a newspaper of general circulation in the City; and

WHEREAS, the City Council of the City held a public hearing at which all interested persons were provided the opportunity to speak on the subject of financing such public capital improvements; and

WEREAS, the information required to be obtained and disclosed by the Board of Directors related to the Bonds pursuant to Government Code Section 5852.1 is set forth in the staff report accompanying this Resolution; and

WHEREAS, the Board wishes at this time to approve all proceedings of the Authority relating to the foregoing.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND RESOLVED BY THE BOARD OF DIRECTORS OF THE UKIAH PUBLIC FINANCING AUTHORITY AS FOLLOWS:

Section 1. The Board of Directors hereby authorizes the issuance of the Bonds under the Bond Law in a maximum principal amount not to exceed \$48,000,000, for the purpose of financing the Project. The Bonds shall be issued under the Bond Law and the Indenture of Trust that is approved below.

Section 2. The Board hereby approves each of the following agreements required for the issuance and sale of the Bonds, in substantially the respective forms on file with the Secretary together with any changes therein or additions thereto deemed advisable by the Chair, Vice Chair, Executive Director, Treasurer, or a designee appointed by such person (each, an "Authorized Officer"), whose execution thereof shall be conclusive evidence of the approval of any such changes or additions. Such changes or additions may include, but is not limited to, providing that payment of the Bonds be insured by a financial guaranty policy from a bond insurance company and/or secured by a reserve surety policy, if in the judgment of an Authorized Officer such insurance and/or reserve surety policy is in the best interest of the Authority. An Authorized Officer is hereby authorized and directed for and on behalf of the Authority to execute, and the Secretary is hereby authorized and directed to attest, the final form of each such agreement, as follows:

- Indenture of Trust, between the Authority and The Bank of New York Mellon Trust Company, National Association, as trustee (the "Trustee"), setting forth the terms and provisions relating to the Bonds;
- Site Lease, between the City as lessor and the Authority as lessee, under which the City leases the Leased Property to the Authority in consideration of the payment of an upfront amount which will be applied by the City to the Project;
- Lease Agreement, between the Authority as lessor and the City as lessee, under which the Authority leases the Leased Property back to the City and the City agrees to pay semiannual lease payments to provide revenues with which to pay principal of and interest on the Bonds when due; and

- Assignment Agreement, between the Authority and the Trustee, whereby the Authority assigns certain of its rights under the Lease Agreement to the Trustee for the benefit of the Bond owners.

Section 3. The Board of Directors hereby authorizes and directs the negotiated sale of the Bonds to the Underwriter. The Bonds shall be sold pursuant to the terms and provisions of the Bond Purchase Agreement among the Authority, the City and the Underwriter in substantially the form on file with the Secretary together with any changes therein or additions thereto deemed advisable by an Authorized Officer. The principal amount of the Bonds and related principal obligation of the Authority under the Site Lease Agreement shall not exceed \$48,000,000, the true interest cost of the Bonds shall not exceed 3.25% and the Underwriter's discount shall not exceed 0.7%.

Section 4. The Board of Directors hereby approves the preliminary Official Statement describing the Bonds in substantially the form on file with the Secretary. An Authorized Officer is hereby authorized and directed to approve any changes in or additions to said preliminary Official Statement and, if requested by the Underwriter, to execute an appropriate certificate stating the Authority's determination that the preliminary Official Statement (together with any changes therein or additions thereto) has been deemed nearly final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934. Distribution of the preliminary Official Statement by the Underwriter is hereby approved. An Authorized Officer is hereby authorized and directed to approve any changes in or additions to a final form of said Official Statement, and the execution thereof by an Authorized Officer shall be conclusive evidence of approval of any such changes and additions. The Board of Directors hereby authorizes the distribution of the final Official Statement by the Underwriter. The final Official Statement shall be executed on behalf of the Authority by the Chair or an Authorized Officer.

Section 5. The Authorized Officers, the General Counsel to the Authority, the Secretary and all other officers of the Authority are each authorized and directed on behalf of the Authority to make any and all leases, assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance or termination, warrants and other documents, which they or any of them deem necessary or appropriate in order to consummate any of the transactions contemplated by the agreements and documents approved under this Resolution. An Authorized Officer may revise the identity of the Leased Property (including by adding thereto) as necessary to accomplish the purposes of this Resolution. Whenever in this resolution any officer of the Authority is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf if such officer is absent or unavailable.

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

* * * * *

THE FOREGOING RESOLUTION WAS PASSED AND ADOPTED by the Board of Directors of the Ukiah Public Financing Authority at a regular meeting held on this _____, 2022 by the following roll call vote:

AYES:

NOES:
ABSENT:
ABSTAIN:

Jim Brown, Chair of the Ukiah Public
Financing Authority

ATTEST:

Kristine Lawler, Secretary of the Ukiah Public Financing Authority

SITE LEASE

Dated as of February 1, 2022

between the

CITY OF UKIAH,
as lessor

and the

UKIAH PUBLIC FINANCING AUTHORITY,
as lessee

Relating to

\$ _____
**Ukiah Public Financing Authority
Lease Revenue Bonds, Series 2022
(Capital Projects)**

SITE LEASE

This SITE LEASE (this "Site Lease"), dated for convenience as of February 1, 2022, is between the CITY OF UKIAH, a municipal corporation duly organized and existing under the laws of the State of California, as lessor, which acquired a portion of the Leased Property as the City of Ukiah, California, a municipal corporation (a political subdivision organized and existing under the laws of the State of California) (the "City"), and the UKIAH PUBLIC FINANCING AUTHORITY, a joint exercise of powers authority organized and existing under the laws of the State of California, as lessee (the "Authority").

BACKGROUND:

1. The City is proceeding to reconstruct its corporation yard and construct improvements to various City streets (collectively, the "Project").

2. In order to provide funds to finance a portion of the costs of the Project, the City has agreed to lease the real property more particularly described in Appendix A attached hereto and by this reference incorporated herein, consisting of streets in the City (the "Leased Property") to the Authority under this Site Lease, pursuant to which the Authority agrees to make an initial rental payment (as described herein, the "Site Lease Payment") which is sufficient to provide funds for such purposes.

3. The Authority has authorized the issuance of its Ukiah Public Financing Authority Lease Revenue Bonds, Series 2022 (Capital Projects) in the aggregate principal amount of \$_____ (the "Bonds") under an Indenture of Trust dated as of February 1, 2022 (the "Indenture"), between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), for the purpose of providing the funds to enable the Authority to pay the Site Lease Payment to the City in accordance with this Site Lease.

4. In order to provide revenues which are sufficient to enable the Authority to pay debt service on the Bonds, the Authority has agreed to lease the Leased Property back to the City under a Lease Agreement dated as of February 1, 2022 (the "Lease"), which has been executed concurrently herewith, under which the City has agreed to pay semiannual Lease Payments as the rental for the Leased Property thereunder.

5. The lease payments made by the City under the Lease have been assigned by the Authority to Trustee for the security of the Bonds under an Assignment Agreement dated as of February 1, 2022, between the Authority as assignor and the Trustee as assignee, which has been executed concurrently herewith.

A G R E E M E N T :

In consideration of the above premises and of the mutual promises and covenants herein contained and for other valuable consideration, the parties hereto do hereby agree as follows:

SECTION 1. *Lease of Property to Authority.* The City hereby leases the Leased Property to the Authority and the Authority hereby leases the Leased Property from the City, on the terms and conditions hereinafter set forth.

SECTION 2. *Term; Possession.* The term of this Site Lease commences on the Closing Date and ends on the date on which the Indenture is discharged in accordance with Section 13.01 thereof, but under any circumstances not later than April 1, _____. The provisions of this Section 2 are subject in all respects to any other provisions of this Site Lease relating to the termination hereof.

SECTION 3. *Rental.* The Authority shall pay to the City as and for rental of the Leased Property hereunder, the sum of \$_____ (the "Site Lease Payment"). The Site Lease Payment is due and payable upon the issuance of the Bonds and the execution and delivery hereof, and will be paid from the proceeds of the Bonds. The Authority and the City hereby find and determine that the total amount of the Site Lease Payment does not exceed the fair market value of the leasehold interest in the Leased Property which is conveyed hereunder by the City to the Authority. No other amount of rental is due and payable by the Authority for the use and occupancy of the Leased Property under this Site Lease.

As provided in the Indenture, a portion of the proceeds of the Bonds will be applied to make the Site Lease Payment by depositing the full amount thereof into the Project Fund which is held and administered by the City under the Indenture. Amounts on deposit in the Project Fund shall be disbursed by the City from time to time for the purpose of paying Project Costs in accordance with the Indenture.

SECTION 4. *Leaseback to City.* The Authority shall lease the Leased Property back to the City under the Lease.

SECTION 5. *Assignments and Subleases.* Unless the City is in default under the Lease, the Authority may not assign its rights under this Site Lease or sublet all or any portion of the Leased Property, except as provided in the Assignment Agreement and in the Lease, without the prior written consent of the City.

SECTION 6. *Substitution or Release of Property.* If the City exercises its option under Section 3.3 of the Lease to substitute property for the Leased Property in whole or in part, such substitution shall also operate to substitute property for the Leased Property which is leased hereunder. If the City exercises its option under Section 3.4 of the Lease to release a portion of the Leased Property from the Lease, such substitution shall also operate to release such portion of the Leased Property hereunder. The description of the Leased Property which is leased under the Lease shall conform at all times to the description of the Leased Property which is leased hereunder.

SECTION 7. *Right of Entry.* The City reserves the right for any of its duly authorized representatives to enter upon the Leased Property, or any portion thereof, at

any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

SECTION 8. *Termination.* The Authority agrees, upon the termination of this Site Lease, to quit and surrender the Leased Property in the same good order and condition as the Leased Property was in at the time of commencement of the term hereof, reasonable wear and tear excepted, and agrees that all buildings, improvements and structures then existing upon the Leased Property shall remain thereon and title thereto shall vest thereupon in the City for no additional consideration.

SECTION 9. *Default.* If the Authority defaults in the performance of any obligation on its part to be performed under the terms of this Site Lease, which default continues for 30 days following notice and demand for correction thereof to the Authority, the City may exercise any and all remedies granted by law, except that no merger of this Site Lease and of the Lease shall be deemed to occur as a result thereof and no such remedy may include termination hereof; *provided, however*, that so long as the Lease remains in effect, the Lease Payments payable by the City under the Lease shall continue to be paid to the Trustee.

SECTION 10. *Quiet Enjoyment.* The Authority at all times during the term of this Site Lease shall peaceably and quietly have, hold and enjoy all of the Leased Property, subject to the provisions of the Lease and subject only to Permitted Encumbrances (as that term is defined in the Lease).

SECTION 11. *Waiver of Personal Liability.* All liabilities under this Site Lease on the part of the Authority are solely corporate liabilities of the Authority as a public entity, and the City hereby releases each and every member and officer of the Authority of and from any personal or individual liability under this Site Lease. No member or officer of the Authority or its governing board shall at any time or under any circumstances be individually or personally liable under this Site Lease for anything done or omitted to be done by the Authority hereunder.

SECTION 12. *Taxes.* The City covenants and agrees to pay any and all assessments of any kind or character and also all taxes, including possessory interest taxes, levied or assessed upon the Leased Property and any improvements thereon.

SECTION 13. *Eminent Domain.* If the whole or any part of the Leased Property or any improvements thereon is taken by eminent domain proceedings, the interest of the Authority shall be recognized and is hereby determined to be the amount of the then unpaid Lease Payments payable under the Lease and the balance of the award, if any, shall be paid to the City.

SECTION 14. *Partial Invalidity.* If any one or more of the terms, provisions, covenants or conditions of this Site Lease shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this Site Lease shall be affected thereby, and each provision of this Site Lease shall be valid and enforceable to the fullest extent permitted by law.

SECTION 15. *Notices.* Any notice, request, complaint, demand or other communication under this Site Lease shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or by telecopy, telex or other form of telecommunication, at its number set forth below. Notice shall be effective either (a) upon transmission by telecopy, telex or other form of telecommunication, (b) 48 hours after deposit in the United States mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt. The City, the Authority and the Trustee may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

If to the City or the Authority:	City of Ukiah Attention: Finance Director 300 Seminary Avenue Ukiah, CA 95482
-------------------------------------	--

If to the Trustee:	The Bank of New York Mellon Trust Company, N.A. Attention: Corporate Trust Administration 333 S. Hope Street, Suite #2525 Los Angeles, California 90071
--------------------	--

SECTION 16. *Amendment of this Site Lease.* The Authority and the City may at any time amend or modify any of the provisions of this Site Lease, but only (a) with the prior written consent of the Owners of a majority in aggregate principal amount of the Outstanding Bonds; or (b) without the consent of any of the Bond Owners, but only if such amendment or modification is for any one or more of the following purposes:

- (i) to make cure any ambiguity, or to cure, correct or supplement any defective provision contained herein, or in any other respect whatsoever as the Authority and the City may deem necessary or desirable, provided that, in the opinion of Bond Counsel, such modifications or amendments do not materially adversely affect the interests of the Owners of the Bonds;
- (ii) to amend any provision hereof relating to the Tax Code, to any extent whatsoever but only if and to the extent such amendment will not adversely affect the exclusion from gross income of interest on the Bonds under the Tax Code, in the opinion of Bond Counsel;
- (iii) to conform to any amendment of the Indenture which is made thereto in accordance with Section 9.01 of the Indenture; or
- (iv) for the purpose of effectuating any substitution or release of property under Section 6.

SECTION 17. *Governing Law.* This Site Lease shall be construed in accordance with and governed by the laws of the State of California.

SECTION 18. *Third Party Beneficiary.* The Trustee is hereby made a third party beneficiary under this Site Lease with all rights of a third party beneficiary.

SECTION 19. *Binding Effect.* This Site Lease inures to the benefit of and is binding upon the Authority, the City and their respective successors and assigns, subject, however, to the limitations contained herein.

SECTION 20. *Section Headings.* All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Site Lease.

SECTION 21. *Execution in Counterparts.* This Site Lease may be executed in any number of counterparts, each of which shall be deemed to be an original but all together shall constitute but one and the same lease. It is also agreed that separate counterparts of this Site Lease may be separately executed by the Authority and the City, all with the same force and effect as though the same counterpart had been executed by both the Authority and the City.

SECTION 22. *Defined Terms.* All capitalized terms used herein and not otherwise defined have the respective meanings given those terms in the Indenture.

IN WITNESS WHEREOF, the City and the Authority have caused this Site Lease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

UKIAH PUBLIC FINANCING AUTHORITY
as Lessor

By: _____
Daniel Buffalo
Treasurer

CITY OF UKIAH
as Lessee

By: _____
Daniel Buffalo
Finance Director

APPENDIX A
DESCRIPTION OF THE LEASED PROPERTY

The Leased Property consists of that certain real property, together with all fixtures, equipment or other improvements located upon the real property, except as to the library as excluded below, situated in the City of Ukiah, County of Mendocino, State of California, described as follows:

[[All City Streets]]

LEASE AGREEMENT

Dated as of February 1, 2022

between the

UKIAH PUBLIC FINANCING AUTHORITY,
as lessor

and the

CITY OF UKIAH,
as lessee

Relating to

\$ _____
Ukiah Public Financing Authority
Lease Revenue Bonds, Series 2022
(Capital Projects)

TABLE OF CONTENTS

ARTICLE I:	
DEFINITIONS; RULES OF INTERPRETATION:	
SECTION 1.1.	Definitions 2
SECTION 1.2.	Interpretation 2
ARTICLE II:	
COVENANTS, REPRESENTATIONS AND WARRANTIES:	
SECTION 2.1.	Covenants, Representations and Warranties of the City 3
SECTION 2.2.	Covenants, Representations and Warranties of the Board 4
ARTICLE III:	
DEPOSIT AND APPLICATION OF FUNDS; SUBSTITUTION AND RELEASE OF PROPERTY	
SECTION 3.1.	Deposit of Moneys 5
SECTION 3.2.	Acquisition and Construction of Project 5
SECTION 3.3.	Substitution of Property 6
SECTION 3.4.	Release of Property 6
ARTICLE IV:	
LEASE OF LEASED PROPERTY; TERM OF THIS LEASE; LEASE PAYMENTS:	
SECTION 4.1.	Lease of Leased Property 7
SECTION 4.2.	Term 7
SECTION 4.3.	Lease Payments 7
SECTION 4.4.	Source of Payments; Covenant to Budget and Appropriate 8
SECTION 4.5.	Additional Rental Payments 9
SECTION 4.6.	Quiet Enjoyment 9
SECTION 4.7.	Title 9
ARTICLE V:	
MAINTENANCE; TAXES; INSURANCE; AND OTHER MATTERS:	
SECTION 5.1.	Maintenance, Utilities, Taxes and Assessments 10
SECTION 5.2.	Modification of Leased Property 10
SECTION 5.3.	Liability Insurance 11
SECTION 5.4.	Property Insurance 11
SECTION 5.5.	Insurance Net Proceeds; Form of Policies 11
SECTION 5.6.	Installation of City's Personal Property 12
SECTION 5.7.	Advances 12
ARTICLE VI:	
DAMAGE, DESTRUCTION AND EMINENT DOMAIN; USE OF NET PROCEEDS:	
SECTION 6.1.	Application of Net Proceeds 12
SECTION 6.2.	Termination or Abatement Due to Eminent Domain 12
SECTION 6.3.	Abatement Due to Damage or Destruction 13
ARTICLE VII:	
OTHER COVENANTS OF THE CITY:	
SECTION 7.1.	Disclaimer of Warranties 13
SECTION 7.2.	Access to the Leased Property 13
SECTION 7.3.	Release and Indemnification Covenants 14
SECTION 7.4.	Assignment and Subleasing by the City 14
SECTION 7.5.	Amendment Hereof 15

SECTION 7.6.	Tax Covenants	16
SECTION 7.7.	Continuing Disclosure	16

ARTICLE VIII:
EVENTS OF DEFAULT AND REMEDIES:

SECTION 8.1.	Events of Default Defined	17
SECTION 8.2.	Remedies on Default	17
SECTION 8.3.	No Remedy Exclusive	18
SECTION 8.4.	Agreement to Pay Attorneys' Fees and Expenses.....	18
SECTION 8.5.	No Additional Waiver Implied by One Waiver	18
SECTION 8.6.	Application of Proceeds	18
SECTION 8.7.	Trustee and Bond Owners to Exercise Rights	18

ARTICLE IX:
PREPAYMENT OF LEASE PAYMENTS:

SECTION 9.1.	Security Deposit	19
SECTION 9.2.	Prepayment.....	19
SECTION 9.3.	Mandatory Prepayment From Net Proceeds of Insurance or Eminent Domain	19
SECTION 9.4.	Credit for Amounts on Deposit.....	20

ARTICLE X:
MISCELLANEOUS:

SECTION 10.1.	Notices	20
SECTION 10.2.	Binding Effect.....	20
SECTION 10.3.	Severability	20
SECTION 10.4.	Net-net-net Lease	20
SECTION 10.5.	Third Party Beneficiary.....	20
SECTION 10.6.	Further Assurances and Corrective Instruments	21
SECTION 10.7.	Execution in Counterparts.....	21
SECTION 10.8.	Applicable Law	21
SECTION 10.9.	Board and City Representatives	21
SECTION 10.10.	Captions	21

APPENDIX A	DESCRIPTION OF THE LEASED PROPERTY
APPENDIX B	SCHEDULE OF LEASE PAYMENTS

LEASE AGREEMENT

This LEASE AGREEMENT (this "Lease"), dated for convenience as of February 1, 2022, is between the UKIAH PUBLIC FINANCING AUTHORITY, a joint exercise of powers authority organized and existing under the laws of the State of California, as lessor (the "Authority"), and the CITY OF UKIAH, a municipal corporation duly organized and existing under the laws of the State of California, as lessee (the "City").

BACKGROUND:

1. The City is proceeding to reconstruct its corporation yard and construct improvements to various City streets (collectively, the "Project").

2. In order to provide funds to finance a portion of the costs of the Project, the City has agreed to lease the real property more particularly described in Appendix A attached hereto and by this reference incorporated herein, consisting of streets in the City (the "Leased Property") to the Authority under a Site Lease dated as of February 1, 2022 which has been executed concurrently herewith (the "Site Lease"), under which the Authority agrees to make an initial rental payment (the "Site Lease Payment") which is sufficient to provide funds for such purposes. The Leased Property is also subject to a lease entered into by the City (the "2020 Lease") in connection with the Authority's Lease Revenue Bonds, Series 2020A and Taxable Lease Revenue Bonds, Series 2020B, outstanding in the combined principal amount of \$52,250,000 (the "2020 Bonds").

3. The Authority has authorized the issuance of its Ukiah Public Financing Authority Lease Revenue Bonds, Series 2022 (Capital Projects) in the aggregate principal amount of \$_____ (the "Bonds") under an Indenture of Trust dated as of February 1, 2022 (the "Indenture"), between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), and under the provisions of Article 4 of Chapter 5, Division 7, Title 1 of the Government Code of the State of California, commencing with Section 6584 of said Code (the "Bond Law"), for the purpose of providing the funds to enable the Authority to pay the Site Lease Payment to the City in accordance with the Site Lease.

4. In order to provide revenues which are sufficient to enable the Authority to pay debt service on the Bonds, the Authority has agreed to lease the Leased Property back to the City under this Lease, under which the City agrees to pay semiannual Lease Payments as the rental for the Leased Property hereunder.

5. The lease payments made by the City under this Lease have been assigned by the Authority to the Trustee for the security of the Bonds under an Assignment Agreement dated as of February 1, 2022, between the Authority as assignor and the Trustee as assignee, which has been executed concurrently herewith.

6. The City and the Authority have found and determined that all acts and proceedings required by law necessary to make this Lease, when executed by the City and the Authority, the valid, binding and legal obligations of the City and the Authority,

and to constitute this Lease a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of this Lease have been in all respects duly authorized.

A G R E E M E N T :

In consideration of the material covenants contained in this Lease, the parties hereto hereby formally covenant, agree and bind themselves as follows:

ARTICLE I

DEFINITIONS; RULES OF INTERPRETATION

SECTION 1.1. *Definitions.* Unless the context clearly otherwise requires or unless otherwise defined herein, the capitalized terms in this Lease have the respective meanings given them in the Indenture.

SECTION 1.2. *Interpretation.*

(a) Unless the context otherwise indicates, words expressed in the singular includes the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and includes the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and do not affect the meaning, construction or effect hereof.

(c) All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Lease; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Lease as a whole and not to any particular Article, Section or subdivision hereof.

ARTICLE II

COVENANTS, REPRESENTATIONS AND WARRANTIES

SECTION 2.1. *Covenants, Representations and Warranties of the City.* The City makes the following covenants, representations and warranties to the Authority and the Trustee as of the date of the execution and delivery of this Lease:

- (a) Due Organization and Existence. The City is a municipal corporation duly organized and validly existing under the laws of the State of California, has full legal right, power and authority under the laws of the State of California to enter into the Site Lease and this Lease and to carry out and consummate all transactions contemplated hereby, and by proper action the City has duly authorized the execution and delivery of the Site Lease and this Lease.
- (b) Due Execution. The representatives of the City executing the Site Lease and this Lease have been fully authorized to execute the same under a resolution duly adopted by the City Council of the City.
- (c) Valid, Binding and Enforceable Obligations. The Site Lease and this Lease have been duly authorized, executed and delivered by the City and constitute the legal, valid and binding obligations of the City enforceable against the City in accordance with their respective terms.
- (d) No Conflicts. The execution and delivery of the Site Lease and this Lease, the consummation of the transactions therein and herein contemplated and the fulfillment of or compliance with the terms and conditions thereof and hereof, do not and will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, lease, contract or other agreement or instrument to which the City is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the City, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Site Lease and this Lease or the financial condition, assets, properties or operations of the City.
- (e) Consents and Approvals. No consent or approval of any trustee or holder of any indebtedness of the City or of the voters of the City, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority is necessary in connection with the execution and delivery of the Site Lease and this Lease, or the consummation of any transaction therein and herein contemplated, except as have been obtained or made and as are in full force and effect.
- (f) No Litigation. There is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other governmental

authority pending or, to the knowledge of the City after reasonable investigation, threatened against or affecting the City or the assets, properties or operations of the City which, if determined adversely to the City or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of the Site Lease and this Lease, or upon the financial condition, assets, properties or operations of the City, and the City is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Site Lease and this Lease or the financial conditions, assets, properties or operations of the City.

SECTION 2.2. *Covenants, Representations and Warranties of the Authority.* The Authority makes the following covenants, representations and warranties to the City and the Trustee as of the date of the execution and delivery of this Lease:

- (a) Due Organization and Existence. The Authority is a public body corporate and politic duly organized and existing under the Bond Law and under the laws of the State of California; has power to enter into this Lease, the Site Lease, the Assignment Agreement and the Indenture; is possessed of full power to own and hold, improve and equip real and personal property, and to lease the same; and has duly authorized the execution and delivery of each of the aforesaid agreements and such agreements constitute the legal, valid and binding obligations of the Authority, enforceable against the Authority in accordance with their respective terms.
- (b) Due Execution. The representatives of the Authority executing this Lease, the Site Lease, the Assignment Agreement and the Indenture are fully authorized to execute the same pursuant to official action taken by the governing body of the Authority.
- (c) Valid, Binding and Enforceable Obligations. This Lease, the Site Lease, the Assignment Agreement and the Indenture have been duly authorized, executed and delivered by the Authority and constitute the legal, valid and binding agreements of the Authority, enforceable against the Authority in accordance with their respective terms.
- (d) No Conflicts. The execution and delivery of this Lease, the Site Lease, the Assignment Agreement and the Indenture, the consummation of the transactions herein and therein contemplated and the fulfillment of or compliance with the terms and conditions hereof, do not and will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, lease, contract or other agreement or instrument to which the Authority is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Authority, which conflict, violation, breach,

default, lien, charge or encumbrance would have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Lease, the Site Lease, the Assignment Agreement and the Indenture or the financial condition, assets, properties or operations of the Authority.

- (e) Consents and Approvals. No consent or approval of any trustee or holder of any indebtedness of the Authority, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority is necessary in connection with the execution and delivery of this Lease, the Site Lease, the Assignment Agreement or the Indenture, or the consummation of any transaction herein or therein contemplated, except as have been obtained or made and as are in full force and effect.
- (f) No Litigation. There is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other governmental authority pending or, to the knowledge of the Authority after reasonable investigation, threatened against or affecting the Authority or the assets, properties or operations of the Authority which, if determined adversely to the Authority or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of this Lease, the Site Lease, the Assignment Agreement or the Indenture, or upon the financial condition, assets, properties or operations of the Authority, and the Authority is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Lease, the Site Lease, the Assignment Agreement or the Indenture or the financial conditions, assets, properties or operations of the Authority.

ARTICLE III

DEPOSIT AND APPLICATION OF FUNDS; SUBSTITUTION AND RELEASE OF PROPERTY

SECTION 3.1. *Deposit of Moneys*. On the Closing Date, the Authority will cause the proceeds of sale of the Bonds to be deposited with the Trustee. The Trustee shall deposit those proceeds in accordance with Section 3.01 of the Indenture.

SECTION 3.2. *Acquisition and Construction of Project*. As provided in Section 3.02 of the Indenture, a portion of the proceeds of sale of the Bonds will be applied to pay the Site Lease Payment to the City in accordance with Section 3 of the Site Lease. The Site Lease Payment shall be deposited into the Project Fund, which is established under the Indenture, to be disbursed for the purpose of paying Project Costs. Upon the completion of the Project, the City shall file a Written Certificate of the City with the Trustee, which Written Certificate shall identify the amount (if any) to be retained in the Project Fund to pay remaining Project Costs.

SECTION 3.3. *Substitution of Property.* The City has the option at any time and from time to time, to substitute other real property (the "Substitute Property") for the Leased Property or any portion thereof (the "Former Property"), upon satisfaction of all of the following requirements which are hereby declared to be conditions precedent to such substitution:

- (a) No Event of Default has occurred and is continuing.
- (b) The City has filed with the Authority and the Trustee sufficient memorialization of an amendment of this Lease, the Site Lease and the Assignment Agreement, which adds the legal description of the Substitute Property to Appendix A and deletes therefrom the legal description of the Former Property.
- (c) The City has certified in writing to the Authority and the Trustee that the Substitute Property serves the municipal purposes of the City and constitutes property which the City is permitted to lease under the laws of the State of California, and has been determined to be important to the proper, efficient and economic operation of the City and to serve a proper governmental function of the City.
- (d) The Substitute Property does not cause the City to violate any of its covenants, representations and warranties made herein.
- (e) The City has filed with the Authority and the Trustee a written certificate of the City or other written evidence stating that the estimated fair rental value of the Leased Property following the substitution will be at least equal to the aggregate principal amount of the Bonds then outstanding, and that the useful life of the Substitute Property at least extends to the stated termination date of this Lease.

Upon the satisfaction of all such conditions precedent, the Term of this Lease will thereupon end as to the Former Property and commence as to the Substitute Property, and all references to the Former Property will apply with full force and effect to the Substitute Property. The City is not entitled to any reduction, diminution, extension or other modification of the Lease Payments whatsoever as a result of any substitution of property under this Section. The Authority and the City will execute and deliver all documents required to discharge the Site Lease, this Lease and the Assignment Agreement of record against the Former Property and to cause the Substitute Property to become subject to all of the terms and conditions of the Site Lease, this Lease and the Assignment Agreement.

SECTION 3.4. *Release of Property.* The City has the option at any time and from time to time to release any portion of the Leased Property from this Lease (the "Released Property") provided that the City has satisfied all of the following requirements which are hereby declared to be conditions precedent to such release:

- (a) No Event of Default has occurred and is continuing.

- (b) The City has filed with the Authority and the Trustee, and caused to be recorded in the office of the Mendocino County Recorder, sufficient memorialization of an amendment of this Lease, the Site Lease and the Assignment Agreement, which removes the Released Property therefrom.
- (c) The City has certified in writing to the Authority and the Trustee that the value of the property which remains subject to this Lease following such release is at least equal to the then outstanding principal amount of the Bonds, and the fair rental value of the property which remains subject to this Lease following such release is at least equal to the Lease Payments thereafter coming due and payable hereunder.

Upon the satisfaction of all such conditions precedent, the Term of this Lease will thereupon end as to the Released Property. The City is not entitled to any reduction, diminution, extension or other modification of the Lease Payments whatsoever as a result of such release. The Authority and the City shall execute and deliver all documents required to discharge the Site Lease, this Lease and the Assignment Agreement of record against the Released Property.

ARTICLE IV

LEASE OF LEASED PROPERTY; TERM OF THIS LEASE; LEASE PAYMENTS

SECTION 4.1. *Lease of Leased Property.* The Authority hereby leases the Leased Property to the City and the City hereby leases the Leased Property from the Authority, upon the terms and conditions set forth in this Lease.

SECTION 4.2. *Term.* The Term of this Lease commences on the Closing Date and ends on the date on which the Indenture is discharged in accordance with Section 10.01 thereof, but under any circumstances not later than April 1, _____. The provisions of this Section are subject to the provisions of Section 6.2 relating to abatement and the taking in eminent domain of the Leased Property in whole or in part.

SECTION 4.3. *Lease Payments.*

(a) Obligation to Pay. Subject to the provisions of Sections 6.2 and 6.3 and the provisions of Article IX, the City agrees to pay to the Authority, its successors and assigns, the Lease Payments in the respective amounts specified in Appendix B attached to this Lease, to be due and payable in immediately available funds on the Interest Payment Dates immediately following each of the respective Lease Payment Dates specified in Appendix B, and to be deposited by the City with the Trustee on each of the Lease Payment Dates specified in Appendix B. Any amount held in the Bond Fund, the Interest Account and the Principal Account on any Lease Payment Date (other than amounts resulting from the prepayment of the Lease Payments in part but not in whole under Article IX, and amounts required for payment of past due principal or interest on any Bonds not presented for payment) will be credited towards the Lease Payment then required to be paid hereunder. The City is not required to deposit any Lease Payment with the Trustee on any Lease Payment Date if the amounts then held in

the Bond Fund, the Interest Account and the Principal Account are at least equal to the Lease Payment then required to be deposited with the Trustee. The Lease Payments payable in any Rental Period are for the use of the Leased Property during that Rental Period.

(b) Effect of Prepayment. If the City prepays all Lease Payments in full under Section 9.2, the City's obligations under this Section will thereupon cease and terminate. If the City prepays the Lease Payments in part but not in whole under Section 9.2, the principal components of the remaining Lease Payments will be reduced in integral multiples of \$5,000 among Lease Payment Dates on a basis which corresponds to the principal maturities of the Bonds which are redeemed thereby; and the interest component of each remaining Lease Payment will be reduced by the aggregate corresponding amount of interest which would otherwise be payable with respect to the Bonds thereby redeemed under Section 4.01 of the Indenture.

(c) Rate on Overdue Payments. If the City fails to make any of the payments required in this Section, the payment in default will continue as an obligation of the City until the amount in default has been fully paid, and the City agrees to pay the same with interest thereon, from the date of default to the date of payment at the highest rate of interest on any Outstanding Bond.

(d) Fair Rental Value. The aggregate amount of the Lease Payments and Additional Rental Payments coming due and payable during each Rental Period constitute the total rental for the Leased Property for such Rental Period, and are payable by the City in each Rental Period for and in consideration of the right of the use and occupancy of, and the continued quiet use and enjoyment of the Leased Property during each Rental Period. The parties hereto have agreed and determined that the total Lease Payments represent the fair rental value of the Leased Property. In making that determination, consideration has been given to the estimated value of the Leased Property, other obligations of the City and the Authority under this Lease, the uses and purposes which may be served by the Leased Property and the benefits therefrom which will accrue to the City and the general public.

(e) Assignment. The City understands and agrees that all Lease Payments have been assigned by the Authority to the Trustee in trust, under the Assignment Agreement, for the benefit of the Owners of the Bonds, and the City hereby assents to such assignment. The Authority hereby directs the City, and the City hereby agrees to pay to the Trustee at its Office, all payments payable by the City under this Section and all amounts payable by the City under Article IX.

SECTION 4.4. *Source of Payments; Covenant to Budget and Appropriate.* The Lease Payments are payable from any source of available funds of the City, subject to the provisions of Section 6.3. The City covenants to take all actions required to include the Lease Payments in each of its budgets during the Term of this Lease and to make the necessary appropriations for all Lease Payments and Additional Rental Payments. The foregoing covenant of the City contained constitutes a duty imposed by law and each and every public official of the City is required to take all actions required by law in the performance of the official duty of such officials to enable the City to carry out and perform the covenants and agreements in this Lease agreed to be carried out and performed by the City.

SECTION 4.5. *Additional Rental Payments.* In addition to the Lease Payments, the City shall pay when due the following amounts of Additional Rental Payments in consideration of the lease of the Leased Property by the City from the Authority hereunder:

- (a) All fees and expenses incurred by the Authority in connection with or by reason of its leasehold estate in the Leased Property, when due;
- (b) All reasonable compensation to the Trustee for all services rendered under the Indenture and for all reasonable expenses, charges, costs, liabilities, legal fees and other disbursements incurred in and about the performance of its powers and duties under the Indenture;
- (c) The reasonable fees and expenses of such accountants, consultants, attorneys and other experts as may be engaged by the Authority or the Trustee to prepare audits, financial statements, reports, opinions or provide such other services required under this Lease or the Indenture;
- (d) Amounts coming due and payable as Excess Investment Earnings in accordance with Section 7.6(e); and
- (e) The reasonable out-of-pocket expenses of the Authority in connection with the execution and delivery of this Lease or the Indenture, or in connection with the issuance of the Bonds, including but not limited to any and all expenses incurred in connection with the authorization, sale and delivery of the Bonds, or incurred by the Authority in connection with any litigation which may at any time be instituted involving this Lease, the Bonds, the Indenture or any of the other documents contemplated hereby or thereby, or otherwise incurred in connection with the administration of this Lease.

SECTION 4.6. *Quiet Enjoyment.* Throughout the Term of this Lease, the Authority shall provide the City with quiet use and enjoyment of the Leased Property and the City will peaceably and quietly have and hold and enjoy the Leased Property, without suit, trouble or hindrance from the Authority, except as expressly set forth in this Lease. The Authority will, at the request of the City and at the City's cost, join in any legal action in which the City asserts its right to such possession and enjoyment to the extent the Authority may lawfully do so. Notwithstanding the foregoing, the Authority has the right to inspect the Leased Property as provided in Section 7.2.

SECTION 4.7. *Title.* Upon the termination of this Lease (other than under Section 8.2(b) hereof), all right, title and interest of the Authority in and to the Leased Property transfers to and vests in the City. The Authority shall take any and all steps and execute and record any and all documents reasonably required by the City to consummate any such transfer of title.

ARTICLE V

MAINTENANCE; TAXES; INSURANCE; AND OTHER MATTERS

SECTION 5.1. *Maintenance, Utilities, Taxes and Assessments.* Throughout the Term of this Lease, as part of the consideration for the rental of the Leased Property, all improvement, repair and maintenance of the Leased Property are the responsibility of the City, and the City will pay for or otherwise arrange for the payment of all utility services supplied to the Leased Property, which may include, without limitation, janitor service, security, power, gas, telephone, light, heating, water and all other utility services, and will pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Leased Property resulting from ordinary wear and tear or want of care on the part of the City or any assignee or sublessee thereof. In exchange for the Lease Payments herein provided, the Authority agrees to provide only the Leased Property. The City waives the benefits of subsections 1 and 2 of Section 1932, Section 1933(4) and Sections 1941 and 1942 of the California Civil Code, but such waiver does not limit any of the rights of the City under the terms of this Lease.

The City shall also pay or cause to be paid all taxes and assessments of any type or nature, if any, charged to the Authority or the City affecting the Leased Property or the respective interests or estates therein; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the City shall pay only such installments as are required to be paid during the Term of this Lease as and when the same become due.

The City may, at its expense and in its name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Authority notifies the City that, in its reasonable opinion, by nonpayment of any such items the interest of the Authority in the Leased Property will be materially endangered or the Leased Property or any part thereof will be subject to loss or forfeiture, in which event the City shall promptly pay such taxes, assessments or charges or provide the Authority with full security against any loss which may result from nonpayment, in form satisfactory to the Authority and the Trustee.

SECTION 5.2. *Modification of Leased Property.* The City has the right, at its own expense, to make additions, modifications and improvements to the Leased Property or any portion thereof. All additions, modifications and improvements to the Leased Property will thereafter comprise part of the Leased Property and become subject to the provisions of this Lease. Such additions, modifications and improvements may not in any way damage the Leased Property, or cause the Leased Property to be used for purposes other than those authorized under the provisions of state and federal law; and the Leased Property, upon completion of any additions, modifications and improvements made thereto under this Section, must be of a value which is not substantially less than the value thereof immediately prior to the making of such additions, modifications and improvements. The City will not permit any mechanic's or other lien to be established or remain against the Leased Property for labor or materials furnished in connection with any remodeling, additions, modifications, improvements, repairs, renewals or replacements made by the City under this Section; except that if any such lien is established and the City first notifies or causes to be notified the Authority of the City's

intention to do so, the City may in good faith contest any lien filed or established against the Leased Property, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom and shall provide the Authority with full security against any loss or forfeiture which might arise from the nonpayment of any such item, in form satisfactory to the Authority. The Authority will cooperate fully in any such contest, upon the request and at the expense of the City.

SECTION 5.3. *Liability Insurance.* The City shall maintain or cause to be maintained throughout the Term of this Lease, a standard commercial general liability insurance policy or policies in protection of the Authority, the City, and their respective members, officers, agents, employees and assigns. Said policy or policies shall provide for indemnification of said parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the operation of the Leased Property. Such policy or policies shall provide coverage in such liability limits and be subject to such deductibles as the City deems adequate and prudent. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the City, and may be maintained in whole or in part in the form of self-insurance by the City, subject to the provisions of Section 5.4, or in the form of the participation by the City in a joint powers agency or other program providing pooled insurance. The proceeds of such liability insurance must be applied toward extinguishment or satisfaction of the liability with respect to which paid.

SECTION 5.4. *Property Insurance.* The City shall procure and maintain, or cause to be procured and maintained, throughout the Term of this Lease, insurance against loss or damage to all improvements situated on the Leased Property. To the extent the Leased Property does not include streets, such insurance shall be in an amount at least equal to the lesser of (a) 100% of the replacement value of the insured buildings, or (b) 100% of the aggregate principal amount of the Outstanding Bonds. Such insurance must, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance, and must include earthquake insurance if available at reasonable cost from reputable insurers in the judgment of the City. Such insurance may be subject to such deductibles as the City deems adequate and prudent. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the City, and may be maintained in whole or in part in the form of the participation by the City in a joint powers agency or other program providing pooled insurance; provided that such insurance may not be maintained by the City in the form of self-insurance. The Net Proceeds of such insurance must be applied as provided in Section 6.1.

SECTION 5.5. *Insurance Net Proceeds; Form of Policies.* Each policy of insurance maintained under Section 5.4 must name the Trustee as loss payee so as to provide that all proceeds thereunder are payable to the Trustee. The City shall pay or cause to be paid when due the premiums for all insurance policies required by this Lease. All such policies shall provide that the Trustee is given 30 days' notice of each expiration, any intended cancellation thereof or reduction of the coverage provided thereby. The Trustee has no responsibility for the sufficiency, adequacy or amount of any insurance or self-insurance herein required and is fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss.

SECTION 5.6. *Installation of City's Personal Property.* The City may at any time and from time to time, in its sole discretion and at its own expense, install or permit to be installed other items of equipment or other personal property in or upon the Leased Property. All such items shall remain the sole property of the City, in which neither the Authority nor the Trustee has any interest, and may be modified or removed by the City at any time, provided that the City must repair all damage to the Leased Property resulting from the installation, modification or removal of any such items. Nothing in this Lease prevents the City from purchasing or leasing items to be installed under this Section under a lease or conditional sale agreement, or subject to a vendor's lien or security agreement, as security for the unpaid portion of the purchase price thereof, so long as no such lien or security interest attaches to any part of the Leased Property.

SECTION 5.7. *Advances.* If the City fails to perform any of its obligations under this Article V, the Authority may (but is not required to) take such action as it deems necessary to cure such failure, including the advancement of money, and the City shall repay all such advances as Additional Rental Payments hereunder, with interest at the rate set forth in Section 4.3(c).

ARTICLE VI

DAMAGE, DESTRUCTION AND EMINENT DOMAIN; USE OF NET PROCEEDS

SECTION 6.1. *Application of Net Proceeds.* The Trustee, as assignee of the Authority under the Assignment Agreement, has the right to receive all Net Proceeds. As provided in the Indenture, the Trustee will deposit all Net Proceeds in the Insurance and Condemnation Fund to be applied as set forth in Section 5.07 of the Indenture.

SECTION 6.2. *Termination or Abatement Due to Eminent Domain.*

(a) If the Leased Property is taken permanently under the power of eminent domain or sold to a government threatening to exercise the power of eminent domain, the Term of this Lease thereupon ceases as of the day possession is taken.

(b) If less than all of the Leased Property is taken permanently and the remainder is useable for the City's purposes, or if the Leased Property is taken temporarily, under the power of eminent domain, then:

- (i) this Lease continues in full force and effect with respect thereto and does not terminate by virtue of such taking, and the parties waive the benefit of any law to the contrary, and
- (ii) the Lease Payments are subject to abatement in an amount determined by the City such that the resulting Lease Payments represent fair consideration for the use and occupancy of the remaining usable portions of the Leased Property.

Notwithstanding the foregoing, there shall be no abatement of the Lease Payments under this Section 6.2 in the event and to the extent that amounts in the

Insurance and Condemnation Fund, the Bond Fund or the Reserve Fund are available to pay Lease Payments which would otherwise be abated, it being hereby declared that such proceeds and amounts constitute special funds for the payment of the Lease Payments.

SECTION 6.3. *Abatement Due to Damage or Destruction.* The Lease Payments are subject to abatement during any period in which by reason of damage or destruction (other than by eminent domain which is hereinbefore provided for) there is substantial interference with the use and occupancy by the City of the Leased Property or any portion thereof. The Lease Payments are subject to abatement in an amount determined by the City, such that the resulting Lease Payments represent fair consideration for the use and occupancy of the remaining usable portions of the Leased Property not damaged or destroyed. Such abatement will continue for the period commencing with such damage or destruction and ending with the substantial completion of the work of repair or reconstruction. In the event of any such damage or destruction, this Lease continues in full force and effect and the City waives any right to terminate this Lease by virtue of any such damage and destruction.

Notwithstanding the foregoing, there shall be no abatement of the Lease Payments under this Section 6.3 in the event and to the extent that amounts in the Insurance and Condemnation Fund, the Bond Fund or the Reserve Fund are available to pay Lease Payments which would otherwise be abated, it being hereby declared that such proceeds and amounts constitute special funds for the payment of the Lease Payments.

The abatement of Lease Payments hereunder in accordance with the terms hereof shall not constitute an Event of Default (as defined in Section 8.1) hereunder.

ARTICLE VII

OTHER COVENANTS OF THE CITY

SECTION 7.1. *Disclaimer of Warranties.* THE AUTHORITY MAKES NO AGREEMENT, WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY THE CITY OF THE LEASED PROPERTY OR ANY PORTION THEREOF, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE LEASED PROPERTY OR ANY PORTION THEREOF. THE CITY ACKNOWLEDGES THAT THE AUTHORITY IS NOT A MANUFACTURER OF ANY PORTION OF THE LEASED PROPERTY OR A DEALER THEREIN, THAT THE CITY LEASES THE LEASED PROPERTY AS-IS, IT BEING AGREED THAT ALL OF THE AFOREMENTIONED RISKS ARE TO BE BORNE BY THE CITY. The Authority has no liability for incidental, indirect, special or consequential damages, in connection with or arising out of this Lease for the existence, furnishing, functioning or use of the Leased Property by the City.

SECTION 7.2. *Access to the Leased Property.* The City agrees that the Authority and any Authorized Representative of the Authority, and the Authority's successors or

assigns, have the right at all reasonable times to enter upon and to examine and inspect the Leased Property or any part thereof. The City further agrees that the Authority, any Board Representative and the Authority's successors or assigns may have such rights of access to the Leased Property or any component thereof as reasonably necessary to cause the proper maintenance of the Leased Property if the City fails to perform its obligations hereunder; *provided, however*, that neither the Authority nor any of its assigns has any obligation to cause such proper maintenance.

SECTION 7.3. *Release and Indemnification Covenants.* The City agrees to indemnify the Authority, the Trustee and their respective officers, agents, successors and assigns, against all claims, losses and damages, including legal fees and expenses, arising out of any of the following:

- (a) the use, maintenance, condition or management of, or from any work or thing done on the Leased Property by the City,
- (b) any breach or default on the part of the City in the performance of any of its obligations under this Lease,
- (c) any negligence or willful misconduct of the City or of any of its agents, contractors, servants, employees or licensees with respect to the Leased Property,
- (d) any intentional misconduct or negligence of any sublessee of the City with respect to the Leased Property,
- (e) the acquisition, construction, improvement and equipping of the Leased Property, or the authorization of payment of the costs thereof, or
- (f) the acceptance and performance of the duties of the Trustee under the Indenture and under this Lease.

The rights of the Authority and the Trustee and the obligations of the City under this Section 7.3 shall survive the termination of this Lease or the resignation or removal of the Trustee.

No indemnification is made under this Section or elsewhere in this Lease for willful misconduct or negligence under this Lease by the Authority, the Trustee or their respective officers, agents, employees, successors or assigns.

SECTION 7.4. *Assignment and Subleasing by the City.* This Lease may not be assigned by the City, other than to an entity which succeeds to the interests of the City as a municipal corporation. The City may sublease the Leased Property, or any portion thereof, subject to all of the following conditions:

- (a) This Lease and the obligation of the City to make Lease Payments hereunder must remain obligations of the City.
- (b) The City must, within 30 days after the delivery thereof, furnish or cause to be furnished to the Authority and the Trustee a true and complete copy of such sublease.

- (c) No such sublease by the City may cause the Leased Property to be used for a purpose which is not authorized under the provisions of the laws of the State of California.
- (d) The City must furnish to the Authority and the Trustee a written opinion of Bond Counsel stating that such sublease does not cause the interest components of the Lease Payments to become included in gross income for purposes of federal income taxation or to become subject to personal income taxation by the State of California.

SECTION 7.5. *Amendment Hereof.* The Authority and the City may at any time amend or modify any of the provisions of this Lease, but only: (a) with the prior written consents of the Owners of a majority in aggregate principal amount of the Outstanding Bonds; or (b) without the consent of the Trustee or any of the Bond Owners, but only if such amendment or modification is for any one or more of the following purposes:

- (i) to add to the covenants and agreements of the City contained in this Lease, other covenants and agreements thereafter to be observed, or to limit or surrender any rights or power herein reserved to or conferred upon the City;
- (ii) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained herein, to conform to the original intention of the City and the Authority;
- (iii) to modify, amend or supplement this Lease in such manner as to assure that the interest on the Bonds remains excluded from gross income under the Tax Code;
- (iv) to amend the description of the Leased Property to reflect accurately the property originally intended to be included therein, or in connection with any substitution or release of property under Sections 3.3 or 3.4;
- (v) to obligate the City to pay additional amounts of rental for the use and occupancy of the Leased Property, but only if (A) such additional rent payments are pledged or assigned for the payment of any bonds, notes or other obligations the proceeds of which are applied to finance or refinance the acquisition or construction of any real or personal property for which the City is authorized to expend funds subject to its control, (B) the City has obtained an appraisal or other evidence that the value of the Leased Property is at least equal to the aggregate principal amount of the Outstanding Bonds and all such other bonds, notes, leases or other obligations, and (C) the City has filed with the Trustee written evidence that the amendments made under this clause (v) will not of themselves cause a reduction or withdrawal of any rating then assigned to the Bonds;
- (vi) in any other respect whatsoever as the Authority and the City deem necessary or desirable, if in the opinion of Bond Counsel such

modifications or amendments do not materially adversely affect the interests of the Owners of the Bonds.

No such modification or amendment may (a) extend or have the effect of extending any Lease Payment Date or reducing any Lease Payment or any premium payable upon the prepayment thereof, without the express consent of the Owners of the affected Bonds, or (b) modify any of the rights or obligations of the Trustee without its written assent thereto.

SECTION 7.6. *Tax Covenants.*

(a) Private Business Use Limitation. The City shall assure that the proceeds of the Bonds are not used in a manner which would cause the Bonds to satisfy the private business tests of Section 141(b) of the Tax Code or the private loan financing test of Section 141(c) of the Tax Code.

(b) Federal Guarantee Prohibition. The City may not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Tax Code.

(c) No Arbitrage. The City may not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the Bonds or of any other obligations which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date, would have caused the Bonds to be “arbitrage bonds” within the meaning of Section 148(a) of the Tax Code.

(d) Maintenance of Tax Exemption. The City shall take all actions necessary to assure the exclusion of interest on the Bonds from the gross income of the Owners of the Bonds to the same extent as such interest is permitted to be excluded from gross income under the Tax Code as in effect on the Closing Date.

(e) Rebate of Excess Investment Earnings to United States. The City shall calculate or cause to be calculated the Excess Investment Earnings in all respects at the times and in the manner required under the Tax Code. The City shall pay the full amount of Excess Investment Earnings to the United States of America in such amounts, at such times and in such manner as may be required under the Tax Code. Such payments shall be made by the City from any source of legally available funds of the City, and shall constitute Additional Rental Payments hereunder.

The City shall keep or cause to be kept, and retain or cause to be retained for a period of six years following the retirement of the Bonds, records of the determinations made under this subsection (e). In order to provide for the administration of this subsection (e), the City may provide for the employment of independent attorneys, accountants and consultants compensated on such reasonable basis as the City may deem appropriate. The Trustee has no duty or obligation to monitor or enforce compliance by the City of any of the requirements under this subsection (e).

SECTION 7.7. *Continuing Disclosure.* The City shall comply with and carry out all of the provisions of the Continuing Disclosure Certificate executed by the City as of the Closing Date, as originally executed and as it may be amended from time to time in

accordance with its terms. Notwithstanding any other provision of this Lease, failure of the City to comply with such Continuing Disclosure Certificate will not constitute an Event of Default, although any Participating Underwriter (as that term is defined in such Continuing Disclosure Certificate) or any Owner or beneficial owner of the Bonds may take such actions as may be necessary and appropriate to compel performance by the City of its obligations under this Section, including seeking mandate or specific performance by court order.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

SECTION 8.1. *Events of Default Defined.* Any one or more of the following events constitute an Event of Default hereunder:

- (a) Failure by the City to pay any Lease Payment or other payment required to be paid hereunder at the time specified herein.
- (b) Failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in the preceding subsection (a), for a period of 30 days after written notice specifying such failure and requesting that it be remedied has been given to the City by the Authority or the Trustee. If in the reasonable opinion of the City the failure stated in the notice can be corrected, but not within such 30 day period, the failure will not constitute an Event of Default if the City commences to cure the failure within such 30 day period and thereafter diligently and in good faith cures the failure in a reasonable period of time.
- (c) The filing by the City of a voluntary petition in bankruptcy, or failure by the City promptly to lift any execution, garnishment or attachment, or adjudication of the City as a bankrupt, or assignment by the City for the benefit of creditors, or the entry by the City into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the City in any proceedings instituted under the provisions of the Federal Bankruptcy Code, as amended, or under any similar acts which may hereafter be enacted.

SECTION 8.2. *Remedies on Default.* Whenever any Event of Default has happened and is continuing, the Authority may exercise any and all remedies available under law or granted under this Lease to collect the amounts then due and thereafter to become due hereunder or to enforce any other of its rights hereunder, except as provided herein. Notwithstanding anything herein or in the Indenture to the contrary, (a) neither the Authority nor the Trustee may accelerate the Lease Payments or otherwise declare any Lease Payments not then in default to be immediately due and payable (the Authority hereby expressly waives the right to receive any amount from the City pursuant to Section 1951.2 of the California Civil Code to accelerate payment of the Lease Payments) and (b) the Authority shall have no right to re-lease any portion of the Leased Property that constitutes the roadway portion of a City street. Each covenant hereof to

be kept and performed by the City is expressly made a condition and upon the breach thereof the Authority may exercise any and all rights granted hereunder; except that no termination of this Lease may be effected either by operation of law or acts of the parties hereto, except only in the manner herein expressly provided.

SECTION 8.3. *No Remedy Exclusive.* No remedy herein conferred upon or reserved to the Authority is intended to be exclusive and every such remedy is cumulative and in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon the occurrence of any Event of Default impairs any such right or power or operates as a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority to exercise any remedy reserved to it in this Article VIII it is not necessary to give any notice, other than as expressly required in this Article VIII or by law.

SECTION 8.4. *Agreement to Pay Attorneys' Fees and Expenses.* If the Authority or the City defaults under any of the provisions of this Lease and the nondefaulting party employs attorneys or incurs other expenses for the collection of moneys or the enforcement or performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party will on demand therefor pay to the nondefaulting party the reasonable fees of such attorneys and such other expenses so incurred by the nondefaulting party.

SECTION 8.5. *No Additional Waiver Implied by One Waiver.* If the Authority or the City breaches any agreement in this Lease and thereafter the other party waives the breach, such waiver is limited to the particular Breach so waived and does not operate to waive any other breach hereunder.

SECTION 8.6. *Application of Proceeds.* All net proceeds received from a re-lease of the Leased Property under this Article VIII, and all other amounts derived by the Authority or the Trustee as a result of the occurrence of an Event of Default, must be paid to and applied by the Trustee in accordance with Section 7.03 of the Indenture.

SECTION 8.7. *Trustee and Bond Owners to Exercise Rights.* Such rights and remedies as are given to the Authority under this Article VIII have been assigned by the Authority to the Trustee under the Assignment Agreement for the benefit of the Bond Owners, to which assignment the City hereby consents. The Trustee and the Bond Owners shall exercise such rights and remedies in accordance with the Indenture.

ARTICLE IX

PREPAYMENT OF LEASE PAYMENTS

SECTION 9.1. *Security Deposit.* Notwithstanding any other provision of this Lease, the City may on any date secure the payment of the Lease Payments allocable to the Leased Property in whole or in part by depositing with the Trustee an amount of cash which, together with other available amounts on deposit in the funds and accounts established under the Indenture, is either:

- (a) sufficient to pay such Lease Payments, including the principal and interest components thereof, in accordance with the Lease Payment schedule set forth in Appendix B, or
- (b) invested in whole or in part in non-callable Federal Securities in such amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon and together with any cash which is so deposited, be fully sufficient to pay such Lease Payments when due under Section 4.3(a), as the City instructs at the time of said deposit.

If the City makes a security deposit under this Section with respect to all unpaid Lease Payments, and notwithstanding the provisions of Section 4.2, (a) the Term of this Lease will continue, (b) all obligations of the City under this Lease, and all security provided by this Lease for said Lease Payments, will thereupon cease and terminate, excepting only the obligation of the City to make, or cause to be made all of said Lease Payments from such security deposit, and (c) under Section 4.7, title to the Leased Property will vest in the City on the date of said deposit automatically and without further action by the City or the Authority. Said security deposit constitutes a special fund for the payment of Lease Payments in accordance with the provisions of this Lease.

SECTION 9.2. *Prepayment.* The City has the option to prepay the principal components of the Lease Payments in as described under Section 4.01(a) of the Indenture. Such prepayment price shall be deposited by the Trustee in the Redemption Fund to be applied to the redemption of Bonds under Section 4.01(a) of the Indenture. The City shall give written notice to the Authority and the Trustee of its intention to prepay the Lease Payments under this Section at least 45 days prior to the prepayment date, or such shorter period of time as may be acceptable to the Trustee in its sole discretion, such notice being solely for the convenience of the Trustee. Additionally, this Lease is subject to extraordinary mandatory prepayment as described under Section 4.01(c) of the Indenture.

SECTION 9.3. *Mandatory Prepayment From Net Proceeds of Insurance or Eminent Domain.* The City shall prepay the principal components of the Lease Payments allocable to the Leased Property in whole or in part on any date, from and to the extent of any Net Proceeds of insurance award or eminent domain award with respect to the Leased Property theretofore deposited in the Redemption Fund for that purpose under Article VI hereof and Section 5.07 of the Indenture. Such Net Proceeds, to the extent remaining after payment of any delinquent Lease Payments, will be credited towards the City's obligations under this Section and applied to the corresponding redemption of Bonds under Section 4.01 of the Indenture on the next available redemption date.

SECTION 9.4. *Credit for Amounts on Deposit.* If the principal components of the Lease Payments are prepaid in full under this Article IX, such that the Indenture is discharged by its terms as a result of such prepayment, at the written election of the City filed with the Trustee any or all amounts then on deposit in the Bond Fund (and the accounts therein) or the Reserve Fund will be credited towards the amounts then required to be so prepaid.

ARTICLE X

MISCELLANEOUS

SECTION 10.1. *Notices.* Any notice, request, complaint, demand or other communication under this Lease shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or by facsimile transmission or other form of telecommunication, at its number set forth below. Notice shall be effective either (a) upon transmission by facsimile transmission or other form of telecommunication, (b) 48 hours after deposit in the United States of America first class mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt. The Authority, the City or the Trustee may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

If to the City
or the Authority:

City of Ukiah
Attention: Finance Director
300 Seminary Avenue
Ukiah, CA 95482

If to the Trustee:

The Bank of New York Mellon Trust Company, N.A.
Attention: Corporate Trust Administration
333 S. Hope Street, Suite #2525
Los Angeles, California 90071
~~100 Pine Street, Suite 3200~~
~~San Francisco, California 94111~~

SECTION 10.2. *Binding Effect.* This Lease inures to the benefit of and binds the Authority, the City and their respective successors and assigns.

SECTION 10.3. *Severability.* If any provision of this Lease is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision hereof.

SECTION 10.4. *Net-net-net Lease.* This Lease is deemed and construed to be a "net-net-net lease" and the City hereby agrees that the Lease Payments are an absolute net return to the Authority, free and clear of any expenses, charges or set-offs whatsoever.

SECTION 10.5. *Third Party Beneficiary.* The Trustee is hereby made a third party beneficiary hereunder with all rights of a third party beneficiary.

SECTION 10.6. *Further Assurances and Corrective Instruments.* The Authority and the City shall, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Leased Property hereby leased or intended so to be or for carrying out the expressed intention of this Lease.

SECTION 10.7. *Execution in Counterparts.* This Lease may be executed in several counterparts, each of which is an original and all of which constitute but one and the same instrument.

SECTION 10.8. *Applicable Law.* This Lease is governed by and construed in accordance with the laws of the State of California.

SECTION 10.9. *Board and City Representatives.* Whenever under the provisions of this Lease the approval of the Authority or the City is required, or the Authority or the City is required to take some action at the request of the other, such approval or such request shall be given for the Authority and for the City by an Authorized Representative thereof, and any party hereto may conclusively rely upon any such approval or request.

SECTION 10.10. *Captions.* The captions or headings in this Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Section of this Lease.

Remainder of page intentionally left blank. Signatures on next page.

IN WITNESS WHEREOF, the Authority and the City have caused this Lease to be executed in their respective names by their duly authorized officers, all as of the date first above written.

UKIAH PUBLIC FINANCING AUTHORITY
as Lessor

By: _____
Daniel Buffalo
Treasurer

CITY OF UKIAH
as Lessee

By: _____
Daniel Buffalo
Finance Director

APPENDIX A

DESCRIPTION OF THE LEASED PROPERTY

The Leased Property consists of that certain real property, together with all fixtures, equipment or other improvements located upon the real property, except as to the library as excluded below, situated in the City of Ukiah, County of Mendocino, State of California, described as follows:

[[All City Streets]]

APPENDIX B

SCHEDULE OF LEASE PAYMENTS

Lease Payment Date *	Principal Component	Interest Component	Aggregate Lease Payment	Annual Aggregate Lease Payment
4/1/22				
6/30/22				
10/1/22				
4/1/23				
6/30/23				
10/1/23				
4/1/24				
6/30/24				
10/1/24				
4/1/25				
6/30/25				
10/1/25				
4/1/26				
6/30/26				
10/1/26				
4/1/27				
6/30/27				
10/1/27				
4/1/28				
6/30/28				
10/1/28				
4/1/29				
6/30/29				
10/1/29				
4/1/30				
6/30/30				
10/1/30				
4/1/31				
6/30/31				
10/1/31				
4/1/32				
6/30/32				
10/1/32				
4/1/33				
6/30/33				
10/1/33				
4/1/34				
6/30/34				
10/1/34				
4/1/35				
6/30/35				
10/1/35				
4/1/36				
6/30/36				
10/1/36				
4/1/37				
6/30/37				
10/1/37				
4/1/38				
6/30/38				

10/1/38
 4/1/39
 6/30/39
 10/1/39
 4/1/40
 6/30/40
 10/1/40
 4/1/41
 6/30/41
 10/1/41
 4/1/42
 6/30/42
 10/1/42
 4/1/43
 6/30/43
 10/1/43
 4/1/44
 6/30/44
 10/1/44
 4/1/45
 6/30/45
 10/1/45
 4/1/46
 6/30/46
 10/1/46
 4/1/47
 6/30/47
 10/1/47
 4/1/48
 6/30/48
 10/1/48
 4/1/49
 6/30/49
 10/1/49
 4/1/50
 6/30/50
 10/1/50
 4/1/51
 6/30/51

TOTAL

* Lease Payment Dates are the 5th Business Day immediately preceding each date listed in the schedule.

INDENTURE OF TRUST

Dated as of February 1, 2022

between

UKIAH PUBLIC FINANCING AUTHORITY

and

THE BANK OF NEW YORK MELLON TRUST COMPANY,
as Trustee

Authorizing the Issuance of

\$ _____
Ukiah Public Financing Authority
Lease Revenue Bonds, Series 2022
(Capital Projects)

TABLE OF CONTENTS

ARTICLE I:
DEFINITIONS; RULES OF CONSTRUCTION:

Section 1.01.	Definitions	3
Section 1.02.	Authorization	3
Section 1.03.	Interpretation	3

ARTICLE II:
THE BONDS:

Section 2.01.	Authorization of Bonds	4
Section 2.02.	Terms of the Bonds	4
Section 2.03.	Transfer and Exchange of Bonds	5
Section 2.04.	Book-Entry System	6
Section 2.05.	Registration Books	8
Section 2.06.	Form and Execution of Bonds	8
Section 2.07.	Bonds Mutilated, Lost, Destroyed or Stolen	8

ARTICLE III:
ISSUANCE OF BONDS; APPLICATION OF PROCEEDS:

Section 3.01.	Issuance of the Bonds	9
Section 3.02.	Application of Proceeds of Sale of Bonds	9
Section 3.03.	Establishment and Application of Costs of Issuance Fund	9
Section 3.04.	Establishment and Application of Project Fund	10
Section 3.05.	Validity of Bonds	10

ARTICLE IV:
REDEMPTION OF BONDS:

Section 4.01.	Terms of Redemption	11
Section 4.02.	Selection of Bonds for Redemption	12
Section 4.03.	Notice of Redemption; Rescission	12
Section 4.04.	Partial Redemption of Bonds	12
Section 4.05.	Effect of Redemption	12

ARTICLE V:
REVENUES; FUNDS AND ACCOUNTS; PAYMENT OF
PRINCIPAL AND INTEREST:

Section 5.01.	Security for the Bonds; Bond Fund	13
Section 5.02.	Allocation of Revenues	13
Section 5.03.	Application of Interest Account	14
Section 5.04.	Application of Principal Account	14
Section 5.05.	Reserve Fund	14
Section 5.06.	Application of Redemption Fund	15
Section 5.07.	Insurance and Condemnation Fund	15
Section 5.08.	Investments	16
Section 5.09.	Valuation and Disposition of Investments	17

ARTICLE VI:
COVENANTS OF THE AUTHORITY

Section 6.01.	Punctual Payment	19
Section 6.02.	Extension of Payment of Bonds	19

Section 6.03.	Against Encumbrances	19
Section 6.04.	Power to Issue Bonds and Make Pledge and Assignment	19
Section 6.05.	Accounting Records	19
Section 6.06.	Limitation on Additional Obligations	20
Section 6.07.	Tax Covenants	20
Section 6.08.	Enforcement of Lease	20
Section 6.09.	Waiver of Laws	21
Section 6.10.	Further Assurances	21
Section 6.11.	Maintenance of Existence	21

ARTICLE VII:
EVENTS OF DEFAULT AND REMEDIES:

Section 7.01.	Events of Default	22
Section 7.02.	Remedies Upon Event of Default	22
Section 7.03.	Application of Revenues and Other Funds After Default	23
Section 7.04.	Trustee to Represent Bond Owners	23
Section 7.05.	Limitation on Bond Owners' Right to Sue	24
Section 7.06.	Absolute Obligation of Board	24
Section 7.07.	Termination of Proceedings	24
Section 7.08.	Remedies Not Exclusive	25
Section 7.09.	No Waiver of Default	25
Section 7.10.	Notice to the Bond Owners of Default	25

ARTICLE VIII:
THE TRUSTEE:

Section 8.01.	Duties, Immunities and Liabilities of Trustee	26
Section 8.02.	Merger or Consolidation	27
Section 8.03.	Liability of Trustee	27
Section 8.04.	Right to Rely on Documents	30
Section 8.05.	Preservation and Inspection of Documents	30
Section 8.06.	Compensation and Indemnification	30
Section 8.07.	Accounting Records and Financial Statements	31

ARTICLE IX:
MODIFICATION OR AMENDMENT HEREOF:

Section 9.01.	Amendments Permitted	32
Section 9.02.	Effect of Supplemental Indenture	33
Section 9.03.	Endorsement of Bonds; Preparation of New Bonds	33
Section 9.04.	Amendment of Particular Bonds	34

ARTICLE X:
DEFEASANCE:

Section 10.01.	Discharge of Indenture	35
Section 10.02.	Discharge of Liability on Bonds	35
Section 10.03.	Deposit of Money or Securities with Trustee	36
Section 10.04.	Unclaimed Funds	36

ARTICLE XI:
MISCELLANEOUS:

Section 11.01.	Liability of Authority Limited to Revenues	37
Section 11.02.	Limitation of Rights to Parties and Bond Owners	37

Section 11.03.	Funds and Accounts	37
Section 11.04.	Waiver of Notice; Requirement of Mailed Notice	37
Section 11.05.	Destruction of Bonds.....	37
Section 11.06.	Severability of Invalid Provisions	37
Section 11.07.	Notices	38
Section 11.08.	Evidence of Rights of Bond Owners	38
Section 11.09.	Disqualified Bonds	39
Section 11.10.	Money Held for Particular Bonds	39
Section 11.11.	Waiver of Personal Liability.....	39
Section 11.12.	Successor Is Deemed Included in All References to Predecessor	39
Section 11.13.	Execution in Several Counterparts	39
Section 11.14.	Payment on Non-Business Day	40
Section 11.15.	Governing Law.....	40
APPENDIX A	DEFINITIONS	
APPENDIX B	FORM OF BOND	

INDENTURE OF TRUST

This INDENTURE OF TRUST (this “Indenture”), dated for convenience as of February 1, 2022, is between the UKIAH PUBLIC FINANCING AUTHORITY, a joint exercise of powers authority organized and existing under the laws of the State of California (the “Authority”), and THE BANK OF NEW YORK MELLON TRUST COMPANY, a national banking association organized and existing under the laws of the United States of America, with a corporate trust office in San Francisco, California, being qualified to accept and administer the trusts hereby created (the “Trustee”).

BACKGROUND:

1. The City is proceeding to reconstruct its corporation yard and construct improvements to various City streets (collectively, the “Project”).

2. In order to provide funds to finance a portion of the costs of the Project, the City has agreed to lease the real property more particularly described in Appendix A attached hereto and by this reference incorporated herein, consisting of streets in the City (the “Leased Property”) to the Authority under a Site Lease dated as of February 1, 2022 (the “Site Lease”), under which the Authority agrees to make an initial rental payment (the “Site Lease Payment”) which is sufficient to provide funds for such purposes.

3. The Authority has authorized the issuance of its Ukiah Public Financing Authority Lease Revenue Bonds, Series 2022 (Capital Projects) in the aggregate principal amount of \$_____ (the “Bonds”) under this Indenture and under the provisions of Article 4 of Chapter 5, Division 7, Title 1 of the Government Code of the State of California, commencing with Section 6584 of said Code (the “Bond Law”), for the purpose of providing the funds to enable the Authority to pay the Site Lease Payment to the City in accordance with the Site Lease.

4. In order to provide revenues which are sufficient to enable the Authority to pay debt service on the Bonds, the Authority has agreed to lease the Leased Property back to the City under a Lease Agreement dated as of February 1, 2022 (the “Lease”), under which the City has agreed to pay semiannual Lease Payments as the rental for the Leased Property thereunder.

5. The lease payments made by the City under the Lease have been assigned by the Authority to the Trustee for the security of the Bonds under an Assignment Agreement dated as of February 1, 2022, between the Authority as assignor and the Trustee as assignee.

6. In order to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and to secure the payment of the principal thereof, premium (if any) and interest thereon, the Authority has authorized the execution and delivery of this Indenture.

7. The Authority has found and determines, and hereby affirms, that all acts and proceedings required by law necessary to make the Bonds, when executed by the

Authority, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal special obligations of the Authority, and to constitute this Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of this Indenture have been in all respects duly authorized.

A G R E E M E N T :

In order to secure the payment of the principal of and the interest and redemption premium (if any) on all the Outstanding Bonds under this Indenture according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the Owners thereof, and for other valuable considerations, the receipt of which is hereby acknowledged, the Authority and the Trustee do hereby covenant and agree with one another, for the benefit of the respective Owners from time to time of the Bonds, as follows:

ARTICLE I

DEFINITIONS; RULES OF CONSTRUCTION

SECTION 1.01. *Definitions.* Unless the context clearly otherwise requires or unless otherwise defined herein, the capitalized terms defined in Appendix A attached to this Indenture have the respective meanings specified in that Appendix when used in this Indenture.

SECTION 1.02. *Authorization.* Each of the parties hereby represents and warrants that it has full legal authority and is duly empowered to enter into this Indenture, and has taken all actions necessary to authorize the execution hereof by the officers and persons signing it.

SECTION 1.03. *Interpretation.*

(a) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(c) All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

ARTICLE II

THE BONDS

SECTION 2.01. *Authorization of Bonds.* The Authority has reviewed all proceedings heretofore taken and has found, as a result of such review, and hereby finds and determines that all things, conditions and acts required by law to exist, happen or be performed precedent to and in connection with the issuance of the Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the Authority is now duly empowered, under each and every requirement of law, to issue the Bonds in the manner and form provided in this Indenture.

The Authority hereby authorizes the issuance of Bonds in the aggregate principal amount of \$_____ under the Bond Law for the purposes of providing funds to pay the Site Lease Payment to the City and thereby provide funds to finance the Project. The Bonds are authorized and issued under, and are subject to the terms of, this Indenture and the Bond Law. The Bonds are designated as the "Ukiah Public Financing Authority Lease Revenue Bonds, Series 2022 (Capital Projects)."

SECTION 2.02. *Terms of the Bonds.*

(a) Payment Provisions. The Bonds shall be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof, so long as no Bond has more than one maturity date. The Bonds shall mature on April 1 in each of the years and in the amounts, and bear interest (calculated on the basis of a 360-day year of twelve 30-day months) at the rates, as follows:

Maturity Date <u>(April 1)</u>	Principal <u>Amount</u>	Interest <u>Rate</u>
-----------------------------------	----------------------------	-------------------------

Interest on the Bonds is payable from the Interest Payment Date next preceding the date of authentication thereof unless:

- (a) a Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event it will bear interest from such Interest Payment Date,
- (b) a Bond is authenticated on or before the first Record Date, in which event interest thereon will be payable from the Closing Date, or
- (c) interest on any Bond is in default as of the date of authentication thereof, in which event interest thereon will be payable from the date to which interest has been paid in full, payable on each Interest Payment Date.

Interest is payable on each Interest Payment Date to the persons in whose names the ownership of the Bonds is registered on the Registration Books at the close of business on the immediately preceding Record Date, except as provided below. Interest on any Bond which is not punctually paid or duly provided for on any Interest Payment Date is payable to the person in whose name the ownership of such Bond is registered on the Registration Books at the close of business on a special record date for the payment of such defaulted interest to be fixed by the Trustee, notice of which is given to such Owner by first-class mail not less than 10 days prior to such special record date.

The Trustee will pay interest on the Bonds by check of the Trustee mailed by first class mail, postage prepaid, on each Interest Payment Date to the Owners of the Bonds at their respective addresses shown on the Registration Books as of the close of business on the preceding Record Date. At the written request of the Owner of Bonds in an aggregate principal amount of at least \$1,000,000, which written request is on file with the Trustee as of any Record Date, the Trustee will pay interest on such Bonds on each succeeding Interest Payment Date by wire transfer in immediately available funds to such account of a financial institution within the United States of America as specified in such written request, which written request will remain in effect until rescinded in writing by the Owner. The Trustee will pay principal of the Bonds in lawful money of the United States of America by check of the Trustee upon presentation and surrender thereof at the Office of the Trustee.

SECTION 2.03. *Transfer and Exchange of Bonds.*

(a) Transfer. Any Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by a duly authorized attorney of such person, upon surrender of such Bond to the Trustee at its Office for cancellation, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, duly executed. The Trustee shall collect from the transferee any tax or other governmental charge on the transfer of any Bonds under this Section 2.03. Whenever any Bond or Bonds shall be surrendered for transfer, the Authority shall execute and the Trustee shall authenticate and deliver to the transferee a new Bond or Bonds of like series, interest rate, maturity and aggregate principal amount in authorized denominations. The Authority shall pay the cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer of Bonds. Prior to any transfer of a Bond outside the book-entry system (including, but not limited to, the initial transfer outside the book-entry system) the transferor shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to

comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045, as amended. The Trustee shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

(b) Exchange. The Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount of Bonds of other authorized denominations and of the same series, interest rate and maturity. The Trustee shall collect from the transferee any tax or other governmental charge on the exchange of any Bonds under this subsection (b). The Authority shall pay the cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any exchange of Bonds.

(c) Limitations. The Trustee may refuse to transfer or exchange, under the provisions of this Section 2.03, any Bonds selected by the Trustee for redemption under Article IV, or any Bonds during the period established by the Trustee for the selection of Bonds for redemption.

SECTION 2.04. *Book-Entry System.*

(a) Original Delivery. The Bonds will be initially delivered in the form of a separate single fully registered bond (which may be typewritten) for each maturity of the Bonds. Upon initial delivery, the Trustee shall register the ownership of each Bond on the Registration Books in the name of the Nominee. Except as provided in subsection (c), the ownership of all of the Outstanding Bonds shall be registered in the name of the Nominee on the Registration Books.

With respect to Bonds the ownership of which shall be registered in the name of the Nominee, the Authority and the Trustee has no responsibility or obligation to any Depository System Participant or to any person on behalf of which the Nominee holds an interest in the Bonds. Without limiting the generality of the immediately preceding sentence, the Authority and the Trustee has no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any Depository System Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Depository System Participant or any other person, other than a Bond Owner as shown in the Registration Books, of any notice with respect to the Bonds, including any notice of redemption, (iii) the selection by the Depository of the beneficial interests in the Bonds to be redeemed if the Authority elects to redeem the Bonds in part, (iv) the payment to any Depository System Participant or any other person, other than a Bond Owner as shown in the Registration Books, of any amount with respect to principal, premium, if any, or interest on the Bonds or (v) any consent given or other action taken by the Depository as Owner of the Bonds. The Authority and the Trustee may treat and consider the person in whose name each Bond is registered as the absolute owner of such Bond for the purpose of payment of principal of and premium, if any, and interest on such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers of ownership of such Bond, and for all other purposes whatsoever. The Trustee shall pay the principal of and the interest and premium, if any, on the Bonds only to the respective Owners or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge all obligations with respect to payment of principal of and interest and premium, if any, on the Bonds to the extent of the sum or sums so paid. No person other than a Bond Owner shall receive a Bond evidencing the obligation of the Authority to make payments of

principal, interest and premium, if any, under this Indenture. Upon delivery by the Depository to the Authority of written notice to the effect that the Depository has determined to substitute a new Nominee in its place, and subject to the provisions herein with respect to Record Dates, such new nominee shall become the Nominee hereunder for all purposes; and upon receipt of such a notice the Authority shall promptly deliver a copy of the same to the Trustee.

(b) Representation Letter. In order to qualify the Bonds for the Depository's book-entry system, the Authority shall execute and deliver to such Depository a letter representing such matters as shall be necessary to so qualify the Bonds. The execution and delivery of such letter shall not in any way limit the provisions of subsection (a) above or in any other way impose upon the Authority or the Trustee any obligation whatsoever with respect to persons having interests in the Bonds other than the Bond Owners. Upon the written acceptance by the Trustee, the Trustee shall agree to take all action reasonably necessary for all representations of the Trustee in such letter with respect to the Trustee to at all times be complied with. In addition to the execution and delivery of such letter, the Authority may take any other actions, not inconsistent with this Indenture, to qualify the Bonds for the Depository's book-entry program.

(c) Transfers Outside Book-Entry System. If either (i) the Depository determines not to continue to act as Depository for the Bonds, or (ii) the Authority determines to terminate the Depository as such, then the Authority shall thereupon discontinue the book-entry system with such Depository. In such event, the Depository shall cooperate with the Authority and the Trustee in the issuance of replacement Bonds by providing the Trustee with a list showing the interests of the Depository System Participants in the Bonds, and by surrendering the Bonds, registered in the name of the Nominee, to the Trustee on or before the date such replacement Bonds are to be issued. The Depository, by accepting delivery of the Bonds, agrees to be bound by the provisions of this subsection (c). If, prior to the termination of the Depository acting as such, the Authority fails to identify another Securities Depository to replace the Depository, then the Bonds shall no longer be required to be registered in the Registration Books in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging Bonds shall designate, in accordance with the provisions hereof.

If the Authority determines that it is in the best interests of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the Authority may notify the Depository System Participants of the availability of such certificated Bonds through the Depository. In such event, the Trustee will issue, transfer and exchange Bonds as required by the Depository and others in appropriate amounts; and whenever the Depository requests, the Trustee and the Authority shall cooperate with the Depository in taking appropriate action (y) to make available one or more separate certificates evidencing the Bonds to any Depository System Participant having Bonds credited to its account with the Depository, or (z) to arrange for another Securities Depository to maintain custody of a single certificate evidencing such Bonds, all at the Authority's expense.

(d) Payments to the Nominee. Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is registered in the name of the Nominee, all payments with respect to principal of and interest and premium, if any, on such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the letter described in subsection (b) of this Section or as otherwise instructed by the Depository.

SECTION 2.05. *Registration Books.* The Trustee will keep or cause to be kept, at the Office of the Trustee, sufficient records for the registration and transfer of ownership of the Bonds, which shall upon reasonable notice as agreed to by the Trustee, be open to inspection during regular business hours by the Authority; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such records, the ownership of the Bonds as hereinbefore provided.

SECTION 2.06. *Form and Execution of Bonds.* The Bonds, the form of Trustee's certificate of authentication, and the form of assignment to appear thereon, are set forth in Appendix B attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture.

The Treasurer of the Authority or other Authorized Representative with authority to do so shall execute, and the Secretary of the Authority shall attest each Bond. Either or both of such signatures may be made manually or may be affixed by facsimile thereof. If any officer whose signature appears on any Bond ceases to be such officer before the Closing Date, such signature will nevertheless be as effective as if the officer had remained in office until the Closing Date. Any Bond may be signed and attested on behalf of the Authority by such persons as at the actual date of the execution of such Bond are the proper officers of the Authority, duly authorized to execute debt instruments on behalf of the Authority, although on the date of such Bond any such person was not an officer of the Authority.

Only those Bonds bearing a certificate of authentication in the form set forth in Appendix B, manually executed and dated by the Trustee, are valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of the Trustee is conclusive evidence that such Bonds have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

SECTION 2.07. *Bonds Mutilated, Lost, Destroyed or Stolen.* If any Bond is mutilated, the Authority, at the expense of the Owner of such Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. The Trustee shall cancel every mutilated Bond surrendered to it and deliver such mutilated Bond to, or upon the order of, the Authority. If any Bond is lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence is satisfactory and if indemnity satisfactory to the Trustee is given, the Authority, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen. The Trustee may require payment of a sum not exceeding the actual cost of preparing each new Bond issued under this Section and of the expenses which may be incurred by the Trustee in connection therewith. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen will constitute an original additional contractual obligation on the part of the Authority whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Indenture with all other Bonds issued under this Indenture.

Notwithstanding any other provision of this Section 2.07, in lieu of delivering a new Bond for which principal has become due for a Bond which has been mutilated, lost, destroyed or stolen, the Trustee may make payment of such Bond in accordance with its terms upon receipt of indemnity satisfactory to the Trustee.

ARTICLE III

ISSUANCE OF BONDS; APPLICATION OF PROCEEDS

SECTION 3.01. *Issuance of the Bonds.* At any time after the execution of this Indenture, the Authority may execute and the Trustee shall authenticate and, upon the Written Request of the Authority, deliver the Bonds to the Original Purchaser upon receipt of payment of the purchase price for the Bonds.

SECTION 3.02. *Application of Proceeds of Sale of Bonds .* Upon the receipt of payment for the Bonds on the Closing Date in the amount of \$_____, (representing the aggregate principal amount thereof (\$_____), plus original issuance premium of \$_____, less an Underwriter's discount of \$_____), the Trustee shall deposit the proceeds thereof into a temporary account, which shall be disbursed in full on the Closing Date (whereupon said temporary account shall be closed) as follows:

- (a) The Trustee shall wire transfer to the City the amount of \$_____, constituting the remainder of such proceeds, to be held by the City in the Project Fund.
- (b) The Trustee shall deposit the amount of \$_____ into the Reserve Fund.
- (c) The Trustee shall deposit the amount of \$_____ into the Costs of Issuance Fund.

SECTION 3.03. *Establishment and Application of Costs of Issuance Fund.* The Trustee shall establish, maintain and hold in trust a separate fund designated as the "Costs of Issuance Fund" into which the Trustee shall deposit a portion of the proceeds of sale of the Bonds under Section 3.02(c). The Trustee shall disburse amounts in the Costs of Issuance Fund from time to time to pay the Costs of Issuance upon submission of a Written Requisition of the Authority stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. The Trustee may conclusively rely on such Written Requisitions and shall be fully protected in relying thereon. On 120 days following issuance of the Bonds, or upon the earlier Written Request of the Authority, the Trustee shall transfer all amounts remaining in the Costs of Issuance Fund to the Bond Fund and shall thereupon close the Costs of Issuance Fund.

SECTION 3.04. *Establishment and Application of Project Fund.* There is hereby established in trust a special fund designated the "Project Fund," which will be held by the Trustee and which will be kept separate and apart from all other funds and moneys held by the Trustee into which the Trustee shall deposit a portion of the proceeds of sale of the Bonds under Section 3.02(b). The Trustee shall disburse amounts in the Project Fund from time to time to pay the Project Costs upon submission of a Written Requisition of the Authority stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. The Trustee may conclusively rely on such Written Requisitions and shall be fully protected in relying thereon.

Upon the receipt of a Written Certificate of the City stating that the Project has been completed and that no further amounts are required to be disbursed from the Project Fund to pay Project Costs, the Trustee will close the Project Fund and transfer any remaining amounts to the Principal Account of the Bond Fund, to be applied as a credit towards the Lease Payments next coming due and payable.

SECTION 3.05. *Validity of Bonds.* The recital contained in the Bonds that the same are issued under the laws of the State of California shall be conclusive evidence of their validity and of compliance with the provisions of law in their issuance.

ARTICLE IV

REDEMPTION OF BONDS

SECTION 4.01. *Terms of Redemption.*

(a) Optional Redemption. The Bonds maturing on or before April 1, 2029, are not subject to redemption prior to their respective stated maturities. The Bonds maturing on or after April 1, _____, are subject to redemption in whole, or in part at the election of the Authority among maturities on such basis as shall be designated by the Authority and by lot within a maturity, at the option of the Authority, on any date on or after April 1, _____, from any available source of funds, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium.

The Authority shall give the Trustee written notice of its intention to redeem Bonds under Section 4.01(a) and Section 4.01(c), and the manner of selecting such Bonds for redemption from among the maturities thereof, in sufficient time to enable the Trustee to give notice of such redemption in accordance with Section 4.03.

(b) The Term Bonds are subject to mandatory redemption in part by lot, at a redemption price equal to 100% of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on April 1 in the respective years as set forth in the following table; provided, however, that if some but not all of such Term Bonds have been redeemed pursuant to an optional redemption or special mandatory redemption from insurance or condemnation proceeds, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of such Bonds so redeemed, to be allocated among such sinking fund payments on a pro rata basis in integral multiples of \$5,000 (as set forth in a schedule provided by the Authority to the Trustee).

Term Bonds Maturing April 1, _____

Sinking Fund Redemption Date (April 1)	Principal Amount To Be Redeemed
_____	_____

(maturity)

(c) Extraordinary Mandatory Redemption. The Bonds are subject to mandatory redemption prior to maturity in whole or in part among maturities as determined by the Authority, on any date, at a redemption price equal to 100% of the principal amount thereof to be redeemed (plus accrued but unpaid interest to the redemption date), without premium, from Net Proceeds received under Section 5.5 of the Lease Agreement and from amounts deposited in the Insurance and Condemnation Fund pursuant to Section 5.07 hereof, and any other funds available for such purpose under this Indenture.

SECTION 4.02. *Selection of Bonds for Redemption.* Whenever provision is made in this Indenture for the redemption of less than all of the Bonds, the Bonds shall be selected for redemption on a pro-rata basis among outstanding maturities or as otherwise directed by the Authority. For purposes of such selection, the Trustee shall treat each Bond as consisting of separate \$5,000 portions and each such portion shall be subject to redemption as if such portion were a separate Bond.

SECTION 4.03. *Notice of Redemption; Rescission.* The Trustee shall mail notice of redemption of the Bonds by first class mail, postage prepaid, not less than 20 nor more than 60 days before any redemption date, to the respective Owners of any Bonds designated for redemption at their addresses appearing on the Registration Books and to one or more Securities Depositories and to the Information Services. Each notice of redemption shall state the date of the notice, the redemption date, the place or places of redemption, whether less than all of the Bonds (or all Bonds of a single maturity) are to be redeemed, the CUSIP numbers and (in the event that not all Bonds within a maturity are called for redemption) Bond numbers of the Bonds to be redeemed and the maturity or maturities of the Bonds to be redeemed, and in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on the redemption date there will become due and payable on each of said Bonds the redemption price thereof, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered. Neither the failure to receive any notice nor any defect therein shall affect the sufficiency of the proceedings for such redemption or the cessation of accrual of interest from and after the redemption date. Notice of redemption of Bonds shall be given by the Trustee, at the expense of the Authority, for and on behalf of the Authority.

The Authority has the right to rescind any notice of the redemption of Bonds under Section 4.01(a) by written notice to the Trustee on or prior to the dated fixed for redemption. Any notice of optional redemption shall be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default. The Authority and the Trustee have no liability to the Bond Owners or any other party related to or arising from such rescission of redemption. The Trustee shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent under this Section.

SECTION 4.04. *Partial Redemption of Bonds.* Upon surrender of any Bonds redeemed in part only, the Authority shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Authority, a new Bond or Bonds of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Bonds surrendered.

SECTION 4.05. *Effect of Redemption.* Notice of redemption having been duly given as aforesaid, and moneys for payment of the redemption price of, together with interest accrued to the date fixed for redemption on, including any applicable premium, the Bonds (or portions thereof) so called for redemption being held by the Trustee, on the redemption date designated in such notice, the Bonds (or portions thereof) so called for redemption shall become due and payable, interest on the Bonds so called for redemption shall cease to accrue, said Bonds (or portions thereof) shall cease to be entitled to any benefit or security under this Indenture, and the Owners of said Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof.

All Bonds redeemed under the provisions of this Article shall be canceled by the Trustee upon surrender thereof and destroyed in accordance with the retention policy of the Trustee then in effect.

ARTICLE V

REVENUES; FUNDS AND ACCOUNTS; PAYMENT OF PRINCIPAL AND INTEREST

SECTION 5.01. *Security for the Bonds; Bond Fund.*

(a) Pledge of Revenues and Other Amounts. Subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, all of the Revenues and all amounts (including proceeds of the sale of the Bonds) held in any fund or account established under this Indenture are hereby pledged to secure the payment of the principal of and interest and premium (if any) on the Bonds in accordance with their terms and the provisions of this Indenture. Said pledge constitutes a lien on and security interest in the Revenues and such amounts and shall attach, be perfected and be valid and binding from and after the Closing Date, without the need for any physical delivery thereof or further act.

(b) Assignment to Trustee. Under the Assignment Agreement, the Authority has transferred to the Trustee all of the rights of the Authority in the Lease (other than the rights of the Authority under Sections 4.5, 5.10, 7.3 and 8.4 thereof). The Trustee is entitled to collect and receive all of the Revenues, and any Revenues collected or received by the Authority shall be deemed to be held, and to have been collected or received, by the Authority as the agent of the Trustee and shall forthwith be paid by the Authority to the Trustee. The Trustee is also entitled to and shall, subject to the provisions of Article VIII, take all steps, actions and proceedings which the Trustee determines to be reasonably necessary in its judgment to enforce, either jointly with the Authority or separately, all of the rights of the Authority and all of the obligations of the City under the Lease.

(c) Deposit of Revenues in Bond Fund. All Revenues shall be promptly deposited by the Trustee upon receipt thereof in a special fund designated as the "Bond Fund" which the Trustee shall establish, maintain and hold in trust; except that all moneys received by the Trustee and required hereunder or under the Lease to be deposited in the Redemption Fund or the Insurance and Condemnation Fund shall be promptly deposited in such funds. All Revenues deposited with the Trustee shall be held, disbursed, allocated and applied by the Trustee only as provided in this Indenture. Any surplus remaining in the Bond Fund, after payment in full of (i) the principal of and interest on the Bonds or provision therefore under Article X, and (ii) any applicable fees and expenses to the Trustee, shall be withdrawn by the Trustee and remitted to the City.

SECTION 5.02. *Allocation of Revenues.* On or before each Interest Payment Date, the Trustee shall transfer from the Bond Fund and deposit into the following respective accounts (each of which the Trustee shall establish and maintain within the Bond Fund), the following amounts in the following order of priority:

- (a) Deposit to Interest Account. The Trustee shall deposit in the Interest Account an amount required to cause the aggregate amount on deposit in the Interest Account to be at least equal to the amount of interest becoming due and payable on such Interest Payment Date on all Bonds then Outstanding.
- (b) Deposit to Principal Account. The Trustee shall deposit in the Principal Account an amount required to cause the aggregate amount on deposit in the Principal Account to equal the principal amount of the Bonds coming due and payable on such Interest Payment Date.

SECTION 5.03. *Application of Interest Account.* All amounts in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying interest on the Bonds as it comes due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity).

SECTION 5.04. *Application of Principal Account.* All amounts in the Principal Account shall be used and withdrawn by the Trustee solely to pay the principal amount of the Bonds at their respective maturity dates.

SECTION 5.05. *Reserve Fund.* The Trustee shall establish a special fund designated as the "Reserve Fund" to be held by the Trustee in trust for the benefit of the Authority and the Owners of the Bonds, and applied solely as provided herein. Moneys in the Reserve Fund in the amount of the Reserve Requirement as calculated from time to time shall be held in trust as a reserve for the payment when due of the Lease Payments on behalf of the Authority. The Authority may replace moneys in the Reserve Fund may be replaced by a Qualified Reserve Fund Credit Instrument at any time.

In the event the Reserve Fund is at any time maintained in cash rather than in the form of a Qualified Reserve Fund Credit Instrument, the Trustee shall retain in the Reserve Fund all earnings on the investment of amounts therein to the extent required to maintain the full amount of the Reserve Requirement on deposit in the Reserve Fund. All amounts on deposit in the Reserve Fund in excess of the Reserve Requirement as calculated from time to time, and all amounts derived from the investment of amounts in the Reserve Fund which are not required to be retained therein to maintain the Reserve Requirement, shall be transferred by the Trustee to the Bond Fund semiannually on the sixth (6th) Business Day prior to each Interest Payment Date.

(b) Application of Reserve Fund. If five (5) Business Days prior to any Interest Payment Date the moneys available in the Bond Fund do not equal the amount of the Lease Payment then coming due and payable, the Trustee shall apply the moneys available in the Reserve Fund to make such payments on behalf of the Authority by transferring the amount necessary for this purpose to the Bond Fund.

If there is no Qualified Reserve Fund Credit Instrument, then the Trustee shall apply the moneys available in the Reserve Fund to make such payments on behalf of the Authority by transferring the amount necessary for this purpose to the Bond Fund. Upon receipt of any delinquent Lease Payment with respect to which moneys have been advanced from the Reserve Fund, such Lease Payment shall be deposited in the Reserve Fund as needed to provide the Reserve Requirement, to the extent of such advance.

If on any Interest Payment Date, the moneys on deposit in the Reserve Fund and the Bond Fund are sufficient to pay or prepay all Outstanding Bonds, including all principal, interest and prepayment premiums (if any) thereon, the Trustee shall, upon the written request of the Authority, transfer all amounts then on deposit in the Reserve Fund to the Bond Fund to be applied for such purpose to the payment of the Lease Payments on behalf of the Authority. Any amounts remaining in the Reserve Fund (including any account therein) on the date of payment in full, or provision for such payment as provided in Section 10.01, of all obligations represented by the Outstanding Bonds and upon all amounts then due and owing to the Trustee, shall be withdrawn by the Trustee and at the written request of the Authority applied towards such payment or paid to the Authority.

SECTION 5.06. *Application of Redemption Fund.* The Trustee shall establish and maintain the Redemption Fund, into which the Trustee shall deposit a portion of the Revenues received, in accordance with a Written Request of the Authority, amounts in which shall be used and withdrawn by the Trustee solely for the purpose of paying the principal and premium (if any) of the Bonds to be redeemed under Section 4.01(a) or (c); *provided, however*, that at any time prior to the selection of Bonds for redemption, the Trustee may apply such amounts to the purchase of Bonds at public or private sale, when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as shall be directed under a Written Request of the Authority, except that the purchase price (exclusive of accrued interest) may not exceed the redemption price then applicable to the Bonds. The Trustee shall be entitled to conclusively rely on any Written Request of the Authority received under this Section, and shall be fully protected in relying thereon.

SECTION 5.07. *Insurance and Condemnation Fund.*

(a) Establishment of Fund. Upon the receipt of proceeds of insurance or eminent domain with respect to the Leased Property, the Trustee shall establish and maintain an Insurance and Condemnation Fund, to be held and applied as hereinafter set forth in this Section 5.07.

(b) Deposit of Proceeds. Any Net Proceeds of insurance and eminent domain awards with respect to the Leased Property collected by the City or the Authority in accordance with Article VI of the Lease will be deposited by the Trustee promptly upon receipt thereof in the Insurance and Condemnation Fund.

(c) Application of Proceeds. Net Proceeds deposited in the Insurance and Condemnation Fund will be used, as directed by the City, either (i) to replace, repair, restore, modify or improve the Leased Property if the City determines that such is economically feasible or in the best interests of the City, or (ii) to the extent not so used, to prepay the Lease Payments on the next optional prepayment date, and thereby redeem outstanding Bonds pursuant to optional redemption.

Any proceeds of an insurance or eminent domain award deposited in the Insurance and Condemnation Fund to be applied to the prompt replacement, repair, restoration, modification or improvement of the damaged or destroyed portions of the Leased Property by the City, or to replace any Leased Property taken in eminent domain proceedings, shall be applied upon receipt of a Written Request of the City which: (i) states with respect to each payment to be made (A) the requisition number, (B) the name and address of the

person to whom payment is due, (C) the amount to be paid and (D) that each obligation mentioned therein has been properly incurred, is a proper charge against the Insurance and Condemnation Fund and has not been the basis of any previous withdrawal; and (ii) specifies in reasonable detail the nature of the obligation. Any balance of the proceeds remaining after such work has been completed as certified by the City under a Written Certificate to the Trustee shall be paid to the City. The Trustee shall be entitled to conclusively rely on any Written Request or Written Certificate received under this subsection (c) of this Section 5.07 and in each case, shall be fully protected in relying thereon.

Notwithstanding the foregoing, however, in the event of condemnation, damage or destruction of the Leased Property in full, the Net Proceeds of such insurance are required to be used by the City to redeem the Bonds in full; except that, if such proceeds and other amounts available under this Indenture are not sufficient to redeem outstanding Bonds in full, the City is required to rebuild or replace the Leased Property.

SECTION 5.08. *Investments.* All moneys in any of the funds or accounts established with the Trustee under this Indenture shall be invested by the Trustee solely in Permitted Investments. Such investments shall be directed by the Authority in a Written Request of the Authority filed with the Trustee at least two Business Days in advance of the making of such investments. In the absence of any such directions from the Authority, the Trustee shall hold such funds uninvested. Permitted Investments purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account. To the extent Permitted Investments are registrable, such Permitted Investments must be registered in the name of the Trustee.

All amounts in any of the funds or accounts established with the City under this Indenture shall be invested by the City solely in investments which are authorized for the investment of such funds under the applicable laws of the State of California and under the adopted investment policy of the City.

All interest or gain derived from the investment of amounts in any of the funds or accounts established hereunder shall be deposited in the Bond Fund, *provided, however*, that earnings on the investment of the amount in the Project Fund shall be retained therein. For purposes of acquiring any investments hereunder, the Trustee may commingle funds held by it hereunder. The Trustee or any of its affiliates may act as principal or agent in the acquisition or disposition of any investment and may impose its customary charges therefor. The Trustee shall incur no liability for losses arising from any investments made under this Section 5.08.

The Trustee may make any investments hereunder through its own bond or investment department or trust investment department, or those of its parent or any affiliate. The Trustee or any of its affiliates may act as sponsor, advisor or manager in connection with any investments made by the Trustee hereunder. The Trustee is hereby authorized, in making or disposing of any investment permitted by this Section, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or such affiliate is acting as an agent of the Trustee or for any third person or is dealing as a principal for its own account.

The Authority acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Authority the right to receive

brokerage confirmations of security transactions as they occur, the Authority will not receive such confirmations to the extent permitted by law. The Trustee will furnish the Authority a periodic cash transaction statements which shall include detail for all investment transactions made by the Trustee hereunder.

Except as otherwise provided hereunder or agreed in writing among the parties hereto, the Authority shall retain the authority to institute, participate and join in any plan or reorganization, readjustment, merger or consolidation with respect to the issuer of any securities held hereunder, and, in general, to exercise each and every other power or right with respect to each such asset or investment as individuals generally have and enjoy with respect to their own assets and investment, including power to vote upon any securities.

Unless the Authority notifies the Trustee otherwise in writing, the Trustee will provide the obligatory information to the registrant/issuer of any U.S. securities upon their request. Any objection will apply to all securities held in any trust account now and in the future unless the Authority notifies the Trustee in writing of such objection.

SECTION 5.09. *Valuation and Disposition of Investments.*

(a) Except as otherwise provided in subsection (b) of this Section, the Authority covenants that all investments of amounts deposited in any fund or account created by or under this Indenture, or otherwise containing gross proceeds of the Bonds (within the meaning of Section 148 of the Tax Code) shall be acquired, disposed of and valued (as of the date that valuation is required by this Indenture or the Tax Code) at the Fair Market Value thereof as such term is defined in subsection (d) below. The Trustee shall have no duty in connection with the determination of Fair Market Value other than to follow the investment directions of the Authority in any Written Request of the Authority.

(b) Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Tax Code shall be valued at cost thereof, (consisting of present value thereof within the meaning of Section 148 of the Tax Code); provided that the Authority shall inform the Trustee which funds are subject to a yield restriction.

(c) Except for any funds or accounts described in subsection (b), for the purpose of determining the amount in any fund or account established hereunder, the value of Permitted Investments credited to such fund shall be valued by the Trustee at least annually on or before January 1. The Trustee may sell or present for redemption, any Permitted Investment so purchased by the Trustee whenever it is necessary in order to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund to which such Permitted Investment is credited, and the Trustee shall not be liable or responsible for any loss resulting from any such Permitted Investment.

(d) For purposes of this Section 5.09, the term "Fair Market Value" means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Tax Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Tax Code, (ii) the investment is an

agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Tax Code, (iii) the investment is a United States Treasury Security -- State and Local Government Series which is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) the investment is any commingled investment fund in which the Authority and related parties do not own more than a 10% beneficial interest therein if the return paid by the fund is without regard to the source of the investment. To the extent required by the applicable regulations under the Tax Code, the term "investment" will include a hedge.

(e) To the extent of any valuations made by the Trustee hereunder, the Trustee may utilize and rely upon computerized securities pricing services that may be available to it, including those available through its regular accounting system.

ARTICLE VI

COVENANTS OF THE AUTHORITY

SECTION 6.01. *Punctual Payment.* The Authority shall punctually pay or cause to be paid the principal of and interest and premium (if any) on all the Bonds in strict conformity with the terms of the Bonds and of this Indenture, according to the true intent and meaning thereof, but only out of the Revenues, and other amounts pledged for such payment as provided in this Indenture.

SECTION 6.02. *Extension of Payment of Bonds.* The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase of such Bonds or by any other arrangement, and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest thereon which have not been so extended. Nothing in this Section 6.02 limits the right of the Authority to issue Bonds for the purpose of refunding any Outstanding Bonds, and such issuance does not constitute an extension of maturity of the Bonds.

SECTION 6.03. *Against Encumbrances.* The Authority shall not create, or permit the creation of, any pledge, lien, charge or other encumbrance upon the Revenues and other assets pledged or assigned under this Indenture while any of the Bonds are Outstanding, except the pledge and assignment created by this Indenture. Subject to this limitation, the Authority expressly reserves the right to enter into one or more other indentures for any of its corporate purposes, and reserves the right to issue other obligations for such purposes.

SECTION 6.04. *Power to Issue Bonds and Make Pledge and Assignment.* The Authority is duly authorized under law to issue the Bonds and to enter into this Indenture and to pledge and assign the Revenues and other amounts purported to be pledged and assigned, respectively, under this Indenture and under the Assignment Agreement in the manner and to the extent provided in this Indenture and the Assignment Agreement. The Bonds and the provisions of this Indenture are and will be the legal, valid and binding special obligations of the Authority in accordance with their terms, and the Authority and the Trustee shall at all times, subject to the provisions of Article VIII and to the extent permitted by law, defend, preserve and protect said pledge and assignment of Revenues and other assets and all the rights of the Bond Owners under this Indenture against all claims and demands of all persons whomsoever.

SECTION 6.05. *Accounting Records.* The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with corporate trust industry standards, in which accurate entries shall be made of all transactions made by it relating to the proceeds of Bonds and all funds and accounts established under this Indenture. The Trustee shall make such books of record and account available for inspection by the Authority and the City, during business hours, upon reasonable notice, and under reasonable circumstances.

SECTION 6.06. *Limitation on Additional Obligations.* The Authority covenants that no additional bonds, notes or other indebtedness shall be issued or incurred which are payable out of the Revenues in whole or in part.

SECTION 6.07. *Tax Covenants.*

(a) Private Business Use Limitation. The Authority shall assure that the proceeds of the Bonds are not used in a manner which would cause the Bonds to satisfy the private business tests of Section 141(b) of the Tax Code or the private loan financing test of Section 141(c) of the Tax Code.

(b) Federal Guarantee Prohibition. The Authority may not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Tax Code.

(c) No Arbitrage. The Authority may not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the Bonds or of any other obligations which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date, would have caused the Bonds to be “arbitrage bonds” within the meaning of Section 148(a) of the Tax Code.

(d) Maintenance of Tax Exemption. The Authority shall take all actions necessary to assure the exclusion of interest on the Bonds from the gross income of the Owners of the Bonds to the same extent as such interest is permitted to be excluded from gross income under the Tax Code as in effect on the Closing Date.

(e) Rebate of Excess Investment Earnings to United States. The Authority shall calculate or cause to be calculated all amounts of excess investment earnings with respect to the Bonds which are required to be rebated to the United States of America under Section 148(f) of the Tax Code, at the times and in the manner required under the Tax Code. The Authority shall pay when due an amount equal to excess investment earnings to the United States of America in such amounts, at such times and in such manner as may be required under the Tax Code, such payments to be made from amounts paid by the City for that purpose under Section 4.5(d) of the Lease. The Authority shall keep or cause to be kept, and retain or cause to be retained for a period of six years following the retirement of the Bonds, records of the determinations made under this subsection (e).

(f) Record Retention. Without limiting the requirements of subsection (e) above, the Authority will retain its records of all accounting and monitoring it carries out with respect to the Bonds for at least 3 years after the Bonds mature or are redeemed (whichever is earlier); however, if the Bonds are redeemed and refunded, the Authority will retain its records of accounting and monitoring at least 3 years after the earlier of the maturity or redemption of the obligations that refunded the Bonds.

(g) Compliance with Tax Certificate. The Authority will comply with the provisions of the Tax Certificate and the Use of Proceeds Certificate with respect to the Bonds, which are incorporated herein as if fully set forth herein. The covenants of this Section will survive payment in full or defeasance of the Bonds.

SECTION 6.08. *Enforcement of Lease.* The Trustee shall promptly collect all amounts (to the extent any such amounts are available for collection) due from the City

under the Lease. Subject to the provisions of Article VIII, the Trustee shall enforce, and take all steps, actions and proceedings which the Trustee determines to be reasonably necessary for the enforcement of all of its rights thereunder as assignee of the Authority and for the enforcement of all of the obligations of the City under the Lease.

SECTION 6.09. *Waiver of laws.* The Authority shall not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of, any stay or extension law now or at any time hereafter in force that may affect the covenants and agreements contained in this Indenture or in the Bonds, and all benefit or advantage of any such law or laws is hereby expressly waived by the Authority to the extent permitted by law.

SECTION 6.10. *Further Assurances.* The Authority shall make, execute and deliver any and all such further indentures, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture and for the better assuring and confirming unto the Owners of the Bonds of the rights and benefits provided in this Indenture.

SECTION 6.11. *Maintenance of Existence.* The Authority shall maintain its existence as a joint exercise of powers agency while any Bonds are Outstanding, including by substituting a new member for the Successor Agency to the Redevelopment Agency of the City of Desert Hot Springs if determined to be necessary for compliance with this covenant..

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

SECTION 7.01. *Events of Default.* The following events constitute Events of Default hereunder:

- (a) Failure to pay any installment of the principal of any Bonds when due, whether at maturity as therein expressed, by proceedings for redemption, by acceleration, or otherwise.
- (b) Failure to pay any installment of interest on the Bonds when due.
- (c) Failure by the Authority to observe and perform any of the other covenants, agreements or conditions on its part contained in this Indenture or in the Bonds, if such failure has continued for a period of 30 days after written notice thereof, specifying such failure and requiring the same to be remedied, has been given to the Authority by the Trustee; provided, however, if in the reasonable opinion of the Authority the failure stated in the notice can be corrected, but not within such 30-day period, such failure shall not constitute an Event of Default if the Authority institutes corrective action within such 30-day period and thereafter diligently and in good faith cures the failure in a reasonable period of time.
- (d) The commencement by the Authority of a voluntary case under Title 11 of the United States Code or any substitute or successor statute.
- (e) The occurrence and continuation of an event of default under and as defined in the Lease.

SECTION 7.02. *Remedies Upon Event of Default.* If any Event of Default occurs, then, and in each and every such case during the continuance of such Event of Default, the Trustee in its discretion may, and upon the written request of the Owners of a majority in aggregate principal amount of the Bonds then outstanding, and upon being indemnified to its satisfaction therefor, the Trustee shall, proceed to protect or enforce its rights or the rights of such Owners by such appropriate action, suit, mandamus or other proceedings as it deems most effectual to protect and enforce any such right, at law or in equity, including but not limited to enforcement of any and all rights granted to the Authority or the Trustee under the Lease.

Any such declaration is subject to the condition that if, at any time after such declaration and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the Authority deposits with the Trustee a sum sufficient to pay all the principal of and installments of interest on the Bonds payment of which is overdue, with interest on such overdue principal at the rate borne by the respective Bonds to the extent permitted by law, and the reasonable fees, charges and expenses (including those of its legal counsel, including the allocated costs of internal attorneys) of the Trustee, and any and all other Events of Default known to the Trustee (other than in the payment

of principal of and interest on the Bonds due and payable solely by reason of such declaration) have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate has been made therefor, then, and in every such case, the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, by written notice to the Authority, the City and the Trustee, may, on behalf of the Owners of all of the Bonds, rescind and annul such declaration and its consequences and waive such Event of Default; but no such rescission and annulment shall extend to or shall affect any subsequent Event of Default, or shall impair or exhaust any right or power consequent thereon.

SECTION 7.03. *Application of Revenues and Other Funds After Default.* If an Event of Default occurs and is continuing, all Revenues and any other funds then held or thereafter received by the Trustee under any of the provisions of this Indenture shall be applied by the Trustee in the following order of priority:

- (a) To the payment of reasonable fees, charges and expenses of the Trustee (including reasonable fees and disbursements of its legal counsel including outside counsel and the allocated costs of internal attorneys and fees and expenses of its agents and advisors) incurred in and about the performance of its powers and duties under this Indenture;
- (b) To the payment of the principal of and interest then due on the Bonds (upon presentation of the Bonds to be paid, and stamping or otherwise noting thereon of the payment if only partially paid, or surrender thereof if fully paid) in accordance with the provisions of this Indenture, as follows:

First: To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference;

Second: To the payment to the persons entitled thereto of the unpaid principal of any Bonds which shall have become due, whether at maturity or by acceleration or redemption, with interest on the overdue principal at the rate borne by the respective Bonds (to the extent permitted by law), and, if the amount available shall not be sufficient to pay in full all the Bonds, together with such interest, then to the payment thereof ratably, according to the amounts of principal due on such date to the persons entitled thereto, without any discrimination or preference; and

SECTION 7.04. *Trustee to Represent Bond Owners.* The Trustee is hereby irrevocably appointed (and the successive respective Owners of the Bonds, by taking and holding the same, shall be conclusively deemed to have so appointed the Trustee) as

trustee and true and lawful attorney-in-fact of the Owners of the Bonds for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to such Owners under the provisions of the Bonds, this Indenture and applicable provisions of any law. All rights of action under this Indenture or the Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of all the Owners of such Bonds, subject to the provisions of this Indenture.

SECTION 7.05. *Limitation on Bond Owners' Right to Sue.* Notwithstanding any other provision hereof, no Owner of any Bonds has the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under this Indenture, the Lease or any other applicable law with respect to such Bonds, unless (a) such Owner has given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of a majority in aggregate principal amount of the Bonds then Outstanding have requested the Trustee in writing to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (c) such Owner or Owners have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; (d) the Trustee has failed to comply with such request for a period of 60 days after such written request has been received by, and said tender of indemnity has been made to, the Trustee; and (e) no direction inconsistent with such written request has been given to the Trustee during such 60 day period by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Bonds of any remedy hereunder or under law; it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Indenture or the rights of any other Owners of Bonds, or to enforce any right under the Bonds, this Indenture, the Lease or other applicable law with respect to the Bonds, except in the manner herein provided, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner herein provided and for the benefit and protection of all Owners of the Outstanding Bonds, subject to the provisions of this Indenture.

SECTION 7.06. *Absolute Obligation of Board.* Nothing herein or in the Bonds contained affects or impairs the obligation of the Authority, which is absolute and unconditional, to pay the principal of and interest and premium (if any) on the Bonds to the respective Owners of the Bonds at their respective dates of maturity, or upon acceleration or call for redemption, as herein provided, but only out of the Revenues and other assets herein pledged therefor, or affect or impair the right of such Owners, which is also absolute and unconditional, to enforce such payment by virtue of the contract embodied in the Bonds.

SECTION 7.07. *Termination of Proceedings.* In case any proceedings taken by the Trustee or by any one or more Bond Owners on account of any Event of Default have been discontinued or abandoned for any reason or have been determined adversely to the Trustee or the Bond Owners, then in every such case the Authority, the Trustee and the Bond Owners, subject to any determination in such proceedings, shall be restored to

their former positions and rights hereunder, severally and respectively, and all rights, remedies, powers and duties of the Authority, the Trustee and the Bond Owners shall continue as though no such proceedings had been taken.

SECTION 7.08. *Remedies Not Exclusive.* No remedy herein conferred upon or reserved to the Trustee or to the Owners of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

SECTION 7.09. *No Waiver of Default.* No delay or omission of the Trustee or any Owner of the Bonds to exercise any right or power arising upon the occurrence of any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or an acquiescence therein; and every power and remedy given by this Indenture to the Trustee or the Owners of the Bonds may be exercised from time to time and as often as may be deemed expedient by the Trustee or the Bond Owners.

SECTION 7.10. *Notice to the Bond Owners of Default.* Upon becoming aware of the occurrence of an Event of Default, but in no event later than five Business Days following becoming aware of such occurrence, the Trustee shall give written notice thereof by first class mail, postage prepaid, to the Owner of each Outstanding Bond, unless such Event of Default has been cured before the giving of such notice; *provided, however* that except in the case of an Event of Default described in Sections 7.01(a) or 7.01(b), the Trustee may elect not to give such notice to the Bond Owners if and so long as the Trustee in good faith determines that it is in the best interests of the Bond Owners not to give such notice.

ARTICLE VIII

THE TRUSTEE

SECTION 8.01. *Duties, Immunities and Liabilities of Trustee.*

(a) The Trustee shall, prior to the occurrence of an Event of Default, and after the curing or waiving of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants or duties will be read into this Indenture against the Trustee. The Trustee shall, during the existence of any Event of Default (which has not been cured or waived), exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a reasonable corporate trustee would exercise or use.

(b) The City may remove the Trustee at any time, and shall remove the Trustee (i) if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or (ii) if at any time (A) the Trustee ceases to be eligible in accordance with subsection (e) of this Section 8.01, (B) becomes incapable of acting, (C) is adjudged a bankrupt or insolvent, (D) a receiver of the Trustee or its property is appointed, or (E) any public officer takes control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation. The City may accomplish such removal by giving 30 days written notice to the Trustee, whereupon the City will appoint a successor Trustee by an instrument in writing.

(c) The Trustee may at any time resign and be discharged from its duties and obligations hereunder by giving written notice of such resignation to the Authority and the City, and by giving the Bond Owners notice of such resignation by electronic notice.

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee becomes effective upon acceptance of appointment by the successor Trustee. If no successor Trustee has been appointed and accepted appointment within 30 days following giving notice of removal or notice of resignation as aforesaid, the resigning Trustee, at the expense of the City, or any Owner (on behalf of such Owner and all other Owners) may petition any federal or state court for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture shall signify its acceptance of such appointment by executing and delivering to the City and to its predecessor Trustee a written acceptance thereof, and to the predecessor Trustee an instrument indemnifying the predecessor Trustee for any costs or claims arising during the time the successor Trustee serves as Trustee hereunder, and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless, upon the receipt by the predecessor Trustee of the Request of the City or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as

may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the City will execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the City will mail or cause the successor Trustee to mail, by first class mail postage prepaid, a notice of the succession of such Trustee to the trusts hereunder to each rating agency which then maintains a rating on the Bonds and to the Owners at the addresses shown on the Registration Books. If the City fails to mail such notice within 15 days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the City.

(e) Any Trustee appointed under the provisions of this Section in succession to the Trustee shall (i) be a company or bank having trust powers, (ii) have a corporate trust office in the State of California, (iii) have (or be part of a bank holding company system whose bank holding company has) a combined capital and surplus of at least \$50,000,000, and (iv) be subject to supervision or examination by federal or state authority.

If such bank or company publishes a report of condition at least annually, under law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this subsection the combined capital and surplus of such bank or company is deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (e), the Trustee shall resign immediately in the manner and with the effect specified in subsection (c) of this Section.

SECTION 8.02. *Merger or Consolidation.* Any bank or company into which the Trustee may be merged or converted or with which either of them may be consolidated or any bank or company resulting from any merger, conversion or consolidation to which it shall be a party or any bank or company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such bank or company shall be eligible under subsection (e) of Section 8.01, shall be the successor to such Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

SECTION 8.03. *Liability of Trustee.*

(a) The recitals of facts herein and in the Bonds contained shall be taken as statements of the City, and the Trustee assumes no responsibility for the correctness of the same, nor does it have any liability whatsoever therefor, nor does it make any representations as to the validity or sufficiency of this Indenture or of the Bonds nor does it incur any responsibility in respect thereof, other than as expressly stated herein. The Trustee is, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee is not liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Trustee is not liable for the acts of any agents of the Trustee selected by it with due care. The Trustee may become the Owner of Bonds with the same rights it would have if they were

not Trustee and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of the Owners, whether or not such committee shall represent the Owners of a majority in principal amount of the Bonds then Outstanding. The Trustee, either as principal or agent, may engage in or be entrusted in any financial or other transaction with the City.

(b) The Trustee is not liable with respect to any action taken or omitted to be taken by it in accordance with the direction of the Owners of a majority in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

(c) The Trustee is not liable for any action taken by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture, except for actions arising from the negligence or willful misconduct of the Trustee. The permissive right of the Trustee to do things enumerated hereunder shall not be construed as a mandatory duty.

(d) The Trustee will not be deemed to have knowledge of any Event of Default hereunder unless and until a responsible officer of the Trustee has actual knowledge thereof, or unless and until a responsible officer of the Trustee has received written notice thereof at its Office. Except as otherwise expressly provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in connection with the Bonds, or as to the existence of an Event of Default hereunder or thereunder. The Trustee shall not be responsible for the City's payment of principal and interest on the Bonds, the City's observance or performance of any other covenants, conditions or terms contained herein, or the validity or effectiveness of any collateral given to or held by it. Without limiting the generality of the foregoing, and notwithstanding anything herein to the contrary, the Trustee is not responsible for reviewing the contents of any financial statements furnished to the Trustee and may rely conclusively on the Certificate of the City accompanying such financial statements to establish the City's compliance with its financial covenants hereunder.

(e) No provision in this Indenture requires the Trustee to risk or expend its own funds or otherwise incur any financial liability hereunder. The Trustee is entitled to receive interest on any moneys advanced by it hereunder, at the maximum rate permitted by law.

(f) The Trustee may establish additional accounts or subaccounts of the funds established hereunder as the Trustee deems necessary or prudent in furtherance of its duties under this Indenture.

(g) The Trustee has no responsibility or liability whatsoever with respect to any information, statement, or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds, nor shall the Trustee have any obligation to review any such material, and any such review by the Trustee will not be deemed to create any obligation, duty or liability on the part of the Trustee.

(h) Before taking any action under Article VIII hereof the Trustee may require indemnity satisfactory to the Trustee be furnished to it to hold the Trustee harmless from any expenses whatsoever and to protect it against any liability it may incur hereunder.

(i) The immunities extended to the Trustee also extend to its directors, officers, employees and agents.

(j) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty.

(k) The Trustee may execute any of the trusts or powers hereof and perform any of its duties through attorneys, agents and receivers and shall not be answerable for the conduct of the same if appointed by it with reasonable care.

(l) The Trustee will not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, acts of God or of the public enemy or terrorists, acts of a government, acts of civil or military authority, acts of the other party, fires, floods, epidemics, pandemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to any project refinanced with the proceeds of the Bonds, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee.

(m) The Trustee shall not be accountable for the use or application by the Borrower of any of the Bonds or the proceeds thereof or for the use or application of any money paid over by the Trustee in accordance with the provisions of this Indenture or for the use and application of money received by any paying agent.

(n) The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Indenture and delivered using Electronic Means ("Electronic Means" means the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that the City shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the City, whenever a person is to be added or deleted from the listing. If the City elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The City understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The City shall be responsible for ensuring that only Authorized Officers transmit

such Instructions to the Trustee and that the City and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the City. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The City agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the City; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures. The Trustee may rely conclusively upon the investment direction of the District as to the suitability and legality of the directed investments.

SECTION 8.04. *Right to Rely on Documents.* The Trustee is protected in acting upon any notice, resolution, requisition, request, consent, order, certificate, report, opinion or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, including, without limitation, Bond Counsel or other counsel of or to the City, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Trustee hereunder in accordance therewith.

The Trustee is not bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and such person's title thereto is established to the satisfaction of the Trustee.

Whenever in the administration of the trusts imposed upon it by this Indenture the Trustee deems it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Certificate of the City, which shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of this Indenture in reliance upon such Certificate, but in its discretion the Trustee may (but has no duty to), in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable. The Trustee may conclusively rely on any certificate or report of any Independent Accountant appointed by the City.

SECTION 8.05. *Preservation and Inspection of Documents.* The Trustee shall retain in its possession all documents received by it under the provisions of this Indenture, which are subject during normal business hours, and upon reasonable prior written notice, to the inspection of the City and any Owner, and their agents and representatives duly authorized in writing.

SECTION 8.06. *Compensation and Indemnification.* Absent any agreement to the contrary, the City shall pay to the Trustee from time to time compensation for all services

rendered under this Indenture and also all expenses, charges, legal and consulting fees and other disbursements and those of its attorneys (including any allocated costs of internal counsel), agents and employees, incurred in and about the performance of its powers and duties under this Indenture.

The City further covenants to indemnify the Trustee and its officers, directors, agents and employees, against any loss, expense (including legal fees and expenses), suits, claims, judgments, damages and liabilities, whether or not litigated, which it may incur arising out of or in the exercise and performance of its powers and duties hereunder, including the costs and expenses of defending against any claim of liability and of enforcing any remedies hereunder and under any related documents, but excluding any and all losses, expenses and liabilities which are due to the negligence or willful misconduct of the Trustee, its officers, directors, agents or employees. The obligations of the City under this Section 8.06 shall survive resignation or removal of the Trustee under this Indenture and payment of the Bonds and discharge of this Indenture.

When the Trustee incurs expenses or renders services after the occurrence of an Event of Default, such expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

Upon an Event of Default, and only upon an Event of Default, the Trustee shall have a first lien with right of payment prior to payment on account of principal of and premium, if any, and interest on any Bond, upon the trust estate for the foregoing fees, charges and expenses incurred by it.

SECTION 8.07. *Accounting Records and Financial Statements.* The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with corporate trust industry standards, in which complete and accurate entries shall be made of all transactions made by it relating to the proceeds of the Bonds and all funds and accounts established and held by the Trustee under this Indenture. Such books of record and account shall be available for inspection by the City at reasonable hours, during regular business hours, with reasonable prior notice and under reasonable circumstances. The Trustee shall furnish to the City, at least semiannually, an accounting (which may be in the form of its customary account statements) of all transactions relating to the proceeds of the Bonds and all funds and accounts held by the Trustee under this Indenture.

ARTICLE IX

MODIFICATION OR AMENDMENT HEREOF

SECTION 9.01. *Amendments Permitted.*

(a) Amendments With Bond Owner Consent. This Indenture and the rights and obligations of the Authority and of the Owners of the Bonds and of the Trustee may be modified or amended from time to time and at any time by Supplemental Indenture, which the Authority and the Trustee may enter into when the written consents of the Owners of a majority in aggregate principal amount of all Bonds then Outstanding are filed with the Trustee. No such modification or amendment may (i) extend the fixed maturity of any Bonds, or reduce the amount of principal thereof or extend the time of payment, or change the method of computing the rate of interest thereon, or extend the time of payment of interest thereon, without the consent of the Owner of each Bond so affected, or (ii) reduce the aforesaid percentage of Bonds the consent of the Owners of which is required to effect any such modification or amendment, or permit the creation of any lien on the Revenues and other assets pledged under this Indenture prior to or on a parity with the lien created by this Indenture except as permitted herein, or deprive the Owners of the Bonds of the lien created by this Indenture on such Revenues and other assets (except as expressly provided in this Indenture), without the consent of the Owners of all of the Bonds then Outstanding. It is not necessary for the consent of the Bond Owners to approve the particular form of any Supplemental Indenture, but it is sufficient if such consent approves the substance thereof.

(b) Amendments Without Owner Consent. This Indenture and the rights and obligations of the Authority, of the Trustee and the Owners of the Bonds may also be modified or amended from time to time and at any time by a Supplemental Indenture, which the Authority and the Trustee may enter into without the consent of any Bond Owners, if the Trustee has been furnished an opinion of counsel that the provisions of such Supplemental Indenture shall not materially adversely affect the interests of the Owners of the Bonds, including, without limitation, for any one or more of the following purposes:

- (i) to add to the covenants and agreements of the Authority in this Indenture contained, other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power herein reserved to or conferred upon the Authority;
- (ii) to cure any ambiguity, inconsistency or omission, or to cure or correct any defective provision, contained in this Indenture, or in regard to matters or questions arising under this Indenture, as the Authority deems necessary or desirable, provided that such modification or amendment does not materially adversely affect the interests of the Bond Owners, in the opinion of Bond Counsel filed with the Trustee;
- (iii) to modify, amend or supplement this Indenture in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939,

as amended, or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute;

- (iv) to facilitate the issuance of additional obligations which are payable from additional rental payments under the Lease; or
- (v) to modify, amend or supplement this Indenture in such manner as to assure that the interest on the Bonds remains excluded from gross income under the Tax Code.

(c) Limitation. The Trustee is not obligated to enter into any Supplemental Indenture authorized by subsections (a) or (b) of this Section 9.01 which materially adversely affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

(d) Bond Counsel Opinion Requirement. Prior to the Trustee entering into any Supplemental Indenture hereunder, the Authority shall deliver to the Trustee an opinion of Bond Counsel stating, in substance, that such Supplemental Indenture has been adopted in compliance with the requirements of this Indenture.

(e) Notice of Amendments. The Authority shall deliver or cause to be delivered a draft of any Supplemental Indenture to each rating agency which then maintains a rating on the Bonds, at least 10 days prior to the effective date of such Supplemental Indenture under this Section 9.01.

SECTION 9.02. *Effect of Supplemental Indenture.* Upon the execution of any Supplemental Indenture under this Article IX, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the Authority, the Trustee and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

SECTION 9.03. *Endorsement of Bonds; Preparation of New Bonds.* Bonds delivered after the execution of any Supplemental Indenture under this Article may, and if the Authority so determines shall, bear a notation by endorsement or otherwise in form approved by the Authority as to any modification or amendment provided for in such Supplemental Indenture, and, in that case, upon demand on the Owner of any Bonds Outstanding at the time of such execution and presentation of his Bonds for the purpose at the Office of the Trustee or at such additional offices as the Trustee may select and designate for that purpose, a suitable notation shall be made on such Bonds. If the Supplemental Indenture shall so provide, new Bonds so modified as to conform, in the opinion of the Authority, to any modification or amendment contained in such Supplemental Indenture, shall be prepared and executed by the Authority and authenticated by the Trustee, and upon demand on the Owners of any Bonds then Outstanding shall be exchanged at the Office of the Trustee, without cost to any Bond Owner, for Bonds then Outstanding, upon surrender for cancellation of such Bonds, in equal aggregate principal amount of the same maturity.

SECTION 9.04. *Amendment of Particular Bonds.* The provisions of this Article IX do not prevent any Bond Owner from accepting any amendment as to the particular Bonds held by such Owner.

ARTICLE X

DEFEASANCE

SECTION 10.01. *Discharge of Indenture.* Any or all of the Outstanding Bonds may be paid by the Authority in any of the following ways, provided that the Authority also pays or causes to be paid any other sums payable hereunder by the Authority:

- (a) by paying or causing to be paid the principal of and interest on such Bonds, as and when the same become due and payable;
- (b) by depositing with the Trustee or an escrow agent, at or before maturity, money or securities in the necessary amount (as provided in Section 10.03) to pay or redeem such Bonds; or
- (c) by delivering all of such Bonds to the Trustee for cancellation.

If the Authority also pays or causes to be paid all other sums payable hereunder by the Authority, then and in that case, at the election of the Authority (evidenced by a Written Certificate of the Authority, filed with the Trustee, signifying the intention of the Authority to discharge all such indebtedness and this Indenture), and notwithstanding that any of such Bonds shall not have been surrendered for payment, this Indenture and the pledge of Revenues and other assets made under this Indenture with respect to such Bonds and all covenants, agreements and other obligations of the Authority under this Indenture with respect to such Bonds shall cease, terminate, become void and be completely discharged and satisfied, subject to Section 10.02. In such event, upon the Written Request of the Authority, the Trustee shall execute and deliver to the Authority all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over, transfer, assign or deliver to the City all moneys or securities or other property held by it under this Indenture which are not required for the payment or redemption of any of such Bonds not theretofore surrendered for such payment or redemption. The Trustee is entitled to conclusively rely on any such Written Certificate or Written Request and, in each case, is fully protected in relying thereon.

SECTION 10.02. *Discharge of Liability on Bonds.* Upon the deposit with the Trustee, in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 10.03) to pay or redeem any Outstanding Bonds (whether upon or prior to the maturity or the redemption date of such Bonds), provided that, if such Bonds are to be redeemed prior to maturity, notice of such redemption shall have been given as provided in Article IV or provision satisfactory to the Trustee shall have been made for the giving of such notice, then all liability of the Authority in respect of such Bonds shall cease, terminate and be completely discharged, and the Owners thereof shall thereafter be entitled only to payment out of such money or securities deposited with the Trustee as aforesaid for their payment, subject, however, to the provisions of Section 10.04.

The Authority may at any time surrender to the Trustee, for cancellation by Trustee, any Bonds previously issued and delivered, which the Authority may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

SECTION 10.03. *Deposit of Money or Securities with Trustee.* Whenever in this Indenture it is provided or permitted that there be deposited with or held in trust by the Trustee money or securities in the necessary amount to pay or redeem any Bonds, the money or securities so to be deposited or held may include money or securities held by the Trustee in the funds and accounts established under this Indenture and shall be:

- (a) lawful money of the United States of America in an amount equal to the principal amount of such Bonds and all unpaid interest thereon to maturity, except that, in the case of Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption shall have been given as provided in Article IV or provision satisfactory to the Trustee shall have been made for the giving of such notice, the amount to be deposited or held shall be the principal amount of such Bonds, premium, if any, and all unpaid interest thereon to the redemption date; or
- (b) non-callable Federal Securities, the principal of and interest on which when due will, in the written opinion of an Independent Accountant filed with the City, the Authority and the Trustee, provide money sufficient to pay the principal of and interest and premium (if any) on the Bonds to be paid or redeemed, as such principal, interest and premium become due, provided that in the case of Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as provided in Article IV or provision satisfactory to the Trustee has been made for the giving of such notice;

provided, in each case, that (i) the Trustee or escrow agent shall have been irrevocably instructed (by the terms of this Indenture or otherwise) to apply such money to the payment of such principal of and interest on such Bonds, and (ii) the Authority shall have delivered to the Trustee an opinion of Bond Counsel to the effect that such Bonds have been discharged in accordance with this Indenture (which opinion may rely upon and assume the accuracy of the Independent Accountant's opinion referred to above). The Trustee shall be entitled to conclusively rely on such Written Request or opinion and shall be fully protected, in each case, in relying thereon.

SECTION 10.04. *Unclaimed Funds.* Notwithstanding any provisions of this Indenture, any moneys held by the Trustee in trust for the payment of the principal of, or interest on, any Bonds and remaining unclaimed for 2 years after the principal of all of the Bonds has become due and payable (whether at maturity or upon call for redemption or by acceleration as provided in this Indenture), if such moneys were so held at such date, or 2 years after the date of deposit of such moneys if deposited after said date when all of the Bonds became due and payable, shall be repaid to the Authority free from the trusts created by this Indenture, and all liability of the Trustee with respect to such moneys shall thereupon cease; *provided, however*, that before the repayment of such moneys to the Authority as aforesaid, the Trustee shall (at the cost of the Authority) first mail to the Owners of Bonds which have not yet been paid, at the addresses shown on the Registration Books, a notice, in such form as may be deemed appropriate by the Trustee with respect to the Bonds so payable and not presented and with respect to the provisions relating to the repayment to the Authority of the moneys held for the payment thereof.

ARTICLE XI

MISCELLANEOUS

SECTION 11.01. *Liability of Authority Limited to Revenues* . Notwithstanding anything in this Indenture or in the Bonds contained, the Authority is not required to advance any moneys derived from any source other than the Revenues and other assets pledged under this Indenture for any of the purposes in this Indenture mentioned, whether for the payment of the principal of or interest on the Bonds or for any other purpose of this Indenture. Nevertheless, the Authority may, but is not required to, advance for any of the purposes hereof any funds of the Authority which may be made available to it for such purposes.

SECTION 11.02. *Limitation of Rights to Parties and Bond Owners*. Nothing in this Indenture or in the Bonds expressed or implied is intended or shall be construed to give to any person other than the Authority, the Trustee, the City and the Owners of the Bonds, any legal or equitable right, remedy or claim under or in respect of this Indenture or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Authority, the Trustee, the City and the Owners of the Bonds.

SECTION 11.03. *Funds and Accounts*. Any fund or account required by this Indenture to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee, either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds and accounts shall at all times be maintained in accordance with industry standards to the extent practicable, and with due regard for the requirements of Section 6.05 and for the protection of the security of the Bonds and the rights of every Owner thereof. The Trustee may establish such funds and accounts as it deems necessary or appropriate to perform its obligations under this Indenture.

SECTION 11.04. *Waiver of Notice; Requirement of Mailed Notice*. Whenever in this Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver. Whenever in this Indenture any notice is required to be given by mail, such requirement may be satisfied by the deposit of such notice in the United States mail, postage prepaid, by first class mail.

SECTION 11.05. *Destruction of Bonds*. Whenever in this Indenture provision is made for the cancellation by the Trustee, and the delivery to the Authority, of any Bonds, the Trustee may, in lieu of such cancellation and delivery, destroy such Bonds as may be allowed by law, and at the written request of the Authority the Trustee shall deliver a certificate of such destruction to the Authority.

SECTION 11.06. *Severability of Invalid Provisions*. If any one or more of the provisions contained in this Indenture or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be

deemed severable from the remaining provisions contained in this Indenture and such invalidity, illegality or unenforceability shall not affect any other provision of this Indenture, and this Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Authority hereby declares that it would have entered into this Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Indenture may be held illegal, invalid or unenforceable.

SECTION 11.07. *Notices.* All notices or communications to be given under this Indenture shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other party in writing from time to time. Notice shall be effective either (a) upon transmission by facsimile transmission or other form of telecommunication, confirmed by telephone, (b) 48 hours after deposit in the United States mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt. The Authority, the City or the Trustee may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

If to the City or the Authority:	City of Ukiah Attention: Finance Director 300 Seminary Avenue Ukiah, CA 95482
-------------------------------------	--

If to the Trustee:	The Bank of New York Mellon Trust Company, N.A. Attention: Corporate Trust Administration 333 S. Hope Street, Suite #2525 Los Angeles, California 90071
--------------------	--

SECTION 11.08. *Evidence of Rights of Bond Owners.* Any request, consent or other instrument required or permitted by this Indenture to be signed and executed by Bond Owners may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by such Bond Owners in person or by an agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent, or of the holding by any person of Bonds transferable by delivery, shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee and the Authority if made in the manner provided in this Section 11.08.

The fact and date of the execution by any person of any such request, consent or other instrument or writing may be proved by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the person signing such request, consent or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer.

The ownership of Bonds shall be proved by the Registration Books.

Any request, consent, or other instrument or writing of the Owner of any Bond shall bind every future Owner of the same Bond and the Owner of every Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Authority in accordance therewith or reliance thereon.

SECTION 11.09. *Disqualified Bonds.* In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are known by the Trustee to be owned or held by or for the account of the Authority or the City, or by any other obligor on the Bonds, or by any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or the City or any other obligor on the Bonds, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or the City or any other obligor on the Bonds. In case of a dispute as to such right, the Trustee shall be entitled to rely upon the advice of counsel in any decision by Trustee and shall be fully protected in relying thereon.

Upon request, the Authority shall specify to the Trustee those Bonds disqualified under this Section 11.09.

SECTION 11.10. *Money Held for Particular Bonds.* The money held by the Trustee for the payment of the interest, premium, if any, or principal due on any date with respect to particular Bonds (or portions of Bonds in the case of Bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the Bonds entitled thereto, *subject, however,* to the provisions of Section 10.04 but without any liability for interest thereon.

SECTION 11.11. *Waiver of Personal Liability.* No member, officer, agent or employee of the Authority shall be individually or personally liable for the payment of the principal of or interest or premium (if any) on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law or by this Indenture.

SECTION 11.12. *Successor Is Deemed Included in All References to Predecessor.* Whenever in this Indenture either the Authority, the City or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the Authority, the City or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

SECTION 11.13. *Execution in Several Counterparts.* This Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

SECTION 11.14. *Payment on Non-Business Day.* In the event any payment is required to be made hereunder on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day and with the same effect as if made on such preceding non-Business Day.

SECTION 11.15. *Governing Law.* This Indenture shall be governed by and construed in accordance with the laws of the State of California.

[Remainder of page intentionally left blank. Signatures on next page.]

IN WITNESS WHEREOF, the UKIAH PUBLIC FINANCING AUTHORITY has caused this Indenture to be signed in its name by its Treasurer and attested to by its Secretary, and THE BANK OF NEW YORK MELLON TRUST COMPANY, in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

**UKIAH PUBLIC FINANCING
AUTHORITY**

By: _____
Daniel Buffalo
Treasurer

**THE BANK OF NEW YORK MELLON
TRUST COMPANY,
*as Trustee***

By: _____
Authorized Officer

APPENDIX A

DEFINITIONS

“Additional Rental Payments” means the amounts of additional rental which are payable by the City under Section 4.5 of the Lease or which are otherwise identified as Additional Rental Payments under the Lease.

“Assignment Agreement” means the Assignment Agreement dated as of February 1, 2022, between the Authority as assignor and the Trustee as assignee, as originally executed or as thereafter amended.

“Authority” means the Ukiah Public Financing Authority, a joint powers authority duly organized and existing under the Joint Exercise of Powers Agreement, dated as of May 5, 2020, by and between the City and the Industrial Development Authority of the City of Ukiah, creating the Authority, together with any amendments thereof and supplements thereto, and under the laws of the State of California.

“Authorized Representative” (a) with respect to the Authority, the Executive Director, Assistant Executive Director, Treasurer or any other person designated as an Authorized Official of the Authority by its Executive Director, Assistant Executive Director, Treasurer and notified to the City and the Trustee; and (b) with respect to the City, the City Manager, Assistant City Manager, Finance Director, or any other person designated as an Authorized Official the City Manager, Assistant City Manager, Finance Director and notified to the Authority and the Trustee.

“Bond Counsel” means (a) Jones Hall, A Professional Law Corporation, or (b) any other attorney or firm of attorneys appointed by or acceptable to the Authority of nationally-recognized experience in the issuance of obligations the interest on which is excludable from gross income for federal income tax purposes under the Tax Code.

“Bond Fund” means the fund by that name established and held by the Trustee under Section 5.01.

“Bond Law” means the provisions of Article 4 of Chapter 5, Division 7, Title 1 of the Government Code of the State of California, commencing with Section 6584 of said Code, as in effect on the Closing Date or as thereafter amended in accordance with its terms.

“Bond Year” means each twelve-month period extending from June 2 in one calendar year to April 1 of the succeeding calendar year, both dates inclusive; except that the first Bond Year commences on the Closing Date and extends to and including April 1, 2022.

“Bonds” means the \$_____ aggregate principal amount of Ukiah Public Financing Authority Lease Revenue Bonds, Series 2022 (Capital Projects) authorized by and at any time Outstanding under the Bond Law and this Indenture.

“Business Day” means a day (other than a Saturday or a Sunday) on which banks are not required or authorized to remain closed in the City in which the Office of the Trustee is located.

“City” means the City of Ukiah, a municipal corporation organized and existing under the laws of the State of California.

“Closing Date” means _____, 2022, being the date of delivery of the Bonds to the Original Purchaser.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the City and the Authority relating to the authorization, issuance, sale and delivery of the Bonds, including but not limited to: Authority formation and administration costs, printing expenses; rating agency fees; filing and recording fees; initial fees, expenses and charges of the Trustee and their respective counsel, including the Trustee’s first annual administrative fee; fees, charges and disbursements of attorneys, financial advisors, accounting firms, consultants and other professionals; fees and charges for preparation, execution and safekeeping of the Bonds; title insurance and other insurance costs, and any other cost, charge or fee in connection with the original issuance of the Bonds.

“Costs of Issuance Fund” means the fund by that name established and held by the Trustee under Section 3.03.

“Depository” means (a) initially, DTC, and (b) any other Securities Depositories acting as Depository under Section 2.04.

“Depository System Participant” means any participant in the Depository’s book-entry system.

“DTC” means The Depository Trust Company, and its successors and assigns.

“Event of Default” means any of the events specified in Section 7.01.

“Excess Investment Earnings” means an amount required to be rebated to the United States of America under Section 148(f) of the Tax Code due to investment of gross proceeds of the Bonds at a yield in excess of the yield on the Bonds.

“Federal Securities” means: (a) any direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), for which the full faith and credit of the United States of America are pledged; (b) obligations of any agency, department or instrumentality of the United States of America, the timely payment of principal and interest on which are directly or indirectly secured or guaranteed by the full faith and credit of the United States of America.

“Fiscal Year” means any twelve-month period extending from July 1 in one calendar year to June 30 of the succeeding calendar year, both dates inclusive, or any other twelve-month period selected and designated by the Authority as its official fiscal year period.

“Indenture” means this Indenture of Trust, as originally executed or as it may from time to time be supplemented, modified or amended by any Supplemental Indenture under the provisions hereof.

“Independent Accountant” means any certified public accountant or firm of certified public accountants appointed and paid by the Authority or the City, and who, or each of whom (a) is in fact independent and not under domination of the Authority or the City; (b) does not have any substantial interest, direct or indirect, in the Authority or the City; and (c) is not connected with the Authority or the City as an officer or employee of the Authority or the City but who may be regularly retained to make annual or other audits of the books of or reports to the Authority or the City.

“Information Services” means in accordance with then-current guidelines of the Securities and Exchange Commission, the Electronic Municipal Market Access System (referred to as “EMMA”), a facility of the Municipal Securities Rulemaking Board (at <http://emma.msrb.org>), or such service or services as the Authority may designate in a certificate delivered to the Trustee.

“Insurance and Condemnation Fund” means the fund by that name established and held by the Trustee under Section 5.07.

“Interest Account” means the account by that name established and held by the Trustee in the Bond Fund under Section 5.02.

“Interest Payment Date” means each October 1 and April 1, commencing April 1, 2022 so long as any Bonds remain unpaid.

“Lease” means the Lease Agreement dated as of February 1, 2022, between the Authority as lessor and the City as lessee of the Leased Property, as originally executed and as it may from time to time be supplemented, modified or amended in accordance with the terms thereof and of this Indenture.

“Lease Payment Date” means, with respect to any Interest Payment Date, the 5th Business Day immediately preceding such Interest Payment Date.

“Lease Payments” means the amounts payable by the City under Section 4.3(a) of the Lease, including any prepayment thereof and including any amounts payable upon a delinquency in the payment thereof.

“Leased Property” means the real property described in Appendix A to the Lease, together with all improvements and facilities at any time situated thereon.

“Moody’s” means Moody’s Investors Service, its successors and assigns.

“Net Proceeds” means amounts derived from any policy of property insurance or title insurance with respect to the Leased Property, or the proceeds of any taking of the Leased Property or any portion thereof in eminent domain proceedings (including sale under threat of such proceedings), to the extent remaining after payment therefrom of all expenses incurred in the collection and administration thereof.

“Nominee” means (a) initially, Cede & Co. as nominee of DTC, and (b) any other nominee of the Depository designated under Section 2.04(a).

“Office” means the corporate trust office of the Trustee in Los Angeles, California, or such other or additional offices as the Trustee may designate in writing to the Authority

from time to time as the corporate trust office for purposes of the Indenture; except that with respect to presentation of Bonds for payment or for registration of transfer and exchange such term means the office or agency of the Trustee at which, at any particular time, its corporate trust agency and operations business is conducted.

“Original Purchaser” means Hilltop Securities, Incorporated, as original purchaser of the Bonds upon their delivery by the Trustee on the Closing Date.

“Outstanding”, when used as of any particular time with reference to Bonds, means all Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under this Indenture except: (a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (b) Bonds with respect to which all liability of the Authority shall have been discharged in accordance with Section 10.02, including Bonds (or portions thereof) described in Section 11.09; and (c) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Trustee under this Indenture.

“Owner”, whenever used herein with respect to a Bond, means the person in whose name the ownership of such Bond is registered on the Registration Books.

“Permitted Encumbrances” means, as of any time: (a) liens for general ad valorem taxes and assessments, if any, not then delinquent, or which the City may permit to remain unpaid under Article V of the Lease; (b) the Site Lease, the Lease and the Assignment Agreement; (c) any right or claim of any mechanic, laborer, material man, supplier or vendor not filed or perfected in the manner prescribed by law; (d) if a title insurance policy covers the Leased Property, exceptions disclosed therein; and (e) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record and which the City certifies in writing will not materially impair the use of the Leased Property for its intended purposes.

“Permitted Investments” means any of the following:

- (a) any direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), for which the full faith and credit of the United States of America are pledged.
- (b) obligations of any agency, department or instrumentality of the United States of America, the timely payment of principal and interest on which are directly or indirectly secured or guaranteed by the full faith and credit of the United States of America.
- (c) Any direct or indirect obligations of an agency or department of the United States of America whose obligations represent the full faith and credit of the United States of America, or which are rated A or better by S&P at the time of purchase.
- (d) Interest-bearing deposit accounts (including certificates of deposit) in federal or State chartered savings and loan associations or in federal or State of California banks (including the Trustee and its affiliates),

provided that: (i) the unsecured obligations of such commercial bank or savings and loan association are rated A or better by S&P at the time of purchase; or (ii) such deposits are fully insured by the Federal Deposit Insurance Corporation.

- (e) Commercial paper rated "A-1+" or better by S&P at the time of purchase.
- (f) Federal funds or bankers acceptances with a maximum term of one year of any bank which an unsecured, uninsured and unguaranteed obligation rating of "A-1+" or better by S&P at the time of purchase.
- (g) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of at least AAAm-G, AAAm or AAm at the time of purchase, which funds may include funds for which the Trustee, its affiliates, parent or subsidiaries receives and retains a fee for services provided to the fund, whether as custodian, transfer agent, investment advisor or otherwise.
- (h) Obligations the interest on which is excludable from gross income pursuant to Section 103 of the Tax Code and which are either (a) rated A or better by S&P at the time of purchase, or (b) fully secured as to the payment of principal and interest by Permitted Investments described in clauses (a) or (b).
- (i) Obligations issued by any corporation organized and operating within the United States of America having assets in excess of \$500,000,000, which obligations are rated A or better by S&P at the time of purchase.
- (j) Bonds or notes issued by any state or municipality which are rated A or better by S&P at the time of purchase.
- (k) Any investment agreement with, or guaranteed by, a financial institution the long-term unsecured obligations or the claims paying ability of which are rated A or better by S&P at the time of initial investment, by the terms of which all amounts invested thereunder are required to be withdrawn and paid to the Trustee in the event either of such ratings at any time falls below A.
- (l) The Local Agency Investment Fund of the State of California, created pursuant to Section 16429.1 of the California Government Code, to the extent the Trustee is authorized to register such investment in its name.
- (m) Ratings of Permitted Investments referred to herein shall be determined at the time of purchase of such Permitted Investments and without regard to rating subcategories. The Trustee shall have no responsibility to monitor the ratings of Permitted Investments after the initial purchase of such Permitted

Investments, or the responsibility to validate Permitted Investments the ratings of Permitted Investments prior to the initial purchase.

“Principal Account” means the account by that name established and held by the Trustee in the Bond Fund under Section 5.02.

“Project” means energy efficiency improvements to various City facilities, and incidental expenses related to the foregoing, as such project may be modified by the City Council from time to time.

“Project Costs” means, with respect to the Project, all costs of the acquisition, construction and installation thereof which are paid from moneys on deposit in the Project Fund, including but not limited to:

- (a) all costs required to be paid to any person under the terms of any agreement for the purchase of the Project or otherwise relating to the acquisition, construction and installation of the Project;
- (b) obligations incurred for labor and materials in connection with the acquisition, construction and installation of the Project;
- (c) the cost of performance or other bonds and any and all types of insurance that may be necessary or appropriate to have in effect in connection with the acquisition, construction and installation of the Project;
- (d) preliminary costs of the Project, including but not limited to design, environmental, engineering and architectural services, costs for testing, surveys, estimates, plans and specifications and preliminary investigations therefor, development fees and costs for supervising construction, as well as for the performance of all other duties required by or consequent to the proper acquisition, construction and installation of the Project;
- (e) costs of equipping and furnishing the Project, and costs of taking occupancy of the Project including costs incurred in connection with the relocation of City functions and personnel into the Project;
- (f) any sums required to reimburse the City for advances made for any of the above items or for any other costs incurred and for work done which are properly chargeable to the acquisition, construction and installation of the Project;
- (g) all financing costs incurred in connection with the acquisition, construction and installation of the Project; and
- (h) the Lease Payments coming due during the period of construction of the Project.

“Project Fund” means the fund by that name established and held by the City under Section 3.04.

“Qualified Reserve Fund Credit Instrument” means an irrevocable standby or direct-pay letter of credit or surety bond issued by a commercial bank or insurance company and deposited with the Trustee pursuant to Section 5.05, provided that all of the following requirements are met: (a) the long-term credit rating of such bank or insurance company is rated in the “AA” category or higher by S&P or Moody’s at the time of issuance; (b) such letter of credit or surety bond has a term of at least twelve (12) months; (c) such letter of credit or surety bond has a stated amount at least equal to the portion of the Reserve Requirement with respect to which funds are proposed to be released pursuant to Section 5.05; and (d) the Trustee is authorized pursuant to the terms of such letter of credit or surety bond to draw thereunder an amount equal to any deficiencies which may exist from time to time in the Bond Fund for the purpose of making payments required pursuant to Section 5.05.

“Record Date” means, with respect to any Interest Payment Date, the 15th calendar day of the month preceding such Interest Payment Date, whether or not such day is a Business Day.

“Redemption Fund” means the fund by that name established and held by the Trustee under Section 5.01.

“Registration Books” means the records maintained by the Trustee under Section 2.05 for the registration and transfer of ownership of the Bonds.

“Reserve Fund” means the fund by that name established and held by the Trustee pursuant to Section 5.05.

“Reserve Requirement” means, as of any date of calculation thereof by the Authority, an amount equal to the lesser of (a) 10% of the original principal amount of such series of Bonds, (b) the maximum amount of debt service coming due in the current or any future Bond Year with respect to such series of Bonds, or (c) 125% of average annual debt service for such series of Bonds. The initial Reserve Requirement is \$_____ and the Reserve Requirement may be recalculated by the Authority on any date.

“Revenues” means all amounts received by the Authority or the Trustee under or with respect to the Lease including, without limiting the generality of the foregoing, all of the Lease Payments (including both timely and delinquent payments, any late charges, and whether paid from any source), but excluding (i) any amounts described in the provisions of the Lease relating to permitted amendments that provide for additional rental to be pledged or assigned for the payment of bonds or obligations issued to finance or refinance projects for which the City is authorized to expend its funds, and (ii) any “Additional Rental Payments” (consisting of certain administrative costs due to the Authority and the Trustee under the Lease), and all interest, profits or other income derived from the investment of amounts in any fund or account established under this Indenture.

“Securities Depositories” means DTC; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other securities depositories as the Authority designates in written notice filed with the Trustee.

"Site Lease" means the Site Lease dated as of February 1, 2022, between the City as lessor and the Authority as lessee, as amended from time to time in accordance with its terms.

"Site Lease Payment" means the amount of \$ _____, which is payable by the Authority to the City on the Closing Date under Section 3 of the Site Lease.

"S&P" means S&P Global Ratings, a division of Standard & Poor's Financial Services LLC, and its successors or assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "S&P" shall be deemed to refer to any other nationally recognized securities rating agency selected by the City.

"Supplemental Indenture" means any indenture hereafter duly authorized and entered into between the Authority and the Trustee, supplementing, modifying or amending this Indenture; but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

"Tax Code" means the Internal Revenue Code of 1986 as in effect on the Closing Date or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the Closing Date, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under said Code.

"Term" means, with reference to the Lease, the time during which the Lease is in effect, as provided in Section 4.2 thereof.

"Trustee" means The Bank of New York Mellon Trust Company, a national banking association organized and existing under the laws of United States of America, or its successor or successors, as Trustee hereunder as provided in Article VIII.

"Written Certificate," "Written Request" and "Written Requisition" of the Authority or the City mean, respectively, a written certificate, request or requisition signed in the name of the Authority or the City by its Authorized Representative. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

APPENDIX B**BOND FORM**

No. R-_____

\$_____

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

UKIAH PUBLIC FINANCING AUTHORITY

LEASE REVENUE BONDS, SERIES 2022
(Capital Projects)

INTEREST RATE: _____% MATURITY DATE: April 1, _____ ORIGINAL ISSUE DATE: _____, 2022 CUSIP: _____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: *** _____ DOLLARS***

The UKIAH PUBLIC FINANCING AUTHORITY, a joint exercise of powers authority organized and existing under the laws of the State of California (the "Authority"), for value received, hereby promises to pay to the Registered Owner specified above or registered assigns (the "Registered Owner"), on the Maturity Date specified above (subject to any right of prior redemption hereinafter provided for), the Principal Amount specified above, in lawful money of the United States of America, and to pay interest thereon in like lawful money from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Bond unless (i) this Bond is authenticated on or before an Interest Payment Date and after the close of business on the 15th day of the month preceding such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (ii) this Bond is authenticated on or before March 15, 2022, in which event it shall bear interest from the Original Issue Date specified above; *provided, however*, that if at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on this Bond, at the Interest Rate per annum specified above, payable semiannually on April 1 and October 1 in each year, commencing April 1, 2022 (the "Interest Payment Dates"), calculated on the basis of a 360-day year composed of twelve 30-day months.

Principal hereof and premium, if any, upon early redemption hereof are payable upon presentation and surrender hereof at the corporate trust office of The Bank of New York Mellon Trust Company, in San Francisco, California (the "Trust Office"), as trustee

(the "Trustee"). Interest hereon is payable by check of the Trustee mailed on the Interest Payment Date to the Registered Owner hereof at the Registered Owner's address as it appears on the registration books of the Trustee as of the close of business on the fifteenth day of the month preceding each Interest Payment Date (a "Record Date"), or, upon written request filed with the Trustee as of such Record Date by a registered owner of at least \$1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to an account in the United States designated by such registered owner in such written request.

This Bond is not a debt of the City of Ukiah (the "City"), the County of Mendocino, the State of California, or any of its political subdivisions, and neither the City, said County, said State, nor any of its political subdivisions, is liable hereon nor in any event shall this Bond be payable out of any funds or properties of the Authority other than the Revenues.

This Bond is one of a duly authorized issue of bonds of the Authority designated as the "Ukiah Public Financing Authority Lease Revenue Bonds, Series 2022 (Capital Projects)" (the "Bonds"), in an aggregate principal amount of \$_____, all of like tenor and date (except for such variation, if any, as may be required to designate varying numbers, maturities, interest rates or redemption provisions) and all issued under the provisions of Article 4 of Chapter 5, Division 7, Title 1 of the Government Code of the State of California, commencing with Section 6584 of said Code (the "Bond Law"), and under an Indenture of Trust dated as of February 1, 2022, between the Authority and the Trustee (the "Indenture") and a resolution of the Authority adopted on _____, 2021, authorizing the issuance of the Bonds. Reference is hereby made to the Indenture (copies of which are on file at the office of the Authority) and all supplements thereto for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Revenues, and the rights thereunder of the owners of the Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Authority thereunder, to all of the provisions of which the Registered Owner of this Bond, by acceptance hereof, assents and agrees.

The Bonds have been issued by the Authority to finance the acquisition and construction of capital improvements of the City. This Bond and the interest and premium, if any, hereon are special obligations of the Authority, payable from the Revenues, and secured by a charge and lien on the Revenues as defined in the Indenture, consisting principally of lease payments made by the City under a Lease Agreement dated as of February 1, 2022, between the Authority as lessor and the City as lessee (the "Lease"). As and to the extent set forth in the Indenture, all of the Revenues are exclusively and irrevocably pledged in accordance with the terms hereof and the provisions of the Indenture, to the payment of the principal of and interest and premium (if any) on the Bonds.

The rights and obligations of the Authority and the owners of the Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such modification or amendment shall extend the fixed maturity of any Bonds, or reduce the amount of principal thereof or premium (if any) thereon, or extend the time of payment, or change the method of computing the rate of interest thereon, or extend the time of payment of interest thereon, without the consent of the owner of each Bond so affected.

The Bonds maturing on or after April 1, _____, are subject to redemption in whole, or in part at the election of the Authority among maturities on such basis as shall be designated by the Authority and by lot within a maturity, at the option of the Authority, on any date on or after April 1, _____, from any available source of funds, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium.

The Bonds are subject to mandatory redemption in part by lot, at a redemption price equal to 100% of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on April 1 in the respective years as set forth in the following table; provided, however, that if some but not all of such Bonds have been redeemed pursuant to an optional redemption or special mandatory redemption from insurance or condemnation proceeds, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of such Bonds so redeemed, to be allocated among such sinking fund payments on a pro rata basis in integral multiples of \$5,000 (as set forth in a schedule provided by the Authority to the Trustee).

Bonds Maturing April 1, _____

Sinking Fund Redemption Date (April 1)	Principal Amount To Be Redeemed
_____	_____

(maturity)

The Bonds are subject to mandatory redemption prior to maturity in whole or in part among maturities as determined by the Authority on any date, at a redemption price equal to 100% of the principal amount thereof to be redeemed (plus accrued but unpaid interest to the redemption date), without premium, from Net Proceeds of certain damage and condemnation awards deposited in the Insurance and Condemnation Fund, Net Proceeds of title insurance, if any, and from any other funds available for such purpose under this Indenture.

As provided in the Indenture, notice of redemption will be mailed by the Trustee by first class mail not less than 20 or more than 60 days prior to the redemption date to the respective owners of any Bonds designated for redemption at their addresses appearing on the registration books of the Trustee, but neither failure to receive such notice nor any defect in the notice so mailed shall affect the sufficiency of the proceedings for redemption or the cessation of accrual of interest thereon from and after the date fixed for redemption. Notice of any optional redemption of the Bonds may be rescinded under the circumstances set forth in the Indenture, upon notice to the owners of such Bonds.

If this Bond is called for redemption and payment is duly provided therefor as specified in the Indenture, interest shall cease to accrue hereon from and after the date fixed for redemption.

This Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at the Trust Office, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon

surrender and cancellation of this Bond. Upon registration of such transfer, a new Bond or Bonds, of authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor. This Bond may be exchanged at the Trust Office for Bonds of the same tenor, aggregate principal amount, interest rate and maturity, of other authorized denominations.

The Authority and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Authority and the Trustee shall not be affected by any notice to the contrary.

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the Authority or the Trustee for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

It is hereby certified by the Authority that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in due and regular time, form and manner as required by the Bond Law and the laws of the State of California and that the amount of this Bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by the Bond Law or any laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

This Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until the certificate of authentication hereon endorsed shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the Ukiah Public Financing Authority has caused this Bond to be executed in its name and on its behalf with the facsimile signature of its Treasurer and attested to by the facsimile signature of its Secretary, all as of the Original Issue Date specified above.

UKIAH PUBLIC FINANCING AUTHORITY

By: _____
Authorized Officer

Attest:

Secretary

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Indenture.

Dated:

**THE BANK OF NEW YORK MELLON
TRUST COMPANY,**
as Trustee

By: _____
Authorized Signatory

ASSIGNMENT

For value received the undersigned hereby sells, assigns and transfers unto _____ whose address and social security or other tax identifying number is _____, the within-mentioned Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Note: Signature(s) must be guaranteed by an eligible guarantor institution.

Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

ASSIGNMENT AGREEMENT

This ASSIGNMENT AGREEMENT (this “Agreement”), dated for convenience as of February 1, 2022, is between the UKIAH PUBLIC FINANCING AUTHORITY, a joint exercise of powers authority organized and existing under the laws of the State of California (the “Authority”), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America, as trustee (the “Trustee”).

B A C K G R O U N D :

1. The City is proceeding to reconstruct its corporation yard and construct improvements to various City streets (collectively, the “Project”).

2. In order to provide funds to finance a portion of the costs of the Project, the City has agreed to lease the real property more particularly described in Appendix A attached hereto and by this reference incorporated herein, consisting of streets in the City (the “Leased Property”) to the Authority under a Site Lease dated as of February 1, 2022 which has been executed concurrently herewith (the “Site Lease”), under which the Authority agrees to make an initial rental payment (the “Site Lease Payment”) which is sufficient to provide funds for such purposes.

3. The Authority has authorized the issuance of its Ukiah Public Financing Authority Lease Revenue Bonds, Series 2022 (Capital Projects) in the aggregate principal amount of \$_____ (the “Bonds”) under an Indenture of Trust dated as of February 1, 2022 (the “Indenture”), between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), and under the provisions of Article 4 of Chapter 5, Division 7, Title 1 of the Government Code of the State of California, commencing with Section 6584 of said Code (the “Bond Law”), for the purpose of providing the funds to enable the Authority to pay the Site Lease Payment to the City in accordance with the Site Lease.

4. In order to provide revenues which are sufficient to enable the Authority to pay debt service on the Bonds, the Authority has agreed to lease the Leased Property back to the City under the Lease Agreement dated as of February 1, 2022 (the “Lease Agreement”), which has been executed concurrently herewith, under which the City agrees to pay semiannual Lease Payments as the rental for the Leased Property thereunder.

5. The Authority has requested the Trustee to enter into this Agreement for the purpose of assigning certain of its rights under the Lease to the Trustee for the benefit of the Bond owners.

A G R E E M E N T :

In consideration of the material covenants contained in this Agreement, the parties hereto hereby formally covenant, agree and bind themselves as follows:

SECTION 1. *Defined Terms.* All capitalized terms not otherwise defined herein have the respective meanings given those terms in the Indenture.

SECTION 2. *Assignment.* The Authority hereby assigns to the Trustee, for the benefit of the Owners of all Bonds which are issued and Outstanding under the Indenture, all of the Authority's rights under the Lease (excepting only the Authority's rights under Sections 4.5, 5.10, 7.3 and 8.4 of the Lease), including but not limited to:

- (a) the right to receive and collect all of the Lease Payments from the City under the Lease,
- (b) the right to receive and collect any proceeds of any insurance maintained thereunder with respect to the Leased Property, or any eminent domain award (or proceeds of sale under threat of eminent domain) paid with respect to the Leased Property, and
- (c) the right to exercise such rights and remedies conferred on the Authority under the Lease as may be necessary or convenient (i) to enforce payment of the Lease Payments and any amounts required to be deposited in the Insurance and Condemnation Fund established under Section 5.07 of the Indenture, or (ii) otherwise to protect the interests of the Bond Owners in the event of a default by the City under the Lease.

The Trustee shall administer all of the rights assigned to it by the Authority under this Agreement in accordance with the provisions of the Indenture, for the benefit of the Owners of Bonds. The assignment made under this Section 2 is absolute and irrevocable, and without recourse to the Authority.

SECTION 3. *Acceptance.* The Trustee hereby accepts the assignments made herein for the purpose of securing the payments due under the Lease and Indenture to, and the rights under the Lease and Indenture of, the Owners of the Bonds, all subject to the provisions of the Indenture. The recitals contained herein are those of the Authority and not of the Trustee, and the Trustee assumes no responsibility for the correctness thereof.

SECTION 4. *Conditions.* This Agreement confers no rights and imposes no duties upon the Trustee beyond those expressly provided in the Indenture. The assignment hereunder to the Trustee is solely in its capacity as Trustee under the Indenture.

SECTION 5. *Execution in Counterparts.* This Agreement may be executed in any number of counterparts, each of which is an original and all together constitute one and the same agreement. Separate counterparts of this Agreement may be separately executed by the Trustee and the Authority, both with the same force and effect as though the same counterpart had been executed by the Trustee and the Authority.

SECTION 6. *Binding Effect.* This Agreement inures to the benefit of and binds the Authority and the Trustee, and their respective successors and assigns, subject, however, to the limitations contained herein.

SECTION 7. *Governing Law.* This Agreement is governed by the laws of the State of California.

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

**UKIAH PUBLIC FINANCING
AUTHORITY**

By: _____
Daniel Buffalo
Treasurer

**THE BANK OF NEW YORK MELLON
TRUST COMPANY,
*as Trustee***

By: _____
Authorized Officer

APPENDIX A

DESCRIPTION OF THE LEASED PROPERTY

The Leased Property consists of that certain real property, together with all fixtures, equipment or other improvements located upon the real property, except as to the library as excluded below, situated in the City of Ukiah, County of Mendocino, State of California, described as follows:

[[All City Streets]]

PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY __, 2022**NEW ISSUE - FULL BOOK-ENTRY****RATING: S&P: “__”**
See “RATING”

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See “TAX MATTERS.”

\$ _____ *

UKIAH PUBLIC FINANCING AUTHORITY
Lease Revenue Bonds, Series 2022
(Capital Projects)

Dated: Date of Delivery**Due: April 1, as shown on inside cover**

Authority for Issuance. The bonds captioned above (the “**Bonds**”) are being issued by the Ukiah Public Financing Authority (the “**Authority**”) an Indenture of Trust dated as of February 1, 2022 (the “**Indenture**”) by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “**Trustee**”) and pursuant a resolution adopted by the Board of Directors of the Authority. See “THE BONDS – Authority for Issuance.”

Use of Proceeds. The Bonds are being issued to renovate the Corporation Yard, construct improvements to various City streets and pay issuance costs. See “FINANCING PLAN.”

Security for the Bonds. Under the Indenture, the Bonds are payable from and secured by a first pledge of and lien on (“**Revenues**”) (as defined in this Official Statement) received by the Authority under the Lease Agreement dated as of February 1, 2022, by and between the Authority, as lessor, and the City, as lessee (the “**Lease**”), consisting primarily of semi-annual lease payments (the “**Lease Payments**”) made by the City under the Lease with respect to the lease of certain real property, as further described in this Official Statement. The Bonds are also secured by certain funds on deposit under the Indenture. See “SECURITY FOR THE BONDS.”

Bond Terms; Book-Entry Only. The Bonds will bear interest at the rates shown on the inside cover page, payable semiannually on April 1 and October 1 of each year, commencing on October 1, 2022, and will be issued in fully registered form without coupons in the denomination of \$5,000 or any integral multiple of \$5,000. The Bonds will be issued in book-entry only form, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company (“**DTC**”). Purchasers of the Bonds will not receive certificates representing their interests in the Bonds. Payments of the principal of, premium, if any, and interest on the Bonds will be made to DTC, which is obligated in turn to remit such principal, premium, if any, and interest to its DTC Participants for subsequent disbursement to the beneficial owners of the Bonds. See “THE BONDS – General Provisions.”

Reserve Fund. The Authority will establish a debt service reserve fund for the Bonds from proceeds of the Bonds, as described herein. See “SECURITY FOR THE BONDS.”

Redemption. The Bonds are subject to redemption prior to maturity. See “THE BONDS – Redemption.”

NEITHER THE BONDS, NOR THE OBLIGATION OF THE AUTHORITY TO PAY PRINCIPAL OF OR INTEREST THEREON, NOR THE OBLIGATION OF THE CITY TO MAKE THE LEASE PAYMENTS, CONSTITUTE A DEBT OR A LIABILITY OF THE AUTHORITY, THE CITY, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL LIMITATION ON INDEBTEDNESS, OR A PLEDGE OF THE FULL FAITH AND CREDIT OF THE CITY. THE BONDS ARE SECURED SOLELY BY THE PLEDGE OF REVENUES AND CERTAIN FUNDS HELD UNDER THE INDENTURE. THE BONDS ARE NOT SECURED BY A PLEDGE OF THE TAXING POWER OF THE CITY.

MATURITY SCHEDULE
(see inside cover)

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR GENERAL REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE OF BONDS. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION WITH RESPECT TO THE PURCHASE OF THE BONDS.

The Bonds are offered when, as and if issued and received by the Underwriter and subject to the approval as to their legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel. Certain legal matters will also be passed upon for the Authority and the City by Jones Hall, A Professional Law Corporation, as Disclosure Counsel. Certain legal matters will be passed upon for the City by the City Attorney. Certain legal matters will be passed upon for the Underwriter by its counsel, _____, California. It is anticipated that the Bonds will be delivered in book-entry form through the facilities of DTC on or about _____, 2022*.

[Piper logo]

The date of this Official Statement is: _____, 22.

* Preliminary; subject to change.

MATURITY SCHEDULE

\$ _____ Serial Bonds
(Base CUSIP[†]: _____)

<u>Maturity (April 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP[†]</u>
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
2038					
2039					
2040					
2041					
2042					
2043					
2044					
2045					
2046					
2047					
2048					
2049					
2050					
2051					

\$ _____ % Term Bonds due April 1, 20____; Price: _____%; Yield: _____;
CUSIP[†]: _____

* Preliminary, subject to change.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. Copyright© 2022 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the City, the Authority nor the Underwriter takes any responsibility for the accuracy of such numbers.

UKIAH PUBLIC FINANCING AUTHORITY
Ukiah, California

AUTHORITY BOARD / CITY COUNCIL

Douglas Crane, *Chair/Mayor*
Juan Orozco, *Vice Chair/Vice Mayor*
Steve Scalmanini, *Authority Member/Councilmember*
Jim Brown, *Authority Member/Councilmember*
Maureen Mulheren, *Authority Member/Councilmember*

CITY / AUTHORITY STAFF

Sage Sangiacomo, *City Manager/Executive Director*
Allen Carter, *City Treasurer*
Daniel Buffalo, *Finance Director/Authority Treasurer*
Mel Grandi, P.E., *Electric Utility Director*
Tim Eriksen, *Public Works Director/City Engineer*
Kristine Lawler, *City Clerk/Secretary*
David Rapport, Esq., *City Attorney/Authority Counsel*

PROFESSIONAL SERVICES

Bond Counsel and Disclosure Counsel
Jones Hall, A Professional Law Corporation
San Francisco, California

Municipal Advisor
NHA Advisors, LLC
San Rafael, California

Trustee
The Bank of New York Mellon Trust Company, N.A.
Los Angeles, California

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations with respect to the Bonds other than as contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been authorized.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds will, under any circumstances, create any implication that there has been no change in the affairs of the City or any other parties described in this Official Statement, or in the condition of the security for the Bonds since the date of this Official Statement.

This Official Statement is submitted in connection with the sale of the Bonds referred to in this Official Statement and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract with the purchasers of the Bonds. Prospective investors should not construe the contents of this Official Statement as legal, tax or investment advice.

The information contained in this Official Statement has been obtained from sources that are believed to be reliable, but this information is not guaranteed as to accuracy or completeness.

The Underwriter has submitted the following statement for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

All references to and summaries of the Indenture or other documents contained in this Official Statement are subject to the provisions of those documents and do not purport to be complete statements of those documents.

The Bonds have not been registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in reliance upon exemptions for the issuance and sale of municipal securities provided under Section 3(a)(2) of the Securities Act of 1933 and Section 3(a)(12) of the Securities Exchange Act of 1934.

Certain statements included or incorporated by reference in this Official Statement constitute forward-looking statements. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “project,” “budget” or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. No assurance is given that actual results will meet the forecasts of the City in any way, regardless of the level of optimism communicated in the information. The City is not obligated to issue any updates or revisions to the forward-looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based occur.

The references to internet websites in this Official Statement are shown for reference and convenience only; unless explicitly stated to the contrary, the information contained within the websites and any links contained within those websites are not incorporated herein by reference and do not constitute part of this Official Statement.

TABLE OF CONTENTS

INTRODUCTION	1	General Fund Historical Financial Data	37
FINANCING PLAN	3	Relevant Fiscal Policies	39
Estimated Sources and Uses	4	Employee Retirement System; CalPERS	41
THE LEASED PROPERTY	5	General Fund Long-Term Indebtedness.....	47
Leased Property	5	OVERLAPPING DEBT OF THE CITY	49
Substitution and Release.....	5	Direct and Overlapping Bonded Debt	49
DEBT SERVICE SCHEDULE	7	CONSTITUTIONAL AND STATUTORY	
THE BONDS	8	LIMITATIONS ON TAXES AND	
Authority for Issuance	8	APPROPRIATIONS	50
General Provisions	8	Article XIII A of the State Constitution.....	50
Transfer, Registration and Exchange	9	Article XIII B of the State Constitution.....	50
Redemption	10	Articles XIII C and XIII D of the State	
Book-Entry Only System	11	Constitution.....	51
SECURITY FOR THE BONDS.....	12	Proposition 1A; Proposition 22	52
Revenues; Pledge of Revenues	12	Unitary Property	53
Assignment to Trustee.....	12	Possible Future Initiatives	53
Allocation of Funds by Trustee	13	BOND OWNERS' RISKS.....	53
Lease Payments.....	13	No Pledge of Taxes	53
Limited Obligation.....	15	Additional Obligations of the City	55
No Additional Bonds	16	Default	56
Source of Lease Payments; Covenant to		Abatement	56
Budget and Appropriate	16	Sales Taxes	56
Abatement	16	Property Taxes	57
Remedies on Default.....	17	Natural Calamities	58
Property Insurance	18	COVID-19 Pandemic	59
THE AUTHORITY	19	Cyber Security	59
THE CITY	19	Limitations on Remedies Available to Bond	
General	19	Owners	59
City Government.....	20	Secondary Market for Bonds	60
Labor Relations	21	TAX MATTERS.....	60
CITY FINANCIAL INFORMATION	21	CERTAIN LEGAL MATTERS	62
Accounting and Financial Reporting.....	21	LITIGATION.....	62
COVID-19 Pandemic	23	RATING	63
General Fund, the Budget Process and		CONTINUING DISCLOSURE.....	63
Information	23	MUNICIPAL ADVISOR	63
Sales and Use Taxes	27	UNDERWRITING	64
Other Sources of Revenues	30	PROFESSIONAL SERVICES.....	64
Transient Occupancy Tax.....	30	EXECUTION	65
Property Taxes	31		
Financial Statements.....	37		
APPENDIX A: AUDITED FINANCIAL STATEMENTS OF THE CITY FOR FISCAL YEAR ENDED JUNE 30, 2021			
APPENDIX B: GENERAL INFORMATION ABOUT THE CITY OF UKIAH AND THE COUNTY OF MENDOCINO			
APPENDIX C: SUMMARY OF PRINCIPAL LEGAL DOCUMENTS			
APPENDIX D: FORM OF CONTINUING DISCLOSURE CERTIFICATE			
APPENDIX E: FORM OF OPINION OF BOND COUNSEL			
APPENDIX F: DTC AND THE BOOK-ENTRY ONLY SYSTEM			

[Insert Regional Location Map]

OFFICIAL STATEMENT

\$ _____ *

UKIAH PUBLIC FINANCING AUTHORITY Lease Revenue Bonds, Series 2022 (Capital Projects)

INTRODUCTION

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement. Capitalized terms used but not defined in this Official Statement have the meanings set forth in the Indenture (as defined below). See “APPENDIX C – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS.”

Authority for Issuance. The Ukiah Public Financing Authority (the “**Authority**”) is issuing the bonds captioned above (the “**Bonds**”) under the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 (commencing with Section 6584) of Chapter 5, Division 7, Title 1 of the California Government Code (the “**Bond Law**”), resolutions adopted by the Board of Directors (the “**Board**”) of the Authority on [January 19], 2022 (the “**Authority Resolution**”), and by the City Council (the “**City Council**”) of the City of Ukiah (the “**City**”) on [January 19], 2022 (the “**City Resolution**”), and an Indenture of Trust (the “**Indenture**”) dated as of February 1, 2022, by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “**Trustee**”).

Purpose of the Bonds. The Bonds are being issued to (i) renovate the Corporation Yard and, (ii) construct improvements to various City streets (collectively, the “**Project**”), (ii) provide for a deposit to a debt reserve fund for the Bonds, and (iii) pay costs of issuance of the Bonds. See “FINANCING PLAN.”

The Authority and the City. The Authority is a joint powers authority established pursuant to that certain Joint Exercise of Powers Agreement dated May 5, 2020. The Authority is governed by a five-member Board of Directors (the “**Board**”), which consists of the members of the City Council of the City. The Authority was created for the purpose of assisting the financing or refinancing of certain public capital facilities within the City. Under the Bond Law, the Authority has the power to lease real property in furtherance of the acquisition of public improvements necessary or convenient for the operation of the City, or to purchase bonds issued by any local

* Preliminary; subject to change.

agency at public or negotiated sale and may sell such bonds to public or private purchasers at public or negotiated sale. See “THE AUTHORITY” herein.

The City encompasses approximately five square miles and is located in Mendocino County (the “**County**”), approximately 100 miles north of San Francisco in the northern coastal region of the State on U.S. Highway 101. The area is centrally located between the San Francisco Bay area, Eureka and Sacramento. The City was incorporated in 1876 and is a general law city operating under a City Council/City Manager form of government. The City has an estimated population of approximately 16,061 people. For additional background, and certain demographic and economic information regarding the City and the County, see APPENDIX B.

Bond Terms; Book-Entry Only. The Bonds will bear interest at the rates shown on the inside cover page, payable semiannually on April 1 and October 1 of each year, commencing on _____ 1, 2022. The Bonds will be issued in fully registered form, registered in the name of The Depository Trust Company (“**DTC**”), or its nominee, which will act as securities depository for the Bonds. Purchasers of the Bonds will not receive certificates representing the Bonds that are purchased. See “THE BONDS – Book-Entry Only System” and “APPENDIX F – DTC AND THE BOOK-ENTRY ONLY SYSTEM.”

Security for the Bonds. The City and the Authority will enter into a Site Lease dated as of February 1, 2022 (the “**Site Lease**”), under which the City will lease certain real property to the Authority, consisting of all of the City’s streets (the “**Leased Property**”), to the Authority as further described herein under the caption “THE LEASED PROPERTY.” Proceeds of the Bonds are used by the Authority to fund the payment obligation under the Site Lease.

In order to secure the payments of principal of and interest on the Bonds, the Authority proposes to lease the Leased Property back to the City under a Lease Agreement (the “**Lease Agreement**”), under which the City is obligated to pay semiannual lease payments (the “**Lease Payments**”) as rental for the Leased Property, and the Authority will assign substantially all of its rights under the Lease Agreement to The Bank of New York Mellon Trust Company, N.A. as trustee for the Bonds. The Bonds are payable from and secured by a first pledge of and lien on (“**Revenues**”) (defined herein) received by the Authority under the Lease Agreement, consisting primarily of the Lease Payments. To provide an additional source of funds for payment of the Bonds, the Authority will establish a debt service reserve fund for the Bonds from proceeds of the Bonds, as described herein. See “SECURITY FOR THE BONDS” below.

Redemption. The Bonds are subject to redemption prior to their stated maturity dates. See “THE BONDS – Redemption.”

Abatement. The Lease Payments are subject to complete or partial abatement in the event and to the extent that there is substantial interference with the City’s use and possession of the Leased Property or any portion thereof. If the Lease Payments are abated under the Lease, the Bond Owners may receive less than the full amount of principal of and interest on the Bonds. See “SECURITY FOR THE BONDS – Abatement” and “BOND OWNERS’ RISKS.”

Additional Obligations. Under the Indenture, the Authority covenants that no additional bonds, notes or other indebtedness shall be issued or incurred by the Authority which are payable out of the Revenues in whole or in part. The City is permitted to enter into other obligations which constitute additional charges against its revenues without the consent of Owners of the Bonds.

Risks of Investment. Debt service on the Bonds is payable only from Lease Payments and other amounts payable by the City to the Authority under the Lease. The Lease Payments are payable from revenues available in the City's general fund, which revenues may be materially adversely affected by numerous factors outside the City's control, including the ongoing COVID-19 pandemic and the governmental responses to the pandemic. For a discussion of some of the risks associated with the purchase of the Bonds, see "BOND OWNERS' RISKS."

NEITHER THE BONDS, THE OBLIGATION OF THE AUTHORITY TO PAY PRINCIPAL OF OR INTEREST THEREON, NOR THE OBLIGATION OF THE CITY TO MAKE THE LEASE PAYMENTS, CONSTITUTE A DEBT OR A LIABILITY OF THE AUTHORITY, THE CITY, THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL LIMITATION ON INDEBTEDNESS, OR A PLEDGE OF THE FULL FAITH AND CREDIT OF THE CITY. THE BONDS ARE SECURED SOLELY BY THE PLEDGE OF REVENUES AND CERTAIN FUNDS HELD UNDER THE INDENTURE. THE BONDS ARE NOT SECURED BY A PLEDGE OF THE TAXING POWER OF THE CITY.

FINANCING PLAN

The Bonds are being issued to rebuild the City's corporation yard and, (ii) construct improvements to various City streets.

The Corporation Yard is located at 1320 Airport Road and is the base of operations for the City Fleet and Plant Maintenance Facility, Street Maintenance Crew, Water and Wastewater Maintenance Crew, and Electric Utility Maintenance Crew. The expenses for the Corporation Yard are divided respectively based on the amount of square feet that each department occupies. The estimated cost is \$15 million.

The streets projects primarily consist of improvements to certain streets, rights-of-way reconstruction, and utility projects, as follows: Dora Street: reconstruct Mill to Grove streets and overlay Upper Luce Avenue to Mill Street; Gobbi Street: reconstruct from Highway 101 to Dora Street; Main Street: reconstruct from Gobbi to Norton streets; Perkins Street: Main Street to Hwy. 101; Dora and State streets: overlay Beacon Lane to Washington Avenue; Clara Avenue: reconstruct/overlay from State Street to North Orchard Avenue; and Low Gap Road: reconstruct/overlay from State to Bush streets. The estimated cost is \$30 million.

Estimated Sources and Uses

The estimated sources and uses of funds relating to the Bonds are as follows:

Sources:

Principal Amount of Bonds

\$

TOTAL SOURCES

\$

Uses:

Deposit to Project Fund

Deposit to Reserve Fund⁽¹⁾Costs of Issuance⁽²⁾*TOTAL USES*

\$

(1) Represents the initial Reserve Requirement for the Bonds.

(2) Represents funds to be used to pay Costs of Issuance, which include rating agency fees, bond counsel, disclosure counsel, Trustee fees, Underwriter's discount and other costs of issuing the Bonds.

THE LEASED PROPERTY

Leased Property

The Leased Property consist of all of the City streets [and _____(?)], which total approximately 355 City streets constituting an estimated 113 lane miles. Simultaneously with the delivery of the Bonds, the Authority will acquire a leasehold interest in the Leased Property from the City. The Authority will sublease the Leased Property to the City pursuant to the Lease. Under the Lease, the City has agreed to maintain the Leased Property in good working condition.

The Leased Property is also subject to a lease entered into by the City (the “2020 Lease”) in connections with the Authority’s Lease Revenue Bonds, Series 2020A and Taxable Lease Revenue Bonds, Series 2020B, outstanding in the combined principal amount of \$52,250,000 (the “2020 Bonds”). The City estimates that the Leased Property has a value of at least the aggregate principal amount of the Bonds and the remaining principal balance of the 2020 Bonds. The City and the Authority, based on records they maintain, estimate the current annual fair rental value of the Leased Property to be not less than the amount of the annual Lease Payments and the annual payments due under the 2020 Lease.

Bondholders do not have a mortgage on any portion of the Leased Property. The Trustee does not have the right to resell, relet or take possession of the Leased Property in the Event of Default. See “BOND OWNERS’ RISKS – Limited Recourse on Default; No Right to Repossess; No Acceleration of Lease Payments” and “SECURITY FOR THE BONDS – Remedies on Default” herein.

Substitution and Release

Substitution of Lease Property. Under the Lease, the City has the option at any time and from time to time, to substitute other real property (the “**Substitute Property**”) for the Leased Property or any portion thereof (the “**Former Property**”), upon satisfaction of all of the conditions set forth in the Lease, which include (among others) the following:

- The City must file with the Authority and the Trustee, and cause to be recorded in the office of the Mendocino County Recorder sufficient memorialization of, an amendment of the Site Lease, Lease and Assignment Agreement that adds the legal description of the Substitute Property and deletes therefrom the legal description of the Former Property.
- The City must certify in writing to the Authority and the Trustee that the Substitute Property serves the municipal purposes of the City and constitutes property which the City is permitted to lease under the laws of the State of California, and has been determined to be important to the proper, efficient and economic operation of the City and to serve a proper governmental function of the City.
- The City must file with the Authority and the Trustee a written certificate of the City or other written evidence stating that the estimated fair rental value of the Leased Property following the substitution will be at least equal to the aggregate principal amount of the Bonds then outstanding, and that the useful life of the Substitute Property at least extends to the stated termination date of the Lease.

Upon the satisfaction of all the conditions precedent contained in the Lease, the term of the Lease will end as to the Former Property and commence as to the Substitute Property, and all references to the Former Property will apply with full force and effect to the Substitute Property. The City is not entitled to any reduction, diminution, extension or other modification of the Lease Payments whatsoever as a result of any substitution of property under this provision of the Lease.

Release of Leased Property. Under the Lease, the City has the option at any time and from time to time to release any portion of the Leased Property from the Lease (the “**Released Property**”) provided that the City has satisfied all of the requirements under the Lease that are conditions precedent to such removal, which include (among others) the following:

- The City must file with the Authority and the Trustee, and cause to be recorded in the office of the Mendocino County Recorder sufficient memorialization of, an amendment of the Lease, the Site Lease and the Assignment Agreement that removes the Released Property from the Site Lease, the Lease and the Assignment Agreement.
- The City must certify in writing to the Authority and the Trustee that the value of the property that remains subject to the Lease following such release is at least equal to the then outstanding principal amount of the Bonds, and the fair rental value of the property that remains subject to the Lease following such release is at least equal to the Lease Payments thereafter coming due and payable thereunder.

Upon the satisfaction of all the conditions precedent set forth in the Lease, the term of the Lease will end as to the Released Property. The City is not entitled to any reduction, diminution, extension or other modification of the Lease Payments whatsoever as a result of such release.

DEBT SERVICE SCHEDULE

The table below shows annual debt service payments on the Bonds.

Year Ending April 1	Principal	Interest	Total Debt Service
--------------------------------	------------------	-----------------	-------------------------------

Total: _____

THE BONDS

This section provides summaries of the Bonds and certain provisions of the Indenture. See APPENDIX C for a more complete summary of the Indenture. Capitalized terms used but not defined in this section have the meanings given in APPENDIX C.

Authority for Issuance

The Bonds are being issued under the Bond Law, the Indenture, the Authority Resolution adopted by the Board of the Authority on [January 19], 2022, and the City Resolution adopted by the City Council on [January 19], 2022.

General Provisions

Bond Terms. The Bonds will be dated their date of delivery and issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple of \$5,000. The Bonds will mature in the amounts and on the dates, and bear interest at the annual rates, set forth on the inside cover page of this Official Statement.

Payments of Principal and Interest. Interest on the Bonds will be payable on April 1 and October 1 in each year, beginning October 1, 2022 (each an “**Interest Payment Date**”). Interest on the Bonds is payable from the Interest Payment Date next preceding the date of its authentication unless: a Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event it will bear interest from such Interest Payment Date, a Bond is authenticated on or before 15 days prior to the first Interest Payment Date, in which event interest thereon will be payable from the Closing Date, or interest on any Bond is in default as of the date of authentication thereof, in which event interest thereon will be payable from the date to which interest has been paid in full, payable on each Interest Payment Date.

Interest is computed on the basis of a 360-day year composed of 12 months of 30 days each and payable on each Interest Payment Date to the persons in whose names the ownership of the Bonds is registered on the Registration Books at the close of business on the immediately preceding Record Date, except as provided below. Interest on any Bond which is not punctually paid or duly provided for on any Interest Payment Date is payable to the person in whose name the ownership of such Bond is registered on the Registration Books at the close of business on a special record date for the payment of such defaulted interest to be fixed by the Trustee, notice of which is given to such Owner by first-class mail not less than 10 days prior to such special record date.

The Trustee will pay interest on the Bonds by check of the Trustee mailed by first class mail, postage prepaid, on each Interest Payment Date to the Owners of the Bonds at their respective addresses shown on the Registration Books as of the close of business on the preceding Record Date. At the written request of the Owner of Bonds in an aggregate principal amount of at least \$1,000,000, which written request is on file with the Trustee as of any Record Date, the Trustee will pay interest on such Bonds on each succeeding Interest Payment Date by wire transfer in immediately available funds to such account of a financial institution within the United States of America as specified in such written request, which written request will remain in effect until rescinded in writing by the Owner.

While the Bonds are subject to the book-entry system, the principal, interest and any redemption premium with respect to the Bonds will be paid by the Trustee to DTC for subsequent disbursement to beneficial owners of the Bonds. See “– Book-Entry Only System” below.

Record Date. Under the Indenture, “**Record Date**” means, with respect to any Interest Payment Date, the 15th calendar day of the month preceding such Interest Payment Date, whether or not such day is a Business Day.

Transfer, Registration and Exchange

The following provisions regarding the exchange and transfer of the Bonds apply only during any period in which the Bonds are not subject to DTC’s book-entry system. While the Bonds are subject to DTC’s book-entry system, their exchange and transfer will be affected through DTC and the Participants and will be subject to the procedures, rules and requirements established by DTC. See “APPENDIX F – DTC AND THE BOOK-ENTRY ONLY SYSTEM.”

Bond Register. The Trustee will keep or cause to be kept, at the Office of the Trustee, sufficient records for the registration and transfer of ownership of the Bonds, which will upon reasonable notice as agreed to by the Trustee, be open to inspection during regular business hours by the Authority; and, upon presentation for such purpose, the Trustee will, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such records, the ownership of the Bonds as provided in the Indenture.

Transfer and Exchange. Any Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by a duly authorized attorney of such person, upon surrender of such Bond to the Trustee at its Office for cancellation, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, duly executed. The Trustee will require the Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer.

Whenever any Bond is or Bonds are surrendered for transfer, the Authority will execute and the Trustee will authenticate and deliver to the transferee a new Bond or Bonds of like series, interest rate, maturity and aggregate principal amount. The Authority will pay the cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer of Bonds.

The Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount of Bonds of other authorized denominations and of the same series, interest rate and maturity. The Trustee will require the Owner requesting such exchange to pay any tax or other governmental charge required to be paid with respect to such exchange. The Authority will pay the cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any exchange of Bonds.

The Trustee may refuse to transfer or exchange, under the provisions of the Indenture described above, any Bonds selected by the Trustee for redemption under the Indenture, or any Bonds during the period established by the Trustee for the selection of Bonds for redemption.

Redemption*

Optional Redemption. The Bonds maturing on or before April 1, _____, are not subject to redemption prior to their respective stated maturities. The Bonds maturing on or after April 1, _____, are subject to redemption in whole, or in part at the election of the Authority among maturities on such basis as designated by the Authority and by lot within a maturity, at the option of the Authority, on any date on or after April 1, _____, from any available source of funds, at a redemption price equal to 100% of the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium.

Mandatory Sinking Fund Redemption. The Bonds maturing April 1, _____ (the “**Term Bonds**”) are subject to mandatory redemption in part by lot, at a redemption price equal to 100% of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on April 1 in the respective years as set forth in the following table; *provided, however*, that if some but not all of the Term Bonds have been optionally redeemed, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of the Term Bonds so redeemed, to be allocated among such sinking fund payments in integral multiples of \$5,000 as determined by the Authority (as set forth in a schedule provided by the Authority to the Trustee).

Term Bonds Maturing April 1, _____

Sinking Fund Redemption Date (April 1)	Principal Amount To Be Redeemed
--	------------------------------------

Extraordinary Mandatory Redemption. The Bonds are subject to mandatory redemption prior to maturity in whole or in part, among maturities as determined by the Authority, on any date, at a redemption price equal to 100% of the principal amount thereof to be redeemed (plus accrued but unpaid interest to the redemption date), without premium, from Net Proceeds received under from amounts deposited in the Insurance and Condemnation Fund under the Indenture, and any other funds available under the Indenture for purposes of that fund and/or Surplus Bond Proceeds.

Selection of Bonds for Redemption. Whenever provision is made in the Indenture for the redemption of less than all of the Bonds of a single maturity, the Trustee will select the Bonds of that maturity to be redeemed by lot in any manner which the Trustee in its sole discretion deems appropriate. For purposes of such selection, the Trustee will treat each Bond as consisting of separate \$5,000 portions and each such portion will be subject to redemption as if such portion were a separate Bond.

Notice of Redemption. The Trustee will give notice of redemption of the Bonds by first class mail, postage prepaid, not less than 20 nor more than 60 days before any redemption date, to the respective Owners of any Bonds designated for redemption at their addresses appearing

* Preliminary; subject to change.

on the Registration Books and to one or more Securities Depositories and to the Municipal Securities Rulemaking Board.

Neither the failure to receive any notice nor any defect therein will affect the sufficiency of the proceedings for such redemption or the cessation of accrual of interest from and after the redemption date. Notice of redemption of Bonds will be given by the Trustee, at the expense of the Authority, for and on behalf of the Authority.

However, while the Bonds are subject to DTC's book-entry system, the Trustee will be required to give notice of redemption only to DTC as provided in the letter of representations executed by the Authority and received and accepted by DTC. DTC and the Participants will have sole responsibility for providing any such notice of redemption to the beneficial owners of the Bonds to be redeemed. Any failure of DTC to notify any Participant, or any failure of Participants to notify the Beneficial Owner of any Bonds to be redeemed, of a notice of redemption or its content or effect will not affect the validity of the notice of redemption, or alter the effect of redemption set forth in the Indenture.

Rescission of Redemption Notice. The Authority has the right to rescind any notice of the redemption of Bonds under the Indenture by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption will be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation will not constitute an Event of Default. The Authority and the Trustee have no liability to the Bond Owners or any other party related to or arising from such rescission of redemption. The Trustee will mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent under the Indenture.

Effect of Redemption. When notice of redemption has been duly given as set forth in the Indenture, and moneys for payment of the redemption price of, together with interest accrued to the date fixed for redemption on, including any applicable premium, the Bonds (or portions thereof) so called for redemption being held by the Trustee, on the redemption date designated in such notice, the Bonds (or portions thereof) so called for redemption will become due and payable, interest on the Bonds so called for redemption will cease to accrue, those Bonds (or portions thereof) will cease to be entitled to any benefit or security under the Indenture, and the Owners of those Bonds will have no rights in respect thereof except to receive payment of the redemption price thereof.

Book-Entry Only System

The Bonds will be issued as fully registered bonds in book-entry only form, registered in the name of Cede & Co. as nominee of DTC, and will be available to ultimate purchasers in the denomination of \$5,000 or any integral multiple of \$5,000, under the book-entry system maintained by DTC. While the Bonds are subject to the book-entry system, the principal, interest and any redemption premium with respect to a Bond will be paid by the Trustee to DTC, which in turn is obligated to remit such payment to its DTC Participants for subsequent disbursement to Beneficial Owners of the Bonds. Purchasers of the Bonds will not receive certificates representing their interests therein, which will be held at DTC.

See "APPENDIX F – DTC AND THE BOOK-ENTRY ONLY SYSTEM" for further information regarding DTC and the book-entry system.

SECURITY FOR THE BONDS

The principal of and interest on the Bonds are not a debt of the Authority or the City, nor a legal or equitable pledge, charge, lien or encumbrance, upon any of their respective property, or upon any of their income, receipts, or revenues except the Revenues and other amounts pledged under the Indenture.

This section provides summaries of the security for the Bonds and certain provisions of the Indenture, the Lease and the Site Lease. See “APPENDIX C – Summary of Principal Legal Documents” for a more complete summary of the Indenture, the Lease, the Site Lease and the Assignment Agreement. Capitalized terms used but not defined in this section have the meanings given in APPENDIX C.

Revenues; Pledge of Revenues

Pledge of Revenues and Other Amounts. Under the Indenture, subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein, all of the Revenues and all amounts (including proceeds of the sale of the Bonds) held in any fund or account established under the Indenture are pledged to secure the payment of the principal of and interest and premium (if any) on the Bonds in accordance with their terms and the provisions of the Indenture. This pledge constitutes a lien on and security interest in the Revenues and such amounts and will attach, be perfected and be valid and binding from and after the Closing Date, without the need for any physical delivery thereof or further act.

“**Revenues**” are defined in the Indenture as all amounts received by the Authority or the Trustee under or with respect to the Lease, including, without limiting the generality of the foregoing, all of the Lease Payments (including both timely and delinquent payments, any late charges, and whether paid from any source), but excluding (i) any amounts the City is obligated to pay under the Lease or under another lease as additional amounts of rental for the use and occupancy of the Leased Property if such additional amounts of rental are pledged or assigned for the payment of any bonds, notes, leases or obligations other than the Bonds, (ii) any Additional Rental Payments (described below); and all interest, profits or other income derived from the investment of amounts in any fund or account established under the Indenture. (a)

Assignment to Trustee

Under the Assignment Agreement, the Authority will transfer to the Trustee all of the rights of the Authority in the Lease (other than the rights of the Authority under the provisions of the Lease regarding Additional Rental Payments, repayment of advances, indemnification, and the payment of attorneys’ fees). The Trustee is entitled to collect and receive all of the Revenues, and any Revenues collected or received by the Authority will be deemed to be held, and to have been collected or received, by the Authority as the agent of the Trustee and will immediately be paid by the Authority to the Trustee. The Trustee is also entitled to and will, subject to the provisions of the Indenture regarding duties of the Trustee, take all steps, actions and proceedings which the Trustee determines to be reasonably necessary in its judgment to enforce, either jointly with the Authority or separately, all of the rights of the Authority and all of the obligations of the City under the Lease.

Allocation of Funds by Trustee

Deposit of Revenues into Bond Fund. All Revenues shall be promptly deposited by the Trustee upon receipt thereof in a special fund designated as the “Bond Fund” which the Trustee shall establish, maintain and hold in trust; except that all moneys received by the Trustee and required under the Indenture or under the Lease to be deposited in the Redemption Fund or the Insurance and Condemnation Fund shall be promptly deposited in such funds. All Revenues deposited with the Trustee shall be held, disbursed, allocated and applied by the Trustee only as provided in the Indenture. Any surplus remaining in the Bond Fund, after payment in full of (i) the principal of and interest on the Bonds or provision therefore under the Indenture, and (ii) any applicable fees and expenses to the Trustee, shall be withdrawn by the Trustee and remitted to the City.

Transfers from the Bond Fund. On or before each Interest Payment Date, the Trustee will transfer from the Bond Fund and deposit into the following respective accounts (each of which the Trustee will establish and maintain within the Bond Fund), the following amounts in the following order of priority:

Deposit to Interest Account. The Trustee will deposit in the Interest Account an amount required to cause the aggregate amount on deposit in the Interest Account to be at least equal to the amount of interest becoming due and payable on such Interest Payment Date on all Bonds then Outstanding.

Deposit to Principal Account. The Trustee will deposit in the Principal Account an amount required to cause the aggregate amount on deposit in the Principal Account to equal the principal amount of the Bonds coming due and payable on such Interest Payment Date.

Application of Accounts within Bond Fund.

Application of Interest Account. All amounts in the Interest Account will be used and withdrawn by the Trustee solely for the purpose of paying interest on the Bonds as it comes due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity).

Application of Principal Account. All amounts in the Principal Account will be used and withdrawn by the Trustee solely to pay the principal amount of the Bonds at their respective maturity dates.

Application of Redemption Fund. The Trustee shall establish and maintain the Redemption Fund, into which the Trustee shall deposit a portion of the Revenues received, in accordance with a Written Request of the Authority, amounts in which shall be used and withdrawn by the Trustee solely for the purpose of paying the principal and premium (if any) of any Bonds to be optionally redeemed under the Indenture.

Reserve Fund. Upon delivery of the Bonds, the Trustee will establish a special fund designated as the “Reserve Fund” which the Trustee shall maintain and hold in trust; and deposit there in an amount of the proceeds equal to the “**Reserve Requirement**,” which means, as of any date of calculation thereof by the Authority, an amount equal to the lesser of (a) 10% of the original principal amount of such series of Bonds, (b) the maximum amount of debt service coming due in the current or any future Bond Year with respect to such series of Bonds, or (c) 125% of

average annual debt service for such series of Bonds. The initial Reserve Requirement may be recalculated by the Authority on any date; all amounts on deposit in the Reserve Fund in excess of the Reserve Requirement as calculated from time to time, and all amounts derived from the investment of amounts in the Reserve Fund which are not required to be retained therein to maintain the Reserve Requirement, will be available for transfer by the Trustee to the Bond Fund.

The Authority has the right to either meet the Reserve Requirement at the time of issuance of a series of Bonds or at any time thereafter to cause the Fiscal Agent to release cash from the Reserve Fund, in whole or in part, by tendering to the Fiscal Agent: (1) a Qualified Reserve Fund Credit Instrument, as defined in the Indenture.

If five Business Days prior to any Interest Payment Date the moneys available in the Bond Fund do not equal the amount of the Lease Payment then coming due and payable, the Trustee shall apply the moneys available in the Reserve Fund to make such payments on behalf of the Authority by transferring the amount necessary for this purpose to the Bond Fund. Upon receipt of any delinquent Lease Payment with respect to which moneys have been advanced from the Reserve Fund, such Lease Payment shall be deposited in the Reserve Fund to the extent of such advance, as needed to provide the Reserve Requirement.

If on any Interest Payment Date, the moneys on deposit in the Reserve Fund and the Bond Fund are sufficient to pay or prepay all Outstanding Bonds, including all principal, interest and prepayment premiums (if any) thereon, the Trustee shall, upon the written request of the Authority, transfer all amounts then on deposit in the Reserve Fund to the Bond Fund to be applied for such purpose to the payment of the Lease Payments on behalf of the Authority.

Lease Payments

Requirement to Make Lease Payments. Under the Lease, subject to the provisions of the Lease concerning rental abatement (see – “Abatement,” below) and prepayment of Lease Payments, the City agrees to pay to the Authority, its successors and assigns, the Lease Payments in the respective amounts specified in the Lease, to be due and payable in immediately available funds on the Interest Payment Dates immediately following each of the respective Lease Payment Dates specified in the Lease, and to be deposited by the City with the Trustee on each of the Lease Payment Dates specified in the Lease (defined as the 5th Business Day immediately preceding each Interest Payment Date).

Any amount held in the Bond Fund, the Interest Account and the Principal Account on any Lease Payment Date (other than amounts resulting from the prepayment of the Lease Payments in part but not in whole under the Lease, and amounts required for payment of past due principal or interest on any Bonds not presented for payment) will be credited towards the Lease Payment then required to be paid hereunder.

The City is not required to deposit any Lease Payment with the Trustee on any Lease Payment Date if the amounts then held in the Bond Fund, the Interest Account and the Principal Account are at least equal to the Lease Payment then required to be deposited with the Trustee.

The Lease Payments payable in any Rental Period are for the use of the Leased Property during that Rental Period.

Rate on Overdue Lease Payments. If the City fails to make any of the payments of Lease Payments required in the Lease, the payment in default will continue as an obligation of

the City until the amount in default has been fully paid, and the City agrees to pay the same with interest thereon, from the date of default to the date of payment at the highest rate of interest on any Outstanding Bond.

Fair Rental Value. The aggregate amount of the Lease Payments and Additional Rental Payments coming due and payable during each Rental Period constitute the total rental for the Leased Property for such Rental Period, and are payable by the City in each Rental Period for and in consideration of the right of the use and occupancy of, and the continued quiet use and enjoyment of the Leased Property during each Rental Period. The Authority and the City have agreed and determined that the total Lease Payments represent the fair rental value of the Leased Property. In making that determination, consideration has been given to the estimated value of the Leased Property, other obligations of the City and the Authority under the Lease, the uses and purposes which may be served by the Leased Property and the benefits therefrom which will accrue to the City and the general public.

Additional Rental Payments. In addition to the Lease Payments, the City shall pay when due the following amounts of Additional Rental Payments in consideration of the lease of the Leased Property by the City from the Authority:

- (a) All fees and expenses incurred by the Authority in connection with or by reason of its leasehold estate in the Leased Property, when due;
- (b) All reasonable compensation to the Trustee for all services rendered under the Indenture and for all reasonable expenses, charges, costs, liabilities, legal fees and other disbursements incurred in and about the performance of its powers and duties under the Indenture;
- (c) The reasonable fees and expenses of such accountants, consultants, attorneys and other experts as may be engaged by the Authority or the Trustee to prepare audits, financial statements, reports, opinions or provide such other services required under the Lease or the Indenture;
- (d) Amounts coming due and payable as Excess Investment Earnings in accordance with the Lease; and
- (e) The reasonable out-of-pocket expenses of the Authority in connection with the execution and delivery of the Lease or the Indenture, or in connection with the issuance of the Bonds, including but not limited to any and all expenses incurred in connection with the authorization, sale and delivery of the Bonds, or incurred by the Authority in connection with any litigation which may at any time be instituted involving the Lease, the Bonds, the Indenture or any of the other documents contemplated thereby, or otherwise incurred in connection with the administration of the Lease.

Limited Obligation

THE OBLIGATION OF THE CITY TO MAKE THE LEASE PAYMENTS DOES NOT CONSTITUTE A DEBT OF THE CITY, THE AUTHORITY OR THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMIT OR RESTRICTION, AND DOES NOT CONSTITUTE AN OBLIGATION FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF

TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION.

No Additional Bonds

Under the Indenture, the Authority covenants that no additional bonds, notes or other indebtedness will be issued or incurred which are payable out of the Revenues in whole or in part. The Lease provides that the Lease may be amended to obligate the City to pay additional amounts of rental for the use and occupancy of the Leased Property, but only if

(a) such additional amounts of rental are pledged or assigned for the payment of any bonds, notes, leases or other obligations the proceeds of which are applied to finance or refinance the acquisition or construction of any real or personal property for which the City is authorized to expend funds subject to its control,

(b) the City has obtained and filed with the Trustee an appraisal or other written evidence that the value of the Leased Property is at least equal to the aggregate principal amount of the Outstanding Bonds and all such other bonds, notes, leases or other obligations, and

(c) the City has filed with the Trustee written evidence that the amendments made for this purpose will not of themselves cause a reduction or withdrawal of any rating then assigned to the Bonds.

Source of Lease Payments; Covenant to Budget and Appropriate

The Lease Payments are payable from any source of available funds of the City, subject to the provisions of the Lease regarding abatement. See “– Abatement” herein.

Under the Lease, the City covenants to take all actions required to include the Lease Payments in each of its budgets during the Term of the Lease and to make the necessary appropriations for all Lease Payments and Additional Rental Payments. This covenant of the City constitutes a duty imposed by law and each and every public official of the City is required to take all actions required by law in the performance of the official duty of such officials to enable the City to carry out and perform the covenants and agreements in the Lease agreed to be carried out and performed by the City.

Abatement

Termination or Abatement Due to Eminent Domain. Under the Lease, if the Leased Property is taken permanently under the power of eminent domain or sold to a government threatening to exercise the power of eminent domain, the Term of the Lease thereupon ceases as of the day possession is taken. If less than all of the Leased Property is taken permanently, or if the Leased Property is taken temporarily, under the power of eminent domain, then:

(a) the Lease will continue in full force and effect with respect thereto and does not terminate by virtue of such taking, and the parties waive the benefit of any law to the contrary; and

(b) the Lease Payments are subject to abatement in an amount determined by the City such that the resulting Lease Payments represent fair consideration for the use and occupancy of the remaining usable portions of the Leased Property.

Abatement Due to Damage or Destruction. The Lease Payments are subject to abatement during any period in which by reason of damage or destruction (other than by eminent domain as described above) there is substantial interference with the use and occupancy by the City of the Leased Property or any portion thereof.

In the case of damage or destruction of only a portion of the Leased Property, the Lease Payments are subject to abatement in an amount determined by the City such that the resulting Lease Payments represent fair consideration for the use and occupancy of the remaining usable portions of the Leased Property not damaged or destroyed. Such abatement will continue for the period commencing with such damage or destruction and ending with the substantial completion of the work of repair or reconstruction.

If any such damage or destruction occurs, the Lease continues in full force and effect and the City waives any right to terminate this Lease by virtue of any such damage and destruction. The City must maintain title insurance on the Leased Property during the term of the Lease, which proceeds would be available to pay Lease Payments in the event of a title defect.

Remedies on Default

Failure by the City to make Lease Payments, or failure to pay Additional Rental Payments or to observe and perform any other terms, covenants or conditions contained in the Lease or in the Indenture for a period of 30 days after written notice of such failure and request that it be remedied has been given to the City by the Authority or the Trustee, constitute Events of Default under the Lease. Such events permit the Trustee or the Authority to pursue any and all available remedies. However, notwithstanding anything in the Lease or in the Indenture to the contrary, neither the Authority nor the Trustee have any right, under the Lease, the Site Lease or otherwise, to sell, repossess or re-lease the Leased Property, nor is there any right under any circumstances to accelerate the Lease Payments or otherwise declare any Lease Payments that are not then in default to be immediately due and payable. See “BOND OWNERS’ RISKS – Limited Recourse on Default; No Right to Repossess; No Acceleration of Lease Payments” herein.

Following an event of default, the Authority or the Trustee may elect either to terminate the Lease and seek to collect damages from the City or to maintain the Lease in effect and seek to collect the Lease Payments as they become due. Under the Assignment Agreement, the Authority assigns all of its rights with respect to remedies in an Event of Default to the Trustee, so that all such remedies will be exercised by the Trustee and the Bond Owners as provided in the Indenture. See “BOND OWNERS’ RISKS – Limited Recourse on Default; No Right to Repossess; No Acceleration of Lease Payments” herein.

In the Event of Default, there is no remedy of acceleration of the total Lease Payments due over the term of the Lease and neither the Authority nor the Trustee are empowered to sell or re-let the Leased Property and use the proceeds of such sale or re-letting to redeem the Certificates or pay debt service with respect thereto.

The City will be liable only for Lease Payments on an annual basis and, in the Event of Default, the Authority or Trustee would be required to seek a separate judgment each year for that year’s defaulted Lease Payments. Any such suit for money damages would be subject to limitations on legal remedies against municipalities in California, including a limitation on enforcement of judgments against funds of a Fiscal Year other than the Fiscal Year in which the Lease Payments were due and against funds needed to serve the public welfare and interest.

Property Insurance

Liability and Property Damage Insurance. Under the Lease, the City is required to maintain or cause to be maintained throughout the Term of the Lease, but only if and to the extent available from reputable insurers at reasonable cost in the reasonable opinion of the City, a standard commercial general liability insurance policy or policies in protection of the Authority, the City, and their respective members, officers, agents, employees and assigns.

Such policy or policies must provide for indemnification of said parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the operation of the Leased Property. Such policy or policies must provide coverage in such liability limits and be subject to such deductibles as the City deems adequate and prudent.

Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the City, and may be maintained in whole or in part in the form of self-insurance by the City, subject to the provisions of the Lease regarding self-insurance, or in the form of the participation by the City in a joint powers agency or other program providing pooled insurance. The proceeds of such liability insurance must be applied toward extinguishment or satisfaction of the liability with respect to which paid.

Casualty Insurance. Under the Lease, the City is required to procure and maintain, or cause to be procured and maintained, throughout the Term of the Lease, casualty insurance against loss or damage to all buildings situated on the Leased Property, in an amount at least equal to the lesser of (a) 100% of the replacement value of the insured buildings, or (b) 100% of the aggregate principal amount of the Outstanding Bonds.

Such insurance must, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, fire and such other hazards as are normally covered by such insurance, and must include earthquake insurance if available at reasonable cost from reputable insurers in the judgment of the City. Such insurance may be subject to such deductibles as the City deems adequate and prudent.

Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the City, and may be maintained in whole or in part in the form of the participation by the City in a joint powers agency or other program providing pooled insurance; provided that such insurance may not be maintained by the City in the form of self-insurance. The Net Proceeds of such insurance must be applied as provided in the Lease.

Insurance Net Proceeds; Form of Policies. Each policy of casualty insurance, rental interruption insurance, and title insurance if any, maintained under the Lease must name the Trustee as loss payee so as to provide that all proceeds thereunder are payable to the Trustee. The City shall pay or cause to be paid when due the premiums for all insurance policies required by the Lease. All such policies shall provide that the Trustee is given 30 days' notice of each expiration, any intended cancellation thereof or reduction of the coverage provided thereby.

The City must file with the Trustee annually, within 90 days following the close of each Fiscal Year, a certificate of the City stating that all policies of insurance required under the Lease are then in full force and effect. The Trustee has no responsibility for the sufficiency, adequacy

or amount of any insurance or self-insurance herein required and is fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss.

If any liability and property damage insurance maintained under the Lease is provided in the form of self-insurance, the City must file with the Trustee annually, within 90 days following the close of each Fiscal Year, a statement of the risk manager of the City or an independent insurance adviser engaged by the City identifying the extent of such self-insurance and stating the determination that the City maintains sufficient reserves with respect thereto. If any such insurance is provided in the form of self-insurance by the City, the City has no obligation to make any payment with respect to any insured event except from those reserves.

THE AUTHORITY

The Authority is a joint exercise of powers authority duly organized and existing under and pursuant to that Joint Exercise of Powers Agreement dated as of May 5, 2020, by and between the City and the Industrial Development Authority of the City of Ukiah, and under the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the California Government Code.

The Authority was formed for the purpose, among others, of assisting the City in the acquisition, construction and financing of public improvements that are of public benefit to the City. Under the Law, the Authority has the power to lease real property in furtherance of the acquisition of public improvements necessary or convenient for the operation of the City, or to purchase bonds issued by any local agency at public or negotiated sale and may sell such bonds to public or private purchasers at public or negotiated sale.

The Authority is governed by a five-member Board of Directors (the "Board"), which consists of the members of the City Council of the City. The Mayor and the Vice Mayor of the City serve as the Chair and Vice Chair, respectively, the City Manager serves as the Executive Director, the City Clerk serves as the Secretary, and the City's Finance Director serves as the Treasurer of the Authority.

The Authority covenants in the Indenture to maintain its existence as a joint exercise of powers agency while any Bonds are Outstanding, including by substituting a new member for the Successor Agency if determined to be necessary for such purpose.

THE CITY

General

The City of Ukiah is the county seat and largest city in Mendocino County. City Hall is located at 300 Seminary Avenue, Ukiah, California. The Ukiah Police Department is also located at City Hall. The City encompasses approximately five square miles and is located in Mendocino County, approximately 100 miles north of San Francisco in the northern coastal region of the State on U.S. Highway 101. The area is centrally located between the San Francisco Bay area, Eureka and Sacramento.

The City was incorporated in 1876 and is a general law city operating under a City Council/City Manager form of government. The City has an estimated population of approximately

15,526 people, with approximately 104,452 people living within a 30-minute drive radius. The City's Fiscal Year begins on July 1 and ends June 30 of the following year. The City enjoys a moderate climate, with summers that are long, comfortable, arid, and mostly clear and the winters that are short, cold, wet, and partly cloudy.

With both City and County administrative offices within the City, Ukiah boasts a large number of public sector employment opportunities, particularly in education and social services. Outside the public sector, the City is known for strong retail and service industries and a tourism industry catering to travelers and adventurers looking to explore the Ukiah Valley. Additionally, the City is surrounded by mineral rich agricultural lands capable of supporting viticulture operations. In recent years, the region has seen an increase in local vineyards opening adjacent to the City. The increase in local wine production and processing reflects the increasing popularity of the Ukiah Valley as a wine region and destination.

The City provides police, fire, street and infrastructure maintenance, storm drain, park and community recreation, museum, community development and other services to residents. The City also provides water, wastewater and electric services through the operations of its utility enterprises and operates an airport, golf course and civic center.

For additional background, and certain demographic and economic information regarding the City and the County, see APPENDIX B. Historical information set forth in this Official Statement, including Appendix B hereto, is not intended to be predictive of future results.

City Government

The City operates under a Council-City Manager structure of government. Policy making and legislative authority are vested in the City Council, which is responsible, among other matters, for passing resolutions and ordinances, adopting the City budget, appointing committees, and hiring the City Manager. The City Council is comprised of five members elected by the voters citywide, serving in staggered 4-year terms.

The Mayor is appointed by the City Council to one-year terms, and the Council is elected to four- year staggered terms, with members elected every two years. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments.

The City Council of the City currently consists of the following persons:

Name and Office	Current Term Expires
Juan Orozco, <i>Mayor</i>	November 2022
Jim Brown, <i>Vice-Mayor</i>	November 2022
Douglas Crane, <i>Council Member</i>	November 2024
Josefina Duenas, <i>Council Member</i>	November 2024
Mari Rodin, <i>Council Member</i>	November 2022

Following are short biographies of the City Manager and Finance Director:

Sage Sangiacomo, City Manager. Mr. Sangiacomo serves as the City Manager of the City and the Executive Director of the Authority. Mr. Sangiacomo has served as the City Manager of the City since June 2015 and has over 22 years of experience in municipal administration. In his role as City Manager, Mr. Sangiacomo serves as the administrative head of the City and is

responsible for the operation of all City departments. Prior to becoming City Manager, Mr. Sangiacomo served the City as a Community Services Supervisor from 1998 to 2005, the Community Services Director from 2005 to 2009 and an Assistant City Manager from 2009 to 2015. Mr. Sangiacomo is a credentialed city manager by the International City/County Managers Association and holds a bachelor's degree from the University of California, Davis.

Kristine Lawler, City Clerk. The City Clerk is the local official who administers democratic processes such as elections, access to city records, and all legislative actions ensuring transparency to the public. The City Clerk acts as a compliance officer for the federal, state, and local statutes including the Political Reform Act, the Brown Act, and the Public Records Act. The City Clerk manages public inquiries and relationships and arranges for ceremonial and official functions.

Labor Relations

The City had approximately 205 full and part-time employees as of June 30, 2021. City employees are represented by seven labor organizations. The City characterizes labor relations as being good, stable and productive. All seven labor organizations are currently operating under 1-year extensions of respective labor agreements. All of the agreements (inclusive of the one year extension) are effective through September 18, 2022. The City has not experienced a major work stoppage by City employees in the last five years.

CITY FINANCIAL INFORMATION

Accounting and Financial Reporting

The City maintains its accounting records in accordance with Generally Accepted Accounting Principles ("**GAAP**") and the standards established by the Governmental Accounting Standards Board ("**GASB**").

The Governmental Accounting Standards Board published its Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, on June 30, 1999 ("**GASB Statement No. 34**"). GASB Statement No. 34 provides guidelines to auditors, state and local governments and special purpose governments such as school districts and public utilities, on new requirements for financial reporting for all governmental agencies in the United States. Generally, the basic financial statements and required supplementary information should include (i) Management's Discussion and Analysis; (ii) government-wide financial statements prepared using the economic measurement focus and the accrual basis of accounting and fund financial statements prepared using both the current financial resources measurement focus and the modified accrual method of accounting (governmental funds) and funds using the economic measurement focus and the accrual basis of accounting (proprietary funds) and (iii) required supplementary information. The City's financial statements are prepared in conformance with the requirements of GASB Statement No. 34.

In the government-wide Statement of Net Position and Statement of Activities in the City's audited financial statements for the Fiscal Year ending June 30, 2021, both governmental and proprietary activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used.

Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The City defines available to be within 60 days of year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for principal and interest on long-term liabilities, claims and judgments, and compensated absences, which are reported when due. Governmental capital asset acquisitions are reported as expenditures in governmental funds. Proceeds for governmental long-term liabilities and acquisitions under capital leases are reported as other financing sources.

Those revenues susceptible to accrual include taxes and intergovernmental revenues. All other revenue items are considered to be measurable and available only when cash is received by the government. Impact fees are received and recognized as revenue upon project completion and inspection. Certain indirect costs are included in program expenses reported for individual functions and activities.

Grant revenues are recognized in the Fiscal Year in which all eligibility requirements are met. Under the terms of grant agreements, the City may fund certain programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net position are available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds' principal operations. The principal operating revenues of the enterprise and internal service funds are charges for services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

The City's fiduciary funds consist of a private-purpose trust fund, which is reported using the economic resources measurement focus, and agency funds, which have no measurement focus, but utilizes the accrual basis for reporting assets and liabilities.

The City Council employs, at the beginning of each Fiscal Year, an independent certified public accounting firm which, at such time or times as specified by the City Council, at least annually, at such other times as such firm shall determine, examines the books, records, inventories and reports of all officers and employees who receive, control, handle or disburse public funds and of all such other officers, employees or departments as the City Council may direct. As soon as practicable after the end of the Fiscal Year, a final audit and report is submitted by such firm to the City Council and a copy of the financial statements as of the close of the Fiscal Year is published.

COVID-19 Pandemic

The City continues to monitor the spread of COVID-19 and is working with local, state, and national agencies to address the potential impact of the pandemic upon the City. There can be no assurances that the spread of COVID-19 and/or responses intended to slow the spread of COVID-19 such as declining business and travel activity, will not materially adversely impact the state and national economies and, accordingly, materially adversely impact the financial condition of the City and the City's General Fund. In addition, the City may experience increased personnel costs and/or reduced revenues due to the COVID-19 situation and the related impact on economic and other activity in and around the City. See the references to COVID-19 in the following subsection in connection with the unknown impacts on the City's budgeting process.

General Fund, the Budget Process and Information

The City's General Fund is its primary operating fund, and is where the City accounts for all its general-purpose revenues. It is distinguished from the City's other governmental funds that are used to account for special purpose revenues, capital projects, debt service activities, and monies held for the benefit of others.

The City operates on a Fiscal Year basis that begins on the first day of July of each year and ends on the thirtieth day of June the following year. The annual budget adopted by the City Council provides for the general operation of the City. Development of the City's annual budget is a process which generally begins in February and March and continues until the budget is adopted by the City Council in June. The General City Budget includes programs which are provided on a largely city-wide basis. The programs and services are financed primarily by the City's share of sales tax, property tax, revenues from the State and/or federal government, and charges for services provided.

The City Council approves total budgeted appropriations and any amendments to appropriations throughout the Fiscal Year. Appropriations lapse at Fiscal Year-end. The City Council generally reauthorizes appropriations for continuing projects and activities. The City Council has the legal authority to amend the budget of any fund at any time during the Fiscal Year. The budgetary level of control (the level on which expenditures may not legally exceed appropriations) is generally at the fund level. The City Manager is authorized to transfer budgeted amounts within departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.

Long-Term Financial Planning. The City incorporates long-term financial planning into its budget process in several ways.

First, the City has established a set of financial policies that establish goals for the allocation of public resources in the manner best suited to the efficient provision of City services to citizens and visitors present within the City. Some of these policies call for maintaining adequate cash reserves and providing on-going maintenance of infrastructure and buildings, which are vital to sound fiscal management.

Second, the Council undertakes a strategic planning process to establish goals and priorities for the organization after taking into account public input. Specifically, the Council engaged the community at a public hearing and by soliciting ideas and input through a variety of

means. Based on this input, the City Council adopts goals, objectives, and resources permit objectives.

Third, the City maintains a long-range capital planning process that helps drive annual capital funding decisions as well as periodic bond issues for larger investments.

Finally, all Governmental Accounting Standards Board pronouncements are monitored and implemented into the City's financial statements.

Budgetary Control Policy. The City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the general fund, special revenue funds, debt service funds, capital projects funds, enterprise funds, and internal service funds are included in the annual appropriated budget. A Five- Year Capital Improvement Plan is also adopted for the capital projects. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established by function and activity within an individual fund.

The City's budgetary records are maintained on a modified accrual basis. Revenues are recorded when measurable and available and expenditures are recorded when goods or services are received and the liability incurred. Based on the City's financial management policies, the City is required to maintain a balanced operating budget, which is adopted by resolution on or before June 30th for the ensuing Fiscal Year.

Following the adoption of the budget, it is sometimes necessary to amend the budget. Appropriations in the budget may be adjusted by recommendation of the Finance Director and approval by the City Manager when the budget is not increased in total amount. Savings from appropriations in one section of a department budget may be used to fund another section of a department budget. Any increase in appropriations that increases the total adopted budget must be approved by the City Council. The City Council formally reviews

the City's fiscal condition and amends appropriations, if necessary, six months after the beginning of each fiscal year.

The adopted budget for fiscal year 2021-22 was approved on June 16, 2021 (the "**Adopted Budget**"). The Adopted Budget projects General Fund revenues in fiscal year 2021-22 to be approximately \$33 million.

Understanding COVID-19 will impact directly the City's finances for fiscal years 2021-22, the City adopted a conservative budget for fiscal year 2020-21. The City's economic health depends largely on the economic health of our local businesses. Nearly 75% of the City's General Fund revenue is comprised of taxes--sales tax, transient occupancy (lodging) tax, gas tax, etc. all of which were significantly impacted during the pandemic. The City also anticipated that the utility operations would be impacted by revenue declines ranging from 5% -8%. The City budgeted accordingly. The actual impacts varied tremendously. While some businesses grounded to a halt during the shelter-in-place, others adapted and even thrived. Although the City's revenues shifted significantly in some areas, the overall impact has not been as devastating as was anticipated.

The City expects to consider an update and revision to the Adopted Budget quarterly, as the City receives more data about COVID-19's impacts on the local economy and the City's

operations and finances. The City does not currently believe that the COVID-19 outbreak will materially adversely affect its ability to pay Base Rental Payments. See the caption “– COVID-19 Pandemic” above for a discussion of the potential impact of COVID-19 on the City’s operations and finances.

Current Budget and Historical Budget Information. Set forth in Table 1 are the General Fund budgets that were adopted for Fiscal Years 2020-21 and 2021-22 compared to the estimated actual results for Fiscal Years 2020-21. During each Fiscal Year, the budget may be amended and revised as necessary by the City Council.

TABLE 1
City of Ukiah General Fund Budget Summary
Fiscal Years 2020-21 and 2021-22

	2020-21 Adopted Budget	2020-21 Estimated Actuals	2021-22 Adopted Budget
Revenues			
Taxes	\$18,977,091	\$19,478,520	\$19,957,835
Charges for service	2,250,271	1,874,847	1,789,801
Grants and subventions	2,734,988	2,173,760	751,533
Use of money and property	157,122	102,317	92,916
Fines, forfeitures and penalties	60,691	77,500	55,000
Licenses, permits and franchises	2,089,845	2,158,401	2,167,625
Other revenues	366,200	53,576	1,719,937
Other financing sources	120,000	259,000	6,603,560
Total Revenues	\$26,765,207	\$26,177,921	\$33,138,207
Expenditures			
Non-departmental	3,427,457	3,767,157	7,487,793
Legislative	--	--	--
City manager	129,766	184,172	200,136
Finance	6,820	--	--
City attorney	--	--	--
City treasurer	--	--	--
Human resources/risk management	1	520	--
Police	9,000,509	9,072,190	9,718,427
Fire authority	3,176,460	3,868,051	6,285,013
Community services	3,070,582	3,316,024	3,386,998
Community development	1,142,970	1,134,271	1,302,174
Public works	4,146,960	3,213,755	1,716,377
Total Expenditures	\$24,101,524	\$24,556,139	\$30,096,918

Source: City of Ukiah - 2020-21 and 2021-22 Adopted Budgets.

General Fund Key Revenue Sources. The four major general fund revenue sources of the City, which together accounted in Fiscal Year 2020-21 for approximately 82% of the general fund revenues (collectively, the “**Key Revenue Sources**”), are Sales Tax (approximately 57.9% of total general fund revenue), Property Tax (approximately 12.7% of total general fund revenue), Franchise Taxes (approximately 6.7% of total general fund revenue) and Transient Occupancy Tax (approximately 5.1% of total general fund revenues). Also see “APPENDIX A – AUDITED FINANCIAL STATEMENTS OF THE CITY FOR FISCAL YEAR 2020-21” herein.

The City’s receipt of taxes and other revenue will likely be impacted by the economic effects of the coronavirus. See “RISK FACTORS – COVID-19 Pandemic” and “– General Fund, the Budget Process and Information” for a description of the projected impact that COVID-19 will have on the City’s finances.

The following Table 2 sets forth the audited revenues received by the City for each of the Key Revenue Sources for Fiscal Years 2016-17 through 2020-21, which have been totaled and compared to the prior Fiscal Year to illustrate the amount and percent of change.

Table 2
CITY OF UKIAH
Fiscal Years 2016-17 through 2020-21
General Fund Key Revenue Sources and Change From Prior Year⁽¹⁾

Fiscal Year	Sales Taxes	Property Taxes	Franchise Taxes	Transient Occupancy	Total of Key Tax Sources Taxes	% Change From Prior Year
2016-17	\$9,805,225	\$1,470,323	\$1,551,794	\$1,302,336	\$14,129,678	--%
2017-18	10,802,364	2,838,902	1,653,146	1,406,417	16,700,829	18.2
2018-19	11,974,379	2,984,192	1,781,141	1,496,473	18,236,185	9.2
2019-20	13,313,206	3,139,960	1,742,671	1,365,477	19,561,314	7.3
2020-21	15,535,021	3,408,846	1,815,271	1,362,134	22,121,272	13.1

(1) Includes transfers in from other funds.

Source: City of Ukiah

The following Table 3 sets forth the audited revenues received by the City for the total of Key Revenue Sources and total of Other General Fund Revenue Sources for Fiscal Years 2018-19 through 2020-21.

TABLE 3
City of Ukiah
General Fund Revenues by Revenue Source
Fiscal Years 2018-19 through 2020-21

Category	2018-19		2019-20		2020-21	
	Revenues	% of Total	Revenues	% of Total	Revenues	% of Total
<u>Taxes and revenues</u>						
Property tax	\$2,984,192	14%	\$3,139,960	14%	\$3,408,846	13%
Sales Tax	11,974,379	56%	13,313,206	60%	15,535,021	58%
Transient occupancy	1,496,473	7%	1,365,477	6%	1,362,134	5%
Business license tax	293,706	1%	389,829	2%	484,533	2%
Other taxes	462	0%	888	0%	1,136	0%
Franchise fees	1,781,141	8%	1,742,671	8%	1,815,271	7%
Charges for services	1,615,737	8%	1,340,123	6%	2,434,204	9%
Licenses and permits	211,113	1%	259,533	1%	276,752	1%
Grants and contributions and donations	375,300	2%	170,187	1%	1,226,237	5%
Intergovernmental	142,885	1%	79,192	0%	77,668	0%
Fines, penalties and forfeitures	33,588	0%	29,716	0%	25,933	0%
Use of money and property	--	0%	203,726	1%	52,427	0%
Miscellaneous ⁽²⁾	426,525	2%	197,566	1%	138,952	1%
Total Revenues⁽¹⁾	\$21,335,501	100%	\$22,232,074	100%	\$26,839,114	100%

(1) Totals may not add due to rounding.

(2) Includes facility rental, interest, rent and concessions.

Source: City of Ukiah - audited financial statements 2018-19 through 2020-21.

Sales and Use Taxes

Sales & Use Taxes represents the largest source of tax revenues to the City's General Fund, accounting for approximately 13% of total General Fund revenues over the past three fiscal years. Sales & uses taxes are less stable sources of revenues to the City, given that they are based on consumer spending within the City which is impacted by a variety of factors including the overall economy and other factors.

Measure P. Measure P, passed by a simple majority (50 percent plus 1) of Ukiah voters in November of 2014, 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. It continued a sun-set transaction and use tax, known as Measure S (2005), accompanied by an advisory Measure T (2005). Measure P, however, was passed with no advisory measure. The purpose of Measure P is to augment public safety expenditures to provide a higher level of police and fire service to the community. Amounts collected from the tax are to be used in addition to the commitment of the General Fund and not in replacement of.

Measure Y. 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. 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. Language for the two ballot measures was as follows:

Ballot Measure “Y”: Shall Ordinance No. 1165 be adopted to impose as a general tax an additional transaction (sales) and use tax of one-half of one percent within the city limits of the City of Ukiah to fund essential City services, including street repair and maintenance. Such tax increase is estimated to raise \$2,470,000 annually at a rate of 0.5 percent. The duration of the tax will continue unless or until the tax is repealed by majority vote in a municipal election.

Advisory Measure “Z”: Shall street repair and maintenance and related public infrastructure improvements be the exclusive use of the revenues from an additional 0.5 percent sales tax in the City of Ukiah and add to and not replace current spending for street maintenance and repair.

Historic Taxable Transactions. The following table shows historical taxable transactions in the City for the most recent five years available.

TABLE 4
City of Ukiah
Taxable Transactions
Fiscal Years 2017 through 2021
(In Thousands)

	2017	2018	2019	2020	2021
Motor Vehicle and Parts Dealers	\$61,547,375	\$58,793,138	\$59,115,235	\$79,937,692	\$93,853,086
Home Furnishings and Appliances	9,449,811	8,609,539	8,660,568	8,238,280	10,243,291
Building Materials	88,519,926	86,685,046	91,786,663	106,592,154	119,366,619
Food and beverage stores	29,212,992	30,329,807	26,556,784	26,372,363	27,655,252
Gasoline stations	35,627,317	40,000,948	34,945,103	33,131,882	36,755,912
Apparel stores	19,654,152	20,371,221	20,163,571	17,217,727	23,112,175
General merchandise stores	72,734,989	71,525,092	128,360,894	140,726,173	157,291,672
Food services and drinking places	52,145,413	51,439,050	51,886,300	47,727,976	50,930,270
Other retail stores	44,195,545	42,733,113	42,800,805	45,717,519	56,752,376
All other outlets	51,353,437	52,641,884	53,929,660	59,811,423	64,735,234
Total All Outlets	\$464,440,957	\$463,128,838	\$518,205,583	\$565,473,189	\$640,695,887

Source: California Department of Tax and Fee Administration (as of January 11, 2022).

State-Wide Sales Tax Law. Taxable transactions in the City are currently subject to the following sales and use tax, of which the City's share is only a portion. The City collects a percentage of taxable sales in the City (minus certain administrative costs) pursuant to the Bradley-Burns Uniform Local Sales and Use Tax (the “**Sales Tax Law**”). The State collects and administers the sales tax under the Sales Tax Law, and makes distributions on taxes collected within the City, as shown in the following table.

TABLE 5
City of Ukiah
Sales Tax Rate
Effective July 1, 2021

Statewide Rate	7.250%
Mendocino County Mental Health Treatment Act Tax	0.500
Mendocino Library Special Transactions and Use Tax	0.125
City of Ukiah Transactions and Use Tax	0.500
City of Ukiah Transactions and Use Tax	<u>0.500</u>
Total	8.875%

Source: City of Ukiah Finance Department.

Sales and use taxes are complementary taxes; when one applies, the other does not. In general, the statewide sales tax applies to gross receipts of retailers from the sale of tangible personal property in the State. The use tax is imposed on the purchase, for storage, use or other consumption in the State of tangible personal property from any retailer. The use tax generally applies to purchases of personal property from a retailer outside the State where the use will occur within the State. The sales tax is imposed upon the same transactions and items as the statewide sales tax and the statewide use tax.

Certain transactions are exempt from the State sales tax, including sales of the following products:

- food products for home consumption;
- prescription medicine;
- newspapers and periodicals;
- edible livestock and their feed;
- seed and fertilizer used in raising food for human consumption; and
- gas, electricity and water when delivered to consumers through mains, lines and pipes.

This is not an exhaustive list of exempt transactions. A comprehensive list can be found in the State Board of Equalization's Publication No. 61 (February 2017) entitled "Sales and Use Taxes: Exemptions and Exclusions," which can be found on the State Board of Equalization's website at <http://www.boe.ca.gov/>. *The reference to this Internet website is provided for reference and convenience only. The information contained within the website may not be current, has not been reviewed by the City and is not incorporated in this Official Statement by reference.*

Sales Tax Collection Procedures. Collection of the sales and use tax is administered by the California Department of Tax and Fee Administration (the "CDTFA"). This process was formerly administered by the State Board of Equalization. The Taxpayer Transparency and Fairness Act of 2017, which took effect July 1, 2017, restructured the State Board of Equalization and separated its functions among three separate entities: the State Board of Equalization, the CDTFA and the Office of Tax Appeals. The State Board of Equalization will continue to perform the duties assigned to it by the State Constitution, while all other duties will be transferred to the newly established CDTFA and the Office of Tax Appeals. CDTFA will handle most of the taxes and fees previously collected by the State Board of Equalization, including sales and use tax.

Under the Sales and Use Tax Law, all sales and use taxes collected by the CDTFA under a contract with any city, city and county, or county are required to be transmitted by the CDTFA to such city, city and county, or county periodically as promptly as feasible. These transmittals are required to be made at least twice in each calendar quarter.

Under its procedures, the CDTFA projects receipts of the sales and use tax on a quarterly basis and remits an advance of the receipts of the sales and use tax to the City on a monthly basis. The amount of each monthly advance is based upon the CDTFA's quarterly projection. During the last month of each quarter, the CDTFA adjusts the amount remitted to reflect the actual receipts of the sales and use tax for the previous quarter.

The CDTFA receives an administrative fee based on the cost of services provided by the Board to the City in administering the City's sales tax, which is deducted from revenue generated by the sales and use tax before it is distributed to the City.

As part of the State government's response to the COVID-19 pandemic, certain businesses were able to defer the payment of their sales taxes due to the City.

Other Sources of Revenues

City Utility Franchise Fees. This revenue source is a charge to the City's electric utility. Franchise fees are not taxes; rather, they are rents paid by utility providers to operate on or in City rights-of-way and City property, such as roads, sidewalks, parklands, etc. The rents are established by the City Council and typically are correlated to gross revenues generated by the utility provider. Revenues from this source remain stable albeit lower than otherwise would be due to the economic effects of the pandemic on the utility commercial customer base.

Business License Tax. Businesses that operate within City limits are required to obtain a business license. The fees are based on the type of business and an estimate of their gross receipts. The proceeds from the tax collected are available for unrestricted use in the General Fund. As mentioned earlier, receipts were higher in 2020 than in the prior year due to late payments. Before the onset of the pandemic in March 2020, business license activity was trending positively.

Refuse Disposal Franchise Fees. This revenue source is a charge to the City's franchise solid waste hauler. As discussed earlier, franchise fees are not taxes; rather, in the case of refuse disposal franchise fees they are rents paid by the refuse hauler for the use of rights-of-way to provide and distribute its services. Refuse hauler vehicles used to haul refuse are utilized more frequently and wear roads more significantly than other commercial or non-commercial vehicles. Revenues from this source were higher in FY 2019-20 than in the preceding year due to increased sales and rate adjustments by the hauler, Ukiah Waste Solutions.

Transient Occupancy Tax

Transient occupancy tax ("TOT") revenues are typically one of the largest sources of General Fund revenues. Commonly referred to as a "bed," "hotel," or "room" tax this revenue source was performing strongly over the last two years up until March. Travel restriction brought on by the pandemic will continue to negatively affect this revenue source. However, driven by increased tourism in the greater Ukiah Valley area and a larger volume of travelers heading north, this revenue source is poised to continue its growth trend for several more years after the pandemic has abated. Visitors are stopping in Ukiah as a final layover before making the trek to

Fort Bragg and Humboldt County. The TOT rate in Ukiah currently is 10 percent; however, 1 percentage point has been committed by the Ukiah City Council to fund the Visit Ukiah Program.

Property Taxes

Property Taxes represents the second-largest sources of taxes to the City's General Fund, after sales/use taxes. Property taxes represent a very stable source of revenue to the City, and are based in large part on assessed valuations of property located in the City.

Property Tax Delinquencies; Teeter Plan. Certain counties in the State of California, including Mendocino, offer a statutory program entitled Alternate Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "**Teeter Plan**"). Under the Teeter Plan local taxing entities receive 100% of their tax levies net of delinquencies, but do not receive interest or penalties on delinquent taxes collected by the county. The County includes the City's property tax collections in its Teeter Plan. Consequently, the City's receipt of property taxes is equal to 100% of the amount levied. There is no assurance that the County will continue the Teeter Plan or that the City will continue to participate in the Teeter Plan. Delinquencies in the payment of property taxes could have an adverse effect on the ability of the City to make Lease Payments should the County discontinue the Teeter Plan or the City withdraw from or not be able to continue in the Teeter Plan.

General Method of Property Tax Calculations. Proposition 13, passed in 1978, established the current property tax regime for local agencies, including the City, throughout the State. Under Proposition 13, subject to voter-approved debt and certain other exceptions, the base property tax rate on a parcel is limited to 1% of its assessed value and the property tax collected by this 1% County-wide rate is shared by the local agencies eligible to receive property taxes within the applicable County pursuant to applicable State law. Under Proposition 13, the 1975-76 fiscal year serves as the original base year used in determining the assessment for real property. Thereafter, annual increases to the base year value are limited to the inflation rate, as measured by the California Consumer Price Index, or 2%, whichever is less. A new base year value, however, is also established whenever a property, or portion thereof, has had a change in ownership or has been newly constructed. See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS – Article XIII A of the State Constitution" for additional information.

Proposition 8, enacted in 1978, allows for a temporary reduction in assessed value when a property suffers a "decline-in-value." As of the January 1st (lien date) each year, the Assessor must enroll either a property's Proposition 13 value (adjusted annually for inflation by no more than 2%) or its current market value, whichever is less. When the current market value replaces the higher Proposition 13 value, the lower value is commonly referred to as a "Proposition 8 Value." "Proposition 8 values" are temporary and, once enrolled, must be reviewed annually by the assessor until the Proposition 13 adjusted base year value is enrolled.

The California Tax on Commercial and Industrial Properties for Education and Local Government Funding Initiative has qualified to appear on the ballot in California as an initiated Constitutional amendment on November 3, 2020. The ballot initiative would amend the State Constitution to require commercial and industrial properties, except those zoned as commercial agriculture, to be taxed based on their market value. The proposal to assess taxes on commercial and industrial properties at market value, while continuing to assess taxes on residential properties based on purchase price as described above, is known as "split roll." At this time, the

City is unable to determine the likelihood of passage of the measure or the impact on the City's property tax receipts from passage.

Levy and Collection of Property Taxes. Property taxes are levied for each fiscal year on taxable real and personal property as of the preceding January 1. For assessment and collection purposes, property is classified either as "secured" or "unsecured" and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State-assessed public utilities property and real property the taxes on which have a viable tax lien, in the opinion of the County Assessor, to secure payment of the taxes. Other property is assessed on the "unsecured roll."

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each fiscal year, and become delinquent on December 10 and April 10, respectively. A penalty of 10% attaches immediately to all delinquent payments. Property on the secured roll with respect to which taxes are delinquent become tax defaulted on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of a penalty of 1% per month to the time of redemption, plus costs and a redemption fee. If taxes are unpaid for a period of five years or more, the property is deeded to the State and may be sold at public auction.

Property taxes on the unsecured roll are due as of the January 1 lien dates and become delinquent on August 31. A 10% penalty attaches to delinquent unsecured taxes. If unsecured taxes are unpaid at 5:00 p.m. on October 31, an additional penalty of 1% attaches to them on the first day of each month until paid. The County has four ways of collecting delinquent unsecured personal property taxes: (1) a civil action against the taxpayer; (2) filing a judgment in the office of the County Clerk specifying certain facts in order to obtain a lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the County Recorder's office in order to obtain a lien on certain property of the taxpayer; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee.

Beginning in 1978-79, Proposition 13 and its implementing legislation shifted the function of property tax allocation to the counties, except for levies to support prior voted debt, and prescribed how levies on county-wide property values are to be shared with local taxing entities within each county.

Historical Assessed Valuations. The table below presents the assessed valuation of taxable property in the City from fiscal year 2012-13 through fiscal year 2021-22.

TABLE 6
City of Ukiah
Assessed Valuations of All Taxable Property
Fiscal Years 2012-13 through 2021-22

Fiscal Year	Local Secured	Utility	Unsecured	Total
2012-13	\$1,171,599,083	\$0	\$78,474,614	\$1,250,073,697
2013-14	1,195,466,105	0	70,234,083	1,265,700,188
2014-15	1,224,746,468	0	69,743,046	1,294,489,514
2015-16	1,267,903,229	0	68,336,666	1,336,239,895
2016-17	1,304,711,495	0	68,027,482	1,372,738,977
2017-18	1,364,333,801	0	72,072,094	1,436,405,895
2018-19	1,424,497,607	0	74,628,367	1,499,125,974
2019-20	1,491,766,585	0	76,242,235	1,568,008,820
2020-21	1,542,790,339	0	68,242,957	1,611,033,296
2021-22	1,580,161,957	0	71,086,938	1,651,248,895

Source: California Municipal Statistics Inc.

[Remainder of Page Intentionally Left Blank]

Assessed Valuations and Parcels by Land Use. The following table shows secured assessed valuations and parcels by land use for fiscal year 2021-22. As shown in the table, approximately 80% of the parcels in the City, representing almost 69% of the assessed valuation in the City, has residential uses.

Table 7
City of Ukiah
Secured Assessed Valuation and Parcels by Land Use
Fiscal Year 2021-22

	2021-22 Assessed Valuation ⁽¹⁾	% of Total	No. of Parcels	% of Total
Non-Residential:				
Agricultural/Rural	\$890,499	0.06%	7	0.14%
Commercial/Office	417,438,043	26.42	598	11.75
Vacant Commercial	16,876,526	1.07	81	1.59
Industrial	27,538,364	1.74	32	0.63
Vacant Industrial	8,209,754	0.52	12	0.24
Recreational	3,529,605	0.22	3	0.06
Government/Social/Institutional	10,368,916	0.66	208	4.09
Miscellaneous	3,162,701	0.20	55	1.08
Subtotal Non-Residential	\$488,014,408	30.88%	996	19.57%
Residential:				
Single Family Residence	\$915,865,347	57.96%	3,569	70.13%
Mobile Home	4,710,222	0.30	91	1.79
Mobile Home Park	17,677,313	1.12	10	0.20
2 Residential Units/Duplex	36,317,513	2.30	148	2.91
3+ Residential Units/Apartments	101,690,439	6.44	168	3.30
Miscellaneous Residential	4,415,211	0.28	12	0.24
Vacant Residential	11,465,453	0.73	95	1.87
Subtotal Residential	\$1,092,141,498	69.12%	4,093	80.43%
Total	\$1,580,155,906	100.00%	5,089	100.00%

(1) Local Secured Assessed Valuation, excluding tax exempt property.

Source: California Municipal Statistics, Inc.

[Remainder of Page Intentionally Left Blank]

Per Parcel Assessed Valuation of Single-Family Homes. Table 8 below shows the per parcel assessed valuation for improved single-family homes (according to 2021-22 assessed valuation) in the City. The average assessed valuation is \$257,266, and the median assessed valuation is \$247,364.

Table 8
CITY OF UKIAH
Fiscal Year 2021-22
Per Parcel Assessed Valuation of Single-Family Homes

	<u>No. of Parcels</u>	<u>2021-22 Assessed Valuation</u>	<u>Average Assessed Valuation</u>	<u>Median Assessed Valuation</u>
Single Family Residential	3,560	\$915,865,347	\$257,266	\$247,364

<u>2021-22 Assessed Valuation</u>	<u>No. of Parcels ⁽¹⁾</u>	<u>% of Total</u>	<u>Cumulative % of Total</u>	<u>Total Valuation</u>	<u>% of Total</u>	<u>Cumulative % of Total</u>
\$0 - \$49,999	157	4.410%	4.410%	\$5,204,211	0.568%	0.568%
\$50,000 - \$99,999	372	10.449	14.860	27,649,205	3.019	3.587
\$100,000 - \$149,999	383	10.758	25.618	48,128,619	5.255	8.842
\$150,000 - \$199,999	471	13.230	38.848	82,971,129	9.059	17.901
\$200,000 - \$249,999	426	11.966	50.815	95,418,461	10.418	28.320
\$250,000 - \$299,999	418	11.742	62.556	114,954,945	12.552	40.871
\$300,000 - \$349,999	450	12.640	75.197	145,837,993	15.924	56.795
\$350,000 - \$399,999	391	10.983	86.180	146,302,439	15.974	72.769
\$400,000 - \$449,999	212	5.955	92.135	89,530,108	9.775	82.545
\$450,000 - \$499,999	99	2.781	94.916	46,801,728	5.110	87.655
\$500,000 - \$549,999	63	1.770	96.685	32,937,241	3.596	91.251
\$550,000 - \$599,999	41	1.152	97.837	23,491,049	2.565	93.816
\$600,000 - \$649,999	25	0.702	98.539	15,513,673	1.694	95.510
\$650,000 - \$699,999	19	0.534	99.073	12,683,519	1.385	96.895
\$700,000 - \$749,999	7	0.197	99.270	5,016,608	0.548	97.442
\$750,000 - \$799,999	8	0.225	99.494	6,230,527	0.680	98.123
\$800,000 - \$849,999	8	0.225	99.719	6,558,092	0.716	98.839
\$850,000 - \$899,999	1	0.028	99.747	853,767	0.093	98.932
\$900,000 - \$949,999	3	0.084	99.831	2,762,954	0.302	99.234
\$950,000 - \$999,999	2	0.056	99.888	1,953,573	0.213	99.447
\$1,000,000 and greater	4	0.112	100.000	5,065,506	0.553	100.000
	3,560	100.000%		\$915,865,347	100.000%	

(1) Improved single-family residential parcels. Excludes condominiums and parcels with multiple family units.
Source: California Municipal Statistics, Inc.

[Remainder of Page Intentionally Left Blank]

Principal Property Taxpayers. The top twenty largest local secured property taxpayers in the City, as shown on the 2021-22 secured tax roll, are listed in the table below. For fiscal year 2021-22, the total assessed valuation of the twenty largest local secured taxpayers is 12.30% of the total City fiscal year 2021-22 assessed valuation of \$194,428,281. See “–Property Taxes” above for additional information on the levy and collection of property taxes in the City.

TABLE 9
City of Ukiah
Principal Property Taxpayers (Secured Roll)
Fiscal Year 2021-22

	<u>Property Owner</u>	<u>Primary Land Use</u>	<u>2021-22 Assessed Valuation</u>	<u>% of Total ⁽¹⁾</u>
1.	Costco Wholesale Corporation	Commercial	\$ 23,290,334	1.47%
2.	Pear Tree REH LLC	Shopping Center	19,781,704	1.25
3.	Pear Orchard Associates	Commercial	14,782,803	0.94
4.	Savings Bank of Mendocino County	Bank	13,746,382	0.87
5.	S & K Inns of America Inc.	Hotel/Motel	12,271,310	0.78
6.	Skycrest Properties LP	Commercial	10,835,477	0.69
7.	Wal Mart Real Estate Business Trust	Commercial	10,589,103	0.67
8.	Redwood Business Park of Ukiah	Commercial	10,565,332	0.67
9.	Robert S. Sherwood	Apartments	8,921,039	0.56
10.	Marina Bay Crossing LLC	Industrial	8,264,745	0.52
11.	RCI Sierra Sunset LLC	Apartments	7,627,928	0.48
12.	Safeway Inc.	Supermarket	7,244,239	0.46
13.	FC Ranger RE Mountain View LLC	Convalescent Hospital	6,316,857	0.40
14.	Legacy Four Ukiah LLC	Commercial	6,092,737	0.39
15.	Manor Oaks Mobile Estates LLC	Mobile Home Park	5,948,993	0.38
16.	Rancho Del Rey Asset Partners LP	Mobile Home Park	5,933,839	0.38
17.	Arthur McChesney	Industrial	5,901,948	0.37
18.	Echelon Communities LLC	Apartments	5,732,808	0.36
19.	Shami Enterprises LLC	Shopping Center	5,326,831	0.34
20.	Willcon LLC	Commercial	<u>5,253,872</u>	<u>0.33</u>
			<u>\$194,428,281</u>	<u>12.30%</u>

(1) The total City secured assessed valuation for fiscal year 2021-22 is \$1,580,155,906.

Source: California Municipal Statistics, Inc.

[Remainder of Page Intentionally Left Blank]

Financial Statements

The City's accounting policies conform to generally accepted accounting principles and reporting standards set forth by the State Controller. The audited financial statements also conform to the principles and standards for public financial reporting established by GASB.

Basis of Accounting and Financial Statement Presentation. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Audited Financial Statements. Set forth in the following tables is the City's General Fund balance sheets and statements of revenues, expenditures and changes in General Fund Balance for fiscal years 2016-17 through 2020-21, which are based on the City's audited financial statements. The balance sheets and statements presented in this Official Statement are subject to the various notes attached to the City's financial statements for the respective years. The City's Comprehensive Annual Financial Report ("**CAFR**") for Fiscal Year 2020-21, including the City's audited financial statements, is set forth in Appendix A.

General Fund Historical Financial Data

The following Tables 10 and 11 provide a five-year history of (i) the City's General Fund revenues, expenditures, and changes in fund balances for Fiscal Years 2016-17 through 2020-21 and (ii) the City's Comparative Balance Sheet for Fiscal Years 2016-17 through 2020-21.

TABLE 10
City of Ukiah
Statements of Revenues, Expenditures and Changes in General Fund Balance
Fiscal Years 2016-17 through 2020-21

	2016-17	2017-18	2018-19	2019-20	2020-21
<u>Revenues</u>					
Taxes:					
Property tax	\$1,470,323	\$2,836,902	\$2,984,192	\$3,139,960	\$3,408,846
Sales Tax	9,805,225	10,802,364	11,974,379	13,313,206	15,535,021
Transient occupancy	1,302,336	1,406,417	1,496,473	1,365,477	1,362,134
Business license tax	382,825	358,610	293,706	389,829	484,533
Other taxes	249	51,389	462	888	1,136
Franchise fees	--	1,653,146	1,781,141	1,742,671	1,815,271
Charges for services	1,427,085	1,679,034	1,615,737	1,340,123	2,434,204
Licenses and permits	1,792,595	548,627	211,113	259,533	276,752
Grants and contributions and donations	83,390	--	375,300	170,187	1,226,237
Intergovernmental	--	34,296	142,885	79,192	77,668
Fines, penalties and forfeitures	73,835	113,139	33,588	29,716	25,933
Use of money and property	95,016	--	--	203,726	52,427
Facility rental	--	--	73,362	--	--
Interest, rent and concessions	--	170,939	91,154	--	--
Miscellaneous	7,519	110,223	262,009	197,566	138,952
Total Revenues	16,440,398	19,765,086	21,335,501	22,232,074	26,839,114
<u>Expenditures</u>					
Current:					
General Government	430,390	282,860	45,889	283,477	60,132
Public safety	11,200,362	12,571,245	11,768,069	12,188,198	12,701,313
Housing and community development	822,166	1,019,061	1,107,911	1,130,666	1,044,627
Public works	1,158,550	1,643,691	1,518,533	1,470,613	1,487,609
Parks, buildings, and grounds	1,312,208	1,412,291	26	--	1,189,386
Recreation and culture	1,036,260	1,250,665	2,753,995	3,199,032	2,435,717
Economic development and redevelopment	181,387	--	178,493	203,508	256,392
Debt Service:					
Interest	--	49,925	142,679	91,304	90,242
Principal	--	14,055	80,070	55,523	56,392
Capital lease principal	16,243	--	101,727	104,282	127,291
Capital lease interest	--	--	26,232	23,678	26,949
Capital outlay	44,479	7,904,131	2,152,947	389,016	1,877,910
Total expenditures	16,202,045	26,147,924	19,876,571	19,139,297	21,353,960
Excess (deficiency) of revenues over (under) expenditures	238,353	(6,380,838)	1,458,930	3,092,777	5,485,154
<u>Other financing sources(uses)</u>					
Transfers in	415,601	851,338	166,699	375,712	129,001
Transfers out	(544,719)	(748,546)	(2,959,541)	(3,285,876)	(3,687,933)
Debt proceeds	--	--	--	227,607	--
Issuance of debts	--	5,125,731	--	--	--
Gain (loss) from sale of assets	--	--	--	57,078	--
Total other financing sources	(129,118)	5,228,523	(2,792,842)	(2,625,479)	(3,558,932)
<u>Extraordinary item</u>					
Restatement of loan from former Ukiah Redevelopment agency	--	--	6,000,000	--	--
Total	--	--	6,000,000	--	--
Net Change in fund balances	109,235	(1,152,315)	4,666,088	467,298	1,926,222
Beginning of year	5,213,001	5,322,236	4,169,921	8,836,009	9,303,307
End of year	\$5,322,236	\$4,169,921	\$8,836,009	\$9,303,307	\$11,229,529

Source: City Finance Department and City of Ukiah - audited financial statements for fiscal years 2016-17 through 2020-21.

TABLE 11
City of Ukiah
General Fund Balance Sheets
Fiscal Years 2016-17 through 2020-21

	2016-17	2017-18	2018-19	2019-20	2020-21
<u>Assets</u>					
Cash and investments	\$1,943,148	\$4,183,781	\$140,160	\$1,176,360	\$3,596,165
Restricted cash and investments	--	4,035,436	797,531	780,302	--
Receivables:					
Taxes	2,019,378	2,133,052	1,801,306	2,641,624	2,898,954
Accounts	13,608	150,830	645,439	260,277	1,663,429
Notes	725	--	216	61	3,924
Interest	17,033	11,247	34,381	2,856	1,915
Intergovernmental	--	--	--	--	--
Grants and subventions	--	--	--	97,421	910,106
Prepaid expenditures	15,901	14,290	216	195,446	207,097
Loans to employees	--	--	--	--	--
Due from other funds	935,266	--	48,772	1,291,737	678,260
Long-term notes receivable	--	825	--	--	--
Advances to other funds	1,115,967	1,778,132	1,590,370	1,262,811	2,013,542
Land held for resale	--	--	--	--	--
Due from other agencies	--	--	103,091	--	121,175
Advance to successor agency	--	--	6,000,000	3,923,857	2,000,000
Total Assets	6,061,026	12,307,593	11,161,482	11,632,752	14,094,567
<u>Deferred Inflow of Resources</u>					
Unavailable revenues - Grants	--	--	29,017	102,061	910,106
Total Deferred Outflow of Resources	--	--	29,017	102,061	910,106
<u>Liabilities</u>					
Accounts payable	294,875	5,886,763	874,063	476,943	1,069,402
Accrued payroll	443,915	502,733	500,924	841,918	885,530
Due to other funds	--	--	--	--	--
Advances from other funds	--	1,748,176	921,469	908,523	--
Total Liabilities	738,790	8,137,672	2,296,456	2,227,384	1,954,932
<u>Fund Balances</u>					
Nonspendable	1,131,868	1,793,247	5,514,226	6,673,912	4,224,563
Restricted	--	4,000,000	--	--	--
Committed	--	--	--	194,655	--
Assigned	4,190,368	--	--	--	186,134
Unassigned	--	(1,623,326)	3,321,783	2,434,740	6,818,832
Total Fund Balance	5,322,236	4,169,921	8,836,009	9,303,307	11,229,529
Total Liabilities & Fund Balance	\$6,061,026	\$12,307,593	\$11,161,482	\$11,632,752	\$14,094,567

Source: City of Ukiah - Audited Financial Statements for fiscal years 2016-17 through 2020-21.

Relevant Fiscal Policies

The City has adopted a comprehensive set of fiscal policies to provide guidance for all fiscal activities and resource allocation decisions as defined in the Adopted Budget. The policies set forth guidelines for both current activities and long-range planning. In addition, the City Council approved or adopted several other fiscal policies including:

- Investment Policy.
- Debt Management Policy.

- Reserve Policy

The following are certain highlighted aspects of the adopted policies.

City Investment Policy. The City invests its funds in accordance with the City's Investment Policy, in accordance with Section 53600 et seq. of the State Government Code. Idle cash management and investment transactions are the responsibility of the City Manager and City Treasurer. The Investment Policy sets forth the policies and procedures applicable to the investment of City funds and designates eligible investments. The Investment Policy's stated overarching purpose is to (i) ensure that public funds are invested in such a manner as to comply with state and local laws; (ii) ensure prudent money management; (iii) provide for daily cash flow requirements; and (iv) meet the objectives of the Investment Policy (per California Government Code Section 53600.5) in the following order of priority:

1. **Safety of Principal:** Safety of principal is the foremost objective of the investment program. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, the City strives to diversify its investments by investing funds among a variety of securities with independent returns.

2. **Liquidity:** The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated. Maturities of investments are selected in anticipation of disbursement needs, thereby obviating the need for forced liquidation or lost interest penalties.

3. **Return on Investments:** The City's investment portfolio shall have the objective of attaining a comparative performance measurement or an acceptable rate of return throughout budgetary and economic cycles. These measurements should be commensurate with the City's investment risk constraints identified in the Investment Policy and the cash flow characteristics of the portfolio.

Debt Management Policy. The City's Debt Management Policy sets forth parameters for issuing debt and managing the City's debt portfolio and generally sets forth the following: (i) the purposes for which the debt proceeds may be used, (ii) the types of debt that may be issued, (iii) the relationship of the debt to, and integration with, the issuer's capital improvement program or budget, if applicable, (iv) policy goals related to the City's planning goals and objectives, and (v) the internal control procedures that the City has implemented, or will implement, to ensure that the proceeds of the proposed debt issuance will be directed to the intended use. This policy will also assist the City in pursuing and maintaining quality credit ratings in addition to providing guidance to decision makers.

Reserve Policy. The City's Reserve Policy provides that the City strive to maintain a fund balance in the General Fund, including the General Fund's Strategic Reserve Fund, of at least twenty-five percent (25%) of budgeted General Fund operating expenditures. A 25% fund balance is equivalent to approximately three months of operating expenditures. The Reserve Policy's stated purpose of a 25% minimum fund balance is to meet cash flow requirements, to protect the City's essential service programs and funding requirements during periods of economic uncertainty, local disasters, other financial hardships or downturns in the local economy, and to provide for unforeseen operating or capital needs. The Operating Reserve contained approximately \$7.7 million as of June 30, 2021.

Risk Management. The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City participates. The City is a member of the Redwood Empire Municipal Insurance Fund (“**REMIF**”), a public entity pool comprised of fifteen northern California charter and associate member cities. REMIF is organized under a Joint Powers Agreement pursuant to the California Government Code. The purpose of REMIF is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage. The City pays an annual premium to REMIF for its workers’ compensation, general liability and property coverage.

The City of Ukiah participates in the following three REMIF programs:

General Liability Insurance. Annual premiums are paid by the member cities and are adjusted retrospectively to cover costs. The City of Ukiah self-insures for the first \$25,000 of each loss and pays 100 percent of all losses incurred under \$25,000. The City does not share or pay for losses of other cities under \$5,000, depending on the entity’s deductible amount. Participating cities then share in the next \$5,000 to \$750,000 per loss occurrence. Specific coverage includes comprehensive and general automotive liability, personal injury, contractual liability, professional liability, and certain other coverage. REMIF is a member of the California Joint Powers Risk Management Authority, which provides REMIF with an additional \$39,250,000 liability insurance coverage over and above REMIF retention level of \$750,000.

Worker’s Compensation. Periodic deposits are paid by member cities and are adjusted retrospectively to cover costs. The City of Ukiah is self-insured for the first \$10,000 of each loss and pays 100 percent of all losses incurred under \$10,000. The City does not share or pay for losses of other cities under \$5,000.

Property Insurance. The City participates in REMIF’s property insurance program. The annual deposits paid by participating member cities are based upon deductibility levels and are not subject to retroactive adjustments. The City of Ukiah has a deductible level of \$500,000 for high-risk flood zones and \$100,000 for all wildfire and property related claims, and a coverage limit of \$400,000,000 declared value. Separate internal service funds are maintained by the City for the City’s deductibles and allocated share of pooled costs noted above. The total cash and investments held in these funds at June 30, 2021, was \$383,075.

See APPENDIX A Note 10 for additional details regarding the City’s pension and other employee benefits, including as relates to Risk Management.

Employee Retirement System; CalPERS

*This caption contains certain information relating to California Public Employees’ Retirement System (“**CalPERS**”). The information is primarily derived from information produced by CalPERS, its independent accountants and actuaries. The City has not independently verified the information provided by CalPERS and makes no representations and expresses no opinion as to the accuracy of the information provided by CalPERS.*

The comprehensive annual financial reports of CalPERS are available on its Internet website at www.calpers.ca.gov. The CalPERS website also contains CalPERS’ most recent actuarial valuation reports and other information concerning benefits and other matters. Such information is not incorporated by reference in this Official Statement. None of the Authority, City or Underwriter can guarantee the accuracy of such information. Actuarial assessments are

“forward-looking” statements that reflect the judgment of the fiduciaries of the pension plans, and are based upon a variety of assumptions, one or more of which may not materialize or may be changed in the future. Actuarial assessments will change with the future experience of the pension plans.

General Information about the Pension Plans. All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (“**Plan**”), administered by CalPERS. The Plan’s benefit provisions are established by statute. The Plan is included as a pension trust fund in the CalPERS Comprehensive Annual Financial Report, which is available online at www.calpers.ca.gov.

The Plan consists of a miscellaneous pool and a safety pool (referred to as “**risk pools**”), which are comprised of individual employer miscellaneous and safety rate plans, respectively, including those of the City. The City does not have any rate plans in the miscellaneous risk pool. The City’s employer rate plans in the safety risk pool include the Safety Fire plan (“**Fire**”), the Safety Police plan (“**Police**”), the PEPRSA Safety Fire plan (“**PEPRSA Safety Fire**”) and the PEPRSA Safety Police plan (“**PEPRSA Police**”).

PEPRSA. On September 12, 2012, the California Governor signed AB 340, a bill that enacted the California Public Employees’ Pension Reform Act of 2012 (“**PEPRSA**”) and that also amended various sections of the California Education and Government Codes, including the County Employees Retirement Law of 1937. Effective January 1, 2013, PEPRSA: (i) requires public retirement systems and their participating employers to share equally with employees the normal cost rate for such retirement systems; (ii) prohibits employers from paying employer paid member contributions to such retirement systems for employees hired after January 1, 2013; (iii) establishes a compulsory maximum non safety benefit formula of 2.5% at age 67; (iv) defines final compensation as the highest average annual pensionable compensation earned during a 36 month period; and (v) caps pensionable income at \$110,100 (\$132,120 for employees not enrolled in Social Security) subject to Consumer Price Index increases. Other provisions reduce the risk of the City incurring additional unfunded liabilities, including prohibiting retroactive benefits increases, generally prohibiting contribution holidays, and prohibiting purchases of additional non-qualified service credit.

Benefits Provided. The Plan provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Classic members and PEPRSA Safety members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. PEPRSA Miscellaneous members with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The death benefit is the Basic Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The provisions and benefits of each Plan that were in effect at June 30, 2021, are summarized as follows:

Employer Rate Plans in the Safety Risk Pool

	Fire	Police
Hire Date	Prior to January 1, 2013	On or after January 1, 1900
Benefit Formula	3.0% @ 55	3.0% @ 50
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payments	Monthly for life	Monthly for life
Retirement Age	50	50
Monthly Benefits, As a % of Eligible Compensation	2.4% to 3.0%	3.0%
Required Employee Contribution Rates	8.987%	8.99%
Required Employer Contributions Rates	23.558%	25.540%

PEPRA Plans

	PEPRA Fire	PEPRA Police
Hire Date	On or after January 1, 2013	On or after January 1, 2013
Benefit	2.7% @ 57	2.7% @ 57
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payments	Monthly for life	Monthly for life
Retirement Age	50	50
Monthly Benefits, As a % of Eligible Compensation	2.0% to 2.7%	2.0% to 2.7%
Required Employee Contribution Rates	13.75%	13.75%
Required Employer Contributions Rates	13.884%	13.884%

Miscellaneous Plan

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire Date		
Benefit formula	2.70% @ 55	2.00% @ 62
Benefit vesting schedule	5 years' service	5 years' service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits, as a % of eligible	2.00% to 2.50%	1.00% to 2.50%
Required employee contribution rates	8.00%	7.00%
Required employer contribution rates	12.859%	6.750%

Source: City of Ukiah Audit Fiscal Year ended June 30, 2021.

Contributions. Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the CalPERS actuary and shall be effective on the July 1 following notice of a change in the rate. Contribution rates for the employer rate plans are determined through the CalPERS' annual actuarial valuation process. Each employer rate plan's actuarially determined rate is based on the estimated amount necessary to pay the employer rate plan's allocated share of the cost of benefits earned by employees during the year, and any unfunded accrued liability. The City of Ukiah is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the year ended June 30, 2021 the contributions recognized as part of pension expense for each Plan were \$0 for Miscellaneous Risk Pools and \$15,338,474 for Safety Risk Plans.

The City is required to contribute at an actuarially determined rate of annual covered payroll, plus a fixed payment of unfunded liability. The actuarially determined rates and amounts for each Pension Plan for the fiscal years ended June 30, 2021 and June 30, 2021, are as follows:

CITY'S REQUIRED EMPLOYER CONTRIBUTION RATES & PAYMENTS

Pension Plan	Fiscal Year 2020-21			Fiscal Year 2021-22		
	Employer Normal Cost Rate	Employer Normal Cost Payment	Employer Payment of Unfunded Liability	Employer Normal Cost Rate	Employer Normal Cost Payment	Employer Payment of Unfunded Liability
Miscellaneous	12.764%	\$1,247,475	\$2,498,680	12.180%	\$1,291,806	\$2,816,117
Safety (Fire)	23.558	316,961	558,118	23.620	323,254	637,213
Safety (Police)	25.540	487,220	1,020,305	25.590	491,469	1,163,139
Safety (Fire) - PEPRA	13.884	8,635	687	13.980	80,836	2,125
Safety (Police) - PEPRA	13.884	131,697	8,293	13.980	163,289	12,270
Totals		\$2,191,988	\$4,086,083		\$2,350,654	\$4,630,864

Source: CalPERS Annual Valuation Report as of June 30, 2020.

Funding History. The funding history for the Miscellaneous Pension Plan, the Safety (Fire) Pension Plan and the Safety (Police) Pension Plan is shown in the tables below, listing for each plan the actuarial accrued liability, share of the pool's market value of assets, share of the pool's unfunded liability, funded ratio, and annual covered payroll.

MISCELLANEOUS PLAN

Valuation Date	Accrued Liability (AL)	Market Value of Assets (MVA)	Unfunded Liability	Funded Ratio	Annual Covered Payroll
06/30/18	\$93,050,082	\$56,829,079	\$36,221,003	61.1%	\$9,009,487
06/30/19	97,517,888	59,864,803	37,653,085	61.4	9,776,975
06/30/20	101,857,734	62,156,109	39,701,625	61.0	10,654,408

Source: CalPERS Annual Valuation Report as of June 30, 2020.

SAFETY PLAN (FIRE) PLAN

Valuation Date	Accrued Liability (AL)	Market Value of Assets (MVA)	Unfunded Liability	Funded Ratio	Annual Covered Payroll
06/30/18	\$22,124,489	\$15,535,281	\$6,589,208	70.2%	\$1,240,287
06/30/19	22,910,724	16,095,947	6,814,777	70.3	1,261,589
06/30/20	24,589,568	17,315,683	7,273,885	70.4	932,777

Source: CalPERS Annual Valuation Report as of June 30, 2020.

SAFETY PLAN (POLICE) PLAN

Valuation Date	Accrued Liability (AL)	Market Value of Assets (MVA)	Unfunded Liability	Funded Ratio	Annual Covered Payroll
06/30/18	\$42,141,491	\$30,036,825	\$12,104,666	71.3%	\$1,758,566
06/30/19	42,902,629	30,377,909	12,524,720	70.8	1,770,437
06/30/20	43,807,080	30,477,910	13,329,170	69.6	1,473,487

Source: CalPERS Annual Valuation Report as of June 30, 2020.

PEPRA SAFETY PLAN (FIRE) PLAN

Valuation Date	Accrued Liability (AL)	Market Value of Assets (MVA)	Unfunded Liability	Funded Ratio	Annual Covered Payroll
06/30/18	\$19,545	\$18,289	\$1,256	93.6%	\$57,335
06/30/19	82,588	78,983	3,605	95.6	340,912
06/30/20	211,540	202,278	9,262	95.6	545,518

Source: CalPERS Annual Valuation Report as of June 30, 2020.

PEPRA SAFETY PLAN (POLICE) PLAN

Valuation Date	Accrued Liability (AL)	Market Value of Assets (MVA)	Unfunded Liability	Funded Ratio	Annual Covered Payroll
06/30/18	\$711,686	\$648,252	\$63,434	91.1%	\$874,409
06/30/19	871,071	771,847	99,224	88.6	834,929
06/30/20	1,185,772	1,046,399	139,373	88.2	1,101,945

Source: CalPERS Annual Valuation Report as of June 30, 2020.

Payable to the Pension Plan. At June 30, 2021, the City reported a payable of \$ -0- for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2021.

For the year ended June 30, 2021, the City recognized a total pension expense for both plans was \$3,551,524 for Safety and \$5,103,809 for Misc.. See Note 11 to the City's audited financial statements for the fiscal year ending June 30, 2021 attached hereto as Appendix A for more information.

Actions Taken by CalPERS Related to Discount Rate and Other Assumptions. In 2013, the CalPERS' Board of Administration (the "**Board of Administration**") approved a recommendation to change the CalPERS amortization and smoothing policies. In 2018, the Board of Administration voted to shorten the period over which CalPERS will amortize actuarial gains and losses from 30 years to 20 years for new pension liabilities. In 2014, the Board of Administration approved new demographic actuarial assumptions based on a 2013 study of recent experience. The largest impact, applying to all benefit groups, is a new 20-year mortality projection reflecting longer life expectancies and that longevity will continue to increase. Because retirement benefits will be paid out for more years, the cost of those benefits will increase as a result. In 2015, the Board of Administration adopted a funding risk mitigation policy intended to incrementally lower its discount rate – its assumed rate of investment return – in years of good investment returns, help pay down the pension fund's unfunded liability, and provide greater predictability and less volatility in contribution rates for employers. In 2016, the Board of Administration voted to lower its discount rate for local agencies per the following schedule:

<u>Fiscal Year</u>	<u>Discount Rate</u>
2018-19	7.375%
2019-20	7.250
2020-21	7.000

On July 12, 2021, CalPERS announced it had achieved a preliminary investment return of 21.3% for the 12-month period ending June 30, 2021. Under the Funding Risk Mitigation Policy approved by the CalPERS Board of Administration in 2015, the double-digit return will trigger a reduction in the discount rate from 7.00% to 6.80%. The CalPERS Board may further reduce the discount rate in the near future. The final discount rate (and other assumptions) will be determined at the Asset Liability Management meeting that occurs in November 2021. CalPERS may lower the discount rate beyond the trigger set forth in the Funding Risk Mitigation Policy or make other changes.

Lowering the discount rate means employers that contract with CalPERS to administer their pension plans will see increases in their normal costs and unfunded actuarial liabilities. Active members hired after January 1, 2013, under PEPRa will also see their contribution rates rise. PEPRa included certain other provisions to try to minimize pension costs for covered employees. The three-year reduction of the discount rate will result in average employer rate increases of about 1 percent to 3 percent of normal cost as a percent of payroll for most miscellaneous retirement plans, and a 2 percent to 5 percent increase for most safety plans. Additionally, many CalPERS employers will see a 30 to 40 percent increase in their current unfunded accrued liability payments. These payments are made to amortize unfunded liabilities over 20 years to bring the pension fund to a fully funded status over the long-term.

Fiscal Year 2020-21 investment returns and changes to the discount rate and other assumptions, including demographic changes, will be reported on the June 30, 2021 CalPERS actuarial reports. These changes, including the newly determined discount rate, will be reflected in contribution levels for cities, counties, and special districts in Fiscal Year 2023-24.

Asset Volatility Ratio (AVR). Plans that have higher asset-to-payroll ratios experience more volatile employer contributions (as a percentage of payroll) due to investment return. For example, a plan with an asset-to-payroll ratio of 8 may experience twice the contribution volatility due to investment return volatility, than a plan with an asset-to-payroll ratio of 4. Shown below is the asset volatility ratio for the Miscellaneous Plan, the Safety Plan (Fire), the Safety Plan (Police), the PEPRa Safety (Fire) and the PEPRa Safety (Police) plan which is a measure of each plan's current contribution volatility. It should be noted that this ratio is a measure of the current situation. It increases over time but generally tends to stabilize as the plan matures.

Liability Volatility Ratio (LVR). Plans that have higher liability-to-payroll ratios experience more volatile employer contributions (as a percentage of payroll) due to investment return and changes in liability. For example, a plan with a liability-to-payroll ratio of 8 is expected to have twice the contribution volatility of a plan with a liability-to-payroll ratio of 4. The liability volatility ratio is also shown in the table below. It should be noted that this ratio indicates a longer-term potential for contribution volatility. The AVR, described above, will tend to move closer to the LVR as the plan matures. Since the liability volatility ratio is a long-term measure, it is shown below at the current discount rate (7 percent) as well as the discount rate the Board has adopted to determine the contribution requirement in the June 30, 2020 actuarial valuation (7.00 percent).

Rate Volatility	Miscellaneous Plan*	Safety Plan (Fire)*	Safety Plan (Police)*	PEPRa Safety Plan (Police)*	PEPRa Safety Plan (Fire)*
1. Market Value of Assets	\$62,085,040	\$17,315,683	\$30,477,910	\$1,046,399	\$202,278
2. Payroll	10,654,408	932,777	1,473,487	1,101,945	545,518
3. Asset Volatility Ratio (AVR) [(1) / (2)]	5.8	18.6	20.7	0.9	0.4
4. Accrued Liability	\$101,857,734	\$24,589,568	\$43,807,080	\$1,185,772	\$211,540
5. Liability Volatility Ratio (LVR) [(4) / (2)]	9.6	26.4	29.7	1.1	0.4

* As of June 30, 2020

Source: CalPERS Annual Valuation Report as of June 30, 2020.

Deferred Compensation Plan. City employees may defer a portion of their compensation under a City sponsored Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. Under this plan, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, death or in an emergency defined by the plan. The laws governing deferred compensation plan assets require plan assets to be held by a trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under these plans are not the City's property and are not subject to City control, they are excluded from the City's financial statements.

General Fund Long-Term Indebtedness

The following is a summary of changes in long-term liabilities for the year ended June 30, 2021.

2017 Fire Engine Lease (direct borrowing). In October 2017, the City entered a capital lease with Umpqua Bank for the purchase of two Type-1 fire engine totaling \$1,125,731. Principal and interest payments are due semi-annually on May 1 and November 1 of each year with an interest rate of 2.45 percent. Lease payments are made by the General Fund. The total combined amount of accumulated depreciation on both fire engines is \$296,419.

2017 Computer Equipment Lease (direct borrowing). In July 2017, the City entered into a capital lease with IBM Credit LLC for the purchase of computer equipment and software totaling \$285,663. Principal is paid annually on September 1 and interest payments are due monthly with interest rates ranging from 2.15 percent to 2.37 percent. Lease payments are made primarily by the Information Technology internal service fund. The total combined amount of accumulated depreciation on this computer equipment is \$171,156.

2017 I-Bank Financing Lease (direct borrowing). In August 2017, the City entered into an agreement for \$4,000,000 with the California Infrastructure and Economic Development Bank (I-Bank) to finance roadway and other right-of-way improvements related to the Redwood Business Park. Principal is paid annually commencing on August 1, 2018, and interest payments are made semi-annually on August 1 and February 1 at an interest rate of 3.30 percent. Lease payments are made primarily by the General Fund. The total combined amount of accumulated depreciation on the roadway improvements is \$240,000.

2020 Fire Brush Truck Lease (direct borrowing). In February 2020, the City entered a capital lease with Umpqua Bank for the purchase of one Skeeter fire brush truck totaling \$227,606. Principal and interest payments are due semi-annually on March 1 and September 1 of each year with an interest rate of 2.8 percent. Lease payments are made by the General Fund. The total combined amount of accumulated depreciation on this truck is \$11,380.

2020 Self Contained Breathing Apparatus Lease (direct borrowing). In November 2020, the City entered an equipment lease with Umpqua Bank for the purchase of one self contained breathing apparatus system totaling \$343,762.85. Principal and interest payments are due on June 1 and December 1 of each year with an interest rate of 2.39 percent. Lease payments are made by both the General Fund and the Ukiah Valley Fire District at an even 50 percent split.

Series 2020A Lease Revenue Bonds (Community Facilities Improvement Project). Dated December 1, 2020 the original amount of the obligation was \$2,530,000 and is secured with a

pledge consisting primarily of base rental payments to be made by the City as rental for certain City-owned property. The obligation principal is payable in annual installments beginning April 1, 2021 ranging from \$90,000 to \$175,000 through year 2040. Interest is payable semi-annually on April 1 and October 1 of each year, commencing April 1, 2021, with an interest rate ranging from 3.00 percent to 4.00 percent. The Series 2020A Lease Revenue Bonds were issued to reimburse the City for the cost to purchase the Bank of America building, and to pay the costs associated with renovating the new customer service center and roof replacement project for the museum.

Series 2020B Taxable Lease Revenue Bonds (CalPERS Prepayment Project). Dated December 1, 2020 the original amount of the obligation was \$49,875,000 and is secured with a pledge consisting primarily of base rental payments to be made by the City as rental for certain City-owned property. This obligation is shared with business-type funds, with the governmental fund's share being 65 percent. The obligation principal is payable in annual installments beginning April 1, 2022 ranging from \$705,000 to \$3,015,000 through year 2049. Interest is payable semi-annually on April 1 and October 1 of each year, commencing October 1, 2021, with an interest rate ranging from 1.37 percent to 4.263 percent. The Series 2020B Taxable Lease Revenue Bonds were issued to refinance a portion of the UAL of the City's Miscellaneous, Safety Fire, and Safety Police pension plans with CalPERS.

[Remainder of Page Intentionally Left Blank]

OVERLAPPING DEBT OF THE CITY

Direct and Overlapping Bonded Debt

Set forth on the following page is a direct and overlapping debt report for the City (the “**Debt Report**”) prepared by California Municipal Statistics, Inc. and dated as of November 1, 2021. The Debt Report is included for general information purposes only. The City has not reviewed the Debt Report for completeness or accuracy and makes no representations in connection therewith. The Debt Report generally includes long term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the City in whole or in part. Such long-term obligations generally are not payable from revenues of the City (except as indicated) nor are they necessarily obligations secured by land within the City. In many cases long-term obligations issued by a public agency are payable from the general fund or other revenues of such public agency. The total 2020-21 assessed valuation of \$1,651,248,896 reflected in the Debt Report is provided by California Municipal Statistics, Inc. Neither the City, the Authority nor the Underwriter has verified this information.

TABLE 12
City of Ukiah
Direct and Overlapping Debt Statement
(as of November 1, 2021)

2021-22 Assessed Valuation: \$1,651,248,896

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 11/1/21</u>
Mendocino Lake Community College District	13.466%	\$8,121,272
Ukiah Unified School District	34.004	<u>20,815,424</u>
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$28,936,696
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>		
Mendocino County Certificates of Participation	12.740%	\$1,874,054
Mendocino County Pension Obligation Bonds	12.740	4,320,771
Ukiah Unified School District General Fund Obligations	34.004	2,262,386
City of Ukiah General Fund Obligations	100.000	<u>55,918,515⁽¹⁾</u>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$64,375,726
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>	100.000%	\$4,863,469
COMBINED TOTAL DEBT		\$98,175,891 ⁽²⁾

Ratios to 2021-22 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	1.75%
Combined Direct Debt (\$55,918,515).....	3.39%
Combined Total Debt.....	5.95%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$758,918,515):

Total Overlapping Tax Increment Debt.....	0.64%
---	-------

(1) Excludes issue to be sold.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS

The constitutional and statutory provisions discussed in this section have the potential to affect the ability of the City to levy taxes and spend tax proceeds for operating and other purposes.

Article XIII A of the State Constitution

Section 1(a) of Article XIII A of the State Constitution limits the maximum ad valorem tax on real property to 1% of full cash value (as defined in Section 2 of Article XIII A), to be collected by counties and apportioned according to law. Section 1(b) of Article XIII A provides that the 1% limitation does not apply to ad valorem taxes to pay interest or redemption charges on (1) indebtedness approved by the voters prior to June 1, 1978 or (2) any bonded indebtedness for the acquisition or improvement of real property approved on or after June 1, 1978, by two thirds of the votes cast by the voters voting on the Proposition. Section 2 of Article XIII A defines “full cash value” to mean “the county assessor’s valuation of real property as shown on the 1975–76 tax bill under ‘full cash value’ or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment.” The full cash value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or to reflect a reduction in the consumer price index or comparable data for the area under taxing jurisdiction or reduced in the event of declining property value caused by substantial damage, destruction or other factors. Legislation enacted by the State Legislature to implement Article XIII A provides that notwithstanding any other law, local agencies may not levy any ad valorem property tax except to pay debt service on indebtedness approved by the voters as described above.

The voters of the State subsequently approved various measures that further amended Article XIII A. One such amendment generally provides that the purchase or transfer of (i) real property between spouses or (ii) the principal residence and the first \$1,000,000 of the full cash value of other real property between parents and children, does not constitute a “purchase” or “change of ownership” triggering reassessment under Article XIII A. This amendment could serve to reduce the property-tax revenues of the City. Other amendments permitted the State Legislature to allow persons over 55 or “severely disabled homeowners” who sell their residences and buy or build another of equal or lesser value within two years in the same county, to transfer the old residence’s assessed value to the new residence.

In the November 1990 election, the voters approved the amendment of Article XIII A to permit the State Legislature to exclude from the definition of “newly constructed” the construction or installation of seismic retrofitting improvements or improvements utilizing earthquake hazard mitigation technologies constructed or installed in existing buildings after November 6, 1990.

Article XIII A has also been amended to permit reduction of the “full cash value” base in the event of declining property values caused by damage, destruction or other factors, provided that there would be no increase in the “full cash value” base in the event of reconstruction of property damaged or destroyed in a disaster.

Article XIII B of the State Constitution

Article XIII B of the State Constitution limits the annual appropriations of the State and of any city, county, school district, special district, authority or other political subdivision of the State to the appropriations limit for the prior Fiscal Year, as adjusted for changes in the cost of living, population and services for which the fiscal responsibility is shifted to or from the governmental

entity. The “base year” for establishing this appropriations limit is the 1978–79 Fiscal Year. The appropriations limit may also be adjusted in emergency circumstances, subject to limitations.

Appropriations of an entity of local government subject to Article XIIB generally include authorizations to expend during a Fiscal Year the “proceeds of taxes” levied by or for the entity, exclusive of certain State subventions, refunds of taxes, and benefit payments from retirement, unemployment insurance and disability insurance funds. “Proceeds of taxes” include but are not limited to, all tax revenues, certain State subventions received by the local governmental entity and the proceeds to the local governmental entity from (1) regulatory licenses, user charges, and user fees (to the extent that such proceeds exceed the cost of providing the service or regulation) and (2) the investment of tax revenues. Article XIIB provides that if a governmental entity’s revenues in any year exceed the amounts permitted to be spent, the excess must be returned by revising tax rates or fee schedules over the subsequent two fiscal years.

Article XIIB does not limit the appropriation of moneys to pay debt service on indebtedness existing or authorized as of January 1, 1979, or for bonded indebtedness approved thereafter by a vote of the electors of the issuing entity at an election held for that purpose, or appropriations for certain other limited purposes. Furthermore, Article XIIB was amended in 1990 to exclude from the appropriations limit “all qualified capital outlay projects, as defined by the Legislature” from proceeds of taxes. The Legislature has defined “qualified capital outlay project” to mean a fixed asset (including land and construction) with a useful life of 10 or more years and a value which equals or exceeds \$100,000. As a result of this amendment, the appropriations to pay the lease payments on the City’s long term General Fund lease obligations are generally excluded from the City’s appropriations limit. The City has never exceeded its appropriations limit.

Articles XIIC and XIID of the State Constitution

General. On November 5, 1996, the voters of the State approved Proposition 218, known as the “Right to Vote on Taxes Act.” Proposition 218 adds Articles XIIC and XIID to the California Constitution and contains a number of interrelated provisions affecting the ability of the City to levy and collect both existing and future taxes, assessments, fees and charges.

On November 2, 2010, California voters approved Proposition 26, entitled the “Supermajority Vote to Pass New Taxes and Fees Act.” Section 1 of Proposition 26 declares that Proposition 26 is intended to limit the ability of the State Legislature and local government to circumvent existing restrictions on increasing taxes by defining the new or expanded taxes as “fees.” Proposition 26 amended Articles XIII A and XIIC of the State Constitution. The amendments to Article XIII A limit the ability of the State Legislature to impose higher taxes (as defined in Proposition 26) without a two-thirds vote of the Legislature. The amendments to Article XIIC define “taxes” that are subject to voter approval as “any levy, charge, or exaction of any kind imposed by a local government,” with certain exceptions.

Taxes. Article XIIC requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes of the City (“general taxes”) require a majority vote; taxes for specific purposes (“special taxes”), even if deposited in the City’s General Fund, require a two-thirds vote.

Property-Related Fees and Charges. Article XIID also adds several provisions making it generally more difficult for local agencies to levy and maintain property-related fees, charges, and assessments for municipal services and programs. These provisions include, among other

things, (i) a prohibition against assessments which exceed the reasonable cost of the proportional special benefit conferred on a parcel, (ii) a requirement that assessments must confer a “special benefit,” as defined in Article XIID, over and above any general benefits conferred, (iii) a majority protest procedure for assessments which involves the mailing of notice and a ballot to the record owner of each affected parcel, a public hearing and the tabulation of ballots weighted according to the proportional financial obligation of the affected party, and (iv) a prohibition against fees and charges which are used for general governmental services, including police, fire or library services, where the service is available to the public at large in substantially the same manner as it is to property owners.

Reduction or Repeal of Taxes, Assessments, Fees and Charges. Article XIIC also removes limitations on the initiative power in matters of reducing or repealing local taxes, assessments, fees or charges. No assurance can be given that the voters of the City will not, in the future, approve an initiative or initiatives which reduce or repeal local taxes, assessments, fees or charges currently comprising a substantial part of the City’s General Fund. If such repeal or reduction occurs, the City’s ability to pay debt service on the Bonds could be adversely affected.

Burden of Proof. Article XIIC provides that local government “bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor’s burdens on, or benefits received from, the governmental activity.” Similarly, Article XIID provides that in “any legal action contesting the validity of a fee or charge, the burden shall be on the agency to demonstrate compliance” with Article XIID.

Judicial Interpretation of Proposition 218. The interpretation and application of Articles XIIC and XIID will ultimately be determined by the courts, and it is not possible at this time to predict with certainty the outcome of such determination.

Impact on City’s General Fund. The City does not believe that any material source of General Fund revenue is subject to challenge under Proposition 218 or Proposition 26.

The approval requirements of Articles XIIC and XIID reduce the flexibility of the City to raise revenues for the General Fund, and no assurance can be given that the City will be able to impose, extend or increase the taxes, fees, charges or taxes in the future that it may need to meet increased expenditure needs.

Proposition 1A; Proposition 22

Proposition 1A. Proposition 1A, proposed by the Legislature in connection with the State’s Fiscal Year 2004-05 Budget, approved by the voters in November 2004 and generally effective in Fiscal Year 2006-07, provided that the State may not reduce any local sales tax rate, limit existing local government authority to levy a sales tax rate or change the allocation of local sales tax revenues, subject to certain exceptions. Proposition 1A generally prohibited the State from shifting to schools or community colleges any share of property tax revenues allocated to local governments for any Fiscal Year, as set forth under the laws in effect as of November 3, 2004. Any change in the allocation of property tax revenues among local governments within a county had to be approved by two-thirds of both houses of the Legislature.

Proposition 22. Proposition 22, entitled “The Local Taxpayer, Public Safety and Transportation Protection Act,” was approved by the voters of the State in November 2010.

Proposition 22 eliminates or reduces the State's authority to (i) temporarily shift property taxes from cities, counties and special districts to schools, (ii) use vehicle license fee revenues to reimburse local governments for State-mandated costs (the State will have to use other revenues to reimburse local governments), (iii) redirect property tax increment from redevelopment agencies to any other local government, (iv) use State fuel tax revenues to pay debt service on State transportation bonds, or (v) borrow or change the distribution of State fuel tax revenues.

Unitary Property

AB 454 (Chapter 921, Statutes of 1986) provides that revenues derived from most utility property assessed by the State Board of Equalization ("Unitary Property"), commencing with the 1988–89 Fiscal Year, are allocated as follows: (i) each jurisdiction will receive up to 102% of its prior year State-assessed revenue; and (ii) if county-wide revenues generated from Unitary Property are less than the previous year's revenues or greater than 102% of the previous year's revenues, each jurisdiction will share the burden of the shortfall or benefit of the excess revenues by a specified formula. This provision applies to all Unitary Property except railroads, whose valuation will continue to be allocated to individual tax rate areas.

The provisions of AB 454 do not constitute an elimination of the assessment of any State-assessed properties nor a revision of the methods of assessing utilities by the State Board of Equalization. Generally, AB 454 allows valuation growth or decline of Unitary Property to be shared by all jurisdictions in a county.

Possible Future Initiatives

Article XIII A, Article XIII B and Propositions 218, 26, IA and 22 were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time, other initiative measures could be adopted, further affecting the City's revenues or its ability to expend revenues.

BOND OWNERS' RISKS

The following describes certain special considerations and risk factors affecting the payment of and security for the Bonds. The following discussion is not meant to be an exhaustive list of the risks associated with the purchase of any Bonds and does not necessarily reflect the relative importance of the various risks. Potential investors in the Bonds are advised to consider the following special factors along with all other information in this Official Statement in evaluating the Bonds. There can be no assurance that other considerations will not materialize in the future.

No Pledge of Taxes

General. The obligation of the City to pay the Lease Payments and Additional Rental Payments does not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. The obligation of the City to pay Lease Payments and Additional Rental Payments does not constitute a debt or indebtedness of the City, the State of California or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction.

The City is currently liable on other obligations payable from general revenues, which are described above under "CITY FINANCIAL INFORMATION – Long-Term Obligations Payable Out of General Fund."

Limitations on Taxes and Fees. Certain taxes, assessments, fees and charges presently imposed by the City could be subject to the voter approval requirements of Article XIIIC and Article XIID of the State Constitution. Based upon the outcome of an election by the voters, such fees, charges, assessments and taxes might no longer be permitted to be imposed, or may be reduced or eliminated and new taxes, assessments fees and charges may not be approved. The City has assessed the potential impact on its financial condition of the provisions of Article XIIIC and Article XIID of the State Constitution respecting the imposition and increase of taxes, fees, charges and assessments and does not believe that an election by the voters to reduce or eliminate the imposition of certain existing fees, charges, assessments and taxes would substantially affect its financial condition. However, the City believes that if the initiative power was exercised so that all local taxes, assessments, fees and charges that may be subject to Article XIIIC and Article XIID of the State Constitution are eliminated or substantially reduced, the financial condition of the City, including its General Fund, could be materially adversely affected.

Although the City does not currently anticipate that the provisions of Article XIIIC and Article XIID of the State Constitution would adversely affect its ability to pay Lease Payments and its other obligations payable from the General Fund, no assurance can be given regarding the ultimate interpretation or effect of Article XIIIC and Article XIID of the State Constitution on the City's finances. See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS."

Abatement

In the event of loss or substantial interference in the use and possession by the City of all or any portion of the Leased Property caused by material damage, title defect, destruction to or condemnation of the Leased Property, Lease Payments will be subject to abatement. See "SECURITY FOR THE BONDS – Abatement" herein. In the event that such component of the Leased Property, if damaged or destroyed by an insured casualty, could not be replaced during the period of in which proceeds of rental interruption insurance, if any, will be available in lieu of Lease Payments, or in the event that casualty insurance proceeds or condemnation proceeds are insufficient to provide for complete repair or replacement of such component of the Leased Property or prepayment of the Bonds, there could be insufficient funds to make payments to Owners in full. It is not always possible to predict the circumstances under which abatement of rental may occur. In addition, there is no statute, case or other law specifying how such an abatement of rental should be measured. For example, it is not clear whether fair rental value is established as of commencement of the lease or at the time of the abatement. If the latter, it may be that the value of the Leased Property is substantially higher or lower than its value at the time of issuance of the Bonds. Abatement, therefore, could have an uncertain and material adverse effect on the security for and payment of the Bonds.

If damage, destruction, title defect or eminent domain proceedings with respect to the Leased Property results in abatement of the Lease Payments related to such Leased Property and if such abated Lease Payments, if any, together with moneys from rental interruption or use and occupancy insurance, if any, (in the event of any insured loss due to damage or destruction), and eminent domain proceeds, if any, are insufficient to make all payments of principal and interest with respect to the Bonds during the period that the Leased Property is being replaced, repaired or reconstructed, then all or a portion of such payments of principal and interest may not be made. Reduction in Lease Payments due to abatement as provided in the Lease does not constitute a default thereunder, and no remedy is available to the Bond Owners under the Lease or the Indenture for nonpayment under such circumstances. See APPENDIX C – "SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – The Lease – Abatement of Rental."

Limited Recourse on Default; No Right to Repossess; No Acceleration of Lease Payments

Failure by the City to make Lease Payments, or failure to pay Additional Rental Payments or to observe and perform any other terms, covenants or conditions contained in the Lease or in the Indenture for a period of 30 days after written notice of such failure and request that it be remedied has been given to the City by the Authority or the Trustee, constitute Events of Default under the Lease. Such events permit the Trustee or the Authority to pursue any and all remedies available. However, notwithstanding anything in the Lease or in the Indenture to the contrary, there is no right under any circumstances to accelerate the Lease Payments or otherwise declare any Lease Payments that are not then in default to be immediately due and payable, nor do the Authority or the Trustee have any right to repossess or relet the Leased Property.

Following an event of default, the Authority or the Trustee may elect either to terminate the Lease and seek to collect damages from the City or to maintain the Lease in effect and seek to collect the Lease Payments as they become due. See “APPENDIX C – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – The Lease” herein.

In the event of a default, there is no remedy of acceleration of the total Lease Payments due over the term of the Lease and neither the Authority nor the Trustee are empowered to sell or relet the Leased Property and use the proceeds of such sale or reletting to redeem the Bonds or pay debt service with respect thereto. The City will be liable only for Lease Payments on an annual basis and, in the event of a default, the Authority or Trustee would be required to seek a separate judgment each year for that year’s defaulted Lease Payments. Any such suit for money damages would be subject to limitations on legal remedies against municipalities in California, including a limitation on enforcement of judgments against funds of a Fiscal Year other than the Fiscal Year in which the Lease Payments were due and against funds needed to serve the public welfare and interest.

Additional Obligations of the City

General. The City is permitted to enter into other obligations which constitute additional charges against its revenues without the consent of Owners of the Bonds, and may in the future be subject to liabilities payable from the general fund (some of which are described below). To the extent that additional obligations are incurred by (or imposed upon) the City, the funds available to pay Lease Payments may be decreased.

The Lease Payments and other payments due under the Lease (including payment of costs of repair and maintenance of the Leased Property, taxes and other governmental charges levied against the Leased Property) are payable from funds lawfully available to the City. If the amounts that the City is obligated to pay in a fiscal year exceed the City’s revenues for such year, the City may choose to make some payments rather than making other payments, including Lease Payments and Additional Rental Payments, based on the perceived needs of the City. The same result could occur if, because of California Constitutional limits on expenditures, the City is not permitted to appropriate and spend all of its available revenues or is required to expend available revenues to preserve the public health, safety and welfare.

Litigation. The City is subject to litigation arising in the normal course of business. See “LITIGATION.”

CalPERS Obligations. Many cities and other local agencies in the State have been faced with increased payments due to CalPERS in recent years. The City, like many other cities and local agencies in the State, is responsible for payments to CalPERS for its share of employee pension costs. Amounts owed to CalPERS for pension costs have increased in recent years and are expected to continue to increase, as CalPERS implements changes to its discount rate and other methodologies for calculating pension costs. See “THE CITY – Pension Plans” for additional information on CalPERS.

Default

Whenever any event of default referred to in the Lease happens and continues, the Trustee (as assignee of the Authority) is authorized under the terms of the Lease to exercise any and all remedies available under law or granted under the Lease. See “APPENDIX C – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS” for a detailed description of available remedies in the case of a default under the Lease.

If a default occurs, there is no remedy of acceleration of the total Lease Payments due over the term of the Lease. The Trustee is not empowered to sell the Leased Property and use the proceeds of such sale to prepay the Bonds or pay debt service on the Bonds.

The City will be liable only for Lease Payments on an annual basis and, in the event of a default, the Trustee would be required to seek a separate judgment each year for that year's defaulted Lease Payments. Any such suit for money damages would be subject to limitations on legal remedies against municipalities in the State, including a limitation on enforcement of judgments against funds of a fiscal year other than the fiscal year in which the Lease Payments were due and against funds needed to serve the public welfare and interest.

Abatement

Under certain circumstances related to damage, destruction, condemnation or title defects which cause a substantial interference with the use and possession of the Leased Property, the City's obligation to make Lease Payments will be subject to full or partial abatement and could result in the Trustee having inadequate funds to pay the principal and interest on the Bonds as and when due. See “SECURITY FOR THE BONDS – Abatement” and “APPENDIX C – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS.”

Although the City is required under the Lease to maintain property and liability insurance with respect to the Leased Property, the required insurance coverage is subject to certain conditions and restrictions. See “SECURITY FOR THE BONDS – Property Insurance.”

[[[The City is not required to maintain rental interruption insurance to thereby generate available moneys to make debt service payments on the Bonds during any period of abatement.]]]

Sales Taxes

Sales tax revenues are typically the biggest source of revenue to the City, behind property taxes. Sales tax revenues are based upon the gross receipts of retail sales of tangible goods and products by retailers with taxable transactions in the City, which could be impacted by a variety of factors.

For example, before final maturity of the Bonds, the City may enter into an economic recession. In times of economic recession, the gross receipts of retailers often decline, and such a decline would cause the sales tax revenues received by the City to also decline.

In addition, changes or amendments in the laws applicable to the City's receipt of sales tax revenues, whether implemented by State legislative action or voter initiative, could have an adverse effect on sales tax revenues received by the City. For example, many categories of transactions are exempt from the statewide sales tax, and additional categories could be added in the future. Currently, most sales of food products for human consumption are exempt; this exemption, however, does not apply to liquor or to restaurant meals. The rate of sales tax levied on taxable transactions in the City or the fee charged by the CDTFA for administering the City's sales tax could also be changed.

Property Taxes

Property taxes are a significant source of General Fund revenue to the City. Certain risks associated with property tax revenues follow.

Levy and Collection. The City does not have any independent power to levy and collect property taxes. Any reduction in the tax rate or the implementation of any constitutional or legislative property tax decrease could reduce the City's property tax revenues, and accordingly, could have an adverse impact on the ability of the City to make Lease Payments. Likewise, delinquencies in the payment of property taxes could have an adverse effect on the City's ability to pay principal of and interest on the Bonds when due.

Reduction in Inflationary Rate. Article XIII A of the California Constitution provides that the full cash value base of real property used in determining assessed value may be adjusted from year to year to reflect the inflationary rate, not to exceed a 2% increase for any given year, or may be reduced to reflect a reduction in the consumer price index or comparable local data. See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS." Such measure is computed on a calendar year basis. Because Article XIII A limits inflationary assessed value adjustments to the lesser of the actual inflationary rate or 2%, there have been years in which the assessed values were adjusted by actual inflationary rates, which were less than 2%. Since Article XIII A was approved, the annual adjustment for inflation has fallen below the 2% limitation a limited number of times.

The City is unable to predict if any adjustments to the full cash value base of real property within the City, whether an increase or a reduction, will be realized in the future.

Appeals of Assessed Values. There are two types of appeals of assessed values that could adversely impact property tax revenues:

Proposition 8 Appeals. Most of the appeals that might be filed in the City would be based on Section 51 of the Revenue and Taxation Code, which requires that for each lien date the value of real property must be the lesser of its base year value annually adjusted by the inflation factor pursuant to Article XIII A of the State Constitution or its full cash value, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property or other factors causing a decline in value.

Under California law, property owners may apply for a reduction of their property tax assessment by filing a written application with the appropriate county board of

equalization or assessment appeals board. In most cases, the appeal is filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value. These market-driven appeals are known as Proposition 8 appeals.

Any reduction in the assessment ultimately granted as a Proposition 8 appeal applies to the year for which application is made and during which the written application was filed. These reductions are often temporary and are adjusted back to their original values when market conditions improve. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIII A.

Base Year Appeals. A second type of assessment appeal is called a base year appeal, where the property owners challenge the original (basis) value of their property. Appeals for reduction in the “base year” value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date.

No assurance can be given that property tax appeals in the future will not significantly reduce the City’s property tax revenues.

Natural Calamities

General. Natural disasters, such as seismic events, flooding, landslides or wildfires, could affect economic activity in the City, and could have a negative impact on City finances. There can be no assurance that the occurrence of any natural calamity would not cause substantial interference to and costs for the City or impact the Leased Property.

Seismic. The City is located in a seismically active area of California. If there were to be an occurrence of severe seismic activity in the area of the City, such an occurrence may adversely affect economic activity in the City, and could have a negative impact on City finances. The City could be at risk from strong ground motion and secondary effects related to a seismic event, including ground failure (such as landslide, liquefaction, lateral spreading, lurching and differential settlement) and seismically induced flooding (such as flooding from a tsunami or dam failure).

Wildfires. Although the City is not located within a Fire Hazard Severity Zone as established by CAL FIRE (<https://egis.fire.ca.gov/FHSZ>), there are areas adjacent to the City that are open space parklands and more susceptible to wildfires. In addition, many areas of northern California have suffered from major wildfires in recent years, including numerous wildfires in northern California in 2020 and in 2021. In addition to their direct impact on health and safety and property damage in California, the smoke from many of these wildfires has impacted the quality of life throughout the region, and the City and may have short-term and future impacts on commercial activity in the City. The fires have been driven in large measure by drought conditions and low humidity. Experts expect that California will continue to be subject to wildfire conditions year over year as a result in changing weather patterns due to climate change.

Droughts. California is subject to droughts from time-to-time. On April 1, 2015, for the first time in California’s history, Governor Edmund G. Brown directed the State Water Resources Control Board to implement mandatory water reductions in cities and towns across California to

reduce water usage by 25%. Following a wet winter in 2016-17, most of the mandatory water reductions were lifted, only to return again in 2021 following unusually dry years.

Climate Change. City finances may be negatively impacted by climate change. Local impacts of climate change are not definitive, but parcels in the City could experience changes to local and regional weather patterns; increased risk of flooding; and water restrictions. See, for example, the discussions above regarding wildfires and droughts.

COVID-19 Pandemic

The spread of COVID-19 has impacted governments, businesses and people in a manner that is having negative effects on global and local economies. In response to the pandemic, the City took actions to activate its emergency operations center, temporarily close all non-essential City services, introduced teleworking as and where appropriate, implemented daily screening of all employees, and abided by all state and federal guidelines and orders. The City actively monitors the COVID-19 situation in the community and acts swiftly to issue executive orders to mitigate the spread of the virus. Additionally, the City has forged a strong relationship with the Mendocino County Health Department and local medical clinics to ensure timely sharing of information and coordinated responses to issues.

The City continues to monitor the spread of COVID-19 and is working with local, state, and national agencies to address the potential impact of the pandemic upon the City. There can be no assurances that the spread of COVID-19 and/or responses intended to slow the spread of COVID-19 such as declining business and travel activity, will not materially adversely impact the state and national economies and, accordingly, materially adversely impact the financial condition of the City and the City's General Fund. In addition, the City may experience increased personnel costs and/or reduced revenues due to the COVID-19 situation and the related impact on economic and other activity in and around the City.

Cyber Security

The City, like many other public and private entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other sensitive electronic information, the City is potentially subject to multiple cyber threats, including without limitation hacking, viruses, ransomware, malware and other attacks. The City maintains insurance coverage for loss resulting from cyber security incidents, however no assurance can be given that the City's efforts to manage cyber threats and attacks will be successful in all cases, or that any such attack will not materially impact the operations or finances of the City, or the administration of the Bonds. The City is also reliant on other entities and service providers in connection with the administration of the Bonds, including without limitation the County tax collector for the levy and collection of property taxes, the Trustee, and the dissemination agent. No assurance can be given that the City and/or the other entities will not be affected by cyber threats and attacks in a manner that may affect the Bond owners.

Limitations on Remedies Available to Bond Owners

The ability of the City to comply with its covenants under the Lease may be adversely affected by actions and events outside of the control of the City, and may be adversely affected by actions taken (or not taken) by voters, property owners, taxpayers or payers of assessments, fees and charges. See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS" above. Furthermore, any remedies available to the owners of the Bonds

upon the occurrence of an event of default under the Lease or the Indenture are in many respects dependent upon judicial actions, which are often subject to discretion and delay and could prove both expensive and time consuming to obtain.

In addition to the limitations on Bondowner remedies contained in the Lease and the Indenture, the rights and obligations under the Bonds, the Lease and the Indenture may be subject to the following: the United States Bankruptcy Code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers delegated to it by the Federal Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or state government, if initiated, could subject the Owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation or modification of their rights.

The opinion to be delivered by Bond Counsel, concurrently with the issuance of the Bonds, will include a qualification that the rights of the owners of the Bonds and the enforceability of the Bonds and the Indenture, the Lease and the Site Lease may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and may also be subject to the exercise of judicial discretion in accordance with principles of equity or otherwise in appropriate cases. See "APPENDIX E — FORM OF OPINION OF BOND COUNSEL."

Secondary Market for Bonds

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that any Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then-prevailing circumstances. Such prices could be substantially different from the original purchase price.

TAX MATTERS

Federal Tax Status. In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax.

The opinions set forth in the preceding paragraph are subject to the condition that the City comply with all requirements of the Internal Revenue Code of 1986, as amended (the "**Tax Code**") that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The City has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may

cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Bonds.

Tax Treatment of Original Issue Discount and Premium. If the initial offering price to the public at which a Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes “original issue discount” for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public at which a Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes “bond premium” for purposes of federal income taxes and State of California personal income taxes.

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the Bonds who purchase the Bonds after the initial offering of a substantial amount of such maturity. Owners of such Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Under the Tax Code, bond premium is amortized on an annual basis over the term of the Bond (said term being the shorter of the Bond’s maturity date or its call date). The amount of bond premium amortized each year reduces the adjusted basis of the owner of the Bond for purposes of determining taxable gain or loss upon disposition. The amount of bond premium on a Bond is amortized each year over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized Bond premium is not deductible for federal income tax purposes. Owners of premium Bonds, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such Bonds.

California Tax Status. In the further opinion of Bond Counsel, interest on the Bonds is exempt from California personal income taxes.

Other Tax Considerations. Current and future legislative proposals, if enacted into law, clarification of the Tax Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Tax Code or court decisions may also affect the market price for, or marketability of, the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, such legislation would apply to bonds issued prior to enactment.

The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of such

opinion, and Bond Counsel has expressed no opinion with respect to any proposed legislation or as to the tax treatment of interest on the Bonds, or as to the consequences of owning or receiving interest on the Bonds, as of any future date. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Owners of the Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may have federal or state tax consequences other than as described above. Other than as expressly described above, Bond Counsel expresses no opinion regarding other federal or state tax consequences arising with respect to the Bonds, the ownership, sale or disposition of the Bonds, or the amount, accrual or receipt of interest on the Bonds.

CERTAIN LEGAL MATTERS

Jones Hall, A Professional Law Corporation, Bond Counsel, will render an opinion with respect to the validity of the Bonds, the form of which is set forth in "APPENDIX E — FORM OF OPINION OF BOND COUNSEL." Certain legal matters will also be passed upon for the City and the Authority by Jones Hall, A Professional Law Corporation, as Disclosure Counsel. Certain legal matters will be passed upon for the City by the City Attorney, and for the Underwriter by its counsel, Stradling Yocca Carlson & Rauth, a Professional Corporation.

LITIGATION

Except as may otherwise be set forth in this Official Statement, to the best knowledge of the City, there is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other governmental authority pending and notice of which has been served on and received by the City or, to the knowledge of the City, threatened against or affecting the City or the assets, properties or operations of the City which, if determined adversely to the City or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of the Lease, the Site Lease or the Indenture, or upon the financial condition, assets, properties or operations of the City, and the City is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially adversely affect the consummation of the transactions contemplated by the Lease, the Site Lease or the Indenture, or the financial conditions, assets, properties or operations of the City, including but not limited to the payment and performance of the City's obligations under the Lease.

The City is subject to claims, actions, and lawsuits arising in the normal course of business. At this time, the City does not believe any of the lawsuits are likely to be resolved in a manner that would result in liability to the City in excess of its existing insurance coverage. However, no assurance can be given that an adverse outcome in any pending or future litigation against the City would not result in a material adverse effect upon the financial condition of the City and its ability to pay the Lease Payments securing the Bonds.

RATING

S&P Global Ratings (“**S&P**”), a division of Standard & Poor’s Financial Services LLC has assigned its municipal bond rating of “___” to the Bonds. This rating reflects only the views of S&P, and an explanation of the significance of this rating, and any outlook assigned to or associated with this rating, should be obtained from S&P. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. The City has provided certain additional information and materials to the rating agency (some of which does not appear in this Official Statement). There is no assurance that this rating will continue for any given period of time or that this rating will not be revised downward or withdrawn entirely by the rating agency, if in the judgment of the rating agency, circumstances so warrant. Any such downward revision or withdrawal of any rating on the Bonds may have an adverse effect on the market price or marketability of the Bonds.

CONTINUING DISCLOSURE

The City will covenant for the benefit of owners of the Bonds to provide certain financial information and operating data by not later than nine months after the end of the City’s fiscal year, or April 1, of each year (based on the City’s current fiscal year-end of June 30), commencing April 1, 2022, with the report for the 2020-21 fiscal year (the “**Annual Report**”) and to provide notices of the occurrence of certain listed events.

These covenants have been made in order to assist the Underwriter in complying with Securities Exchange Commission Rule 15c2-12(b)(5), as amended (the “**Rule**”). The specific nature of the information to be contained in the Annual Report or the notices of listed events by the City is set forth in “APPENDIX D – Form of Continuing Disclosure Certificate.”

A review of the City’s prior compliance with its continuing disclosure obligations under the Rule reveals that the City did not timely file its audited financial statements and/or annual report information by the due dates for Fiscal Years 2015-16 through 2019-20.

All remedial filings have been made and the City has engaged NHA Advisors LLC to assist with its continuing disclosure obligations under the Rule in the future.

MUNICIPAL ADVISOR

The City and the Authority have retained NHA Advisors LLC, of San Rafael, California, as municipal advisor (the “**Municipal Advisor**”) in connection with the offering of the Bonds. All financial and other information presented in this Official Statement has been provided by the City and the Authority from their records, except for information expressly attributed to other sources. The Municipal Advisor takes no responsibility for the accuracy or completeness of the data provided by the City, Authority or others and has not undertaken to make an independent verification or does not assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement. The fee of the Municipal Advisor is contingent upon the successful closing of the Bonds.

UNDERWRITING

Piper Sandler & Co., as underwriter (the “**Underwriter**”), has entered into a Bond Purchase Agreement with the Authority under which it will purchase the Bonds at a purchase price of \$_____, which is equal to the par amount of the Bonds, less an Underwriter’s discount of \$_____.

The Underwriter will be obligated to take and pay for all of the Bonds if any are taken. The Underwriter intends to offer the Bonds to the public at the offering prices set forth on the inside cover page of this Official Statement. After the initial public offering, the public offering price may be varied from time to time by the Underwriter.

PROFESSIONAL SERVICES

In connection with the issuance of the Bonds, fees payable to the following professionals involved in the offering are contingent upon the issuance and delivery of the Bonds: Jones Hall, A Professional Law Corporation, as Bond Counsel and Disclosure Counsel; NHA Advisors LLC, San Rafael, California, as municipal advisor to the Authority and the City; _____, _____, California, as counsel to the Underwriter; and The Bank of New York Mellon Trust Company, N.A., as Trustee.

EXECUTION

The execution of this Official Statement and its delivery have been authorized by the Board of the Authority and the City Council of the City.

UKIAH PUBLIC FINANCING AUTHORITY

By: _____
Executive Director

CITY OF UKIAH

By: _____
City Manager

APPENDIX A
AUDITED FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDING JUNE 30, 2021

APPENDIX B

GENERAL INFORMATION ABOUT THE CITY OF UKIAH AND THE COUNTY OF MENDOCINO

*The following information concerning the County of Mendocino (the “**County**”) and the City of Ukiah (the “**City**”) is included only for the purpose of supplying general information regarding the area. The Bonds are not a debt of the County, the City, the State of California (the “**State**”) or any of its political subdivisions, and neither the County, the City, the State nor any of its political subdivisions is liable therefor. The City and the Underwriter take no responsibility for the accuracy or completeness of such information.*

General

The City. The City is located in the north central area of the County, approximately 100 miles north of San Francisco and about an hour’s drive from the coastal redwoods and the Mendocino Coast. The City is the largest city in the County and is the County seat. The City was incorporated in 1876 and was the first community in the United States to utilize a Council-Manager form of government. The City Council is made up of five members who set policy and set up the City budget. The City Council appoints a Mayor, City Manager, City Treasurer, City Clerk and members of other commissions.

The County. The County was created in 1850 by the State Legislature and was one of the State’s original 27 counties. Sonoma, Lake, Glenn, Tehama, Trinity and Humboldt counties all border Mendocino County on its inland side. The County spans an area of over 2 million acres, which is approximately 3500 square miles and its coastline runs about 100 miles. Coastal highways 1 and 101, running through the center of the County, are important transportation routes. Smaller country roads connect Mendocino’s five distinct regions, which are the Anderson Valley to the south, South Mendocino coast, North Mendocino coast, Northern Mendocino County and the Russian River Valley to the east. The City of Ukiah is the largest city in the County and is the County seat. The County is legislatively governed by a board of five supervisors, each with a separate district.

The County has nine Indian reservations lying within its borders, the fourth most of any county in the United States (after San Diego County, California; Sandoval County, New Mexico; and Riverside County, California).

Population

The following table lists population estimates for the City, the County and the State for the last five years, as of January 1 each year.

CITY OF UKIAH, COUNTY OF MENDOCINO, STATE OF CALIFORNIA
Population Estimates
Years 2017 through 2021, as of January 1

Year	City of Ukiah	Mendocino County	State of California
2017	15,937	88,646	39,352,398
2018	16,081	88,542	39,519,535
2019	15,942	88,205	39,605,361
2020	15,951	87,708	39,648,938
2021	15,526	86,669	39,466,855

Source: California Department of Finance, Demographic Research Unit.

Remainder of page intentionally left blank]

Industry and Employment

MENDOCINO COUNTY
Civilian Labor Force, Employment and Unemployment
Calendar Years 2016 through 2020
(March 2020 benchmark)

	2016	2017	2018	2019	2020
Civilian Labor Force ⁽¹⁾	39,620	39,560	39,460	38,650	37,020
Employment	37,520	37,760	37,870	37,090	33,720
Unemployment	2,100	1,800	1,590	1,560	3,290
Unemployment Rate	5.3%	4.5%	4.0%	4.0%	8.9%
<u>Wage and Salary Employment:</u> ⁽²⁾					
Agriculture	1,360	1,380	1,450	1,460	1,410
Mining and Logging	300	330	310	290	270
Construction	1,060	1,220	1,380	1,390	1,320
Manufacturing	2,550	2,540	2,470	2,430	2,360
Wholesale Trade	740	840	810	740	700
Retail Trade	4,730	4,760	4,820	4,810	4,480
Transportation, Warehousing, Utilities	710	710	730	720	840
Information	250	230	230	210	170
Financial Activities	1,050	1,060	1,070	1,050	980
Professional and Business Services	1,670	1,670	1,790	1,860	1,800
Educational and Health Services	5,580	5,750	5,780	5,840	5,530
Leisure and Hospitality	4,410	4,410	4,490	4,360	3,200
Other Services	790	810	810	750	700
Federal Government	280	270	270	270	290
State Government	570	560	580	600	640
Local Government	6,400	6,400	6,320	6,310	5,740
Total all Industries ⁽³⁾	32,440	32,950	33,290	33,100	30,390

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(3) Columns may not sum to totals due to rounding.

Source: State of California Employment Development Department.

[Remainder of page intentionally left blank]

Principal Employers

The following table lists the principal employers within the City for fiscal year 2019-20.

CITY OF UKIAH Principal Employers Fiscal Year 2019-20

Employer Name	No. of Employees
Adventist Health Ukiah Valley	500-999
City of Ukiah	100-249
Costco Wholesale	100-249
County of Mendocino	1,000-1,250
Dharma Realm Buddhist Association	100-249
Mendocino Community Health	250-499
Mendocino County Office of Education	100-249
Pacific Coast Farm Credit	100-249
Ukiah Valley Medical Center	500-999
Walmart	100-249

Source: City of Ukiah.

[Remainder of page intentionally left blank]

The following table lists, in alphabetical order, the largest manufacturing and non-manufacturing employers within the County as of October 2021.

COUNTY OF MENDOCINO
Major Employers
As of October 2021
(In Alphabetical Order)

Employer Name	Location	Industry
Adventist Health Howard Meml	Willits	Hospitals
Adventist Health Mendocino Cst	Fort Bragg	Hospitals
Adventist Health Ukiah Vly	Ukiah	Outpatient Services
California Department-Forestry	Willits	Government Offices-State
Costco Wholesale	Ukiah	Wholesale Clubs
Coyote Valley Casino	Redwood Valley	Casinos
Dharma Realm Buddhist Assn	Ukiah	Associations
Fetzer Vineyards	Hopland	Wineries (mfrs)
Georgia-Pacific Corp	Fort Bragg	Sawmills (mfrs)
Little River Inn	Little River	Golf Courses
Mendocino Community Health	Ukiah	Clinics
Mendocino County Food Stamps	Ukiah	Government Offices-County
Mendocino County Office of Edu	Ukiah	Boards of Education
Mendocino County Sheriff	Point Arena	Government Offices-County
Mendocino County Social Svc	Ukiah	Government Offices-County
Mendocino Redwood Co LLC	Calpella	Restaurants
MetalFx Inc	Willits	Sheet Metal Fabricators (mfrs)
Oak Point Ranch	Potter Valley	Vineyards
Pacific Coast Farm Credit	Ukiah	Loans-Agricultural
Safeway	Fort Bragg	Grocers-Retail
Sawmill	Ukiah	Sawmills & Planing Mills-General (mfrs)
Ukiah City Civic Ctr	Ukiah	Government Offices-City/Village & Twp
Ukiah High School	Ukiah	Schools
Ukiah Valley Medical Ctr	Ukiah	Hospitals
Walmart	Ukiah	Department Stores

Source: State of California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2022 1st edition.

[Remainder of page intentionally left blank]

Effective Buying Income

“Effective Buying Income” is defined as personal income less personal tax and nontax payments, a number often referred to as “disposable” or “after-tax” income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds), proprietor’s income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), nontax payments (fines, fees, penalties, etc.) and personal contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as “disposable personal income.”

The following table summarizes the total effective buying income for the City, the County, the State, and the United States for the period 2018 through 2022.

**CITY OF UKIAH, MENDOCINO COUNTY,
STATE OF CALIFORNIA AND UNITED STATES
EFFECTIVE BUYING INCOME
As of January 1, 2018 through 2022**

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2018	City of Ukiah	\$304,459	\$37,984
	Mendocino County	1,833,429	40,496
	California	1,113,648,181	59,646
	United States	8,640,770,229	50,735
2019	City of Ukiah	\$341,372	\$39,976
	Mendocino County	1,958,994	42,231
	California	1,183,264,399	62,637
	United States	9,017,967,563	52,841
2020	City of Ukiah	\$412,016	\$47,335
	Mendocino County	2,374,052	48,768
	California	1,243,564,816	65,870
	United States	9,487,165,436	55,303
2021	City of Ukiah	\$366,626	\$45,764
	Mendocino County	2,149,946	46,801
	California	1,290,894,604	67,956
	United States	9,809,944,764	56,790
2022	City of Ukiah	\$416,520	\$55,457
	Mendocino County	2,538,336	55,971
	California	1,452,426,153	77,058
	United States	11,208,582,541	64,448

Source: The Nielsen Company (US), Inc for year 2018; Claritas, LLC for 2019 through 2022.

Commercial Activity

A summary of historic taxable sales within the City and the County during the past five years in which data is available is shown in the following tables.

Total taxable sales during the first quarter of calendar year 2021 in the City were reported to be \$143,482,524, a 13.16% increase over the total taxable sales of \$126,801,383 reported during the first quarter of calendar year 2020.

CITY OF UKIAH
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
Calendar Years 2016 through 2020 (Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2016	478	\$415,019	775	\$467,938
2017	469	413,944	774	465,072
2018	457	432,223	803	485,110
2019	455	491,185	807	548,622
2020	461	520,425	814	582,571

Source: State Department of Tax and Fee Administration.

Total taxable sales during the first quarter of calendar year 2021 in the County were reported to be \$434,304,382, a 20.66% increase over the total taxable sales of \$359,950,406 reported during the first quarter of calendar year 2020.

COUNTY OF MENDOCINO
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
Calendar Years 2016 through 2020 (Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2016	2,489	\$1,075,436	4,145	\$1,424,943
2017	2,529	1,111,403	4,460	1,467,165
2018	2,492	1,150,832	4,796	1,490,850
2019	2,472	1,245,092	5,046	1,602,968
2020	2,567	1,350,609	5,232	1,728,692

Source: State Department of Tax and Fee Administration.

Construction Activity

Construction activity in the City and the County for the past five years for which data is available is shown in the following tables.

CITY OF UKIAH Building Permit Valuation For Calendar Years 2016 through 2020 (Dollars in Thousands)⁽¹⁾

	2016	2017	2018	2019	2020
<u>Permit Valuation</u>					
New Single-family	\$2,230.4	\$3,582.6	\$4,794.6	\$2,054.1	\$2,340.8
New Multi-family	8,400.0	0.0	0.0	0.0	3,526.4
Res. Alterations/Additions	850.3	1,133.6	10,268.4	627.8	991.5
Total Residential	11,480.7	4,716.2	15,063.0	2,681.9	6,858.7
New Commercial	654.0	3,403.7	5,699.5	331.6	1,973.3
New Industrial	78.2	0.0	0.0	14.6	0.0
New Other	667.0	505.1	1,877.1	244.9	700.0
Com. Alterations/Additions	726.4	726.8	845.0	608.0	613.1
Total Nonresidential	2,125.6	4,635.6	8,421.6	1,199.1	3,286.4
<u>New Dwelling Units</u>					
Single Family	13	16	25	11	9
Multiple Family	48	0	0	0	240
TOTAL	61	16	25	11	249

(1) Totals may not foot due to rounding.

Source: Construction Industry Research Board, Building Permit Summary.

MENDOCINO COUNTY Building Permit Valuation For Calendar Years 2016 through 2020 (Dollars in Thousands)⁽¹⁾

	2016	2017	2018	2019	2020
<u>Permit Valuation</u>					
New Single-family	\$11,628.5	\$17,779.4	\$29,034.7	\$22,296.2	\$20,148.2
New Multi-family	8,400.0	224.9	0.0	1,630.7	3,526.4
Res. Alterations/Additions	10,523.7	7,241.9	985.7	9,095.0	9,570.8
Total Residential	30,552.2	25,246.2	39,303.1	33,021.9	33,245.4
New Commercial	3,937.5	14,404.3	4,248.8	17,698.1	20,058.6
New Industrial	78.2	775.3	5.0	14.6	20,158.6
New Other	4,008.9	2,859.7	20,105.1	5,738.3	4,898.0
Com. Alterations/Additions	6,652.3	2,240.8	7,387.6	8,771.3	5,546.0
Total Nonresidential	14,676.9	20,280.1	31,746.5	32,222.3	50,661.2
<u>New Dwelling Units</u>					
Single Family	70	91	157	137	102
Multiple Family	48	2	0	8	240
TOTAL	118	93	157	145	342

(1) Totals may not foot due to rounding.

Source: Construction Industry Research Board, Building Permit Summary.

APPENDIX C

**SUMMARY OF CERTAIN PROVISIONS OF
PRINCIPAL LEGAL DOCUMENTS**

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

\$ _____
UKIAH PUBLIC FINANCING AUTHORITY
Lease Revenue Bonds, Series 2022
(Capital Projects)

This Continuing Disclosure Certificate (this “Disclosure Certificate”) is executed and delivered by the City of Ukiah (the “City”) in connection with the issuance by the Authority of the bonds captioned above (the “Bonds”). The Bonds are being issued under an Indenture of Trust dated as of February 1, 2022 (the “Indenture”), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”). The City hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth above and in the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“*Annual Report*” means any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“*Annual Report Date*” means April 1 of each year.

“*Dissemination Agent*” means NHA Advisors LLC, or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

“*Listed Events*” means any of the events listed in Section 5(a) of this Disclosure Certificate.

“*MSRB*” means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

“*Official Statement*” means the final official statement, executed by the City and the Authority in connection with the issuance of the Bonds.

“*Participating Underwriter*” means Oppenheimer & Co. Inc., the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“*Rule*” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing April 1, 2023, with the report for Fiscal Year 2021-22, provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 Business Days prior to the Annual Report Date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the City) has not received a copy of the Annual Report, the Dissemination Agent shall contact the City to determine if the City is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the City's Fiscal Year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b). The City shall provide a written certificate with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the City hereunder.

(b) If the City does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the City shall provide (or cause the Dissemination Agent to provide) in a timely manner to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The City's Annual Report shall contain or incorporate by reference the following:

(a) Audited Financial Statements of the City prepared in accordance with Generally Accepted Accounting Principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the City's audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) To the extent not contained in the audited financial statements filed pursuant to the preceding clause (a), the Annual Report shall contain information showing:

(i) the principal amount of Bonds outstanding as of June 30 preceding the filing of the Annual Report;

(ii) the balance in each fund under the Indenture as of June 30 preceding the filing of the Annual Report; and

(iii) updates to the substance of the information contained in the following tables in the Official Statement:

(A) General Fund Revenues, Expenditures and Fund Balances (most recent adopted budget), substantially in the form of Table 1;

(B) General Fund Revenues, Expenditures and Fund Balances (most recently completed fiscal year audited), substantially in the form of Table 3;

(C) General Fund Tax Revenues by Source, substantially in the form of Table 4;

(D) Taxable Transactions, substantially in the form of Table 6;

(E) Assessed Value of Taxable Property, substantially in the form of Table 7; and

(F) Top Twenty Local Secured Taxpayers, substantially in the form of Table 9.

(c) In addition to any of the information expressly required to be provided under this Disclosure Certificate, the City shall provide such further material information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission. The City shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) The City shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds:

- (1) Principal and interest payment delinquencies.
- (2) Non-payment related defaults, if material.
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (5) Substitution of credit or liquidity providers, or their failure to perform.
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.
- (7) Modifications to rights of security holders, if material.
- (8) Bond calls, if material, and tender offers.

- (9) Defeasances.
- (10) Release, substitution, or sale of property securing repayment of the securities, if material.
- (11) Rating changes.
- (12) Bankruptcy, insolvency, receivership or similar event of the City or other obligated person.
- (13) The consummation of a merger, consolidation, or acquisition involving the City or an obligated person, or the sale of all or substantially all of the assets of the City or an obligated person (other than in the ordinary course of business), the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (15) Incurrence of a financial obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect security holders, if material (for definition of "financial obligation," see clause (f)).
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City, any of which reflect financial difficulties (for definition of "financial obligation," see clause (f)).

(b) Whenever the City obtains knowledge of the occurrence of a Listed Event, the City shall, or shall cause the Dissemination Agent (if not the City) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsection (a)(8) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds under the Indenture.

(c) The City acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), (a)(14), and (a)(15) of this Section 5 contain the qualifier "if material" and that subparagraph (a)(6) also contains the qualifier "material" with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The City shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event's occurrence is material for purposes of U.S. federal securities law. Whenever the City obtains knowledge of the occurrence of any of these Listed Events, the City will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the City will cause a notice to be filed as set forth in paragraph (b) above.

(d) For the purposes of the event identified in (a)(12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(e) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

(f) For purposes of Section 5(a)(15) and (16), “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The City’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

Section 8. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign by providing 30 days’ written notice to the City.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Indenture for amendments to the Indenture with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the City to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative.

A notice of any amendment made pursuant to this Section 9 shall be filed in the same manner as for a Listed Event under Section 5(b).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the City, the Bond owners or any other party. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the City for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 14. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

Section 15. Governing Law. This Disclosure Certificate shall be governed by the laws of the state of California.

Date: _____, 2022

CITY OF UKIAH

By _____
 Name: _____
 Title: _____

ACCEPTED AND AGREED:

NHA Advisors LLC,
 As Dissemination Agent

By _____
 Authorized Representative

APPENDIX E

FORM OF OPINION OF BOND COUNSEL

[Closing Date]

Board of Directors
Ukiah Public Financing Authority
300 Seminary Avenue
Ukiah, California 95482

OPINION: \$_____ Ukiah Public Financing Authority
 Lease Revenue Bonds, Series 2022 (Capital Projects)

Members of the Board of the Directors:

We have acted as bond counsel to the Ukiah Public Financing Authority (the "Authority") in connection with the issuance by the Authority of its Lease Revenue Bonds, Series 2022 (Capital Projects) in the aggregate principal amount of \$_____ (the "Bonds"), under an Indenture of Trust dated as of February 1, 2022 (the "Indenture"), between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee, and under the provisions of Article 4 (commencing with Section 6584) of Chapter 5, Division 7, Title 1 of the California Government Code (the "Bond Law"). The Bonds are secured by Revenues as defined in the Indenture, including certain lease payments made by the City of Ukiah (the "City") under a Lease Agreement dated as of February 1, 2022 (the "Lease") between the Authority as lessor and the City as lessee. We have examined the Indenture, the Lease, the Bond Law and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Authority and the City contained in the Indenture, the Lease and in the certified proceedings, and upon other certifications furnished to us, without undertaking to verify the same by independent investigation. Based upon our examination, we are of the opinion, under existing law, as follows:

1. The Authority is a joint exercise of powers agency duly organized and existing under the laws of the State of California, with power to enter into the Indenture and the Lease, to perform the agreements on its part contained therein and to issue the Bonds.

2. The Bonds constitute legal, valid and binding special obligations of the Authority enforceable in accordance with their terms and payable solely from the sources provided therefor in the Indenture.

3. The Indenture and the Lease have been duly approved by the Authority and constitute the legal, valid and binding obligations of the Authority enforceable against the Authority in accordance with their respective terms.

4. The Indenture establishes a valid first and exclusive lien on and pledge of the Revenues (as that term is defined in the Indenture) and other funds pledged thereby for the security of the Bonds, in accordance with the terms of the Indenture.

5. The City is a municipal corporation duly organized and existing under the laws of the State of California, with power to enter into the Lease and to perform the agreements on its part contained therein. The Lease has been duly approved by the City and constitutes a legal, valid and binding obligation of the City enforceable against the City in accordance with its terms.

6. Interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. The opinions set forth in the preceding sentence are subject to the condition that the Authority and the City comply with all requirements of the Internal Revenue Code of 1986, as amended, which must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Authority and the City have covenanted in the Indenture, the Lease and in other instruments relating to the Bonds to comply with each of such requirements, and the Authority and the City have full legal authority to make and comply with such covenants. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the ownership, sale or disposition of the Bonds, or the amount, accrual or receipt of interest on the Bonds.

7. Interest on the Bonds is exempt from California personal income taxation.

We express no opinion regarding any other tax consequences arising with respect to the ownership, sale or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds, the Indenture and the Lease may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and may also be subject to the exercise of judicial discretion in appropriate cases.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur. Our engagement with respect to this matter has terminated as of the date hereof.

Respectfully submitted,

A Professional Law Corporation

APPENDIX F

DTC AND THE BOOK-ENTRY ONLY SYSTEM

The following description of the Depository Trust Company (“DTC”), the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Neither the issuer of the Bonds (the “Issuer”) nor the trustee appointed with respect to the Bonds (the “Agent”) take any responsibility for the information contained in this Appendix.

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current “Rules” applicable to DTC are on file with the Securities and Exchange Commission and the current “Procedures” of DTC to be followed in dealing with DTC Participants are on file with DTC.

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the securities (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding

company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of _____. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. *The information contained on this Internet site is not incorporated herein by reference.*

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting

rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

§ _____
**UKIAH PUBLIC FINANCING AUTHORITY
LEASE REVENUE BONDS, SERIES 2022
(CAPITAL PROJECTS)**

BOND PURCHASE AGREEMENT

_____, 2022

Ukiah Public Financing Authority
300 Seminary Avenue
Ukiah, CA 95482

City of Ukiah
300 Seminary Avenue
Ukiah, CA 95482

Ladies and Gentlemen:

The undersigned Piper Sandler & Co. (the “Underwriter”) offers to enter into this Bond Purchase Agreement (this “Purchase Agreement”) with the Ukiah Public Financing Authority (the “Authority”) and the City of Ukiah, California (the “City”), which, upon the acceptance by the Authority and the City, will be binding upon the Authority, the City and the Underwriter. This offer is made subject to acceptance by the Authority and by the City by the execution of this Purchase Agreement and delivery of the same to the Underwriter prior to 11:59 P.M., California time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the Authority and the City at any time prior to the acceptance hereof by the Authority and the City. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Indenture (defined herein).

Section 1. Purchase and Sale. Upon the terms and conditions and on the basis of the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the Authority, and the Authority hereby agrees to issue, sell and deliver to the Underwriter all (but not less than all) of the Ukiah Public Financing Authority Lease Revenue Bonds, Series 2022 (Capital Projects) (the “Bonds”). The Bonds shall be dated as of their date of delivery. Interest on the Bonds shall be payable semiannually on April 1 and October 1 of each year, commencing April 1, 2022 (each an “Interest Payment Date”), and will bear interest at the rates and on the dates as set forth in Exhibit A hereto.

The purchase price for the Bonds shall be \$_____ (which represents the principal amount of the Bonds in the amount of \$_____, [plus a premium in the amount of \$_____], less an Underwriter’s discount of \$_____).

The City and Authority acknowledge and agree that: (i) the purchase and sale of the Bonds pursuant to this Purchase Agreement is an arm’s-length commercial transaction among the City, the Authority and the Underwriter; (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and is not acting as a municipal advisor (as defined in Section 15B of the Securities

Exchange Act of 1934, as amended), financial advisor or fiduciary; (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the City or the Authority with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the City or the Authority on other matters); and (iv) the City and the Authority have consulted their own legal, financial, municipal and other advisors to the extent they have deemed appropriate.

Section 2. The Bonds. The Bonds shall be secured by the Revenues (as defined in the Indenture, dated as of January 1, 2022 (the “Indenture”), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”)) consisting primarily of base rental payments (“Base Rental Payments”) to be paid by the City pursuant to the Lease Agreement, dated as of January 1, 2022 (the “Lease Agreement”), by and between the Authority and the City. The Authority’s right to receive the Base Rental Payments due under the Lease Agreement and to exercise remedies upon default under such Lease Agreement shall be assigned to the Trustee for the benefit of the owners of the Bonds pursuant to an Assignment Agreement, dated as of January 1, 2022 (the “Assignment Agreement”), by and between the Authority and the Trustee.

The Bonds are being issued to (i) reconstruct the City’s corporation yard and construct improvements to various City streets, as described in the Official Statement; and (ii) fund the costs of issuance associated with the issuance and sale of the Bonds.

Section 3. Public Offering and Establishment of Issue Price. The Underwriter agrees to make a *bona fide* initial public offering of all the Bonds at the public offering prices (or yields) set forth on Exhibit A attached hereto and incorporated herein by reference. Subsequent to the initial public offering, the Underwriter reserves the right to change the public offering prices (or yields) as they deem necessary in connection with the marketing of the Bonds, provided that the Underwriter shall not change the interest rates set forth on Exhibit A. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices.

The Underwriter agrees to assist the Authority in establishing the issue price of the Bonds and shall execute and deliver to the Authority at Closing (as defined below) an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Authority and Bond Counsel (as defined below), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.

The Authority will treat the first price at which 10% of each maturity of the Bonds (the “10% test”), identified as “10% Test Used” in Exhibit A, is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Purchase Agreement, the Underwriter shall report to the Authority the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the Authority the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date (as defined below) has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the public.

The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Exhibit A attached hereto, except as otherwise set forth therein. Exhibit A also

sets forth, identified under the column “Hold the Offering Price Rule Used,” as of the date of this Purchase Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the Authority and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Authority to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (i) the close of the fifth (5th) business day after the sale date; or
- (ii) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter shall promptly advise the Authority when it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

The Underwriter acknowledges that sales of any Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

- (i) “public” means any person other than an underwriter or a related party;
- (ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public);
- (iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and
- (iv) “sale date” means the date of execution of this Purchase Agreement by all parties.

Section 4. The Official Statement. By their acceptance of this Purchase Agreement, the Authority and the City ratify, confirm and approve of the use and distribution by the Underwriter prior to the date hereof of the Preliminary Official Statement relating to the Bonds, dated _____, 2022 (including the cover page, all appendices and all information incorporated therein and any supplements or amendments thereto and as disseminated in its printed physical form or in electronic form in all respects materially consistent with such physical form, the “Preliminary Official Statement”) that authorized officers of the City and the Authority deemed “final” as of its date, for purposes of Rule 15c2-12

promulgated under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”) except for certain omissions permitted to be omitted therefrom by Rule 15c2-12. The Authority and the City hereby agree to deliver or cause to be delivered to the Underwriter, within seven (7) business days of the date hereof, copies of the final official statement, dated the date hereof, relating to the Bonds (including all information previously permitted to have been omitted by Rule 15c2-12, the cover page, all appendices, all information incorporated therein and any amendments or supplements as have been approved by the Authority, the City and the Underwriter (the “Official Statement”)) in such quantity as the Underwriter shall reasonably request to comply with Rule 15c2-12(b)(4) and the rules of the Municipal Securities Rulemaking Board (the “MSRB”).

Section 5. Closing. At 8:30 a.m., California time, on _____, 2022, or at such other time or date as the Authority, the City and the Underwriter mutually agreed upon, the Authority shall deliver or cause to be delivered to the Trustee, and the Trustee shall deliver or cause to be delivered through the facilities of The Depository Trust Company, New York New York (“DTC”), the Bonds in definitive form, duly executed and authenticated. Concurrently with the delivery of the Bonds, the Authority and the City shall deliver the documents hereinafter mentioned at the offices of The Weist Law Firm, Los Gatos, California (“Bond Counsel”) or another place to be mutually agreed upon by the Authority, the City and the Underwriter. The Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof by wire transfer in immediately available funds. This payment for and delivery of the Bonds, together with the delivery of the aforementioned documents referenced herein, is called the “Closing.”

The Bonds shall be registered in the name of Cede & Co., as nominee of DTC in denominations of \$5,000 and any integral multiple thereof, and shall be made available to the Underwriter at least one (1) business day before the Closing for purposes of inspection and packaging. The Authority and the City acknowledge that the services of DTC will be used initially by the Underwriter to permit the issuance of the Bonds in book-entry form, and agree to cooperate fully with the Underwriter in employing such services.

Section 6. Representations, Warranties and Covenants of the Authority. The Authority represents, warrants and covenants to the Underwriter and the City that:

(a) The Authority is and will be at the date of Closing a joint exercise of powers authority organized and existing under the laws of the State of California (the “State”), including Section 6500 *et seq.* of the Government Code of the State of California (the “JPA Act”) with all necessary power and authority to enter into and perform its duties under the Site and Facility Lease, dated as of January 1, 2022 (the “Site Lease”), by and between the City and the Authority, the Lease Agreement, the Indenture, the Assignment Agreement, and this Purchase Agreement (collectively, the “Authority Documents”).

(b) The Authority has complied with all filing requirements of the JPA Act.

(c) By official action of the Authority prior to or concurrently with the acceptance hereof, the Authority has duly approved the distribution of the Preliminary Official Statement and the distribution of the Official Statement (including in electronic form), and has duly authorized and approved the execution and delivery of, and the performance by the Authority of the obligations on its part contained, in the Authority Documents. When executed and delivered, each Authority Document will constitute the legal, valid and binding obligation of the Authority enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors’ rights generally.

(d) Prior to the date hereof, the Authority has provided to the Underwriter for its review the Preliminary Official Statement that an authorized officer of the Authority has deemed final for purposes of Rule 15c2-12, has approved the distribution of the Preliminary Official Statement and the Official Statement and has duly authorized the execution and delivery of the Official Statement (including in electronic form). The Preliminary Official Statement, at the date thereof, did not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein (other than the information relating to DTC and its book-entry system, as to which no view is expressed), in light of the circumstances under which they were made, not misleading. As of the date hereof and on the Closing, the final Official Statement did not and will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein (other than the information relating to DTC and its book-entry system, as to which no view is expressed), in light of the circumstances under which they were made, not misleading.

(e) The execution and delivery by the Authority of the Authority Documents and the approval and execution by the Authority of the Official Statement and compliance with the provisions on the Authority's part contained in the Authority Documents, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or is otherwise subject to, which conflict, breach or default has or may have a material adverse effect on the ability of the Authority to carry out its obligations under the Authority Documents, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any material lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the Authority under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, trust agreement, bond, note, resolution, agreement or other instrument, except as provided by the Authority Documents.

(f) The Authority will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not effect or consent to any such amendment or supplement without the consent of the Underwriter, which consent will not be unreasonably withheld. The Authority will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds.

(g) The Authority is not in breach of or default under any applicable law or administrative regulation of the State or the United States of America or any applicable judgment or decree or any loan agreement, indenture, trust agreement, bond, note, resolution, agreement or other instrument to which the Authority is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument, in each case which breach or default has or may have a material adverse effect on the ability of the Authority to perform its obligations under the Authority Documents.

(h) As of the time of acceptance hereof and as of the date of Closing, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, is pending with respect to which the Authority has been served or, to the best knowledge of the officers of the Authority, threatened (i) in any way questioning the corporate existence of the Authority or the titles of the officers of the Authority to their respective offices, (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the execution or delivery of any of the Bonds, or in any way contesting or affecting the validity of the Bonds or the Authority Documents or the consummation of the transactions contemplated thereby, or contesting the exclusion of the interest on the Bonds from gross income for federal income tax purposes or contesting the powers of the Authority to

enter into the Authority Documents or (iii) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clause (i) through (iii) of this sentence.

(i) Any certificate signed by any officer of the Authority authorized to execute such certificate in connection with the issuance, sale and delivery of the Bonds and delivered to the Underwriter shall be deemed a representation and warranty of the Authority to the Underwriter and the City as to the statements made therein but not of the person signing such certificate.

(j) The Authority will apply the proceeds of the Bonds in accordance with the Indenture.

Section 7. Representations, Warranties and Covenants of the City. The City represents, warrants and covenants to the Underwriter and the Authority that:

(a) The City is and will be at the date of Closing a municipal corporation and duly organized and existing pursuant to and under the Constitution and laws of the State and has all necessary power and authority to enter into and perform its duties under the Continuing Disclosure Certificate relating to the Bonds (the “Continuing Disclosure Certificate”), the Site Lease, the Lease Agreement, and this Purchase Agreement (collectively, the “City Documents” and, together with the Authority Documents, the “Legal Documents”) and has by official action duly authorized and approved the execution and delivery of, and the performance by the City of the obligations on its part contained in the City Documents.

(b) By official action of the City prior to or concurrently with the acceptance hereof, the City has duly approved the distribution of the Preliminary Official Statement and the distribution of the Official Statement (including in electronic form), and has duly authorized and approved the execution and delivery of, and the performance by the City of the obligations on its part contained, in the City Documents. When executed and delivered, each City Document will constitute the legally valid and binding obligation of the City enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors’ rights generally.

(c) The Preliminary Official Statement heretofore delivered to the Underwriter is hereby deemed final by the City as of its date and as of the date hereof, except for the omission of such information as is permitted to be omitted in accordance with paragraph (b)(i) of Rule 15c2-12. The Preliminary Official Statement, at the date thereof, did not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein (other than the information relating to DTC and its book-entry system, as to which no view is expressed), in the light of the circumstances under which they were made, not misleading. As of the date hereof and on the Closing, the final Official Statement did not and will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein (other than the information relating to DTC and its book-entry system, as to which no view is expressed), in the light of the circumstances under which they were made, not misleading.

(d) The execution and delivery by the City of the City Documents and the approval by the City of the Official Statement and compliance with the provisions on the City’s part contained in

the City Documents, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, trust agreement, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject to, which conflict, breach or default has or may have a material adverse effect on the ability of the City to carry out its obligations under the City Documents, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any material lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of City under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, trust agreement, bond, note, resolution, agreement or other instrument, except as provided by the City Documents.

(e) The City will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not effect or consent to any such amendment or supplement without the consent of the Underwriter, which consent will not be unreasonably withheld. The City will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental authority prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds.

(f) The City is not in breach of or default under any applicable law or administrative regulation of the State or the United States of America or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument, in each case which breach or default has or may have a material adverse effect on the ability of the City to perform its obligations under the City Documents.

(g) The financial statements relating to the receipts, expenditures and cash balances of the City as of June 30, 2021 as set forth in the Official Statement fairly represent the receipts, expenditures and cash balances of the General Fund. Except as disclosed in the Preliminary Official Statement, the Official Statement or otherwise disclosed in writing to the Underwriter, there has not been any materially adverse change in the financial condition of the General Fund or in its operations since June 30, 2019 and, except as disclosed in the Preliminary Official Statement, the Official Statement or otherwise disclosed in writing to the Underwriter, there has been no occurrence, circumstance or combination thereof which is reasonably expected to result in any such materially adverse change.

(h) As of the time of acceptance hereof and as of the date of Closing, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, is pending or, to the knowledge of the officers of the City, threatened (i) in any way questioning the corporate existence of the City or the titles of the officers of the City to their respective offices; (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the execution or delivery of any of the Bonds, or in any way contesting or affecting the validity of the Bonds or the City Documents or the consummation of the transactions contemplated thereby, or contesting the exclusion of the interest on the Bonds from gross income for federal income tax purposes or contesting the power of the City to enter into the City Documents; (iii) which may result in any material adverse change to the financial condition of the City or to its ability to pay the Base Rental Payments when due; or (iv) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clause (i) through (iv) of this sentence.

(i) To the extent required by law, the City will undertake, pursuant to the Continuing Disclosure Certificate, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement. Except as otherwise disclosed in the Preliminary Official Statement, the City has not failed to comply in all material respects with any previous undertakings with regard to the Rule 15c2-12 to provide annual reports or notices of enumerated events in the past five years.

(j) Any certificate signed by any officer of the City authorized to execute such certificate in connection with the issuance, sale and delivery of the Bonds and delivered to the Underwriter shall be deemed a representation and warranty of the City to the Underwriter and the Authority as to the statements made therein but not of the person signing such certificate.

(k) As of the date hereof, the City does not have any material obligations secured by payments from the General Fund of the City, except as disclosed in the Official Statement.

Section 8. Conditions to the Obligations of the Underwriter. The Underwriter has entered into this Purchase Agreement in reliance upon the representations and warranties of the Authority and the City contained herein. The obligations of the Underwriter to accept delivery of and pay for the Bonds on the date of the Closing shall be subject, at the option of the Underwriter, to the accuracy in all respects of the statements of the officers and other officials of the Authority and of the City, as well as authorized representatives of Bond Counsel, Disclosure Counsel and the Trustee made in any Bonds or other documents furnished pursuant to the provisions hereof; to the performance by the Authority and the City of their obligations to be performed hereunder at or prior to the date of the Closing; and to the following additional conditions:

(a) The representations, warranties and covenants of the City and the Authority contained herein shall be true, complete and correct at the date hereof and at the time of the Closing, as if made on the date of the Closing;

(b) At the time of Closing, the Legal Documents shall be in full force and effect as valid and binding agreements between or among the various parties thereto, and the Legal Documents and the Official Statement shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter, and all such reasonable actions as, in the opinion of Bond Counsel, shall reasonably deem necessary in connection with the transactions contemplated hereby;

(c) At the time of the Closing, no default shall have occurred or be existing under the Authority Documents, the City Documents, or any other agreement or document pursuant to which any of the City's financial obligations were executed and delivered, and the City shall not be in default in the payment of principal or interest with respect to any of its financial obligations, which default would adversely impact the ability of the City to make the Base Rental Payments;

(d) In recognition of the desire of the Authority, the City and the Underwriter to effect a successful public offering of the Bonds, and in view of the potential adverse impact of any of the following events on such a public offering, this Purchase Agreement shall be subject to termination in the absolute discretion of the Underwriter by notification, in writing, to the Authority and the City prior to delivery of and payment for the Bonds, if at any time prior to such time, regardless of whether any of the following statements of fact were in existence or known of on the date of this Purchase Agreement:

(i) any event shall occur which makes untrue any statement or results in an omission to state a material fact necessary to make the statements in the Official Statement, in the light of the circumstances under which they were made, not misleading,

which event, in the reasonable opinion of the Underwriter would materially or adversely affect the ability of the Underwriter to market the Bonds; or

(ii) the marketability of the Bonds or the market price thereof, in the reasonable opinion of the Underwriter, has been materially adversely affected by an amendment to the Constitution of the United States of America or by any legislation in or by the Congress of the United States of America or by the State, or the amendment of legislation pending as of the date of this Purchase Agreement in the Congress of the United States of America, or the recommendation to Congress or endorsement for passage (by press release, other form of notice or otherwise) of legislation by the President of the United States of America, the Treasury Department of the United States of America, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or the proposal for consideration of legislation by either such Committee or by any member thereof, or the presentment of legislation for consideration as an option by either such Committee, or by the staff of the Joint Committee on Taxation of the Congress of the United States of America, or the favorable reporting for passage of legislation to either House of the Congress of the United States of America by a Committee of such House to which such legislation has been referred for consideration, or any decision of any federal or state court or any ruling or regulation (final, temporary or proposed) or official statement on behalf of the United States Treasury Department, the Internal Revenue Service or other federal or State authority affecting the federal or State tax status of the Authority or the City, or the interest on or with respect to bonds or notes (including the Bonds); or

(iii) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by any governmental body, department or agency of the State, or a decision by any court of competent jurisdiction within the State shall be rendered which materially adversely affects the market price of the Bonds; or

(iv) an order, decree or injunction issued by any court of competent jurisdiction, or order, ruling, regulation (final, temporary or proposed), official statement or other form of notice or communication issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that: (i) obligations of the general character of the Bonds, or the Bonds, including any or all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended, or that the Indenture is not exempt from qualification under the Trust Indenture Act of 1939, as amended; or (ii) the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including any or all underlying obligations, as contemplated hereby or by the Official Statement, is or would be in violation of the federal securities laws as amended and then in effect; or

(v) legislation shall be enacted by the Congress of the United States of America, or a decision by a court of the United States of America shall be rendered, to the effect that obligations of the general character of the Bonds, or the Bonds are not exempt from registration under or other requirements of the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect, or that the Indenture is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended and as then in effect; or

(vi) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any domestic governmental authority or by any domestic national securities exchange, which are material to the marketability of the Bonds; or

(vii) a general banking moratorium shall have been declared by federal, State or New York authorities, or the general suspension of trading on any national securities exchange; or

(viii) there shall have occurred any outbreak or escalation of hostilities, declaration by the United States of America of a national emergency or war or other calamity or crisis the effect of which on financial markets is materially adverse such as to make it, in the sole judgment of the Underwriter, impractical to proceed with the purchase or delivery of the Bonds as contemplated by the final Official Statement (exclusive of any amendment or supplement thereto); or

(ix) any rating of the Bonds or the rating of any obligations of the City secured by the City's general fund shall have been downgraded or withdrawn by a national rating service, which, in the reasonable opinion of the Underwriter, materially adversely affects the market price of the Bonds; or

(x) the commencement of any action, suit or proceeding described in Section 6(h) or Section 7(h);

(e) at or prior to the Closing, the Underwriter shall receive the following documents, in each case to the reasonable satisfaction in form and substance of the Underwriter:

(i) all resolutions relating to the Bonds adopted by the Authority and certified by an authorized official of the Authority authorizing the execution and delivery of the Bonds, the Authority Documents and the Official Statement;

(ii) all resolutions relating to the Bonds adopted by the City and certified by an authorized official of the City authorizing the execution and delivery of the City Documents and the delivery of the Bonds and the Official Statement;

(iii) the Legal Documents duly executed and delivered by the respective parties thereto, with only such amendments, modifications or supplements as may have been agreed to in writing by the Underwriter;

(iv) the approving opinion of Bond Counsel, dated the date of Closing and addressed to the Authority and the City, in substantially the form attached as Appendix E to the Official Statement, together with a reliance letter thereon addressed to the Underwriter;

(v) a supplemental opinion of Bond Counsel dated the date of Closing and addressed to the Underwriter, to the effect that:

(A) the statements on the cover of the Official Statement and in the Official Statement under the captions "INTRODUCTION," "THE BONDS," "SECURITY FOR THE BONDS," and "TAX MATTERS," and in APPENDIX A – "SUMMARY OF PRINCIPAL LEGAL DOCUMENTS,"

APPENDIX C – “FORM OF CONTINUING DISCLOSURE CERTIFICATE” and APPENDIX E – “FORM OF OPINION OF BOND COUNSEL,” and excluding any material that may be treated as included under such captions and appendices by any cross-reference, insofar as such statements expressly summarize provisions of the Bonds, the Site Lease, the Lease Agreement, the Assignment Agreement, the Indenture, and Bond Counsel’s final opinion concerning the Bonds, are accurate in all material respects as of the date of Closing.

(B) the Purchase Agreement has been duly authorized, executed and delivered by the Authority and the City and is the valid, legal and binding agreement of the Authority and the City enforceable in accordance with its terms, except that the rights and obligations under the Purchase Agreement are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors’ rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State.

(C) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended.

(vi) the Official Statement, executed on behalf of the Authority and the City;

(vii) evidence that the Bonds have received an underlying rating of “___” by S&P Global Ratings;

(viii) a certificate, dated the date of Closing, signed by a duly authorized officer of the Authority satisfactory in form and substance to the Underwriter to the effect that: (i) the representations, warranties and covenants of the Authority contained in this Purchase Agreement are true and correct in all material respects on and as of the date of Closing with the same effect as if made on the date of the Closing by the Authority, and the Authority has complied with all of the terms and conditions of this Purchase Agreement required to be complied with by the Authority at or prior to the date of Closing; (ii) to the best of such officer’s knowledge, no event affecting the Authority has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purposes for which it is to be used or which is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect; (iii) the information and statements contained in the Official Statement (other than information relating to DTC and its book-entry system) did not as of its date and do not as of the Closing contain an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect; and (iv) the Authority is not in breach of or default under any applicable law or administrative regulation of the State or the United States of America or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or is otherwise subject, which would have a material adverse impact on the Authority’s ability to perform its obligations under the Authority Documents, and no event has occurred and is continuing which, with the

passage of time or the giving of notice, or both, would constitute such a default or an event of default under any such instrument;

(ix) a certificate, dated the date of Closing, signed by a duly authorized officer of the City satisfactory in form and substance to the Underwriter to the effect that: (i) the representations, warranties and covenants of the City contained in this Purchase Agreement are true and correct in all material respects on and as of the date of Closing with the same effect as if made on the date of the Closing by the City, and the City has complied with all of the terms and conditions of the Purchase Agreement required to be complied with by the City at or prior to the date of Closing; (ii) to the best of such officer's knowledge, no event affecting the City has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purposes for which it is to be used or which is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect; (iii) the information and statements contained in the Official Statement (other than information relating to DTC and its book-entry system) did not as of its date and do not as of the Closing contain an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect; (iv) the City is not in breach of or default under any applicable law or administrative regulation of the State or the United States of America or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement (including but not limited to the Lease Agreement) or other instrument to which the City is a party or is otherwise subject, which would have a material adverse impact on the City's ability to perform its obligations under the City Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute such a default or an event of default under any such instrument; and (v) no further consent is required for inclusion of its audited financial statements in the Official Statement;

(x) an opinion dated the date of Closing and addressed to the Underwriter, the Trustee and Bond Counsel, of the Office of the City Attorney of the City, as Counsel to the Authority, to the effect that:

(A) the Authority is a joint exercise of powers authority organized and existing under the laws of the State of California;

(B) the resolution of the Authority approving and authorizing the execution and delivery of the Authority Documents, the Bonds and the Official Statement and other actions of the Authority was duly adopted at a meeting of the governing body of the Authority which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and the resolution is now in full force and effect and has not been amended or superseded in any way;

(C) there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or public body pending with respect to which the Authority has been served or, to the best of such counsel's knowledge, threatened against or affecting the Authority, except as may be disclosed in the Official Statement, which would materially adversely impact the Authority's ability to complete the transactions contemplated by the Authority Documents, the Official Statement or any other document or certificate related to such

transactions, restrain or enjoin the collection of Base Rental Payments with respect to the Lease Agreement, or in any way contesting or affecting the validity of the Bonds, the Official Statement, the Authority Documents or the transactions described in and contemplated thereby wherein an unfavorable decision, ruling or finding would materially adversely affect the validity and enforceability of the Bonds or the Authority Documents or in which a final adverse decision could materially adversely affect the operations of the Authority;

(D) the execution and delivery of the Authority Documents and the issuance of the Bonds and compliance with the provisions thereof, do not and will not in any material respect conflict with or constitute on the part of the Authority a breach of or default under any agreement or other instrument to which the Authority is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the Authority is subject, which breach or default has or may have a material adverse effect on the ability of the Authority to perform its obligations under the Authority Documents; and

(E) no authorization, approval, consent, or other order of the State of California or any other governmental body within the State of California is required for the valid authorization, execution and delivery of the Authority Documents or the Official Statement by the Authority or the consummation by the Authority of the transactions on its part contemplated therein, except such as have been obtained and except such as may be required under state securities or blue sky laws in connection with the purchase and distribution of the Bonds by the Underwriter.

(xi) an opinion dated the date of Closing and addressed to the Underwriter, the Trustee and the Bond Counsel, of the Office of the City Attorney of the City, to the effect that:

(A) the City is a municipal corporation duly organized and validly existing under the Constitution and laws of the State of California;

(B) the resolution of the City approving and authorizing the execution and delivery of the City Documents and approving and authorizing the issuance of the Bonds and the delivery of the Official Statement and other actions of the City was duly adopted at a meeting of the governing body of the City which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and the resolution is now in full force and effect and has not been amended or superseded in any way;

(C) there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or public body pending with respect to which the City has been served or, to the best of such City Attorney's knowledge, threatened against or affecting the City, except as may be disclosed in the Official Statement, which would materially adversely impact the City's ability to complete the transactions contemplated by the City Documents, the Official Statement or any other document or certificate related to such transactions, restrain or enjoin the collection of Base Rental Payments with respect to the

Lease Agreement, or in any way contesting or affecting the validity of the Bonds, the Official Statement or the City Documents;

(D) the execution and delivery of the City Documents and compliance with the provisions thereof, do not and will not in any material respect conflict with or constitute on the part of the City a breach of or default under any agreement or other instrument to which the City is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the City is subject, which breach or default has or may have a material adverse effect on the ability of the City to perform its obligations under the City Documents; and

(E) no authorization, approval, consent, or other order of the State of California or any other governmental body within the State of California is required for the valid authorization, execution and delivery of the City Documents or the consummation by the City of the transactions on its part contemplated therein, except such as have been obtained and except such as may be required under state securities or blue sky laws in connection with the purchase and distribution of the Bonds by the Underwriter.

(xii) an opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Disclosure Counsel to the Authority and the City dated the date of Closing and addressed to the Authority, the City, the Underwriter in the form set forth in Exhibit C;

(xiii) an opinion of counsel to the Trustee, addressed to the Underwriter and the Authority, dated the date of the Closing, to the effect that:

(A) the Trustee is a national banking association duly organized and validly existing under the laws of the United States of America, having full corporate power to undertake the trust created under the Indenture;

(B) the Indenture and the Assignment Agreement (together, the “Trustee Documents”) have each been duly authorized, executed and delivered by the Trustee and, assuming due authorization, execution and delivery by the other parties thereto, the Trustee Documents constitute the valid, legal and binding obligations of the Trustee enforceable in accordance with their terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors’ rights generally and by the application of equitable principles, if equitable remedies are sought;

(C) the Trustee has duly authenticated the Bonds upon the order of Authority;

(D) the Trustee’s actions in executing and delivering the Trustee Documents are in full compliance with, and do not conflict with any applicable law or governmental regulation and, to the best of such counsel’s knowledge, after reasonable inquiry with respect thereto, do not conflict with or violate any contract to which the Trustee is a party or any administrative or judicial decision by which the Trustee is bound; and

(E) no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the banking or trust powers of the Trustee that has not been obtained is or will be required for the execution and delivery of the Bonds or the consummation by the Trustee of its obligations under the Trustee Documents.

(xiv) a certificate, dated the date of Closing, signed by a duly authorized officer of the Trustee satisfactory in form and substance to the Underwriter, to the effect that:

(A) the Trustee is duly organized and existing as a national banking association under the laws of the United States of America, having the full corporate power and authority to enter into and perform its duties under the Trustee Documents;

(B) the Trustee is duly authorized to enter into the Trustee Documents and has duly executed and delivered the Trustee Documents, and assuming due authorization and execution by the other parties thereto, the Trustee Documents are legal, valid and binding upon the Trustee and enforceable against such party in accordance with its terms;

(C) the Trustee has duly authenticated the Bonds under the Indenture and delivered the Bonds to or upon the order of the Underwriter;

(D) no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the banking or trust powers of the Trustee that has not been obtained is required for the execution and delivery of the Bonds or the consummation by the Trustee of its obligations under the Trustee Documents; and

(E) to the knowledge of the Trustee, there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or public body pending or threatened against or affecting the Trustee, which would materially adversely impact the Trustee's ability to complete the transactions contemplated by the Trustee Documents.

(xv) the preliminary and final forms required to be delivered to the California Debt and Investment Advisory Commission pursuant to Section 53583 of the Government Code of the State of California and Section 8855(i) and (j) of the Government Code;

(xvi) a copy of the executed Blanket Issuer Letter of Representations by and between the Authority and DTC relating to the book-entry system;

(xvii) the tax and nonarbitrage certificate by the Authority and the City in form and substance to the reasonable satisfaction of Bond Counsel, the Underwriter and Norton Rose Fulbright US LLP ("Underwriter's Counsel");

(xviii) a Certificate of the City's engineer documenting the value of the streets serving as the Leased Facilities in form and substance acceptable to the Underwriter;

(xix) an opinion of Underwriter's Counsel in form and substance acceptable to the Underwriter;

(xx) a Rule 15c2-12 certificate, dated the date of the Preliminary Official Statement, of the City;

(xxi) a Rule 15c2-12 certificate, dated the date of the Preliminary Official Statement, of the Authority;

(xxii) a certified copies of the Joint Exercise of Powers Agreement establishing the Authority, and all amendments thereto, and related certificates issued by the Secretary of State of the State; and

(xxiii) such additional legal opinions, Bonds, proceedings, instruments or other documents as the Underwriter or Underwriter's Counsel may reasonably request.

Section 9. Changes in Official Statement. Within 90 days after the Closing or within 25 days following the "end of the underwriting period" (as defined in Rule 15c2-12), whichever occurs first, if any event relating to or affecting the Bonds, the Trustee, the City or the Authority shall occur as a result of which it is necessary, in the reasonable opinion of the Underwriter, to amend or supplement the Official Statement in order to make the Official Statement not misleading in any material respect in the light of the circumstances existing at the time it is delivered to a purchaser, the Authority will forthwith prepare and furnish to the Underwriter an amendment or supplement that will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to purchaser, not misleading. The City and the Authority shall cooperate with the Underwriter in the filing by the Underwriter of such amendment or supplement to the Official Statement with the MSRB. The Underwriter acknowledges that the "end of the underwriting period" will be the date of Closing unless the Underwriter otherwise notifies the City in writing that it still owns some or all of the Bonds.

Section 10. Expenses. (a) Whether or not the Underwriter accepts delivery of and pays for the Bonds as set forth herein, it shall be under no obligation to pay, and the Authority shall pay, or cause the City to pay, out of the proceeds of the Bonds or any other legally available funds of the City or the Authority, all expenses incidental to the performance of the Authority's obligations hereunder, including but not limited to the cost of printing and delivering the Legal Documents to the Underwriter; the costs of printing and shipping and electronic distribution of the Preliminary Official Statement and the Official Statement in reasonable quantities; the fees and disbursements of the Authority, the Trustee and its counsel, Bond Counsel, Authority Counsel, the City Attorney, accountants, engineers, appraisers, economic consultants and any other experts or consultants retained by the City or the Authority in connection with the issuance and sale of the Bonds; rating agency fees; advertising expenses; and any other expenses not specifically enumerated in paragraph (b) of this Section incurred in connection with the issuance and sale of the Bonds. The Authority shall pay, or cause the City to pay out of the proceeds of the Bonds, for any expenses incurred by the Underwriter on behalf of the City's or the Authority's employees and representatives which are incidental to implementing this Purchase Agreement, including, but not limited to, meals, transportation, and lodging of those employees and representatives.

(b) Whether or not the Bonds are delivered to the Underwriter as set for herein, the Authority shall be under no obligation to pay, and the Underwriter shall be responsible for and pay (which may be included as an expense component of the Underwriter's discount), MSRB, CUSIP Bureau and CDIA fees and expenses to qualify the Bonds for sale under any "blue sky" laws; and all other expenses incurred

by the Underwriter in connection with its public offering and distribution of the Bonds not specifically enumerated in paragraph (a) of this Section, including the cost of preparing this Purchase Contract and other Underwriter documents, travel expenses and the fees and disbursements of Underwriter's Counsel.

Section 11. Notices. Any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to Piper Sandler & Co., 50 California Street, Suite 3100, San Francisco, CA 94111, Attention: Ralph J. Holmes, Managing Director. Any notice or communication to be given the Authority under this Purchase Agreement may be given by delivering the same in writing to the City at the address below, Attention: Executive Director. Any notice or communication to be given the City under this Purchase Agreement may be given by delivering the same in writing to the City of Ukiah, 300 Seminary Avenue, Ukiah, CA 95482, Attention: City Manager. All notices or communications hereunder by any party shall be given and served upon each other party.

Section 12. Parties in Interest. This Purchase Agreement is made solely for the benefit of the Authority, the City and the Underwriter (including the successors or assigns thereof) and no other person shall acquire or have any right hereunder or by virtue hereof. All representations, warranties and agreements of the Authority and the City in this Purchase Agreement shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Underwriter and shall survive the delivery of and payment for the Bonds.

Section 13. Counterparts. This Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

[Remainder of page intentionally left blank.]

Section 14. Governing Law. This Purchase Agreement shall be governed by and construed in accordance with the laws of the State.

PIPER SANDLER & CO.

By: _____
Ralph J. Holmes
Managing Director

Accepted:

UKIAH PUBLIC FINANCING AUTHORITY

By: _____
Sage Sangiacomo, Executive Director

Time of Execution: ____: ____

Accepted:

CITY OF UKIAH

By: _____
Sage Sangiacomo, City Manager

Time of Execution: ____: ____

EXHIBIT A
MATURITY SCHEDULE

Maturity <u>Date</u>	Principal <u>Amount</u>	Interest <u>Rate</u>	<u>Yield</u>	<u>Price</u>	10% Test <u>Used</u>	Hold-the- Offering Price <u>Rule Used</u>
---------------------------------	------------------------------------	---------------------------------	---------------------	---------------------	---------------------------------	--

\$ _____ % Term Bonds due April 1, 20__ Yield: ____%; Price: ____

\$ _____ % Term Bonds due April 1, 20__ Yield: ____%; Price: ____

[* Priced to the first redemption date at par.]

EXHIBIT B

\$ _____
UKIAH PUBLIC FINANCING AUTHORITY
LEASE REVENUE BONDS, SERIES 2022
(CAPITAL PROJECTS)

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Piper Sandler & Co. (the “**Underwriter**”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “**Bonds**”).

1. Sale of the [Bonds][10% Maturities]. As of the date of this Certificate, for each Maturity of the [Bonds][10% Maturities], the first price at which a Substantial Amount of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

2. Initial Offering Price of the [Bonds][Undersold Maturities].

(a) The Underwriter offered the [Bonds][Undersold Maturities] to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this Certificate as Schedule B.

(b) As set forth in the Bond Purchase Agreement, the Underwriter has agreed in writing that, for each Maturity of the [Bonds][Undersold Maturities], it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Offering Period for such Maturity, nor would it permit a related party to do so. Pursuant to such agreement, the Underwriter has neither offered nor sold any Maturity of the [Bonds][Undersold Maturities] at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Offering Period.

3. Defined Terms.

[(a) *10% Maturities* means those Maturities of the Bonds shown in Schedule A hereto as the “10% Maturities.”]

(b) *Issuer* means Ukiah Public Financing Authority.

(c) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

[(d) *Offering Period* means, with respect to an Undersold Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (_____, 2022), or (ii) the date on which the Underwriter has sold a Substantial Amount of such Undersold Maturity to the Public at a price that is no higher than the Initial Offering Price for such Undersold Maturity.]

(e) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than a Regulatory Underwriter or a related party to a Regulatory Underwriter. The term “related party” for purposes of this Certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(f) *Regulatory Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2022.

(h) *Substantial Amount* means ten percent.

[(i) *Undersold Maturities* means those Maturities of the Bonds shown in Schedule A hereto as the “Undersold Maturities.”]

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax and Nonarbitrage Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Jones Hall, A Professional Law Corporation, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the Issuer from time to time relating to the Bonds.

PIPER SANDLER & CO., as Underwriter

By: _____
Name: _____

Dated: _____, 2022

EXHIBIT C
FORM OF DISCLOSURE COUNSEL OPINION



AGENDA SUMMARY REPORT

SUBJECT: Receive Status Report and Consider Any Action or Direction Related to the Novel Coronavirus (COVID-19) Emergency Including Operational Preparedness and Response; Continuity of City Operations and Services; Community and Business Impacts; and Any Other Related Matters.

DEPARTMENT: City Manager /
Admin

PREPARED BY: Tami Bartolomei, Office of Emergency Services
Coordinator

PRESENTER: Tami Bartolomei, Office of Emergency
Management Coordinator

ATTACHMENTS:

None

Summary: The City Council will receive a status report and consider any action or direction related to the Novel Coronavirus (COVID-19) Emergency including operational preparedness and response; continuity of City operations and services; community and business impacts; and any other related matters.

Background: On March 4, 2020, California Governor Gavin Newsom declared a State of Emergency in California in response to the COVID-19 pandemic.

The County of Mendocino declared a State of Emergency related to the COVID-19 on March 4, 2020.

On March 17, 2020, the City Manager, acting as the Director of Emergency Services, declared the existence of a local emergency.

On March 18, 2020, City Council approved a Resolution ratifying the proclamation declaring the existence of a local emergency.

Since the onset of the emergency, the City of Ukiah has worked to respond to the public health and safety needs of the community in cooperation with the County of Mendocino and other partners. The local response for public health is lead regionally by the County of Mendocino and the County's Public Health Officer. In addition, the City of Ukiah has worked to maintain the continuity of public services including public safety, water, sewer, electric, airport, public works, and other essential activities.

Discussion: As the coronavirus "COVID-19" continues to evolve, the City of Ukiah continues to monitor the situation and respond to emerging needs of the community. The City is in continued contact with local and state agencies, as well as community partners, hospitals, schools, and neighboring cities to ensure we have the most updated information pertaining to COVID-19 and are coordinating efforts.

Reports and/or information from the City of Ukiah's Emergency Operation Center (EOC) may include, as necessary:

- * Emergency Operation Center (EOC) Status
- * COVID-19 Case Updates
- * Public Information Officer
- * Medical Services

- * School/Education
- * Public Safety (Police/Fire/EMS)
- * Shelter in Place Monitoring and Compliance
- * Community Service Groups
- * Homeless Response
- * Business Impacts/Services
- * Public Infrastructure/Construction Status
- * City Finance
- * Recovery Efforts and Planning
- * Other Related matters

Staff will provide a status report to City Council and will seek direction or action on operational preparedness and response; continuity of City operations and services; community and business impacts; and any other related matters.

Go to the City's website (www.cityofukiah.com) for direct access to information related to the Novel Coronavirus (COVID-19) emergency including local updates, City Services, Community/Resident Information, and Business Resources.

Recommended Action: Receive status report and consider any action or direction related to the Novel Coronavirus (COVID-19) Emergency including operational preparedness and response; continuity of City operations and services; community and business impacts; and any other related matters.

BUDGET AMENDMENT REQUIRED: N/A

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



AGENDA SUMMARY REPORT

SUBJECT: Determination of Notification of Intent to Adjust Curbside Collection and Transfer Station Service Rates in Compliance with Solid Waste Contracts, and Initiation of Proposition 218 Protest Period for Residential Curbside Collection Rates.

DEPARTMENT: Finance

PREPARED BY: Dan Buffalo, Finance Director, Sage Sangiacomo,
City Manager

PRESENTER: Dan Buffalo, Director of Finance

ATTACHMENTS:

1. SWS UWS April 2022 Adjustment
2. Rate Comparison

Summary: The City Council is asked to receive and review a determination from the City Manager of proposed rates, as intended to be adjusted by Ukiah Waste Solutions, Inc. and Solid Waste Systems, Inc. for curbside and Ukiah Transfer Station services, respectively. A five-year financial review of the companies was also due and completed. The proposed rate adjustments are, by contract, allowed annually to address cost adjustments borne by the City's franchise solid waste contractor. Those operating costs are limited and specifically identified by contract as pass-through or affected by inflation, measured by the consumer price index (CPI-u).

Background: Pursuant to contracts between the City of Ukiah and Ukiah Waste Solutions, Inc., and City of Ukiah and Solid Waste Systems, Inc. (collectively referred to herein as the "Company"), notices of intent were submitted to the City by the Company on August 13, 2021, for adjustments to collection rates for residential and commercial curbside service and rates for Ukiah Transfer Station services. These notices are allowed by contract annually, and any subsequent adjustments to rates are applied to the next calendar year. Corresponding notices are further detailed in the discussion section and included as attachments to this report.

Additionally, per the agreements between the City and Company, the City completed a five-year review of the Company's financial statements through December 30, 2020. The subsequent analysis and other due diligence completed was included in this City Manager's report supporting these rate revisions.

Because of the additional time needed to examine and complete its due diligence of the five-year financial review, the City and Company agreed to delay any subsequent rate adjustment to March 2022 following a Proposition 218 protest period.

Discussion: The Finance Department was tasked to review the methodology and supporting materials used by the Company to arrive at the proposed rate adjustments to evaluate its conformity with contract requirements. As required by contract and following Finance's review, the City Manager reviewed the notices of intent from the Company received in August, 2021. The Department also coordinated with the Company in the five-year review, starting with the receipt of reviewed financial statements, compiled and reported on by an independent CPA firm, Moss Adams (CPA Firm). As part of its due diligence, the Department examined those reviewed statements and the report from CPA Firm, concluding that the revenue, expenses, and net profit (and losses) were reasonable in the context of the Company's proposed rate adjustments.

The Company has proposed making changes to its pricing schedule for curbside collection in addition to the regular annual adjustment. City management reviewed these changes in the context of the five-year review and met with the Company to discuss them in detail. Staff was satisfied with the reasons and methodology presented and, after submitting feedback to the Company, received revised rate changes, finding them reasonable in support of the need for this pricing rebalance.

Requested changes made by the Company result in modifications to pricing of all services. Notably, these changes help to address the effects on service costs of significantly rising inflation for both the Company and city customers by more equitably distributing such costs to the customer base. This was one of the purported outcomes of the five-year review: to better align costs, pricing, and service delivery to customers given actual costs incurred over that period.

Additionally, included in this rebalancing and rate adjustment (and as permitted agreement) are pass-through costs related to performance of the five-year review, and for amounts authorized by the Council to be paid for mitigation expenses related to solid waste collection, such as to the Mendocino Solid Waste Management Authority (MSWMA).

No rebalancing to the rate schedule for the Transfer Station was requested by the Company. The adjustments presented here are simply to account for pass-throughs and other costs that were experienced regularly during prior annual adjustments. The Company expressed an interest in revisiting a rebalancing approach to Transfer Station rates sometime in the near future (similar to curbside discussed earlier), and staff agreed it was best broached at a later date when potential costs related to the landfill closure and post closure were better understood.

For both curbside and transfer station services, the regular cost elements under review consist of changes to the following:

Curbside collection costs:

- fuel
- landfill disposal fees for garbage
- landfill disposal fees for mixed organic waste
- recycling processing costs
- operating costs affected by inflation (CPI-u)
- five-year financial review (independent CPA services)
- mitigation costs, including authorized amounts paid to MSWMA

Transfer Station costs:

- fuel
- disposal and processing costs of garbage and recycling
- property tax based on tonnage
- operating costs affected by inflation (CPI-u)

The consumer price index (CPI-u) used was for the San Francisco-Oakland-San Jose area, which is the most relevant inflationary metric geographically and the index used for this analysis in the past.

It is important to note that the City is responsible for ensuring the agreement between it and the Company is maintained well and that value is maximized for the citizenry. This is done through a comprehensive annual review process, including examining financials, service delivery, and by comparing our service arrangements to those enjoyed by other sister agencies and neighboring communities.

The determination by the Finance Department and recommendation to the City Manager after review and testing of information provided by the Company is that the financial justifications for rate adjustments are reasonable and justifiable. Further, the value provided to the citizenry of Ukiah through the agreements with the Company remains high, offering a quality level of service at a competitive price. A rate comparison to

neighboring agencies is attached as Attachment 2.

Staff recommends initiation of a Prop 218 protest period for these adjusted rates before final implementation corresponding with the completion of the five-year review. Five years is generally considered the appropriate and regular duration of time when property-related rates and fees should be evaluated as a whole and re-established through the 218 process.

Supporting documentation provided by the Company for Ukiah Transfer Station services and curbside services is attached here as Attachment 1. Specifically, the rates for transfer station and curbside services are presented on pages 4 and 10 respectively of the pdf. Information found in these rate schedules will be included in the 218 notice following initiation of the process by Council.

The proposed rate adjustment does not include the reopening of the recycling buy-back center, which would require a more significant rate increase (to all users) in order to be financially feasible along with need to address other problems previously discussed and considered by Council. The collapse of the recycling market is a statewide--even nationwide--issue that remains without a solution. State law mandates that, in the absence of a buy-back center within one-half mile, retailers that sell beverages with California Redemption Value (CRV) must also take back empties or pay fines of \$100 per day to the State. However, many retailers are out of compliance with this law and/or face difficulties with implementation, leaving consumers without an option to return their recyclables for cash. CRV monies are collected by CalRecycle, not by local governments or local waste haulers. Those funds are used to refund recycling buy-back centers for the recyclables they take in. However, money collected from recyclables that are *not* redeemed for cash stays with CalRecycle.

Recommended Action: Confirm the determination of the City Manager, as reported here, of compliance with the provisions of the agreements between the City of Ukiah and Ukiah Waste Solutions, Inc. and Solid Waste Systems, Inc. regarding the company's notice of intent to adjust curbside collection and transfer station rates, authorize the initiation of the Proposition 218 protest period for residential curbside collection rates, and schedule the subsequent protest hearing for March 2, 2022.

BUDGET AMENDMENT REQUIRED: N/A

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

**Solid Wastes Systems Transfer Station
Annual Adjustment Calculations
Effective Date April, 2022
Using 2020 Year Data**

<u>COSTS Subject to adjustment</u>	Cost	Index	Adjustment Allowed
Operating Costs subject to CPI	\$2,409,140.74	CPI	\$ 106,243.11
Fuel	\$196,025.33	Fuel	\$ 97,631.75
Disposal - Garbage	\$830,562.84	Contract rate	\$ 32,973.34
Disposal - Processing	\$395,960.72	Negotiated	\$ 30,964.13
Disposal - Processing Recycling	\$204,392.43		\$ (3,916.08)
			\$ -
Maint / Prop Tax \$2.36/ton	\$104,909.29	CPI	\$ 4,626.50
City Rent \$10/ton	\$444,531.05	Lease rate	\$ -
City Landfill Fee \$14/ton	\$622,343.47	Set by City	\$ -
MSWMA Fee \$6.50/ton	\$288,945.09	Set by City	\$ -
Total COSTS Subject to adjustment	\$5,496,810.96		\$ 268,522.75
Adjusted Costs			\$ 5,765,333.71
Adjustments:	\$0.00		\$ -
Total Adjustments	\$0.00		\$ -
Adjusted Cost	\$5,496,810.96		\$ 268,522.75
<u>Revenue base</u>			
Comparison Year Revenue	\$4,162,780.83		
Fuel	\$97,631.75		
Disposal - garbage	\$32,973.34		
Disposal - processing	\$30,964.13		
CPI adjustment	\$106,243.11		
City Landfill Fee \$14/ton	\$0.00		
Maint / Prop Tax \$2.36/ton	\$4,626.50		
Disposal Processing - Recycling	-\$3,916.08		
	\$0.00		
Revenue change - Contractor	\$268,522.75	Less: City & MSWMA Fee Adjustments	
Adjusted revenue	\$4,431,303.58		
Adjusted Revenue Difference	\$268,522.75		
		Current	Adjustment
Contractor Rate increase as a percent	6.45%	\$78.53	\$5.07
MSWMA Rate increase as a percent	0.00%	\$6.50	\$0.00
City Rate increase as a percent	1.87%	\$24.00	\$0.45
		\$109.03	Total Rate
EFFECTIVE RATE ADJUSTMENT PERCENT			\$114.55
			5.06%

**Solid Wastes Systems Transfer Station
Annual Adjustment Calculations
Effective Date April, 2022
Using 2020 Year Data**

**Worksheet for computing the change in various indexes and factors which comprise the
components on which rates are adjusted**

Fuel - June to June (EIA Petroleum & Other Liquids)			
See Fuel cost adjustment worksheet			

CPI Bay Area- June to Nov			
June 2020	Nov 2021		Index Increase (Decrease)
300.032	313.265		13.233
CPI % Change			4.41%

Landfill Fee Jan to Jan		CPI Jun to Jun	CPI Jun to Nov	90%	
January 2021	January 2022	2020	2021		Increase (Decrease)
\$ 25.36	\$ 26.37	300.032	313.265	13.233	3.97%
Disposal - Garbage Cost % Change					3.97%

Disposal Processing Fee Jan to Jan		CPI Jun to Jun	CPI Jun to Nov		
January 2021	January 2022	2020	2021		Increase (Decrease)
\$ 32.10	\$ 34.61	257.797	277.948		20.151
Disposal - Green Waste Cost % Change					7.82%

Transfer Station MSW Tonnage at gate, Year to Year			
June 2020	Y/E 2020		Increase (Decrease)
42,800.54	44,453.09		1,652.55
Tonnage % Change			3.86%

City Landfill Fee June to June			
January 2021	January 2022		Increase (Decrease)
\$ 14.00	\$ 14.00		\$ 0.00
City Landfill Fee % Change			0.00%

MSWMA Fee June to June			
January 2021	January 2022		Increase (Decrease)
\$ 6.50	\$ 6.50		\$ 0.00
MSWMA Fee % Change			0.00%

Recycle Tip Fee June to June			
Y/E June 2020	Y/E 2020		Increase (Decrease)
\$208,308.51	\$204,392.43		-\$3,916.08

Rate Review Cost	MSW Tons 12 Mo.	MSW Tons 9 Mo.	Per Ton
\$15,000.00	44,453.09	33,339.82	\$0.45
	Retrieved over 9 months (April - Dec 2022)		

Fuel Revenue Adjustment Worksheet, based on Fuel Index change, June to June					SWS
Base Year Fuel Index and Cost		3.216	\$201,261.07	June 2020 after 5 yr Review - Jan 2021	
Index Change - New vs. Base Year					
Annual adjustment based on Fuel Index change, year to year (using example fuel index changes)					
1	Estimated Fuel index adjustment at Dec 2021	4.776	48.51%	\$97,631.75	Plus: Base Year Cost X Index Change
	Revenue adjustment for January 2022 rate revision		\$97,631.75	\$0.00	Less: Prior Fuel Cost applied to rate
				\$298,892.82	Fuel Cost Allowed Year 1 - 2022
2	Estimated Fuel index adjustment at June 2022	4.776	48.51%	\$97,631.75	Plus: Base Year Cost X Index Change
	Revenue adjustment for January 2023 rate revision		\$0.00	\$97,631.75	Less: Prior Fuel Cost applied to rate
				\$298,892.82	Fuel Cost Allowed Year 2 - 2023
3	Estimated Fuel index adjustment at June 2023	4.776	48.51%	\$97,631.75	Plus: Base Year Cost X Index Change
	Revenue adjustment for January 2024 rate revision		\$0.00	\$97,631.75	Less: Prior Fuel Cost applied to rate
				\$298,892.82	Fuel Cost Allowed Year 3 - 2024
4	Estimated Fuel index adjustment at June 2024	4.776	48.51%	\$97,631.75	Plus: Base Year Cost X Index Change
	Revenue adjustment for January 2025 rate revision		\$0.00	\$97,631.75	Less: Prior Fuel Cost applied to rate
				\$298,892.82	Fuel Cost Allowed Year 4 - 2025
5	Estimated Fuel index adjustment at June 2025	4.776	48.51%	\$97,631.75	Plus: Base Year Cost X Index Change
	Revenue adjustment for January 2026 rate revision		\$0.00	\$97,631.75	Less: Prior Fuel Cost applied to rate
				\$298,892.82	Fuel Cost Allowed Year 5 - 2026

Solid Wastes Systems, Inc.
Transfer Station Rate Schedule
Effective Date April, 2022

<u>Item</u>	<u>2021 Rate</u>	<u>Calculated 2022 FA Rate</u>	<u>NEW 2022 Rate Rounded *</u>
MSW - Ton	\$109.00	\$114.52	\$114.50
MSW - Yard	\$24.40	\$25.70	\$25.70
Minimum Gate Fee - MSW	Up to 3 cans \$12.20	\$12.85	\$12.85
Per Can Rate - 32 gallon	After 3 cans \$4.05	\$4.28	\$4.30
Green Waste - Ton	\$51.70	\$55.03	\$55.05
Green Waste - Yard	\$7.50	\$7.98	\$8.00
Minimum Gate Fee - Green Waste	\$7.40	\$7.88	\$7.90
Mixed Load - Additional Charge	\$23.10	\$24.59	\$24.60
Appliances	\$12.65	\$13.47	\$13.45
Oil Filters - Small	\$0.45	\$0.48	\$0.50
Oil Filters - Medium	\$0.80	\$0.85	\$0.85
Oil Filters - Large	\$1.10	\$1.17	\$1.15
Concrete - Ton	\$81.05	\$86.28	\$86.30
Dirt - Ton	\$81.05	\$86.28	\$86.30
Sheetrock - Clean	\$51.70	\$55.03	\$55.05
Sheetrock - Dirty	\$81.05	\$86.28	\$86.30
Tires - Bicycle	\$1.45	\$1.54	\$1.55
Tires - Motorcycle	\$2.80	\$2.98	\$3.00
Tires - Passenger Car	\$4.25	\$4.52	\$4.50
Tires - Passenger Car with Rim	\$6.60	\$7.03	\$7.05
Tires - Truck	\$9.00	\$9.58	\$9.60
Tires - Truck with Rim	\$12.15	\$12.93	\$12.95
Tires - Tractor	53.40 - 403.90	56.84 - 429.95	56.85 - 429.95
E-Waste - Computers	No Charge	No Charge	No Charge
E-Waste - Monitors	No Charge	No Charge	No Charge
Scrap Metal	No Charge	No Charge	No Charge

This rate adjusted by 5.06% (effective rate)

This rate = 24.05% of per ton contractor gate fee PLUS per ton City & MSWMA fees divided by 5.54 (yards / ton)

This rate = MSW Yard fee / 2

This rate = Min Gate fee / 3

These rates adjusted by 6.45% (contractor rate)

* Rates are rounded to the nearest five cents

Solid Wastes Systems, Inc.
Transfer Station Rate Schedule
Effective Date April, 2022

Item	NEW 2022 Rate Rounded *
MSW - Ton	\$114.50
MSW - Yard	\$25.70
Minimum Gate Fee - MSW	\$12.85
Per Can Rate - 32 gallon	\$4.30
Green Waste - Ton	\$55.05
Green Waste - Yard	\$8.00
Minimum Gate Fee - Green Waste	\$7.90
Mixed Load - Additional Charge	\$24.60
Appliances	\$13.45
Oil Filters - Small	\$0.50
Oil Filters - Medium	\$0.85
Oil Filters - Large	\$1.15
Concrete - Ton	\$86.30
Dirt - Ton	\$86.30
Sheetrock - Clean	\$55.05
Sheetrock - Dirty	\$86.30
Tires - Bicycle	\$1.55
Tires - Motorcycle	\$3.00
Tires - Passenger Car	\$4.50
Tires - Passenger Car with Rim	\$7.05
Tires - Truck	\$9.60
Tires - Truck with Rim	\$12.95
Tires - Tractor	56.85 - 429.95
E-Waste - Computers	No Charge
E-Waste - Monitors	No Charge
Scrap Metal	No Charge

* Rates are rounded to the nearest five cents

SWS Transfer Station Agreement

		Cost/Rev	Adjustment Period	Adjustment Method	Index Used	Cost Group
1,2,4	Construction / Lease	\$2.36 / MSW ton	Annual	100% of index change	CPI - US Cities CPI-U	Base Rate as Adjusted
3	Construction / Lease	\$10.00 / MSW ton	Time to Time	Per City	N/A	Pass Through
1,2	Fuel		Annual	100% of index change	eia CA #2 Diesel Retail all sellers	Base Rate as Adjusted
	Disposal - Landfill		Time to Time	Per Landfill Agreement	N/A	Pass Through
9	Disposal - Processing		Time to Time	Per Processor Agreements	N/A	Pass Through
1,2	Operating Costs		Annual	100% of index change	CPI - US Cities CPI-U	Base Rate as Adjusted
	Per Ton Contractor Gate					
4	City Franchise Fee	\$2.00	Time to Time	Per City	N/A	Pass Through
4	MSWMA Fee	\$5.00	Time to Time	Per MSWMA	N/A	Pass Through
6,7,8	TOTAL GATE FEE					

Notes

- 1 Agreement should state mutually agreed upon Index if Index becomes unavailable
- 2 June to June change
- 3 Lease rate replaces construction rate January 1, 2017 - \$10.00 per ton MSW
- 4 Part of Construction rate left in gate rate to cover triple net lease costs (adjusts by CPI) starting January 1, 2017. i.e.. Prop tax, Insurance & R&M.
- 4 Agreement should state initial rate, subject to change by City / MSWMA action
- 5 Exhibit of calculation to be made part of agreement
- 6 SWS requests new rate by Aug 15, City approves by Oct 15, Pub Notice given by Nov 1, Adjusted Rate goes into effect following January 1.
- 7 Per Yard Gate Fee shall be equal to 24.05% of per ton contractor gate fee PLUS per ton City & MSWMA fees divided by 5.54 (MSWMA yards / ton)
- 8 Rate change is calculated as follows: % annual adjustment X actual prior year (July to June) component cost = new funds needed / total gate revenue
= % adjustment to gate rate.
- 9 Processing contract mutually agreed to with city - i.e. PRS grinding yard rate charged SWS for greenwaste.

City can direct SWS to implement other programs, provided the costs of such programs are covered through increased rates.

SWS CPI Operating Costs

TOTAL Expenses 2020	\$5,578,219.35
Less:	
Fuel	-\$196,025.33
Disposal - Garbage	-\$830,562.84
Disposal - Processing	-\$395,960.72
Disposal - Recycling	-\$204,392.43
Maint / Prop Tax \$2.36/ton	-\$104,909.29
City Rent \$10/ton	-\$444,531.05
City Landfill Fee \$14/ton	-\$622,343.47
MSWMA Fee \$6.50/ton	-\$273,224.86
Scrap Metal Cost	\$0.00
Buyback Recycle Purchase Cost	\$0.00
Compost / Landscape Cost	-\$97,128.62
TOTAL CPI Allowed Operating Costs	\$2,409,140.74

Comparison Year Revenue

Total Revenue	\$5,617,379.43
Less:	
Scrap Metal	\$0.00
Buyback	\$0.00
Compost / Landscape	-\$114,499.22
City Rent \$10/ton	-\$444,531.05
City Landfill Fee \$14/ton	-\$622,343.47
MSWMA Fee \$6.50/ton	-\$273,224.86
Comparison Year Revenue	\$4,162,780.83

**Ukiah Waste Solutions Curbside Rate
Annual Adjustment Calculations
Effective Date April 1, 2022**

<u>Comparison Year Costs 2020</u>		<u>Index</u>	<u>Increase / Decrease Allowed</u>	
TOTAL COSTS	<u>\$4,498,471.74</u>			
Less: Fuel Cost	\$133,120.59	Fuel	\$78,995.17	
Less: Disposal Fees - Garbage	\$1,245,894.12	SWS TS Gate	\$62,917.65	
Less: Disposal Fees - Mixed Organic Waste	\$147,429.23	Negotiated	\$11,705.88	
Less: Processing - Recycling	\$178,638.35	Contract	\$3,046.05	
Less: City Landfill Closure Costs	\$60,000.00	Set by City	\$0.00	
Less: City Commercial Oversight fee	\$9,999.96	Set by City	\$0.00	
Collection Costs	<u>\$2,723,389.49</u>			
Change in Franchise Fee & Billing Costs			\$60,753.56	
Collection COSTS Subject to CPI adj.	<u>\$2,723,389.49</u>	CPI BA	\$120,101.48	
Per Adjustment Summary			<u>\$337,519.79</u>	TOTAL

<u>Revenue base</u>	<u>Residential</u>	<u>Commercial</u>	<u>Roll Off</u>	<u>Total Revenue</u>
	27.74%	65.77%	6.49%	100.00%
	\$1,310,791.27	\$3,108,165.75	\$306,878.86	\$4,725,835.88

2020 Comparison Year Revenue	\$1,310,791.27	\$3,108,165.75	\$306,878.86	\$4,725,835.88
Fuel Cost	\$21,910.66	\$51,954.85	\$5,129.66	\$78,995.17
Disposal Fees - MOW	\$3,246.83	\$7,698.92	\$760.14	\$11,705.89
	\$0.00	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00	\$0.00
Processing - Recycle	\$844.87	\$2,003.38	\$197.80	\$3,046.05
Landfill closure cost	\$0.00	\$0.00	\$0.00	\$0.00
Commercial Oversight fee	\$0.00	\$0.00	\$0.00	\$0.00
Other Regulatory & Governmental Costs	\$0.00	\$0.00	\$0.00	\$0.00
Disposal Fees - Garbage	\$17,451.28	\$41,380.72	\$4,085.65	\$62,917.65
CPI adjustment	\$33,312.20	\$78,990.32	\$7,798.96	\$120,101.48
Total before franchise and billing fees	\$1,387,557.11	\$3,290,193.94	\$324,851.07	\$5,002,602.12
Franchise & Billing Fees	\$16,851.04	\$39,957.41	\$3,945.12	\$60,753.56
Rate Review Cost (9mo) \$20,000.00	\$5,547.34	\$13,153.93	\$1,298.73	\$20,000.00
Abatement Recovery (9mo) \$39,253.33	\$10,887.58	\$25,816.78	\$2,548.97	\$39,253.33
Indexed Adjusted revenue	<u>\$1,420,843.07</u>	<u>\$3,369,122.06</u>	<u>\$332,643.89</u>	<u>\$5,122,609.02</u>
Indexed 2022 Revenue Adjustment	<u>\$110,051.80</u>	<u>\$260,956.31</u>	<u>\$25,765.03</u>	<u>\$396,773.14</u>
5 Yr Cost Recovery Adjustment	<u>\$23,119.20</u>	<u>\$81,495.60</u>		<u>\$104,614.80</u>
Actual Collected Abatement & Review Cost Adjutment				<u>(\$14,813.33)</u>
Adjusted revenue with 5 Yr Cost Recovery				<u><u>\$5,212,410.49</u></u>

**Ukiah Waste Solutions Curbside Rate
Annual Adjustment Calculations
Effective Date April 1, 2022**

Fuel - June to June (EIA Petroleum & Other Liquids)

See Fuel Cost Adjustment Worksheet

CPI Bay Area - June to June (Index)

June 2020	Nov 2021	Index Increase (Decrease)
300.032	313.265	13.233
CPI % Change		4.41%

Transfer Station Fee (Disposal Fees - Garbage) Jan to Jan

January 2021	April 2022	Increase (Decrease)
\$109.00	\$114.50	\$5.50
Transfer Station Fee % Change		5.05%

Mixed Organic Waste Disposal Fee (Disposal - Green Waste) Jan to Jan

	June 2020	Nov 2021	Increase (Decrease)
PRS 90% CPI Jun to Jun	300.032	313.265	13.233
CCC 90% CPI Jun to Jun	300.032	313.265	13.233
	\$57.45	\$62.01	7.94%
Disposal Fee - Green Waste % Change			7.94%

Landfill Closure Costs Jan to Jan

January 2020	January 2021	Increase (Decrease)
\$60,000.00	\$60,000.00	\$0.00
Landfill Closure Costs % Change		0.00%

Commercial Oversight Fee Jan to Jan

January 2020	January 2021	Increase (Decrease)
\$10,000.00	\$10,000.00	\$0.00
Commercial Oversight Fee % Change		0.00%

Recycle Tip Fee June to June

Y/E June 2020	Y/E June 2021	Increase (Decrease)
\$164,618.85	\$167,664.90	\$3,046.05

City Franchise Fee	15%	City Billing Fee - Residential Customers	3%
---------------------------	------------	---	-----------

Ukiah Waste Solutions, Inc.**2022 RATE ADJUSTMENT****Effective Date April 1, 2022****SUMMARY OF RATE ADJUSTMENT FOR STANDARD SERVICES**

Service Level	Current 2021 Rate	New 2022 Rate	Total Monthly Adjustment
<u>Curbside Service</u>			
No Service Minimum Charge	\$ 10.00	\$ 10.36	\$ 0.36
20 gallon can rate	\$ 19.97	\$ 21.65	\$ 1.68
32 gallon can rate	\$ 21.74	\$ 24.39	\$ 2.65
68 gallon can rate	\$ 51.36	\$ 55.67	\$ 4.31
95 gallon can rate	\$ 72.36	\$ 78.44	\$ 6.08
Other combinations - rate per gallon	\$ 0.85	\$ 0.92	\$ 0.07
1 yard bin rate	\$ 153.76	\$ 173.44	\$ 19.68
1.5 yard bin rate	\$ 181.68	\$ 216.80	\$ 35.12
2 yard bin rate	\$ 242.27	\$ 281.84	\$ 39.57
3 yard bin rate	\$ 363.37	\$ 411.92	\$ 48.55
4 yard bin rate	\$ 484.49	\$ 542.00	\$ 57.51
6 yard bin rate	\$ 726.75	\$ 787.80	\$ 61.05

<u>Packout Service</u>			
20 gallon can rate	\$ 25.07	\$ 27.18	\$ 2.11
32 gallon can rate	\$ 28.46	\$ 31.93	\$ 3.47
68 gallon can rate	\$ 66.86	\$ 72.48	\$ 5.62
95 gallon can rate	\$ 96.58	\$ 104.69	\$ 8.11
Other combinations - rate per gallon	\$ 1.03	\$ 1.12	\$ 0.09

<u>Remote Area Service</u>			
Add to the Packout Service rate.	\$ 9.49	\$ 10.29	\$ 0.80

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.

<u>Commercial / Multi-Family Service</u>			
20 gallon can rate	\$ 20.73	\$ 22.47	\$ 1.74
32 gallon can rate	\$ 24.12	\$ 27.06	\$ 2.94
68 gallon can rate	\$ 57.02	\$ 61.81	\$ 4.79
95 gallon can rate	\$ 80.35	\$ 87.10	\$ 6.75
1 yard bin rate	\$ 153.76	\$ 173.44	\$ 19.68
1.5 yard bin rate	\$ 181.68	\$ 216.80	\$ 35.12
2 yard bin rate	\$ 242.27	\$ 281.84	\$ 39.57
3 yard bin rate	\$ 363.37	\$ 411.92	\$ 48.55
4 yard bin rate	\$ 484.49	\$ 542.00	\$ 57.51
6 yard bin rate	\$ 726.75	\$ 787.80	\$ 61.05

Calculation to adjust fuel costs					
Effective Date January 1, 2022					
Fuel Revenue Adjustment Worksheet, based on Fuel Index change, June to June					UWS
Base Year Fuel Index and Cost		3.216	\$162,843.06	June 2020 after 5 yr Review - Jan 2021	
Index Change - New vs. Base Year					
Annual adjustment based on Fuel Index change, year to year (using example fuel index changes)					
2	Fuel index adjustment at Dec 2021	4.776	48.51%	\$78,995.17	Plus: Base Year Cost X Index Change
	Revenue adjustment for January 2022 rate revision	→	\$78,995.17	\$0.00	Less: Prior Fuel Cost applied to rate
				\$241,838.23	Fuel Cost Allowed Year 1 - 2022
3	Estimated Fuel index adjustment at June 2022	4.776	48.51%	\$78,995.17	Plus: Base Year Cost X Index Change
	Revenue adjustment for January 2023 rate revision	→	\$0.00	\$78,995.17	Less: Prior Fuel Cost applied to rate
				\$241,838.23	Fuel Cost Allowed Year 2 - 2023
4	Estimated Fuel index adjustment at June 2023	4.776	48.51%	\$78,995.17	Plus: Base Year Cost X Index Change
	Revenue adjustment for January 2024 rate revision	→	\$0.00	\$78,995.17	Less: Prior Fuel Cost applied to rate
				\$241,838.23	Fuel Cost Allowed Year 3 - 2024
5	Estimated Fuel index adjustment at June 2024	4.776	48.51%	\$78,995.17	Plus: Base Year Cost X Index Change
	Revenue adjustment for January 2025 rate revision	→	\$0.00	\$78,995.17	Less: Prior Fuel Cost applied to rate
				\$241,838.23	Fuel Cost Allowed Year 4 - 2025
6	Estimated Fuel index adjustment at June 2025	4.776	48.51%	\$78,995.17	Plus: Base Year Cost X Index Change
	Revenue adjustment for January 2026 rate revision	→	\$0.00	\$78,995.17	Less: Prior Fuel Cost applied to rate
				\$241,838.23	Fuel Cost Allowed Year 5 - 2026

Recycle Charge or Payment

Ukiah Waste Solutions Tip Fee or (Credit) Schedule			
Market Value Grid			
	From	To	Tip / Credit
Zero Point	\$115.00	\$154.99	\$0.00
Tip Fee	\$105.00	\$114.99	\$15.00
Charge to Customer	\$95.00	\$104.99	\$25.00
	\$85.00	\$94.99	\$35.00
	\$75.00	\$84.99	\$45.00
	\$74.99	and below	\$55.00
PMT	\$155.00	\$164.99	\$5.00
Payment to Customer	\$165.00	\$174.99	\$10.00
	\$175.00	\$184.99	\$15.00
	\$185.00	\$194.99	\$20.00
	\$195.00	and up	\$25.00

		Recycling	Per Ton	TOTAL
2020	Material CMV	Tons	Tip Fee/Pmt	Fee / Pmt
Jul	\$45.51	315.95	\$55.00	\$17,377.25
Aug	\$51.09	303.41	\$55.00	\$16,687.55
Sep	\$57.23	306.01	\$55.00	\$16,830.55
Oct	\$60.38	265.45	\$55.00	\$14,599.75
Nov	\$64.18	255.45	\$55.00	\$14,049.75
Dec	\$68.45	285.06	\$55.00	\$15,678.30
2021				
Jan	\$59.39	248.44	\$55.00	\$13,664.20
Feb	\$60.42	242.99	\$55.00	\$13,364.45
Mar	\$63.63	271.88	\$55.00	\$14,953.40
Apr	\$83.92	276.02	\$45.00	\$12,420.90
May	\$83.22	246.94	\$45.00	\$11,112.30
Jun	\$97.29	277.06	\$25.00	\$6,926.50
				\$167,664.90

Ukiah Waste Solutions Curbside Agreement

Effective Date January 1, 2018

		Cost/Rev	Adjustment Period	Adjustment Method	Index Used	Cost Group
1,2	Fuel		Annual	100% of index change	eia Ca #2 Diesel Retail all sellers	Base Rate as Adjusted
	Disposal - Solid Waste		Time to Time	Per TS (SWS) Agreement	N/A	Pass Through
1,2	Operations (all other costs)		Annual	100% of index change	CPI - US Cities CPI-U	Base Rate as Adjusted
3	Recycle Reduction		Annual	Per Recycle Agreement	Rec Market Value Grid - \$5 base	Operating Cost Reduction
1,2	Green Waste Disposal	\$30 / Ton	Annual	Up to CPI (Contractor Choice)	CPI - US Cities CPI-U	Base Rate as Adjusted
1,2,8	Food Waste Disposal (Comm)	Up to \$40 / ton	Annual	Up to CPI (Contractor Choice)	CPI - US Cities CPI-U	Base Rate as Adjusted
4	City Franchise Fee	15%	Time to Time	City Action	N/A	Pass Through
4	City Bill Fee	3%	Time to Time	City Action	N/A	Pass Through
4	City Oversight Fee	\$10,000.00	Time to Time	City Action	N/A	Pass Through
4	City Landfill Closure Fee	\$60,000.00	Time to Time	City Action	N/A	Pass Through
6,9	TOTAL NET COST					

Notes

- 1 Agreement should state mutually agreed upon Index if Index becomes unavailable
- 2 June to June change
- 3 Recycle Agreement with PRS renewable every 5 years with Base Market Value per mixed ton to provide for Rev sharing with City (reduction of operating costs).
- 4 Agreement should state initial rate, subject to change by City action
- 5 Exhibit of calculation to be made part of agreement
- 6 UWS requests new rate by Aug 15, City approves by Oct 15, Pub Notice given by Nov 1, Adjusted Rate goes into effect following January 1.
- 7 Agreement must provide for City Flow Control with language that directs flow to contractor facilities when available.
- 8 FOOD WASTE - UWS will implement a pilot and or full commercial food waste program in place by June 2013 provided proper permits can be obtained
Details still to be worked out.
- 9 Rate change is calcd as follows: % annual adjustment X actual prior year (July to June) actual component cost = new funds needed / collection revenue
= % adjustment per rate. New cost adj dollars (fuel, disposal, city fees etc..) need to be adjusted for city fees - CPI adj does not.

RE-OPENER - the contract should have a mutual re-opener for other new items

UWS disposal rate for MOW**Effective Date January 1, 2022**

Current 2021 Tip Fee	\$59.13
-----------------------------	----------------

\$59.13

PRS 90% CPI 2021	3.97%
------------------	-------

CCC 90% CPI 2021	3.97%
------------------	-------

7.94%

MOW Tip Fee 2022 with CPI

\$63.82

Percentage Increase/Decrease

7.94%

**Ukiah Waste Solutions, Inc.
April 1, 2022 Rate Schedule**

RESIDENTIAL / COMMERCIAL

Residential Carts			1 - 10***	11 - 20	21 - 32	33 - 68	69 - 95	Gallons
	2022 Rates	No Service Fee	1x/WK	1x/WK	1x/WK	1x/WK	1x/WK	
	Roadside	10.36	N/A	21.65	24.39	55.67	78.44	
	Pack Out*	10.29	N/A	27.18	31.93	72.47	104.69	
	Remote**		N/A	37.47	42.22	82.76	114.98	

* Pack Out service is limited to the elderly and disabled who apply directly through Ukiah Waste Solutions @ 707-234-6400.

** The additional charges of Remote service may be required for certain areas with difficult access.

*** 10 gallon containers and rates are longer available to new customers effective January 1, 2018. Existing customers with these containers may continue to use them at the 20-gallon cart rate.

Commercial / Multi-Family Carts			1 - 10***	11 - 20***	21 - 32	33 - 68	69 - 95	Gallon
	2022 Rates							
	1 Can - 1x/WK		N/A	22.47	27.06	61.81	87.10	
	1 Can - 2x/WK				60.13	137.57	193.58	
	1 Can - 3x/WK				100.48	210.92	294.70	
	2 Cans - 1x/WK				60.13	137.57	193.58	

*** 10 gallon containers and rates are longer available to new customers effective January 1, 2018. Existing customers with these containers may continue to use them at the 20-gallon cart rate.

Commercial / Multi-Family Bins			Number of pick-ups per week						Extra
	Yards		1x/WK	2x/WK	3x/WK	4x/WK	5x/WK	6x/WK	Pick-up
	2022 Rates								
	1.0		173.44	0.00	0.00	0.00	0.00	0.00	40.06
	1.5		216.80	433.60	650.40	867.20	1,084.00	1,300.80	50.07
	2.0		281.84	563.68	845.52	1,127.36	1,409.20	1,691.04	65.09
	3.0		411.92	823.84	1,235.76	1,647.68	2,059.60	2,471.52	95.13
	4.0		542.00	1,084.00	1,626.00	2,168.00	2,710.00	3,252.00	125.17
	6.0		787.80	1,575.60	2,363.40	3,151.20	3,939.00	4,726.80	181.94

Extra p/u calculated at 1/wk divided by 4.33

Clean-Up Bins and Boxes		Rate	
		1/1/2022	
3.0 Yd	3 day rental	136.27	
15.0 Yd	7 day rental	308.77	Plus \$114.50 per ton tip fee
20.0 Yd	7 day rental	308.77	Plus \$114.50 per ton tip fee
30.0 Yd	7 day rental	308.77	Plus \$114.50 per ton tip fee
Compactors		308.77	Plus \$114.50 per ton tip fee

Misc Charges		Rate	
		1/1/2022	
Bulky Items (appliances, Lg Tires, Furniture etc..)		34.28	Plus tip fee
Tires - each - (Automotive or motorcycle)		7.22	
Damage Cart Replacement		93.28	
Additional Green Waste or R/C Cart		9.19	
Extra Residential Pick-up		8.95	
Extra Commercial Pick-up		16.70	
Compactor Cleaning		402.07	
Container Cleaning		144.72	
Locking bin, one-time setup fee		45.83	Plus Materials
Replacement Key		16.09	
Contamination Fee		45.92	
Returned Check Fee		35.00	
Roll Off or Bin Extra Day Charge		16.70	
Exchange Cart Size		34.43	
Enclosure Fee - Unlock/Lock or Pull Out/Put In		12.64	



Databases, Tables & Calculators by Subject

Change Output Options: From: 2011 ▼ To: 2021 ▼ [GO](#)
☒ include graphs ☐ include annual averages [More Formatting Options](#) ➔

Data extracted on: January 11, 2022 (11:08:45 AM)

CPI for All Urban Consumers (CPI-U)

Series Id: CUURS49BSA0

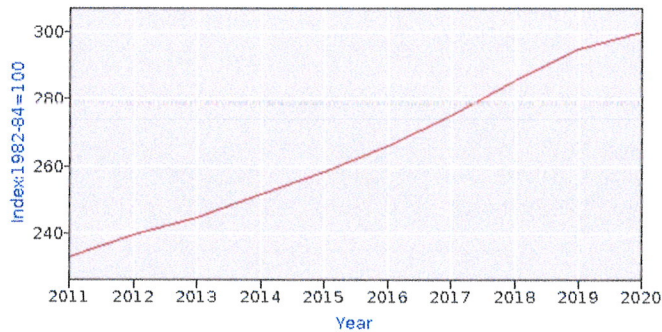
Not Seasonally Adjusted

Series Title: All items in San Francisco-Oakland-Hayward, CA, all urban consumers, not seasonally adjusted

Area: San Francisco-Oakland-Hayward, CA

Item: All items

Base Period: 1982-84=100



Download: [xlsx](#)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2011		229.981		234.121		233.646		234.608		235.331		234.327	233.390	232.082	234.698
2012		236.880		238.985		239.806		241.170		242.834		239.533	239.650	238.099	241.201
2013		242.677		244.675		245.935		246.072		246.617		245.711	245.023	243.894	246.152
2014		248.615		251.495		253.317		253.354		254.503		252.273	251.985	250.507	253.463
2015		254.910		257.622		259.117		259.917		261.019		260.289	258.572	256.723	260.421
2016		262.600		264.565		266.041		267.853		270.306		269.483	266.344	263.911	268.777
2017		271.626		274.589		275.304		275.893		277.570		277.414	274.924	273.306	276.542
2018		281.308		283.422		286.062		287.664		289.673		289.896	285.550	282.666	288.435
2019		291.227		294.801		295.259		295.490		298.443		297.007	295.004	293.150	296.859
2020		299.690		298.074		300.032		300.182		301.736		302.948	300.084	299.109	301.059
2021		304.387		309.419		309.497		311.167		313.265				306.724	

U.S. BUREAU OF LABOR STATISTICS Postal Square Building 2 Massachusetts Avenue NE Washington, DC 20212-0001

Telephone: 1-202-691-5200 Federal Relay Service: 1-800-877-8339 www.bls.gov [Contact Us](#)



New England Information Office

Search New England Re [New England Home](#)[New England Geography](#)[New England Subjects](#)[New England Archives](#)[Contact New England](#)[Bureau of Labor Statistics](#) > [Geographic Information](#) > [New England](#) > Table

Consumer Price Index US City Average (1982-84 = 100)

Consumer Price Index for all Urban Consumers (CPI-U), Not Seasonally Adjusted
U.S. City Average All Items 1982-1984=100 (R)=Revised

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
1992	138.1	138.6	139.3	139.5	139.7	140.2	140.5	140.9	141.3	141.8	142.0	141.9	140.3
1993	142.6	143.1	143.6	144.0	144.2	144.4	144.4	144.8	145.1	145.7	145.8	145.8	144.5
1994	146.2	146.7	147.2	147.4	147.5	148.0	148.4	149.0	149.4	149.5	149.7	149.7	148.2
1995	150.3	150.9	151.4	151.9	152.2	152.5	152.5	152.9	153.2	153.7	153.6	153.5	152.4
1996	154.4	154.9	155.7	156.3	156.6	156.7	157.0	157.3	157.8	158.3	158.6	158.6	156.9
1997	159.1	159.6	160.0	160.2	160.1	160.3	160.5	160.8	161.2	161.6	161.5	161.3	160.5
1998	161.6	161.9	162.2	162.5	162.8	163.0	163.2	163.4	163.6	164.0	164.0	163.9	163.0
1999	164.3	164.5	165.0	166.2	166.2	166.2	166.7	167.1	167.9	168.2	168.3	168.3	166.6
2000	168.8	169.8	171.2	171.3	171.5	172.4	172.8	172.8	173.7	174.0	174.1	174.0	172.2
2001	175.1	175.8	176.2	176.9	177.7	178.0	177.5	177.5	178.3	177.7	177.4	176.7	177.1
2002	177.1	177.8	178.8	179.8	179.8	179.9	180.1	180.7	181.0	181.3	181.3	180.9	179.9
2003	181.7	183.1	184.2	183.8	183.5	183.7	183.9	184.6	185.2	185.0	184.5	184.3	184.0
2004	185.2	186.2	187.4	188.0	189.1	189.7	189.4	189.5	189.9	190.9	191.0	190.3	188.9
2005	190.7	191.8	193.3	194.6	194.4	194.5	195.4	196.4	198.8	199.2	197.6	196.8	195.3
2006	198.3	198.7	199.8	201.5	202.5	202.9	203.5	203.9	202.9	201.8	201.5	201.8	201.6
2007	202.416	203.499	205.352	206.686	207.949	208.352	208.299	207.917	208.490	208.936	210.177	210.036	207.342
2008	211.080	211.693	213.528	214.823	216.632	218.815	219.964	219.086	218.783	216.573	212.425	210.228	215.303
2009	211.143	212.193	212.709	213.240	213.856	215.693	215.351	215.834	215.969	216.177	216.330	215.949	214.537
2010	216.687	216.741	217.631	218.009	218.178	217.965	218.011	218.312	218.439	218.711	218.803	219.179	218.056
2011	220.223	221.309	223.467	224.906	225.964	225.722	225.922	226.545	226.889	226.421	226.230	225.672	224.939
2012	226.665	227.663	229.392	230.085	229.815	229.478	229.104	230.379	231.407	231.317	230.221	229.601	229.594
2013	230.280	232.166	232.773	232.531	232.945	233.504	233.596	233.877	234.149	233.546	233.069	233.049	232.957
2014	233.916	234.781	236.293	237.072	237.900	238.343	238.250	237.852	238.031	237.433	236.151	234.812	236.736
2015	233.707	234.722	236.119	236.599	237.805	238.638	238.654	238.316	237.945	237.838	237.336	236.525	237.017
2016	236.916	237.111	238.132	239.261	240.229	241.018	240.628	240.849	241.428	241.729	241.353	241.432	240.007
2017	242.839	243.603	243.801	244.524	244.733	244.955	244.786	245.519	246.819	246.663	246.669	246.524	245.120
2018	247.867	248.991	249.554	250.546	251.588	251.989	252.006	252.146	252.439	252.885	252.038	251.233	251.107
2019	251.712	252.776	254.202	255.548	256.092	256.143	256.571	256.558	256.759	257.346	257.208	256.974	255.657
2020	257.971	258.678	258.115	256.389	256.394	257.797	259.101	259.918	260.280	260.388	260.229	260.474	258.811
2021	261.582	263.014	264.877	267.054	269.195	271.696	273.003	273.567	274.310	276.589	277.948		
Percent Change from 12 months ago													
1993	3.3%	3.2%	3.1%	3.2%	3.2%	3.0%	2.8%	2.8%	2.7%	2.8%	2.7%	2.7%	3.0%
1994	2.5	2.5	2.5	2.4	2.3	2.5	2.8	2.9	3.0	2.6	2.7	2.7	2.6
1995	2.8	2.9	2.9	3.1	3.2	3.0	2.8	2.6	2.5	2.8	2.6	2.5	2.8
1996	2.7	2.7	2.8	2.9	2.9	2.8	3.0	2.9	3.0	3.0	3.3	3.3	3.0
1997	3.0	3.0	2.8	2.5	2.2	2.3	2.2	2.2	2.2	2.1	1.8	1.7	2.3
1998	1.6	1.4	1.4	1.4	1.7	1.7	1.7	1.6	1.5	1.5	1.5	1.6	1.6
1999	1.7	1.6	1.7	2.3	2.1	2.0	2.1	2.3	2.6	2.6	2.6	2.7	2.2
2000	2.7	3.2	3.8	3.1	3.2	3.7	3.7	3.4	3.5	3.4	3.4	3.4	3.4
2001	3.7	3.5	2.9	3.3	3.6	3.2	2.7	2.7	2.6	2.1	1.9	1.6	2.8
2002	1.1	1.1	1.5	1.6	1.2	1.1	1.5	1.8	1.5	2.0	2.2	2.4	1.6
2003	2.6	3.0	3.0	2.2	2.1	2.1	2.1	2.2	2.3	2.0	1.8	1.9	2.3



U.S. Energy Information
Administration

PETROLEUM & OTHER LIQUIDS

[OVERVIEW](#)
[DATA](#)
[ANALYSIS & PROJECTIONS](#)
[GLOSSARY](#)
[FAQS](#)

Weekly Retail Gasoline and Diesel Prices

(Dollars per Gallon, Including Taxes)

Area: California



Period: Monthly



Show Data By: ☒ Product ☐ Area	Graph Clear	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	View History
Gasoline - All Grades	☐	4.253	4.319	4.310	4.400	4.598	4.597	2000-2021
All Grades - Reformulated Areas	☐							1995-2001
Regular	☐	4.165	4.232	4.222	4.310	4.510	4.508	2000-2021
Reformulated Areas	☐							1995-2001
Midgrade	☐	4.415	4.476	4.469	4.560	4.748	4.759	2000-2021
Reformulated Areas	☐							1995-2001
Premium	☐	4.515	4.582	4.573	4.673	4.873	4.863	2000-2021
Reformulated Areas	☐							1995-2001
Diesel (On-Highway) - All Types	☐	4.195	4.291	4.324	4.481	4.745	4.776	1995-2021
Ultra Low Sulfur (15 ppm and Under)	☐	4.195	4.291	4.324	4.481	4.745	4.776	2007-2021

Click on the source key icon to learn how to download series into Excel, or to embed a chart or map on your website.

-- = No Data Reported; -- = Not Applicable; NA = Not Available; W = Withheld to avoid disclosure of individual company data.

Notes: Conventional area is any area that does not require the sale of reformulated gasoline. All types of finished motor gasoline may be sold in this area. RFG area is an ozone nonattainment area designated by the Environmental Protection Agency which requires the use of reformulated gasoline. Publication of Low Sulfur On-Highway Diesel (LSD) prices at the U.S. level was discontinued on December 8, 2008 due to a diminishing number of stations selling LSD as a result of EPA diesel fuel regulations. EIA continued to collect LSD prices from retail outlets and included them in the Diesel Average All Types price until July 26, 2010, when no more outlets reported LSD sales. Beginning July 26, 2010 publication of Ultra Low Sulfur Diesel (ULSD) price became fully represented by the Diesel Average All Types price. As of December 1, 2010 (September 1, 2006 in California), any on-highway diesel fuel sold is ULSD as mandated by EPA on-highway diesel fuel regulations. EIA did not collect weekly retail motor gasoline data between December 10, 1990 and January 14, 1991. Monthly and annual averages are simple averages of the weekly data contained therein. For months and years with incomplete weekly data series, the monthly and/or annual averages are not available. See Definitions, Sources, and Notes link above for more information on this table.

Release Date: 1/10/2022

Next Release Date: 1/18/2022

Ukiah Waste Solutions, Inc.
Rate Comparison

UWS RATE 2022 vs All Areas **2021**

Jurisdiction	Carts				Bins			
	20 Gal	32 Gal	64 Gal	96 Gal	2 Yard	3 Yard	4 Yard	6 Yard
City of Ukiah Current 2021	\$19.97	\$21.74	\$51.36	\$72.36	\$242.27	\$363.37	\$484.49	\$726.75
City of Clearlake	\$20.46	\$24.29	\$42.55	\$60.77	\$291.58	\$402.57	\$534.86	\$805.12
City of Ukiah Rate - Proposed	\$21.65	\$24.39	\$55.67	\$78.44	\$281.84	\$411.92	\$542.00	\$787.80
South Lake Refuse	\$22.28	\$24.40	\$48.80	\$73.20	\$332.38	N/A	\$664.76	\$997.14
Lake County	\$21.89	\$25.11	\$50.23	\$75.35	\$337.36	\$506.04	\$674.73	\$1,012.09
City of Healdsburg	\$19.67	\$26.12	\$37.54	\$50.99	\$420.80	\$578.10	\$721.30	\$921.87
City of Lakeport	\$17.77	\$26.24	N/A	\$77.18	\$359.28	\$447.75	N/A	N/A
City of Cloverdale	\$20.24	\$27.90	\$44.06	\$57.13	\$265.85	\$330.35	\$390.23	\$565.21
City of Willits	\$16.21	\$28.65	\$61.77	\$77.68	\$333.98	\$462.05	\$579.00	\$892.83
Town of Windsor	\$22.01	\$29.26	\$45.75	\$70.25	\$385.03	\$549.41	\$657.39	\$816.84
County of Mendocino Inland WM	\$26.80	\$29.64	\$59.41	\$89.12	\$359.25	\$415.03	\$491.74	\$678.53
County of Mendocino Coastal WM	\$26.94	\$30.09	\$60.28	\$90.32	\$357.41	\$434.23	\$560.35	N/A
City of Santa Rosa	\$31.24	\$35.02	\$50.43	\$76.38	\$464.09	\$569.99	\$714.56	\$971.76
Brooktrails	\$30.54	\$38.04	\$58.12	\$74.69	\$326.42	N/A	N/A	N/A
City of Fort Bragg	\$24.45	\$38.95	\$77.91	\$116.89	\$389.42	\$456.98	\$712.04	N/A
County of Mendocino North SWOW	\$40.88	\$49.93	\$68.02	\$81.92	\$423.86	\$542.68	\$698.76	\$990.84
County of Mendocino South Coast SWOW	\$41.86	\$50.87	\$70.80	\$85.25	\$474.19	\$707.75	\$1,082.13	\$1,408.20
Median (excludes Ukiah)	\$22.28	\$29.26	\$54.28	\$76.38	\$359.25	\$462.05	\$664.76	\$921.87



AGENDA SUMMARY REPORT

SUBJECT: Introduction of an Ordinance by Title Only, Amending Article 1 of Division 1, Chapter 4 of the Ukiah City Code to Reform the Paths, Open Space, and Golf Commission and the Parks, Recreation and Golf Commission into the Public Spaces Commission.

DEPARTMENT: Community Services

PREPARED BY: Neil Davis, Community Services Administrator

PRESENTER: Neil Davis, Community Services Director

ATTACHMENTS:

1. Public Spaces Commission Ordinance Attachment 1
2. ASR Community Outreach Plan Draft Attachment 2

Summary: Council will consider introducing an ordinance amending Article 1 of Division 1, Chapter 4 of the Ukiah City Code to reform the Paths, Open Space, and Golf Commission and the Parks, Recreation and Golf Commission into the Public Spaces Commission.

Background: On September 15, 2021, the Ukiah City Council received a “Presentation of Findings to Improve the Efficiency and Productivity of the Paths, Open Space, and Creeks Commission (POSCC) and the Parks, Recreation, and Golf Commission (PRGC); and Seeking Direction from Council Regarding the Reformation of the Commissions as a Single Public Spaces Commission.” Based on this presentation, Council approved the recommended action directing Staff to return at a future meeting with a proposed ordinance for introduction.

Discussion: Following direction from Council, Staff prepared an ordinance amending Article 1 of Division 1, Chapter 4 of the Ukiah City Code to reform the Paths, Open Space, and Golf Commission and the Parks, Recreation and Golf Commission into the Public Spaces Commission (PSC) (Attachment 1).

The intent in the reformation of the POSCC and PRGC into a new Public Spaces Commission is to enable the Commission to foster a culture of informed public input on the use of public spaces and to make recommendations and provide advice to Staff and Council. Towards this purpose, a draft “Public Spaces Commission Community Outreach Plan” for improved processes to solicit public comment has been included in Attachment 2. Should Council adopt this ordinance, Staff will present the attached draft Community Outreach Plan to the new commissioners for their consideration, edits, and adoption. Once adopted by the PSC, the Outreach Plan will be presented for Council's adoption.

Proposed terms of office for PSC Commissioners are three (3) years. Proposed number of Commissioners is seven (7), with no less than four (4) members as City residents and three (3) members residing outside the city limits but within Mendocino County.

All current POSCC and PRGC Commissioners will be invited to join the PSC through the remainder of their term.

Proposed is for the PSC to have three primary functions. The first function will be to solicit, collate, and analyze public input, and provide advice and recommendations to Council based on this input. The second function is to form short-term “working groups” both among Commissioners themselves as well as with members of the public, to pursue areas of interest and to collaborate with and assist Staff. Ideally, all working groups should have a City Council member or member of Staff actively engaged in the working group. The

third function will be an annual update to the Public Spaces Commission Community Outreach Plan (Attachment 2). The annual update to the plan will allow the PSC, in collaboration with Staff and Council, to continually work to improve the community input process.

Staff will track and report on PSC activities. An annual PSC activity report will be presented to Council to include items such as number of meetings held, meeting attendance, e-newsletter totals (number of subscribers, number of email "opens" etc.), number of social media posts (and associated metrics).

Recommended Action: Introduce an ordinance by title only, amending Article 1 of Division 1, Chapter 4 of the Ukiah City Code to reform the Paths, Open Space, and Golf Commission and the Parks, Recreation and Golf Commission into the Public Spaces Commission.

BUDGET AMENDMENT REQUIRED: N/A

CURRENT BUDGET AMOUNT: N/A

PROPOSED BUDGET AMOUNT: N/A

FINANCING SOURCE: N/A

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH: City Manager's Office and City Attorney's Office

Approved: 
Sage Sangiacomo, City Manager

ORDINANCE NO.

**ORDINANCE OF THE CITY COUNCIL OF THE CITY OF UKIAH
AMENDING ARTICLE 1 AND REPEALING ARTICLE 1B FROM
DIVISION 1, CHAPTER 4 OF THE CITY CODE TO ESTABLISH THE
PUBLIC SPACES COMMISSION.**

The City Council of the City of Ukiah hereby ordains as follows:

SECTION ONE. FINDINGS

1. On September 15, 2021, the Ukiah City Council received a presentation of findings from staff to improve the efficiency and productivity of the Paths, Open Space and Creeks Commission (POSCC) and the Parks, Recreation, and Golf Commission (PRGC). In this presentation, staff sought direction from Council regarding the recommended reformation of these commissions as a single Public Spaces Commission ("Commission"). Council directed staff to proceed with drafting an Ordinance that would merge the POSCC and PRGC into a single Public Spaces Commission and to consider the functions and authority of the reformed Commission.
2. The intent in the reformation of the POSCC and PRGC into a new Public Spaces Commission is to improve the efficiency and effectiveness of the two groups while continuing to serve the same broad functions regarding policy recommendations for use of public spaces within the City.
3. The Commission will work to foster a culture of informed public input on the wise use of public spaces and to make recommendations and provide advice to Staff and Council based on broad and informed public input.
4. The Commission will draft and annually update a "Public Spaces Commission Community Outreach Plan" for improved processes to solicit public comment. The Plan will be submitted to Council for approval.
5. All current POSCC and PRGC commissioners will be invited to join the Commission through the remainder of their respective terms.
6. Pursuant to the unanimous vote of Council at their November 8, 2021 meeting, this Ordinance will reform the POSCC and PRGC into a combined Public Spaces Commission and will set forth the duties and authority of the reformed Commission.

SECTION TWO.

Article 1 of Division 1, Chapter 4 of the Ukiah City Code is hereby amended to read as follows:

ARTICLE 1. PUBLIC SPACES COMMISSION

§1000 CREATION

There is hereby created a Public Spaces Commission. This advisory body shall report to the City Council.

§1001 MEMBERSHIP; APPOINTMENT

The Commission shall consist of seven (7) at large members who may reside within the City limits or outside the City limits but within the Ukiah Valley; provided, that a majority of the seven (7) Commission members must reside within the City limits.

All members of the Commission shall be appointed by the City Council.

§1002 TERM OF OFFICE; VACANCIES

All appointments to this Commission shall be for a term of three (3) years. Reappointments to the Commission shall be pursuant to Article 5 of this chapter.

§1003 DUTIES AND POWERS

The Public Spaces Commission shall provide advice and recommendations to Council regarding 1) City-owned properties that are open to the public, such as parks, paths, and public right-of-ways; 2) creeks within the City limits; 3) open spaces within the City limits that are undeveloped and conserved or in consideration of future conservation; 4) and the recreational uses of these spaces. In addition, the Public Spaces Commission shall have the power and duty to:

- A. Solicit, collate, and analyze public input on the wise use of public spaces.
- B. Provide recommendations and advice to both City staff and the City Council based on said public input.
- C. If deemed necessary by the Commission, form working groups in collaboration with City staff to explore and formulate advice or recommendations on specific areas regarding the wise use of public spaces.
- D. Commission activities related to solicitation, review, and analysis of public input shall be guided by the Community Outreach Plan. The Commission shall prepare and annually update a Community Outreach Plan to be approved by City Council. The Community Outreach plan will guide the methodology, scheduling, and tracking of the Commission's community engagement.
- E. The Commission shall hold at least six (6) regular meetings per year as scheduled and noticed in compliance with the annually updated Community Outreach Plan. It shall adopt rules for the transaction of business which shall be included in the Community Outreach Plan.
- F. The Commission shall keep a record of its transactions, findings, recommendations, and any other action item, which record shall be a public record.

§1004 COMPENSATION

The members of the Commission shall receive no compensation, except such traveling expenses as are authorized by law.

§1005 CHAIRPERSON; OFFICERS

The Commission shall elect a chairperson from among its members for a term of one year and may elect such other officers as it may determine.

SECTION THREE.

Article 1B of Division 1, Chapter 4 of the Ukiah City Code is hereby repealed.

SECTION FOUR.

1. Publication: Within fifteen (15) days after its adoption, this Ordinance shall be published once in a newspaper of general circulation in the City of Ukiah. In lieu of publishing the full text of the Ordinance, the City may publish a summary of the Ordinance once 5 days prior to its adoption and again within fifteen (15) days after its adoption.

3. Effective Date: The ordinance shall become effective thirty (30) days after its adoption.

Introduced by title only on _____, 2022, by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Adopted on _____, 2022, by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Jim O. Brown, Mayor

ATTEST:

Kristine Lawler, City Clerk

Public Spaces Commission Community Outreach Plan

11/2021

The Mission of the Public Spaces Commission (PSC) is to foster a culture of informed community participation in the planning and implementation of the wise use of public spaces. The seven-member PSC shall have the power and duty to solicit, collate, and analyze public input on the wise use of public spaces and; provide recommendations and advice to both staff and the City Council based on said input. Additionally, PSC members in collaboration with staff may choose to form “working groups” to explore and formulate advice or recommendations on specific areas regarding the wise use of public spaces.

In support of the PSC mission, City staff will;

1. Convene Biannual Community Input Forums
2. Prepare a Quarterly Public Spaces E-Newsletter
3. Convene four time per year Public Input Forum planning meetings
4. Prepare and distribute a monthly Parks and Recreation Update Video
5. Provide staff support to working groups on mutually agreed upon topics
6. Assist the PSC in an annual update to this plan.

Public Spaces Biannual Community Input Forums

The Public Spaces Biannual Community Input Forums will be held as hybrid in-person and online events. Meetings will be planned to cover two to four prearranged topics with time available for discussion of an unplanned topic at attendee consensus request. The PSC will work with staff to decide upon topics and presenters. City staff will prepare presentations that will include Q&A sessions after the presentations. Forums will be recorded and available on the City You Tube Channel

Prepare a Quarterly Public Spaces E-Newsletter

E-Newsletter will cover the same topics as Community Input Forum to allow for an additional medium for distribution. E-Newsletter may contain additional material. E-Newsletter will be distributed to an interested parties list and be available online.

Convene four time per year PSC Public Input Forum Planning and Workgroup meetings

These meetings will allow PSC members the opportunity to work with staff to plan the Community Input Forums and to report on PSC working group activities.

Prepare and distribute a monthly Parks and Recreation Update Video

The Community Services Supervisor or Designee will record a video presentation with updates on the Parks and Recreation activities. The presentation will be based on the report that has traditionally been provided to the Parks, Rec, and Golf Commission (PRGC) but it will be made available to a much wider audience through You Tube, social, media, and e-newsletter.

Working Groups

PSC members will be encouraged to form Working Groups both among themselves as well as with members of the public to pursue areas of interest and to the benefit of effective City management. All working groups should have a City Council member of staff “sponsor” to ensure a collaborative approach.



AGENDA SUMMARY REPORT

SUBJECT: Approve Contract Amendment Eight with Carollo Engineers for the Design Efforts of the Recycled Water Phase 4 Project in the amount of \$4,600,773 and approval of corresponding budget amendment.

DEPARTMENT: Public Works

PREPARED BY: Jason Benson, Senior Civil Engineer

Tim Eriksen, Director of Public Works/City

PRESENTER: Engineer

ATTACHMENTS:

1. Recycled Water Ph4 CO2 WWTP_12JAN2022

Summary: The City Council will consider giving approval of a contract amendment with Carollo Engineers for the design efforts of the Recycled Water Phase 4 project in the amount of \$4,600,773 and approval of corresponding budget amendment.

Background: The City Council approved contract amendments and the budget required for Carollo Engineers to continue with Recycled Water Phase 4 Design on November 7, 2018. The items issued in the Scope of Work to perform are Tasks 1-9: Project Management, Funding, Preliminary Design, Permitting and Easement, Field Investigation Services and Hydraulics, Bid Support, Engineering Services during Construction (ESDC), and Construction Management. This work is to be completed with the issued budget of \$2,627,484.75.

Two amendments, numbers 5 and 6, have been issued to the Carollo Contract 1314-231 for Phase 4 design work. Amendment 5 for Tasks 1-3: Project Management, Funding, Preliminary Design; and, Amendment 6 for Task 5: Field Investigation Services and Hydraulics. These amendments were approved 1/16/2019 and 5/3/2019, respectively. The four prior amendments approved for this contract work were for: additional geotechnical and environmental work, Recycled Water Phase 3 design, Chlorine Contact Basin (CCB) design, and additional CCB and Recycled Water Phase 3 design.

Amendment 7 was issued to the Carollo Contract 1314-231 for Phase 4 design work under Tasks 1-6: Project Management, Funding, Preliminary Design, Permitting and Easement, Field Investigation Services and Hydraulics, and Final Design. Amendment 7 was approved by City Council on 9/16/2020.

The 30% Design drawings and the Preliminary Design Report (PDR) were completed and submitted to the City in August 2019. This information was used by Carollo to submit an application for the State Revolving Fund (SRF) funding and coordination with the State.

The 60% Design drawings were completed and submitted to the City, and the City reviewed and provided comment in September 2021. The 90% Design drawings were completed and submitted to the City, and the City reviewed and provided comment in January 2022. During project design meetings between City Staff and Carollo Engineers, it was tentatively agreed to have the design complete, shovel ready, and ready for the bidding process, pending project funding sources, in Spring 2022.

Discussion: City Staff met with Carollo Engineers and California State Water Resources Control Board (CSWRCB) Staff in early November 2021. The topic of this meeting was to discuss the potential for a Prop. 68

and Infrastructure Grant to fully pay for the overall construction of the project, and would equate to approximately \$25M. This would include design cost to date expended by the City, and may include City Staff cost during construction. The City directed Carollo Engineers to provide a change order for all scope changes and future engineering efforts (Attachment 1), per CSWRCB discussion. Carollo Engineers has worked diligently to provide the scope changes. The City is only engaging in the changes that will be covered by the new grant.

On the water side of the Wastewater Treatment Plan (WWTP) process, recycled water is the final product from the Advanced Waste Treatment (AWT) and the Chlorine Contact Basin (CCB). Once treated water leaves the CCB, water is discharged to the Recycled Water ponds south of the WWTP. In order to have sufficient recycled water supply for all customers, an additional storage facility for secondary water is needed at the WWTP. The current process at the WWTP requires a lag time between process equipment to operate efficiently, and will remove using the percolation ponds for temporary storage. This will eliminate water loss to the environment and remove extra work time and cost by the WWTP crew to operate and maintain equipment. A new pond and pump station will provide storage of the secondary water before entering the process into the AWTs.

The overall recycled water pipeline layout, the associated tank and pump station located at the Water Treatment Plant (WTP), and the appurtenances of it does not require design revisions since the last submittal of deliverables (December 2021).

Carollo Engineers has prepared a revised Scope of Work and the necessary actions to perform Task 1-9. This includes a cost Change Order for the additional work for Task 1-6 and to include Task 7-9. The added cost is for a revision to the project design and the documents associated with this process (Task 1-6), and will incorporate the design changes for a new pond and pump station at the WWTP. Other added cost is for Task 7-9: Bid Support, Engineering Services during Construction (ESDC), Construction Management. Task 7-9 will be initiated through Task Orders to Carollo and approved for cost expenditure only when the project construction phases begin. Carollo Engineers has prepared a contract change order for a revised budget for the remaining and modified Tasks for the revised total contract budget of \$6,471,103 (Attachment 1) for Phase 4. Carollo Engineers has prepared a contract change order for a revised budget for the remaining and modified Tasks to be completed at \$4,600,773 (Attachment 1). This will increase the total contract value for all Recycled Water project work performed by Carollo Engineers (Phases 1-4 and CCB) to \$10,644,367.

City Staff has discussed the grant options and procedures for applications with CSWRCB and Carollo Engineers. In order to get through the grant application and finalization process, Carollo Engineers will have to perform administrative and engineering design work before the CSWRCB provides the City with a definitive answer of the grant award to the City for construction and design cost of Phase 4. This will include geotechnical work, materials testing, site survey, production of design drawings, Engineer's Estimate for construction, and the preliminary report of findings. The estimated cost to the City for Carollo to get through the grant process is approximately fifty percent of the proposed amount for Task 1-6 in the amount of \$864,433. This will include preliminary design of the WWTP pond and pump station upgrades, and if the grant is not approved, this design will already be in place for needed operational and critical plant updates. If the grant *is* approved, these costs will likely be eligible for reimbursement. Past and future amendments provide a Task Order to Carollo Engineers which only allows them to proceed with the scope of work when authorized by the City. To date, through Amendment 7 (dated September 4, 2020), Carollo Engineers is completing work described under Task 1-6. If the grant is not awarded or the City does not wish to continue work with Carollo Engineers for Task 7-9, Amendments for this work will not be executed by the City.

Recommended Action: Approve contract amendment eight with Carollo Engineers for the design efforts of the Recycled Water Phase 4 project in the amount of \$4,600,773 and approval of corresponding budget amendment. .

BUDGET AMENDMENT REQUIRED: Yes

CURRENT BUDGET AMOUNT: 83027330.80230.18052: \$0

PROPOSED BUDGET AMOUNT: 83027330.80230.18052: \$4,600,773

FINANCING SOURCE: Water Fund - 82000000.30007

PREVIOUS CONTRACT/PURCHASE ORDER NO.: Carollo Engineers - COU No. 1314-231

COORDINATED WITH: Tim Eriksen, Director of Public Works/City Engineer

Approved: 
Sage Sangiacomo, City Manager

CITY OF UKIAH
RECYCLED WATER PROJECT – PHASE 4 DESIGN, ESDC, and CM

CHANGE ORDER 2

January 12, 2022

After the Phase-4 30% design package was submitted, modifications to the alignment and design elements were recommended by the project team. A Change Order was submitted and approved to amend the original scope of work to include the new alignment and remove the design elements at the Wastewater Treatment Plant (WWTP). Funds for the additional design work were reallocated from Construction Management (CM) services.

Recent discussions with the state have indicated that Ukiah will likely receive full grant funding for the Phase-4 project. The City has requested that Carollo provide a design to turn the existing sludge pond at the WWTP into additional storage to be used for reclaimed water delivery, include the WWTP upgrades that were identified in the original Preliminary Design Report, and provide an updated budget for ESDC and CM.

New project elements are as followed:

- Define the full amount demo required for the existing sludge pond and any ground contamination.
- AWT Storage Ponds (ASP) will be upgraded by reconditioning the existing sludge lagoons, including sludge removal and installation of a liner, new drainage piping, and drain pump station. The existing digester overflow line that drains to the sludge lagoon will be relocated.
- A new pump station to convey flows from the pond to final treatment.
- New Geotech and Survey to support the pond and pump station.
- Upgrade existing package clarifier/filter Advanced Wastewater Treatment (AWT) units per the Westech budgetary proposal dated July 2019:
 - Install filter in-bed air scour.
 - Replace filter media.
 - Replace filter gravel support.
 - Retrofit waste gate assembly.
 - Replace analog backwash control level switch instrumentation with digital instrumentation.
 - Install new air scour blower pressure gauge and switch instrumentation.
 - Inspect steel clarifier/filter steel tank structure, repair and recoat. Modify structure to provide seismic anchorage
- Replace adsorption clarifier media of the package clarifier/filter AWT units.
- Replace the two existing backwash air blowers of the clarifier/filter AWT units and install a third new blower to provide air for the new filter in-bed air scour system.
- Replace the clarifier/filter AWT units effluent valves and install new filter air scour valves

on each unit.

- Replace pneumatic valve operators on the package clarifier/filter AWT units with electric operators to reduce maintenance and improve reliability.
- Replace AWT existing PLCs and program to incorporate upgrades outlined above.
- Replace one primary coagulant (ferric chloride) feed pump with smaller capacity pump to provide operational flexibility during times of low recycled water demand and reduce the production of excess chemical sludge in AWT system clarifiers.
- Install rapid mix pump and flash mix assembly in the contact clarifier influent pipe to improve ferric chloride coagulant mixing.
- Replace existing chlorine residual analyzer 3 (at the backwash pumping station) and chlorine residual analyzer 4 (at the dechlorination structure) with probe-type analyzers.
- Install motor-operated valve and replacement valve on existing 24-inch FE/RW diversion line west of the dechlorination structure and a motor-operated valve on 24-inch river discharge line. Revise AWT CCB discharge flow meter piping to maintain full pipe flow in the flow meter.
- Upgrade the Carousel Pump Station including adding a new pump to fill the AWT Storage Pond (ASP) and replacing the electrical equipment. Existing electrical service will be replaced with a new feeder from either the Generator or DAF building.
- Structure 89 will be upgraded with a level sensor to control the ASP drain pump station.
- Add additional time for Task 1 Project Management for the time extension and additional effort for the design change analysis.
- Reestablish Carollo's effort for construction management and adjust rates for a 2023 construction start.
- Continue to support the City to apply for Grant Funds through the SRF application process.

Table 1 provides a budget breakdown by task showing the revised estimated budgets. A detailed estimate for work to be authorized is provided as Exhibit A.

Table 1: Budget Adjustments			
Task	Existing Contract	Scope Delta	New Total
1.0 Project Management	\$227,526	\$133,021	\$360,547
2.0 SRF Funding Applications and Coordination	\$78,429	\$38,295	\$116,724
3.0 Preliminary Design	\$303,298	\$99,320	\$402,618
4.0 Permitting & Easement	\$74,726	\$16,296	\$91,022
5.0 Field Investigative Services & Hydraulics	\$520,274	\$213,864	\$734,138
6.0 Final Design	\$666,077	\$1,227,440	\$1,893,517
7.0 Bid Support	\$42,019	\$32,486	\$74,505
8.0 ESDC	\$261,895	\$347,412	\$609,307
9.0 CM	\$453,240	\$1,735,485	\$2,188,725
Total	\$2,627,484.75	\$3,843,618	\$6,471,102.75

Assumptions:

- Survey and geotech will begin upon notice to proceed (NTP). Survey, Geotech, and materials testing is provided as an allowance.
- The pond will be stabilized with soil mixing.
- The preliminary design report will be modified to show the new proposed work at the WWTP. The preliminary design will include one site drawing showing the footprint of the new pond.
- The new design at the WWTP will be a standalone drawing and spec package. However, Phase 4 will be bid as a single contract for construction.
- It is assumed record drawings are available for the WWTP and AWT for reference and use during design.

- The 50% design submittal will include a preliminary site plan for the WWTP and AWT improvements, including initial civil, demolition, structural, mechanical, electrical layouts, and P&IDs, a list of technical specifications, and a 50% construction estimate.
- Carollo will develop 50%, 90% and 100% design packages.
- It is anticipated that the WWTP design work will take approximately 130 drawings.
- Design for the WWTP improvements is anticipated to take approximately 12 months. The revised Project Management Task 1 will take the project through this design schedule. After design project management tasks will be handled under the CM budget.
- Carollo has provided a budgetary estimate to assist in providing information necessary for permit applications.
- Carollo has provided a budgetary estimate for ESDC and CM support. The City and Carollo will modify the fee/scope for construction and bid support tasks when a final construction schedule has been identified.
- CM budget is based upon a 24-month effort, rates shown are inclusive of anticipated travel and per diem, and construction office trailer to be provided by others.
- Rates will increase yearly beginning January 1, 2023 for Tasks 1 through 8 and January 1, 2024 for Task 9.

Exhibit A - (January 12 2022)																													
City of Ukiah																													
Recycled Water Project - Phase 4																													
CO 2 For Approval																													
Task Task Description		Carollo Labor																Subconsultant				Other Direct Costs (ODC)						Total Cost	
																						Subconsultants Fee		PECE	ODC	Mileage			
		Includes 10% Markup	PECE	Trips	Amount	Total																							
				PIC/PM	PE	Proc	Struct	Elec	Permit	Eng	CAD	QC/QC	DP	PIC CM	CM	Inspector	EPIC Inspector	Field Clerk	Total	Labor	Munselle Survey	Crawford Geotech	Alpine Summit Cost Estimate	JDH CP	Includes 10% Markup	PECE	Trips	Amount	Total
1.0 Project Management and Meetings (15 months)																													
1.1 Project Management and Administration		98	45	0	0	0	0	0	0	0	30	0	0	0	0	0	173	\$45,928					\$0	\$2,249		0	\$0	\$2,249	\$48,177
1.2 Meetings		54	92	20	20	20	10	46	20	20	0	0	0	0	0	0	302	\$79,124					\$0	\$3,926		12	\$1,794	\$5,720	\$84,844
Task 1.0 Totals =		152	137	20	20	20	10	46	20	20	30	0	0	0	0	0	475	\$125,052										Task 1.0 Totals =	\$133,021
2.0 SRF Funding Applications and Coordination																													
2.2 Grant Funding Coordiantion		90	0	0	0	0	0	45	0	0	0	0	0	0	0	0	135	\$36,540					\$0	\$1,755		0	\$0	\$1,755	\$38,295
Task 2.0 Totals =		90	0	0	0	0	0	45	0	0	0	0	0	0	0	0	135	\$36,540										Task 2.0 Totals =	\$38,295
3.0 Preliminary Design																													
3.7 Develop Draft/Final PDR		16	20	0	0	0	0	40	0	8	8	0	0	0	0	0	92	\$21,264					\$0	\$1,196		0	\$0	\$1,196	\$22,460
3.9 30% Design (WWTP Improvements Layout Dwg)		20	20	0	8	20	0	40	40	0	0	0	0	0	0	0	148	\$34,720					\$0	\$1,924		1	\$150	\$2,074	\$36,794
3.10 Basis of Design (WWTP Pond Storage)		16	30	0	0	36	0	60	0	8	8	0	0	0	0	0	158	\$37,564					\$0	\$2,054		3	\$449	\$2,503	\$40,067
Task 3.0 Totals =		52	70	0	8	56	0	140	40	16	16	0	0	0	0	0	398	\$93,548										Task 3.0 Totals =	\$99,320
4.0 Permitting & Easement																													
4.2 Prepare Permit Applications		8	8	0	0	0	40	0	0	0	0	0	0	0	0	0	56	\$15,568					\$0	\$728		0	\$0	\$728	\$16,296
Task 4.0 Totals =		8	8	0	0	0	40	0	0	0	0	0	0	0	0	0	56	\$15,568										Task 4.0 Totals =	\$16,296
5.0 Field Investigative Services & Hydraulics																													
5.1 Topographic Survey		6	12	0	0	0	0	0	0	2	0	0	0	0	0	0	20	\$5,608	\$90,000				\$99,000	\$260		0	\$0	\$99,260	\$104,868
5.2 Geotechnical Investigations		2	8	0	4	0	0	0	0	2	0	0	0	0	0	0	16	\$4,424		\$80,500			\$88,550	\$208		0	\$0	\$88,758	\$93,182
5.3 Potholing		8	4	0	0	0	0	8	0	1	0	0	0	0	0	0	21	\$5,359					\$0	\$273		1	\$150	\$423	\$5,782
5.4 Surge Analysis		2	32	0	0	0	0	0	0	2	0	0	0	0	0	0	36	\$9,564					\$0	\$468		0	\$0	\$468	\$10,032
Task 5.0 Totals =		18	56	0	4	0	0	8	0	7	0	0	0	0	0	0	93	\$24,955										Task 5.0 Totals =	\$213,864
6.0 Final Design																													
6.5 50%, 90%, & 100% WWTP Improvements (Submittal Review Meetings)		16	32	16	20	85	0	8	8	0	0	0	0	0	0	0	185	\$49,851			\$60,000		\$66,000	\$2,405	\$500	6	\$897	\$69,802	\$119,653
6.6 50%, 90%, & 100% WWTP Improvements (Design)		160	834	506	200	428	0	465	1,530	120	154	0	0	0	0	0	4,397	\$1,034,430						\$57,161	\$3,000	6	\$897	\$61,058	\$1,095,488
Task 6.0 Totals =		176	866	522	220	513	0	473	1,538	120	154	0	0	0	0	0	4,582	\$1,084,281										Task 6.0 Totals =	\$1,227,440
7.0 Bid Support																													
7.1 Attend Pre Bid Meeting		8	8	0	0	0	0	0	0	0	0	0	8	0	0	0	24	\$6,448					\$0	\$281		1	\$150	\$430	\$6,878
7.2 RFI Review & Response & Addenda		4	30	8	8	8	0	8	36	0	2	0	0	0	0	0	104	\$24,818					\$0	\$1,221		0	\$0	\$1,221	\$26,040
7.3 Conformed Documentation		4	16	0	16	16	0	36	80	2	8	0	0	0	0	0	178	\$38,511					\$0	\$2,077	\$1,000	0	\$0	\$3,077	\$41,587
Task 7.0 Totals =		16	54	8	24	24	0	44	116	2	10	0	8	0	0	0	306	\$69,777										Task 7.0 Totals =	\$74,505
8.0 Engineering Services During Construction																													
8.1 Construction Contract Award		4	8	0	0	0	0	0	0	0	0	0	0	0	0	0	12	\$3,324					\$0	\$140		0	\$0	\$140	\$3,464
8.2 Pre-Construction Conference		8	8	0	0	8	0	8	0	0	0	0	0	0	0	0	32	\$8,288					\$0	\$374		0	\$0	\$374	\$8,662
8.3 Engineer's Site Observation		48	96	40	8	24	0	48	0	0	0	0	0	0	0	0	264	\$69,208					\$0	\$3,089		18	\$2,691	\$5,780	\$74,988
8.4 Submittals Review		60	300	120	160	160	0	0	0	0	0	0	0	0	0	0	800	\$218,860					\$0	\$9,360		0	\$0	\$9,360	\$228,220
8.5 Responses to Contractor's RFIs		5	60	20	20	20	0	0	10	0	0	0	0	0	0	0	135	\$35,855					\$0	\$1,580		0	\$0	\$1,580	\$37,435
8.6 Review and Preparation of Design Clarifications		2	16	8	8	8	8	0	32	0	0	0	0	0	0	0	82	\$20,062					\$0	\$959		0	\$0	\$959	\$21,021
8.7 Record Drawings		16	24	20	0	0	0	100	600	16	40	0	0	0	0	0	816	\$165,892					\$0	\$9,547		0	\$0	\$9,547	\$175,439
8.8 Substantial and Final Completion Assistance		2	32	0	0	0	0	16	0	0	0	0	0	0	0	0	50	\$11,982					\$0	\$585		1	\$150	\$735	\$12,717
8.9 Training and Commissioning		8	32	0	0	32	0	0	0	0	0	0	0	0	0	0	72	\$19,608					\$0	\$842		2	\$299	\$1,141	\$20,749
8.10 Operations and Maintenance Manuals		8	16	40	0	16	0	16	0	0	0	0	0	0	0	0	96	\$25,488					\$0	\$1,123		0	\$0	\$1,123	\$26,611
Task 8.0 Totals =		161	592	248	196	268	8	188	642	16	40	0	0	0	0	0	2,359	\$578,567										Task 8.0 Totals =	\$609,307
9.0 Construction Management																													
9.1 Preconstruction Services		0	0	0	0	0	0	0	0	0	0	5	40	0	0	0	45	\$10,675					\$0	\$527	\$25,000	0	\$0	\$25,527	\$36,202
9.2 Services During Construction		0	0	0	0	0	0	0	0	0	0	204	4,080	4,080	612	0	8,976	\$1,981,860					\$0	\$105,019	\$7,806	0	\$0	\$112,825	\$2,094,685
9.3 Material Testing		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	40	\$8,200			\$30,710		\$33,781	\$468		0	\$0	\$34,249	\$42,449
9.4 Startup and Testing		0	0	0	0	0	0	0	0	0	0	16	16	16	16	0	64	\$14,640					\$0	\$749		0	\$0	\$749	\$15,389
Task 9.0 Totals =		0	0	0	0	0	0	0	0	0	0	225	4,136	4,136	628	0	9,125	\$2,015,375										Task 9.0 Totals =	\$2,188,725
Project Totals =		673	1,783	798	472	881	58	944	2,356	181	250	225	4,144	4,136	628	0	17,529	\$4,043,663	\$90,000	\$111,210	\$60,000	\$10,000	\$298,331	\$212,549	\$3				



AGENDA SUMMARY REPORT

SUBJECT: Consider Adoption of Resolution Adopting a 2022 Advocacy Platform to Serve as Guidelines for Local, State, and Federal Legislative Matters.

DEPARTMENT: City Manager /
Admin

PREPARED BY: Shannon Riley, Deputy City Manager

PRESENTER: Shannon Riley, Deputy City Manager

ATTACHMENTS:

1. Advocacy Platform and Resolution_2022_highlighted
2. Advocacy Platform and Resolution_2022_clean
3. 2022 League of CA Cities Priorities

Summary: Council will consider adoption of a Resolution adopting a 2022 Advocacy Platform to provide guidance regarding local, state and federal legislative and judicial matters, and allow the City to weigh in on such matters in a timely fashion. An advocacy platform enables the Mayor and/or City Manager, or their designee, to submit letters or other filings on behalf of the City if the proposed matter is within the City's adopted advocacy platform guidelines. Additionally, platform guidelines enable the City to actively participate in the regional, state and federal legislative processes on behalf of the City of Ukiah.

Background: The ability of the City to serve the residents and provide for a thriving and sustainable community requires support from all levels of government. Local government is uniquely and best positioned to support, serve, and respond to community and individual needs. However, with local, state and federal legislative policy and judicial matters, action is often needed to support local government in having this impact. These legislative policies and legal actions can affect the City's ability to deliver services, shape what services are delivered, impact the resources available for services, and remove obstacles to delivering services. These policies sometimes require immediate attention.

The Ukiah City Council has annually adopted a Platform and a corresponding resolution, most recently in February 2021. A number of new items, which reflect recent Council direction or current City activities, have been added to the document. New items are shown in yellow highlight on Attachment 1, and a clean version of the proposed 2022 Advocacy Resolution and Platform is provided as Attachment 2.

Discussion: In order to fulfill the City's commitment to the community, positive local, state and federal action--including the allocation of resources--should be sought.

The Advocacy Platform is also consistent with the 2022 goals and priorities of the League of California Cities ("the League"), provided as Attachment 3.

The proposed 2022 Advocacy Platform from the City states it does not take positions on matters outside the scope and purpose of municipal government. Occasionally, the City is asked to take positions that do not materially affect the scope and purpose of our municipal government; these tend to be quality of life or social issues; or federal government matters like foreign policy.

The Platform would not preclude the Mayor or Councilmembers from placing an item on the agenda for consideration. However, it would provide guidance to others about positions typically taken by the City

Council.

To this end, if the City should adopt/update the proposed 2022 Advocacy Platform, it would provide a guide for the City’s legislative advocates and highlight key issues important to the local community. The Platform provides 14 over-arching guiding principles intended for specific legislative and legal action and supports existing City Council-established goals and policies. The priorities outlined streamline the legislative approval process by providing clear direction on pertinent issues for our community. It is by no means all-encompassing.

As previously stated, the Platform is reviewed by Council on an annual basis in coordination with the State’s legislative calendar, and will continue to be listed on the tracking calendar for Council review in January of each year.

Staff recommends the adoption of the proposed Resolution that includes the 2022 Advocacy Platform providing overall guidance that allows the Mayor, and/or City Manager, or their designee, to send/file support or opposition to the League and other agencies/organizations to protect or advocate for our community.

Recommended Action: Adopt resolution adopting a 2022 Advocacy Platform to serve as guidelines for local, state, and federal legislative, administrative, regulatory and court matters.

BUDGET AMENDMENT REQUIRED: N/A

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

RESOLUTION NO. 2022-**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UKIAH APPROVING AND ADOPTING A 2022 ADVOCACY PLATFORM**

WHEREAS; an advocacy platform is a tool that the City Council and staff can utilize to support the goals and objectives of the City; and

WHEREAS, the California State Legislature alone considers thousands of bills during each two-year legislative session, state and federal administrative agencies establish policies and engage in rule-making and many precedent setting decision are heard by the California and federal courts of appeal and the California and United States Supreme Court; and any number of these bills, administrative actions and regulations and court cases can affect cities—through changes in funding, employment law, or water regulation as examples; and

WHEREAS, development of an Advocacy Platform provides the opportunity to identify issues and priorities that may be addressed through legislative and administrative advocacy and amicus briefs to California and federal appellate courts; and

WHEREAS, the City desires to be proactive and involved in the governmental, administrative and judicial decision-making process directly affecting the City of Ukiah and the League of California Cities; and

WHEREAS, the platform will also be used when applicable on other local, regional, state, and federal matters not evaluated by the League; and

WHEREAS, adoption of a 2022 Advocacy Platform enables the City Council and staff to react quickly to most legislative or administrative issues or the filing of amicus briefs as they arise; and

WHEREAS, the 2022 Advocacy Platform can be provided to State and Federal representatives so they are made aware of the issues that are important to Ukiah; and

WHEREAS, the City Council wishes to adopt the 2022 Advocacy Platform which provides overall guidance that allows the City Manager and the Mayor, or their designee, to send letters of support or opposition to the League, the local, state and federal legislatures and administrative agencies and to participate in amicus briefs to the state and federal appellate courts in certain instances.

NOW, THEREFORE BE IT RESOLVED, that the City Council of the City of Ukiah hereby adopts a “2022 Advocacy Platform,” attached as “Exhibit A” to this Resolution. Further, any activity taken under the legislative platform will be reported to the City Council, and all letters of support/opposition will be documented and forwarded to the City Council and included within the “Petitions and Communications” section of the subsequent council meeting following issuance for public review.

DULY AND REGULARLY ADOPTED this 19th day of January 2022.

AYES:

NOES:

ABSTAIN:

ABSENT:

CITY OF UKIAH

Jim O. Brown, Mayor

ATTEST:

Kristine Lawler, City Clerk



2022 Advocacy Platform

PRIORITIES

The City of Ukiah takes the following positions and the Mayor and the City Manager may send corresponding letters of opposition or support without further City Council action and, whenever filing deadlines preclude prior City Council action, may authorize naming the City as a party to an amicus brief to be filed in state or federal court, provided the City incurs no cost to join the amicus brief.

A. Finance

Protect Local Revenue Sources The City opposes attempts to decrease, restrict or eliminate city revenue sources and opposes any efforts at the local, state or federal level to retain additional revenues currently dedicated to local government for state purposes.

Municipal Bond Tax Oppose any effort to eliminate, or cap, the tax-exempt status of municipal bonds, one of the few tools left for local governments to finance large capital projects.

Replace Lost Redevelopment Funding Seek, promote, and implement any new or alternative approaches that may replace redevelopment funding mechanisms that deliver positive benefits to Ukiah.

Unfunded Mandates Oppose measures that would impose State and Federal mandated costs for which there is no guarantee of local reimbursement or offsetting benefits (i.e., unfunded mandates).

Control Workers' Compensation and Public Retirement Costs Support legislation and policy that control escalating workers' compensation and public retirement system costs to public agencies and taxpayers.

B. Utilities

Local Utility Services The City opposes any regulations or legislative actions or court decision that would eliminate or limit the City's ability to provide utility services within the incorporated jurisdiction.

Energy Value The City supports any legislative or regulatory action that increases the energy value for the electric customer.

Cap and Trade Program The City supports the use of California Air Resources Board's (CARB) Cap and Trade program allowances and energy resources that are clean, renewable and cost effective.

Wireless and Telecommunication Facilities Oppose any federal or state legislation or regulatory policy that would further erode the ability of local governments to regulate wireless and other telecommunication facilities.

Local Water Use Control Support efforts to maintain and strengthen local control of water use and

encourage water recycling and the many benefits of sustainability to Ukiah's water supply, conserving the vital resource of potable water, and protecting our diverse water portfolio.

C. Local Control

Sustainable, Reliable Funding The City supports local, state and federal budget plans that provide sustainable, reliable funding for priority local government programs.

Local Control and Streamlining Regulations The City values its ability and authority to exercise local control, enable excellent public services and protect and enhance the quality of life for Ukiah residents and businesses. The City supports efforts to streamline regulations that simplify the job of running the City and opposes efforts that erode the City's authority to control its own affairs.

Housing and Homelessness The City supports legislation that provides Cities additional funding and tools and preserves local authority to address housing production, affordability, and homelessness challenges.

D. Transportation and Streets

Transportation Infrastructure The City supports increases in transportation funding for local street and road improvements to promote investing in the maintenance and rehabilitation of aging infrastructure.

Alternative Funding Solutions Support legislation that reduces local reliance on local gas tax revenues for roads and streets improvements and proposes new alternative funding solutions with longer-term sustainability

E. Economic Development

Economic Development Opportunities The City embraces efforts to obtain funding for economic development and environmental initiatives, including planning and implementation of regional transportation and traffic congestion relief projects, and the creation of affordable housing. The City also supports legislation that provides incentives for job creation and retention, including legislation that increases funding and allowable uses for the Community Development Block Grant program.

F. Environmental

Clean Environment The City supports policy that advocates for a clean environment and policy to improve environmental standards and promote sustainable energy policies.

G. Public Safety

Public Safety Resources The City supports legislation and policies that enable local officials to access resources to provide quality police, fire, emergency management, emergency medical services, youth violence prevention initiatives, and to engage the community in its own safety.

Street Outreach Teams Support new funding from the county, state, and federal government for

expanded Street Outreach Teams in collaboration with law enforcement, first responders, and the County's health and mental health departments for those affected by homelessness and mental health issues.

Funding to Remove and Clean Homeless Encampments Support new funding from county, state, and federal sources for the legal removal and storage of homeless belongings and cleanup of areas impacted by illegal camping, including the abatement of abandoned vehicles.

Supportive Programs and Solutions Support legislation that assists in preventing and reducing crime, such as intervention and prevention programs, mental health initiatives, enhanced protective equipment, and solutions for at-risk individuals.

Support De-escalation Training Support police reform legislation that provides de-escalation training and the funding for such training, and that reduces unnecessary and excessive use of force.

Graffiti Abatement Support legislation that would strengthen state graffiti law and provide local government revenue and resources for graffiti abatement.

Speed Limits Support legislation that would allow local jurisdictions to set speed limits based upon safety findings and/or provide provisions for cost recovery of traffic enforcement.

H. Parks, Open Space, and Community

Sustainable Quality of Life The City values a sustainable quality of life and supports parks and open space, recreation facilities, environmental and climate protection, resource conservation, libraries, arts and culture and legislation and policies that emphasize sustainable development.

Park Infrastructure Support legislation that provides funding for rehabilitation, development, and capital improvements of local parks, open space, and community facilities.

Public Art Support legislation that provides funding to support public art, both performing and visual.

Funding for Youth and Seniors Support legislation that provides local funding for youth and senior recreational and enrichment programming.

I. Emergency Management

Disaster Management The City supports policy that helps improve disaster preparedness, response, recovery, and climate resiliency.

Funding for Emergency Management Support legislation, strategies, and initiatives that provide increased local, state, and federal funding for emergency and disaster preparedness, planning, response, and recovery.

J. Public Workforce

Sustainable Pension and Retirement Health Benefits The City supports policy that promotes the sustainability of public pension and retirement health benefits.

Competitive and Valuable Employment Advocate for legislation that supports the City's ability to provide competitive and valuable employment opportunities.

K. Planning and Land Use

Projects in the Sphere of Influence Oppose project entitlements in areas outside the City limits, but within the City's General Plan proposed sphere of influence that do not conform to current City standards and/or standards within the Ukiah Valley Area Plan.

Changes of Organization Oppose requests for changes of organization (primarily, annexation) from other entities and agencies if those requests are done without prior collaboration with the City and are proposed within the City's Sphere of Influence.

Regional Planning Support regional planning initiatives, especially those that may increase the supply of housing and employment opportunities for residents.

Long-Term Planning Support legislation and funding initiatives for long-term planning efforts related to affordable housing, economic development, and climate change adaptation and resiliency.

L. Diversity, Equity and Inclusion

Equitable Access Support legislation and funding that helps the City of Ukiah provide residents with equitable access to City employment, programs and services.

Eliminating Barriers Support legislation and funding that will allow the City and its community partners to provide all residents with the tools necessary to grow and thrive.

Community Engagement Support legislation and funding for the City and its community partners to proactively engage with residents on issues of prejudice, discrimination, and social justice to promote education, understanding, expanded opportunity, value, and acceptance of the diverse groups within our community, creating an environment where all feel welcome and safe in Ukiah.

RESOLUTION NO. 2022-**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UKIAH APPROVING AND ADOPTING A 2022 ADVOCACY PLATFORM**

WHEREAS; an advocacy platform is a tool that the City Council and staff can utilize to support the goals and objectives of the City; and

WHEREAS, the California State Legislature alone considers thousands of bills during each two-year legislative session, state and federal administrative agencies establish policies and engage in rule-making and many precedent setting decision are heard by the California and federal courts of appeal and the California and United States Supreme Court; and any number of these bills, administrative actions and regulations and court cases can affect cities—through changes in funding, employment law, or water regulation as examples; and

WHEREAS, development of an Advocacy Platform provides the opportunity to identify issues and priorities that may be addressed through legislative and administrative advocacy and amicus briefs to California and federal appellate courts; and

WHEREAS, the City desires to be proactive and involved in the governmental, administrative and judicial decision-making process directly affecting the City of Ukiah and the League of California Cities; and

WHEREAS, the platform will also be used when applicable on other local, regional, state, and federal matters not evaluated by the League; and

WHEREAS, adoption of a 2022 Advocacy Platform enables the City Council and staff to react quickly to most legislative or administrative issues or the filing of amicus briefs as they arise; and

WHEREAS, the 2022 Advocacy Platform can be provided to State and Federal representatives so they are made aware of the issues that are important to Ukiah; and

WHEREAS, the City Council wishes to adopt the 2022 Advocacy Platform which provides overall guidance that allows the City Manager and the Mayor, or their designee, to send letters of support or opposition to the League, the local, state and federal legislatures and administrative agencies and to participate in amicus briefs to the state and federal appellate courts in certain instances.

NOW, THEREFORE BE IT RESOLVED, that the City Council of the City of Ukiah hereby adopts a “2022 Advocacy Platform,” attached as “Exhibit A” to this Resolution. Further, any activity taken under the legislative platform will be reported to the City Council, and all letters of support/opposition will be documented and forwarded to the City Council and included within the “Petitions and Communications” section of the subsequent council meeting following issuance for public review.

DULY AND REGULARLY ADOPTED this 19th day of January 2022.

AYES:

NOES:

ABSTAIN:

ABSENT:

CITY OF UKIAH

Jim O. Brown, Mayor

ATTEST:

Kristine Lawler, City Clerk



2022 Advocacy Platform

PRIORITIES

The City of Ukiah takes the following positions and the Mayor and the City Manager may send corresponding letters of opposition or support without further City Council action and, whenever filing deadlines preclude prior City Council action, may authorize naming the City as a party to an amicus brief to be filed in state or federal court, provided the City incurs no cost to join the amicus brief.

A. Finance

Protect Local Revenue Sources The City opposes attempts to decrease, restrict or eliminate city revenue sources and opposes any efforts at the local, state or federal level to retain additional revenues currently dedicated to local government for state purposes.

Municipal Bond Tax Oppose any effort to eliminate, or cap, the tax-exempt status of municipal bonds, one of the few tools left for local governments to finance large capital projects.

Replace Lost Redevelopment Funding Seek, promote, and implement any new or alternative approaches that may replace redevelopment funding mechanisms that deliver positive benefits to Ukiah.

Unfunded Mandates Oppose measures that would impose State and Federal mandated costs for which there is no guarantee of local reimbursement or offsetting benefits (i.e., unfunded mandates).

Control Workers' Compensation and Public Retirement Costs Support legislation and policy that control escalating workers' compensation and public retirement system costs to public agencies and taxpayers.

B. Utilities

Local Utility Services The City opposes any regulations or legislative actions or court decision that would eliminate or limit the City's ability to provide utility services within the incorporated jurisdiction.

Energy Value The City supports any legislative or regulatory action that increases the energy value for the electric customer.

Cap and Trade Program The City supports the use of California Air Resources Board's (CARB) Cap and Trade program allowances and energy resources that are clean, renewable and cost effective.

Wireless and Telecommunication Facilities Oppose any federal or state legislation or regulatory policy that would further erode the ability of local governments to regulate wireless and other telecommunication facilities.

Local Water Use Control Support efforts to maintain and strengthen local control of water use and

encourage water recycling and the many benefits of sustainability to Ukiah's water supply, conserving the vital resource of potable water, and protecting our diverse water portfolio.

C. Local Control

Sustainable, Reliable Funding The City supports local, state and federal budget plans that provide sustainable, reliable funding for priority local government programs.

Local Control and Streamlining Regulations The City values its ability and authority to exercise local control, enable excellent public services and protect and enhance the quality of life for Ukiah residents and businesses. The City supports efforts to streamline regulations that simplify the job of running the City and opposes efforts that erode the City's authority to control its own affairs.

Housing and Homelessness The City supports legislation that provides Cities additional funding and tools and preserves local authority to address housing production, affordability, and homelessness challenges.

D. Transportation and Streets

Transportation Infrastructure The City supports increases in transportation funding for local street and road improvements to promote investing in the maintenance and rehabilitation of aging infrastructure.

Alternative Funding Solutions Support legislation that reduces local reliance on local gas tax revenues for roads and streets improvements and proposes new alternative funding solutions with longer-term sustainability

E. Economic Development

Economic Development Opportunities The City embraces efforts to obtain funding for economic development and environmental initiatives, including planning and implementation of regional transportation and traffic congestion relief projects, and the creation of affordable housing. The City also supports legislation that provides incentives for job creation and retention, including legislation that increases funding and allowable uses for the Community Development Block Grant program.

F. Environmental

Clean Environment The City supports policy that advocates for a clean environment and policy to improve environmental standards and promote sustainable energy policies.

G. Public Safety

Public Safety Resources The City supports legislation and policies that enable local officials to access resources to provide quality police, fire, emergency management, emergency medical services, youth violence prevention initiatives, and to engage the community in its own safety.

Street Outreach Teams Support new funding from the county, state, and federal government for

expanded Street Outreach Teams in collaboration with law enforcement, first responders, and the County's health and mental health departments for those affected by homelessness and mental health issues.

Funding to Remove and Clean Homeless Encampments Support new funding from county, state, and federal sources for the legal removal and storage of homeless belongings and cleanup of areas impacted by illegal camping, including the abatement of abandoned vehicles.

Supportive Programs and Solutions Support legislation that assists in preventing and reducing crime, such as intervention and prevention programs, mental health initiatives, enhanced protective equipment, and solutions for at-risk individuals.

Support De-escalation Training Support police reform legislation that provides de-escalation training and the funding for such training, and that reduces unnecessary and excessive use of force.

Graffiti Abatement Support legislation that would strengthen state graffiti law and provide local government revenue and resources for graffiti abatement.

Speed Limits Support legislation that would allow local jurisdictions to set speed limits based upon safety findings and/or provide provisions for cost recovery of traffic enforcement.

H. Parks, Open Space, and Community

Sustainable Quality of Life The City values a sustainable quality of life and supports parks and open space, recreation facilities, environmental and climate protection, resource conservation, libraries, arts and culture and legislation and policies that emphasize sustainable development.

Park Infrastructure Support legislation that provides funding for rehabilitation, development, and capital improvements of local parks, open space, and community facilities.

Public Art Support legislation that provides funding to support public art, both performing and visual.

Funding for Youth and Seniors Support legislation that provides local funding for youth and senior recreational and enrichment programming.

I. Emergency Management

Disaster Management The City supports policy that helps improve disaster preparedness, response, recovery, and climate resiliency.

Funding for Emergency Management Support legislation, strategies, and initiatives that provide increased local, state, and federal funding for emergency and disaster preparedness, planning, response, and recovery.

J. Public Workforce

Sustainable Pension and Retirement Health Benefits The City supports policy that promotes the sustainability of public pension and retirement health benefits.

Competitive and Valuable Employment Advocate for legislation that supports the City's ability to provide competitive and valuable employment opportunities.

K. Planning and Land Use

Projects in the Sphere of Influence Oppose project entitlements in areas outside the City limits, but within the City's General Plan proposed sphere of influence that do not conform to current City standards and/or standards within the Ukiah Valley Area Plan.

Changes of Organization Oppose requests for changes of organization (primarily, annexation) from other entities and agencies if those requests are done without prior collaboration with the City and are proposed within the City's Sphere of Influence.

Regional Planning Support regional planning initiatives, especially those that may increase the supply of housing and employment opportunities for residents.

Long-Term Planning Support legislation and funding initiatives for long-term planning efforts related to affordable housing, economic development, and climate change adaptation and resiliency.

L. Diversity, Equity and Inclusion

Equitable Access Support legislation and funding that helps the City of Ukiah provide residents with equitable access to City employment, programs and services.

Eliminating Barriers Support legislation and funding that will allow the City and its community partners to provide all residents with the tools necessary to grow and thrive.

Community Engagement Support legislation and funding for the City and its community partners to proactively engage with residents on issues of prejudice, discrimination, and social justice to promote education, understanding, expanded opportunity, value, and acceptance of the diverse groups within our community, creating an environment where all feel welcome and safe in Ukiah.

League of California Cities adopts 2022 State Action Agenda

Dec 3, 2021

Contact: Kayla Sherwood
ksherwood@calcities.org
 (530) 844-1744

FOR IMMEDIATE RELEASE

Sacramento – Today, the League of California Cities Board of Directors adopted the organization’s 2022 Action Agenda during its meeting.

City leaders who serve in leadership positions in Cal Cities divisions, departments, policy committees, and diversity caucuses convened during meetings over the last month to chart the organization’s priorities for 2022 and ensure they are laser focused on the issues most critical to our cities and the residents our members serve.

The 2022 Action Agenda is as follows:

1. **Secure funding to increase the supply and affordability of housing and reform state housing laws to retain local authority.** Secure adequate and sustainable funding for cities to increase construction of housing at all income levels, particularly affordable housing and workforce housing. Reform state housing laws to ensure cities retain local decision-making to meet the needs of their communities.
2. **Attain investments to strengthen and sustain critical infrastructure.** Advocate for policies that strengthen the conditions of local streets, highways, bridges, public transit, and broadband to improve workforce and economic development. Secure support for the modernization and expansion of the statewide water grid, including infrastructure, storage, and conveyance. Work with stakeholders to provide cities with access to the tools needed to ensure projects are delivered efficiently and cost-effectively to meet current and future needs.
3. **Secure increased funding and resources to prevent homelessness and assist individuals experiencing homelessness.** Secure additional ongoing, flexible resources to provide navigation assistance, emergency shelters, and permanent supportive housing. Enhance city and county coordination and strengthen partnerships with stakeholders to ensure adequate wraparound services are available for adults and youth at risk of, or already experiencing, homelessness in our communities, and effectively address mental health and substance use disorders.
4. **Strengthen disaster preparedness, resiliency, and recovery from climate change impacts through improved collaboration and resources.** Secure additional resources and support to mitigate the effects of climate change, including catastrophic wildfires, drought, and sea level rise. Promote collaboration with other city, state, and federal governments, to strengthen disaster preparedness, resiliency, and recovery.

“Housing, homelessness, critical infrastructure, and the impacts of climate change — these priorities have been at the heart of local leaders’ efforts for years,” said League of California Cities President and Walnut Creek Council Member Cindy Silva. “The pandemic exacerbated these issues, many of them decades in the making, and highlighted the importance of a strong state investment to ensure cities

have the resources necessary to protect their communities and improve the quality of life for all those who call California home.”

With its agenda now set, Cal Cities will begin working immediately to advance these objectives in the state capitol.

“As local officials continue to display remarkable resilience in their commitment to serving their cities, the state has yet another opportunity in 2022 to invest directly into our communities and create truly transformative change for California’s residents,” said League of California Cities Executive Director and CEO Carolyn Coleman. “California’s cities will be actively seeking the state’s partnership that will ensure an equitable recovery for all of our communities next year.”

Cal Cities’ Action Agenda for 2022 is available at www.calcities.org/action-agenda.

Established in 1898, the League of California Cities is a nonprofit statewide association that advocates for cities with the state and federal governments and provides education and training services to elected and appointed city officials.



AGENDA SUMMARY REPORT

SUBJECT: Adopt a Resolution Authorizing the Exception to the 180-Day Waiting Period, and Authorizing the City's Retired Electric Utility Director to Work on a Temporary Basis as an Extra Help Employee in Accordance with Government Code Sections 7522.56 and 21224.

DEPARTMENT: Electric Utility

PREPARED BY: Sheri Mannion, H.R. Director/Risk Manager, Cindy Sauers, Assistant Electric Utility Director

PRESENTER: Cindy Sauers, Electric Utility Director; Sheri Mannion, Human Resources/Risk Management Director

ATTACHMENTS:

1. Attachment 1 - Resolution Authorizing the Exception of the 180-Day Waiting Period

Summary: Council will consider adopting a resolution authorizing the exception of the 180-day waiting period, and authorizing the City's retired Electric Utility Director, Mel Grandi, to work on a temporary basis as an extra help employee.

Background: The Public Employee's Pension Reform Act of 2013 (PEPRA) made substantial changes to public employee pension laws in California. One of those changes requires retired annuitants to be separated from employment for at least 180 days before returning to work for an employer in the same retirement system from which they receive a pension. An exception may be made if the governing body adopts a resolution to waive the waiting period, certifying the nature of the appointment is necessary to fill a critical need and is of limited duration. The appointment may not be placed on a consent calendar.

Discussion: In January 2019, a part-time Assistant Electric Utility Director position was created to assist the Director with high level operational and management tasks including the planning and supervision of the day to day activities of the department as well as participating with other agencies in the procurement, scheduling and delivery of energy to the City. During the COVID pandemic, the management work was divided with much of the day to day activities being handled by the Assistant and the energy procurement, scheduling, and delivery being handled by the Director. In July 2020, the Assistant Director position was changed to full time, and was anticipated to prepare the Assistant Director to be a potential candidate for the Director position upon his retirement. After 14 years at the City of Ukiah, Mel Grandi retired as the Electric Utility Director on December 30, 2021.

Ukiah's Electric Utility and the industry are experiencing a shortage of experienced energy professionals who, in Ukiah, are responsible for multi-million dollar and highly technical decisions that impact the city and customers. Additionally, the complexities of COVID has hindered the training and developing experience with energy, renewable, and carbon markets and policies. For these reasons, the department desires to employ Mr. Grandi on a temporary, hourly basis to assist with the transition and to continue the transfer of knowledge related to the procurement, scheduling, and delivery of energy, which is 2/3 of the Department's budget. Mr. Grandi's vast knowledge of the industry and the challenges it is currently facing will assist the Department with a smooth and successful transition.

Staff recommends Council adopt a resolution (Attachment 1) authorizing the exception to the 180-day waiting

period, and authorizing the City's retired Electric Utility Director to work on a temporary basis as an extra help employee.

Recommended Action: Adopt a resolution authorizing the exception to the 180-day waiting period, and authorizing the City's retired Electric Utility Director to work on a temporary basis as extra help employee in accordance with Government Code Sections 7522.56 and 21224.

BUDGET AMENDMENT REQUIRED: None

CURRENT BUDGET AMOUNT: \$130,860 80026400.51110; 80026110.51110, \$52,344; 80026120.51110, \$52,344; 80026220.51110, \$26,172

PROPOSED BUDGET AMOUNT:

FINANCING SOURCE:

PREVIOUS CONTRACT/PURCHASE ORDER NO.:

COORDINATED WITH: Sage Sangiacomo, City Manager; Sheri Mannion, Human Resources/Risk Management Director

Approved: 
Sage Sangiacomo, City Manager

RESOLUTION No. 2022-**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UKIAH FOR EXCEPTION TO THE 180-DAY WAIT PERIOD AND AUTHORIZING THE CITY'S RETIRED ELECTRIC UTILITY DIRECTOR TO WORK ON A TEMPORARY BASIS AS AN EXTRA HELP IN ACCORDANCE WITH GOVERNMENT CODE SECTIONS 7522.56 & 21224**

WHEREAS, section 7522.56 requires that post-retirement employment commence no earlier than 180 days after the retirement date, which is December 31st 2021; and

WHEREAS, Government Code section 7522.56(f) provides that a retired person shall not be eligible to be employed pursuant to this section for a period of 180 days following the date of retirement unless he meets one of four conditions, which in this case would include (1) The employer certifies the nature of the employment and that the appointment is necessary to fill a critically needed position before 180 days have passed and the appointment has been approved by the governing body of the employer in a public meeting. The appointment may not be placed on a consent calendar; and

WHEREAS, in compliance with Government Code section 7522.56 the City must provide CalPERS this certification resolution when hiring a retiree before 180 days has passed since the incumbents retirement date; and

WHEREAS, the current incumbent, Mel Grandi, has retired on December 31st, 2021; and

WHEREAS, the Ukiah City Council hereby appoints Mel Grandi as an extra help retired annuitant to perform some of the duties of Electric Utility Director for the City of Ukiah under Government Code Section 21224, effective January 24, 2022; and

WHEREAS, section 7522.56 provides that this exception of the 180 day wait period shall not apply if the retiree accepts any retirement-related incentive; and

WHEREAS, the City of Ukiah and Mel Grandi certify that Mel Grandi has not and will not receive a Golden Handshake or any other retirement-related incentive; and

WHEREAS, no matters, issues, terms, or conditions related to this employment and appointment have been or will be placed on a consent calendar; and

WHEREAS, the employment shall be limited to 960 hours per fiscal year; and

WHEREAS, the compensation paid to retirees cannot be less than the minimum nor exceed the maximum monthly base salary paid to other employees performing comparable duties, divided by 173.333 to equal the hourly rate; and

WHEREAS, the maximum monthly base salary for this position is \$16,498.22 and the hourly equivalent is \$95.18 and the minimum monthly base salary for this position is \$13,573.12 and the hourly equivalent is \$78.31; and

WHEREAS, the hourly rate paid to Mel Grandi will be \$95.18; and

WHEREAS, Mel Grandi, will not receive any benefit incentive, compensation in lieu of benefit or other form of compensation in addition to his hourly pay rate; and

WHEREAS, sufficient funding is included in the FY 2021-2022 budget and contained within the Enterprise, Electric Utility budgeted salary accounts.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Ukiah does hereby: Certify the nature of the appointment of Mel Grandi as described herein and that this appointment is necessary to fill the critically needed position of Electric Utility Director for the City of Ukiah by January 24th 2022, because of the critical nature of gas and electric energy analysis and procurement, his expertise and skills are needed to assist with the transition of the new Electric Utility Director.

PASSED AND ADOPTED by the City Council of the City of Ukiah at a regular meeting duly held on January 19, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Jim Brown, Mayor

ATTEST:

Kristine Lawler, City Clerk



AGENDA SUMMARY REPORT

SUBJECT: Authorize Staff to Research and Possibly Apply for CalTrans' Clean California Grant; Authorize City Manager to Execute Grant Documents.

DEPARTMENT: City Manager /
Admin

PREPARED BY: Shannon Riley, Deputy City Manager

PRESENTER: Shannon Riley, Deputy City Manager

ATTACHMENTS:

1. Guidelines - Clean CA Grant
2. FAQ - Clean CA Grant

Summary: City Staff is exploring the Clean California grant opportunity from CalTrans for activities including graffiti abatement, public art, wayfinding signage and more. With the application deadline of February 1st, Staff is seeking Council's support to continue exploration and, if appropriate, authorize the City Manager to execute grant documents.

Background: Caltrans is investing in removing litter, creating jobs, educating the public, and engaging the community to transform unsightly roadsides into spaces of pride for all Californians through \$296 million in Clean California grants. (<https://cleancalifornia.dot.ca.gov/local-grants>) A number of the eligible activities - including graffiti abatement, public art, wayfinding and gateway signage, implementation of the strategic plan for the Ukiah segment of the Great Redwood Trail, and a staff person to manage these projects and volunteer programs - are of interest to city staff, who have been researching the grant to determine if this is a good fit for Ukiah.

Discussion: There is still due diligence to be performed prior to the application deadline of February 1st, particularly because many of the desired projects require coordination with other community partners. Further, depending on how the projects match with the grant guidelines (Attachment 1), there may be a required match that varies from 0-50%. Those matching funds may come from other entities that have monies dedicated to those projects, from matching Staff and/or volunteer time, and/or may come--in part--from the City. For more information regarding the grant, please see Attachment 2 (Frequently Asked Questions).

At this time, Staff is seeking Council's direction regarding the possible application for this grant, community input, and--if deemed appropriate and to not have a significant fiscal impact for the City--authorization for the City Manager to execute grant documents.

Recommended Action: Authorize Staff to research and possibly apply for the CalTrans Clean California; authorize the City Manager to execute grant documents.

BUDGET AMENDMENT REQUIRED: n/a

CURRENT BUDGET AMOUNT: n/a

PROPOSED BUDGET AMOUNT: n/a

FINANCING SOURCE: Not yet identified

PREVIOUS CONTRACT/PURCHASE ORDER NO.: n/a

COORDINATED WITH: Jim Robbins, Grant Manager and Neil Davis, Community Services Director

Approved: 
Sage Sangiacomo, City Manager

Clean California Local Grant Program

Program Guidelines

Contents

Clean California Local Grant Program Overview	3
Background	3
Budget	3
Goals.....	3
Schedule	4
Eligibility	4
Eligible Applicants	4
Eligible Project Types	4
Example Projects.....	5
Eligible Project Area	5
Eligible Activities and Expenses.....	6
Ineligible Activities and Expenses	7
Selection Criteria.....	7
Underserved Communities	8
Other Selection Considerations	10
Local Match Requirement	10
Calculating SOD of the Community Surrounding the Project and Local Match Requirement	11
Local Match Sources	14
Payment Process.....	14
Advance Payment Process.....	15
Conditions.....	16
Additional Conditions.....	16
Advance Payment Requests.....	18
Project Application Process.....	18
Conflict of Interest	19
Scoring Criteria	19

1. Narrative	20
2. Project's Population Benefit (PB) to Overall Community	22
3. Project's <i>Relative</i> PB to Underserved Communities	23
4. Demonstrated Community Need	23
5. Project's Outcomes Assessment	24
6. Scope, Cost, and Schedule	24
Other Attachments.....	24
Project Award Process.....	24
Grant Agreement Processing	25
Grant Project Administrative Requirements	25
Sub-contracts	25
Financial Requirements	25
Accounting Requirements.....	25
Audits and Investigations	26
Reporting.....	26
Project Photos.....	26
Project Amendments	27
Program Evaluation	27
Appendix A.0. Example Calculations to Determine Required Local Match for a Fictitious Project.....	28
Appendix A.1. Definition of the Project's Population Benefit (Overall)	32
Appendix A.2. Definition of the Project's Relative Population Benefit (PB) (Underserved Communities)	33
Appendix A.3. Forms for Calculating Population Benefit (PB) (Overall) and Relative PB (Underserved Community)	34
Appendix A.4. Example PB (Overall) and Relative PB (Underserved Communities) Calculations Performed for a Fictitious Project	42
Appendix B1. Demonstrated Community Need Assessment Form	49
Appendix B2. Project's Outcomes Assessment Form	55
Appendix B3. Example of Forms B1 and B2 Completed for a Fictitious Project ...	61

Clean California Local Grant Program Overview

Background

The Clean California Local Grant Program (CCLGP) is a competitive statewide program created to beautify and clean up local streets and roads, tribal lands, parks, pathways, transit centers, and other public spaces. Assembly Bill 149 (Sec.16) created the CCLGP of 2021 and was codified under Streets and Highway Code §91.41 et al. The Program is one part of the nearly \$1.1 billion Clean California initiative that takes direct aim at the continuous trash generation that has overwhelmed California Department of Transportation (Caltrans) and its partners. Other parts of the Clean California initiative include litter abatement efforts, state beautification and safety projects, and public education campaigns. Significant investments in time and resources are needed to collect, recycle, and dispose of litter and hazardous waste.

These guidelines describe the policies, criteria, and procedures for the development, adoption, and management of the CCLGP. The guidelines were developed in consultation with representatives from Caltrans and through public workshops that included participation from local government agencies, transit agencies, and tribal governments, among other stakeholders.

Budget

The program is funded by \$296 million dollars in fiscal year 2021/22 General Fund money. All projects must be completed and all funds must be expended by June 30, 2024.

Each grant award shall not exceed five million dollars (\$5,000,000). There is no minimum award.

Goals

Pursuant to statute, the intent of the CCLGP is to achieve the following goals:

- (1) Reduce the amount of waste and debris within public rights -of -way, pathways, parks, transit centers, and other public spaces.
- (2) Enhance, rehabilitate, restore, or install measures to beautify and improve public spaces and mitigate the urban heat island effect.
- (3) Enhance public health, cultural connections, and community placemaking by improving public spaces for walking and recreation.
- (4) Advance equity for underserved communities.

Schedule

The following schedule lists the major milestones for the CCLGP. Visit <https://cleancalifornia.dot.ca.gov/local-grants> for the most up-to-date information, including the forthcoming final dates for application workshops #4 and #5. Also note that no action is needed from applicants at the Call for Projects Announcement. On this day, final program documents will be released for applicants to view.

Grant Program Timeline

Milestone	Date
Public Workshop #1	September 1, 2021
Public Workshop #2	October 7, 2021
Application Workshop #3	November 18, 2021
Call for Projects Announcement	December 1, 2021
Application Workshop #4	Mid-December 2021
Application Workshop #5	Mid-January 2022
Project Application Deadline	February 1, 2022
Project Award Notification	March 1, 2022
Date by when projects must be completed and all funds expended. If the project involves infrastructure components, all components must be opened to the public and all funds expended by this date.	June 30, 2024
Date by when final invoicing and project closeout must be complete.	December 31, 2024

Eligibility

Eligible Applicants

The applicant must be a local or regional public agency, transit agency, or [federally recognized tribal government](#). Nonprofit organizations may partner with eligible applicants, as sub-applicants.

Eligible Project Types

Eligible projects meet the goals of the CCLGP and may include, but not be limited to:

- Infrastructure related community litter abatement and beautification projects.
- Non-infrastructure related community litter abatement events and/or educational programs.

Example Projects

- Beautification and placemaking of existing public spaces, including but not limited to:
 - Community park space/public space.
 - Transit centers.
 - Park-and-ride facilities.
 - Viaducts, underpasses, or overpasses.
- Educational campaigns or community events about litter abatement, proper waste disposal or how to get involved with doing sanctioned artwork in a community.
- A combination of project types, including beautification and educational projects.

Eligible Project Area

The location of the projects within the CCLGP are determined by the applicant. It is recommended that projects are accessible by a multimodal transportation network. Eligible project locations may include projects located on local streets and roads, tribal lands, parks, pathways, transit centers, and other public spaces.

Projects that encroach on Caltrans right-of-way are allowed; however, the applicant must demonstrate that all necessary right-of-way clearances, encroachment permits, and other permits can be obtained, and the project completed, by June 30, 2024. For more information on Caltrans Encroachment Permits, including contact information for local District Encroachment Permit Offices, see <https://dot.ca.gov/programs/traffic-operations/ep>.

Art projects on Caltrans right-of-way also need to complete and abide by the [Caltrans' Transportation Art Process](#). This includes:

- Separate approval by the Caltrans Transportation Art program.
- Artwork ownership, including copyrights, assigned to Caltrans, with rights licensed back to the artist.
- Waiver of moral rights (California Civil Code § 987).
- Adhering to Transportation Art content restrictions.
- Maintenance plan/funding (i.e. graffiti abatement).

See Caltrans' [Transportation Art Guidelines for Local Agencies](#) and the [Transportation Art Proposal](#) for details. [Gateway Monuments](#) and [Community Identification](#) projects on Caltrans right-of-way entail separate processes and requirements.

Eligible Activities and Expenses

Eligible activities must meet CCLGP goals. Examples of eligible features within the project area include:

- Enhanced paving to address the needs of the space, using permeable pavements where possible.
- Pavement alternatives, such as wood chips.
- Inert material, such as rubberized pavement.
- Shade structures.
- Shade trees or drought-tolerant plantings.
- Irrigation systems.
- Bioretention, swales, and other green street elements.
- Architectural fencing.
- Art installations, including community identification or cultural elements.
An art installation should:
 - Be appropriate and safe to its proposed setting.
 - Be in proper scale with its surroundings.
 - Be composed of materials that are durable for the projected lifespan.
 - Include graphics or sculptural artwork that express unique attributes of an area's history, resources, or character.
 - Not display symbols or icons, including but not limited to, logos or political and commercial symbols. Sponsor recognition should be unobtrusive, discreet, and not appear to be an integral part of the artwork.
 - Not display text.
 - Be designed to minimize ongoing maintenance needs.
- [Gateway Monuments](#) and [Community Identification](#) projects. If these are on Caltrans right-of-way, they have different requirements than art installations.
- Human-scale, energy-conserving lighting.
- Walking and/or biking facilities through the space.
- Wayfinding signage.
- Amenities related to proper waste collection or prevention (e.g., signage, bins, etc.).

- Seating and play equipment.
- Public bathrooms and water fountains.
- Travel Expenses: Grant recipients may be eligible to claim travel expenses if they have been approved in the scope, cost, and schedule included in the grant agreement. Travel expenses and per diem rates are not to exceed the rate specified by the State of California Department of Personnel Administration for similar employees (i.e. non-represented employees). For more information on eligible travel expenses, visit the [Caltrans Travel Guide Website](#).

Ineligible Activities and Expenses

Some activities or project components are not eligible for reimbursement under this grant program. If an application has any of the following elements and is seeking reimbursement for any of them, it will be disqualified.

Ineligible activities and expenses include:

- Displacing people experiencing homelessness.
- Acquisition of rights-of-way or land.
- Work performed prior to or after the execution of the grant agreement.
- Acquisition of vehicles or shuttle programs.
- Other items unrelated to the project or CCLGP goals.
- Maintenance of a project improvement for this grant agreement is not a reimbursable expense (however it can be an [in-kind contribution](#) if it occurs prior to June 30, 2024).
- Other activities that extend beyond June 30, 2024.

Selection Criteria

Selection criteria focuses on demonstrated benefits and needs including, but not limited to:

- Demonstrated need of the applicant and ability to achieve the program's goals.
- Demonstrated enhancement and beautification of a public space(s), including improved access to the space.
- Enhanced greening to provide shade, reduce the urban heat island effect, and use native, drought-tolerant plants.
- Abatement of litter and debris to improve access and use of public space(s).
- Public engagement that reflects community priorities and is consistent with local or regional plans such as General Plans, Improvement Plans,

bicycle and/or pedestrian plans, and complete street plans. The project should also align with the public outreach that occurred during the preparation of these plans.

- Identification of the [population benefit](#), including to [underserved communities](#). Projects that demonstrate a benefit to an underserved community, either directly or indirectly, will be more competitive. For these projects, applicants must explain which underserved community is benefited, how the project benefits that community, and the percentage of the work and budget that benefits that community.
- Project deliverability, in which projects are open to public and/or all funds are expended by June 30, 2024.

Underserved Communities

No less than 50 percent of the CCLGP funds are to fund projects that benefit underserved communities. An eligible project should clearly demonstrate a benefit to an underserved community or be directly located in an underserved community.

The definition for these communities may include disadvantaged and low-income communities, as defined in Sections 39711 and 39713 of the California Health and Safety Code, or another metric with verifiable information that identifies underserved communities. To qualify, the community served by the project must meet at least one of the following criteria:

- **Option 1. Area Median Income:** Is less than 80% of the statewide median based on the most current Census Tract level data from the 2019 American Community Survey 5-Year Estimates (<\$60,188). Communities with a population less than 15,000 may use data at the Census Block Group level. Unincorporated communities may use data at the Census Place level. Data is available at the [United States Census Bureau Website](#).
- **Option 2. CalEnviroScreen:** An area identified as among the most disadvantaged 25% in the state according to the CalEPA and based on the California Communities Environmental Health Screening Tool 3.0 (CalEnviroScreen 3.0¹) scores (score must be greater than or equal to 39.34). The mapping tool can be found [here](#) and the list can be found under "[Background: SB 535 Identification of Disadvantaged Communities \(2017\)](#)."

¹ During the development of these guidelines, the final CalEnviroScreen 4.0 was released. Since the SB 535 List of Disadvantaged Communities based on CalEnviroScreen 4.0 is in draft at time of writing, applicants should use CalEnviroScreen 3.0 rather than 4.0.

- **Option 3. National School Lunch Program:** Based on pre-pandemic data², at least 75% of public-school students in the project area are eligible to receive free or reduced-price meals under the National School Lunch Program. Data is available at the [California Department of Education website](#).
- **Option 4. Healthy Places Index:** The Healthy Places Index includes a composite score for each census tract in the State. The higher the score, the healthier the community conditions, based on 25 community characteristics. The scores are then converted to a percentile to compare a census tract to other tracts in the State. A census tract must be in the 25th percentile or less to qualify as a disadvantaged community. The live map and direct data can both be found on the [California Healthy Places Index website](#).
- **Option 5. Native American Tribal Lands:** The project is located within or partially within:
 - Federally Recognized Tribal Lands (typically within the boundaries of a Reservation or Rancheria),
 - Lands owned by or held in trust for an Indian tribe,
 - Allotted lands, and/or
 - Sensitive tribal areas (which might include areas in which a Native American Tribe has a significant interest, such as traditional cultural properties and sacred sites).
- **Other:** If the project will benefit an underserved community, but the project does not meet any of the criteria above, other means of qualifying may be submitted with the application for consideration as Attachment J in Section 3.1 of the application, "ATTACHMENTS". Suggested alternative assessment methods that can be submitted under this category include:
 - Census data that represents a small neighborhood or unincorporated area. Submit a quantitative assessment, such as a survey, to demonstrate that the community's median household income is at or below 80% of the state median household income.
 - CalEnviroScreen data that represents a small neighborhood or unincorporated area. Submit an assessment to demonstrate that the community's CalEnviroScreen score is at or above 39.34.

² During the development of these guidelines, the National School Lunch Program started offering free lunches to all students. Thus, if an applicant still wants to use this option, it is recommended that pre-pandemic data be used.

- A regional definition such as “environmental justice communities” or “communities of concern,” which must be stratified based on severity. It must also be based on a robust public outreach process that includes community stakeholder input. A regional definition of underserved communities must be used for the region’s broader planning purposes. It must be adopted as part of a regular 4-year cycle adoption of a Regional Transportation Plan (RTP)/Sustainable Communities Strategy (SCS) by a Metropolitan Planning Organization (MPO) or Regional Transportation Planning Agency (RTPA), per obligations with Title VI of the Federal Civil Rights Act of 1964.

If you chose to define a community as underserved using a criterion other than one of the 5 options listed above, you must submit your criterion and justification for consideration as Attachment J in the application.

Other Selection Considerations

The State may consider additional factors in its selection decisions. These include, but are not limited to, the geographic distribution of awards, willingness to accept partial funding, and quality of the maintenance plan (which is not required for educational programs). The State may also consider the responsiveness and responsibility of the applicant, based on data such as previous performance on other grant programs.

Local Match Requirement

Required local match is the minimum percentage of the project’s funding the applicant commits to provide as a condition of accepting a program grant. The required local match will range from 0% (i.e., no local match required) to 50%. The percentage is determined **based on the “severity of disadvantage” (SOD) of the community surrounding the project**. The community surrounding the project is defined as all census tracts within a ¼ mile radius of the project site (or sites, if there are multiple locations.) The required local match will decrease as the SOD of the surrounding community increases. The SOD of the surrounding community is defined below and the relationship of the SOD to percent required local match can be found in Table 2, Severity of Disadvantage and Corresponding Local Match Requirement. Tribal Communities that qualify per Option 5 on Table 2 require zero local match.

Applicants will be held responsible for any local commitments at or above their minimum local match requirement as part of their grant agreement with Caltrans.

Calculating SOD of the Community Surrounding the Project and Local Match Requirement

How to calculate the SOD and the local match percentage is described below. The calculation forms must be submitted with the application as part of Attachment I.

$$\begin{aligned} \text{SOD of surrounding community} &= \text{Weighted average of the SODs of the surrounding census tracts.} \\ &= \frac{\text{Sum}[(\text{Pop. CT 1} \times \text{metric score CT 1}) + (\text{Pop. CT 2} \times \text{metric score CT 2}) + (\text{Pop. CT N} \times \text{metric score CT N...})]}{\text{Sum}(\text{Pop. CT 1} + \text{Pop. CT 2} + \text{Pop. of CT N...})} \end{aligned}$$

Where:

- **Pop. CT** = Population of a census tract within a ¼ mile radius of the project site or sites.
- **Metric Score** = The underserved community score of a census tract is determined using one of the allowable 5 options listed in Table 2 of the guidelines.

When calculating SOD, the metric score of all census tracts must be determined using the same option. The 5 options are detailed above in the section "[Underserved Communities](#)". If the community surrounding the project is considered underserved using multiple options, choose the option that best supports the community's status as underserved.

Table 1. SOD of Community Surrounding the Project Site(s)					
List the Option Used to Determine SOD: (For definitions of each of the 5 options, see the section " Underserved Communities ".)					
Location Relative to Project Site(s)		Census Tract Number	Census Tract Population	Metric Score of Census Tract using the chosen option listed above.	SOD of Tract (3) x (4)
(1)		(2)	(3)	(4)	(5)
1	Project Site A				
2	Within a ¼ mile radius.				
3	Within a ¼ mile radius.				
4	Within a ¼ mile radius.				
5	Project Site B				
6	Within a ¼ mile radius.				
7	Within a ¼ mile radius.				
8	Within a ¼ mile radius.				
TOTALS					
SOD of Community Surrounding the Project			=	$\frac{\text{Total of Column 5}}{\text{Total of Column 3}}$	=

An example of a completed Table 1 is in [Appendix A.0](#).

Determine Required Local Match

Use the SOD of the community surrounding the project calculated above, and Table 2 below, to determine the required local match for your project.

Table 2. Severity of Disadvantage and Corresponding Local Match Requirement			
SOD Criteria	Ranges for SOD of Community Surrounding the Project	Required Local Match %	
Option 1: Area Median Income (AMI) compared to Statewide Median Income (SMI)*			
Data: Census Tract Level Data from the 2019 American Community Survey 5-year (ACS5) Estimates			
If the AMI SOD of the surrounding community is...	> \$60,188	Then local match is...	50
	\$56,426 to \$60,188		37.5
	\$52,665 to \$56,425		25
	\$48,903 to \$52,664		12.5
	< \$48,903		0
Option 2: CalEnviroScreen 3.0 Percentile Score			
Data: SB 535 List of Disadvantaged Communities or SB 535 Disadvantaged Communities Map			
If the CalEnviroScreen 3.0 SOD of the surrounding community is...	< 39	Then local match is...	50
	39 to 42		37.5
	43 to 46		25
	47 to 50		12.5
	> 50		0
Option 3: Percentage of Students that Receive Free or Reduced Lunches**			
Data: California Department of Education website			
If the Free Lunch SOD of the surrounding community is...	< 75	Then local match is ...	50
	75 to 79		37.5
	80 to 84		25
	85 to 89		12.5
	> 90		0
Option 4: Healthy Places Index (HPI) Score (use overall HPI score only)			
Data: California Healthy Places Index website			
If the HPI SOD of the surrounding community is...	> 25	Then local match is...	50
	21 to 25		37.5
	16 to 20		25
	10 to 15		12.5
	< 10		0
Option 5: Tribal Communities			
Data: List of Federally Recognized Tribal Governments in California			
If the project applicant or sub-applicant is a Federally Recognized Tribal Government or the project area is located within (or partially within) Federally Recognized Tribal Lands (typically within the boundaries of a Reservation or Rancheria), lands owned by or held in trust for an Indian tribe, allotted lands, and/or sensitive tribal areas (which might include areas in which a Native American Tribe has a significant interest such as traditional cultural properties and sacred sites).		Then the local match is...	0
*Communities with a population less than 15,000 may use data at the Census Block Group level. Unincorporated communities may use data at the Census Place level.			
**During the development of these guidelines, the National School Lunch Program started offering free lunches to all students. Thus, if an applicant still wants to use this option, it is recommended that pre-pandemic data be used.			

Local Match Sources

The local match can be all cash, all third-party in-kind contributions, or a combination of the two:

- Cash Match
 - Revenue sources for local cash match can include local sales tax, special bond measures, private donations, or private foundation contributions, among other sources. If federal funding is a source for local cash match, the entire project must comply with all federal requirements, which may affect the project schedule. Check the federal program guidelines for details.
 - Staff time from the primary applicant can be counted as cash match. However, staff time charged to a specific project that has already been funded and/or reimbursed cannot be used to meet the match requirement for a Clean CA project.
- Third-Party In-Kind Match
 - Third party in-kind contributions are typically goods and services donated from outside the primary applicant's agency. Examples include the value of donated:
 - Plants/trees.
 - Art resources (e.g., materials, labor, supplies).
 - Equipment and materials.
 - Volunteered time from stakeholders.
 - Other goods and services.
 - Maintenance activities related to the project if these occur prior to June 30, 2024.
 - If third party in-kind contributions are used to satisfy the local match requirements, all of them must be itemized in the application. If a project is awarded funds, as part of the grant agreement, the grant recipient will be asked to provide letters of commitment from each third-party contributor detailing what services are included with the match and a commitment to reaching the project completion date of June 30, 2024.

Payment Process

For an item to be eligible for payment, the primary use or function of that item must meet the program goals and be consistent with the approved grant scope and budget as well as applicable cost principles. Payments will be made by reimbursement unless advance payment is requested and approved.

The CCLGP is primarily a reimbursement program for eligible costs incurred. An implementing agency may begin incurring eligible costs upon execution of a grant agreement with Caltrans as well as receipt of notice to proceed from Caltrans.

Applicants may request advance payment. Requests must be included in the project application and include a justification to support the request, as detailed in the [Advance Payment Process](#) section.

Caltrans may provide funding directly to federally recognized Tribal governments, but only if a Tribal government is willing to grant a limited waiver of sovereign immunity for the purposes of their CCLGP project and for the duration of the project. As an alternative to waiving sovereign immunity, Tribal governments may consider applying as a sub-applicant through partnership with a public or transit agency.

If requesting reimbursement for indirect costs, grant recipients must have an approved Indirect Cost Allocation Plan/Indirect Cost Rate Proposal (ICAP/ICRP) agreement with Caltrans, or the grant recipient's cognizant agency, to be reimbursed. A "cognizant" agency is the Federal agency responsible for reviewing, negotiating, and approving cost allocation plans or indirect cost proposals.

An approved indirect cost rate must be included in the grant agreement. If the agency does not have a current ICAP/ICRP with Caltrans or its cognizant agency, it must submit an ICAP/ICRP request in accordance with the options and submission processes found on the following webpage:

<https://ig.dot.ca.gov/resources>. Agencies can also e-mail ICAP-ICRP@dot.ca.gov. The ICAP/ICRP documentation must be submitted with the work plan if the agency is claiming indirect costs.

For non-infrastructure projects, indirect cost rates are limited to what is approved by Caltrans or the cognizant agency. For infrastructure projects, per the [Caltrans Local Assistance Procedures Manual](#), the total cost for Construction Engineering (CE) should not exceed 15% of the construction costs and all costs over that must be shown in the application as non-participating.

Advance Payment Process

As described in State statute, Caltrans may authorize advance payments necessary for projects funded by the CCLGP. This is consistent with the Legislature's direction to expeditiously award and disburse grants. Specifically, the Department, in its sole discretion, may provide advance payments of grant awards in a timely manner to support program initiation and implementation, with a focus on mitigating the constraints of modest reserves and potential cash flow problems. In considering whether to apply for an advance payment, the

applicant acknowledges that the Advance Payment guidelines contained herein are solely for the purposes of the CCLGP.

Conditions

Recognizing that appropriate safeguards are needed to ensure grant moneys are used responsibly, the Legislature has outlined the grant conditions described below to establish control procedures for advance payments. Accordingly, the Department may provide advance payments to grant applicants of the CCLGP only if the Department determines, pursuant to [SHC Section 91.41\(e\)](#), that all the following conditions are met:

- a. The grant applicant for an advance payment is a public agency.
- b. The grant applicant requests an advance payment in its initial grant application.
- c. The project or project component for which the advance payment is requested is well defined and can be delivered by an agreed upon date.
- d. The grant applicant has a record of good financial management and has not been sanctioned by any state or federal agency.
- e. Upon request of the department, the grant applicant offers sufficient capital, as determined by the Department, as security for an advance payment.
- f. Upon request of the department, the grant applicant provides a finding approved by its governing body that demonstrates a financial need for an advance payment pursuant to the program to deliver the project.

Additional Conditions

In evaluating a grant applicant's request for advance payment, the Department has established the following additional conditions of award.

Advance Payment Amounts

A grant applicant may request one advance payment equal to the anticipated project cost for the first four months of the project, as described in the project schedule, budget, and spending plan. The advance payment may not exceed 30% of the grant award or \$1,000,000, whichever is smaller.

General Conditions

- a. The advance payment is necessary immediately to meet the purposes of the grant project.
- b. Only one advance payment, at the beginning of the project, will be awarded.
- c. The use of the advance funds is adequately regulated by project budgetary controls.

- d. The grant applicant provides a finding approved by its governing body that demonstrates the financial need for an advance payment.
- e. The grant applicant has no outstanding financial audit findings related to any of the moneys eligible for advance payment and is in good standing with the Franchise Tax Board and Internal Revenue Service.
- f. The grant applicant agrees to revert all unused moneys to the Department if they are not expended within the timeline specified in the grant agreement.
- g. The grant applicant assumes legal and financial risk of the advance payment.
- h. In the event of nonperformance by the grant recipient, the Department shall require full recovery of all disbursed moneys. A grant recipient shall provide a money transfer confirmation within 60 days upon the receipt of a notice from the Department.

Fiscal Administration

- a. The grant applicant shall indicate its request for advance payment on the initial application. A spending plan shall be submitted with the application.
 - 1. The spending plan shall include project schedules, timelines, milestones, and the grant recipient's fund balance for all state grant programs applied to the project.
 - 2. The grant recipient will report to the Department any material changes to the spending plan within 30 days of identification of the change.
- b. The grant applicant shall submit an updated spending plan along with an Advance Payment Invoice to the Department for review prior to receiving the advance payment.
- c. The grant recipient shall submit requests for reimbursement packages **monthly**³, commencing at the conclusion of the first full calendar month of project implementation. Reimbursement packages shall include supporting documentation for all expenditures including, but not limited to, receipts, invoices, and timesheets.
- d. The advance payment will be closed out at the end of the project, with final reimbursement packages satisfying all advance funds. Any funds not accounted for shall be returned to the Department.
- e. The grant recipient shall place funds advanced under this section in an interest-bearing account. The grant recipient shall track interest accrued

³Note, projects that do not request Advance Payments may submit invoices no more frequently than monthly and no less frequently than quarterly. See the section [Accounting Requirements](#) for details.

on the advance payment. Interest earned on the advance payment shall be used for eligible grant-related expenses as outlined in [Eligible Activities and Expenses](#), or returned to the Department.

- f. The grant recipient shall report to the Department the value of any unused balance of the advance payment and interest earned, and submit quarterly fiscal accounting reports consistent with the provisions in the CCLGP Grant Agreement.
- g. The grant recipient shall remit to the Department any unused portion of the advance payment and interest earned at project close-out.

Advance Payment Requests

- a. The Department will advance one payment from the total grant award after the grant recipient submits the following to the Department:
 - i. A fully executed Grant Agreement;
 - ii. Advance Payment Invoice (to be provided by the Department); and
 - iii. Updated Spending Plan that includes project schedules, timelines, milestones, and the grant recipient's fund balance for all fund sources applied to the project.
- b. The grant recipient must email the completed Advance Payment Invoice and Spending Plan to the Department Grant Coordinator. The invoice shall include the secured digital signature of a person legally authorized to sign.
- c. Advance grant payments are subject to the Department's approval of the Advance Payment Invoice and Spending Plan.
- d. Quarterly reports must substantiate grant costs incurred as discussed in the [Reporting](#) section for which the Advance Payment was utilized.

Project Application Process

- 1. Applications, including the supporting documentation, are submitted online:
 - a. Access to the application and other required templates are available on the CCLGP website, <https://cleancalifornia.dot.ca.gov/local-grants>.
 - b. No hardcopy applications will be accepted.
- 2. Project Proposals are reviewed and evaluated:
 - a. Caltrans subject matter experts, with district representation, conduct a review of all applications for eligibility, submission of proper documentation, deliverability, and demonstrated benefits that align with the grant program goals. They then score the

applications using a standardized scoring methodology, which is described in the [Scoring Criteria](#) section.

- b. Incomplete or ineligible applications may be removed from the competitive process.
 - c. Caltrans headquarters grant program staff then verifies the scores and provides the award recommendations list, to be approved by the State.
 - d. Award recommendations are submitted to the Secretary of the California State Transportation Agency for concurrence.
3. Awarded projects are announced.
 4. Grant Agreements between the grant recipients and Caltrans are executed.

All information contained in the application and supporting documentation is confidential until grant awards are announced.

The State reserves the right to reject an applicant who is in violation of any law or policy at another public agency. Potential violations include, but are not limited to, being in default of performance requirements for other contracts or grant agreements issued by the State, engaging in or being suspected of criminal conduct that could poorly reflect on or bring discredit to the State, or failing to have all required licenses and permits necessary to carry out the project. The State further reserves the right to reject any applicant who has a history of performance issues with past grants or other past contractual agreements with any public entity.

Conflict of Interest

All applicants and individuals who participate in the review of submitted applications are subject to state and federal conflict of interest laws. Any individual who has participated in planning or setting priorities for a specific solicitation over and above the public comment process, or who will participate in any part of the grant development and negotiation process on behalf of the public, is ineligible to receive funds or personally benefit from funds through that solicitation. Failure to comply with conflict of interest laws, including business and financial disclosure provisions, will result in the application being rejected and any subsequent grant agreement declared void. Other legal actions may also be taken. Applicable statutes include, but are not limited to, California Government Code section 1090 and Public Contract Code sections 10365.5, 10410, and 10411.

Scoring Criteria

Applications will be scored as explained in Table 3 and in the following sub-sections of this document. The scoring methodology is designed to support

performance of the grant objectives and encourages context-sensitive proposals. The scoring is designed to prioritize quality of transformation over quantity of space transformed. For communities that may not have a lot of public space, but can still benefit from a transformative project, their application would be competitive under this scoring methodology. [Other selection considerations](#) may factor into the final project selection.

Table 3. Scoring Methodology			
Component Number	Scored Component	Possible Score (points)	Weight (percent of overall score)
1	Narrative (Qualitative)	20	10
2	Project's Population Benefit (Quantitative)	20	10
3	Project's Relative Population Benefit to Underserved Communities (Quantitative)	35	17.5
4	Demonstrated Community Need (Quantitative)	50	25
5	Project's Outcomes Assessment Form (Quantitative)	40	20
6	Scope, Cost, and Schedule (Qualitative)	35	17.5
Sum		200	100

1. Narrative

The narrative scoring component will be based on the applicant's description of how well the project meets the program's statutory goals, requirements, and guidelines. This component is worth up to 20 points and 10 percent of the total application score. The narrative component will be assessed by a committee of subject matter experts using a scoring rubric based on grant criteria.

At a minimum, the narrative shall include a discussion of:

- The project location and any project description details not included in section 1.8 of the main application form. Describe the public space or spaces to be addressed; specifying right-of-way, park, pathway, transit center, tribal land, or other space. Discuss where the space is located, including its visibility and access to the public.

- The demonstrated community need that addresses the goals of the CCLGP program. Specifically, describe the existing conditions of the project location(s), and how the project meets one or more of the four stated program goals listed below.
 1. Reduce the amount of waste and debris within public rights-of-way, pathways, parks, transit centers, and other public spaces.
 2. Enhance, rehabilitate, restore, or install measures to beautify and improve public spaces and mitigate the urban heat island effect.
 3. Enhance public health, cultural connections, and community placemaking by improving public spaces for walking and recreation.
 4. Advance equity for underserved communities.

Address each goal selected separately in the narrative. For each goal selected, also include the information requested in the respective paragraphs below:

Goal 1. Reduce the Amount of Waste and Debris: Describe types of existing waste and debris, work to be performed to remove it, and by whom.

Goal 2. Beautify and Improve Public Space: Describe the beautification or access improvements to be performed, including enhanced greening measures. Include any enhancements to be made, rehabilitation or restoration to be performed, and new installations placed.

Goal 3. Improving Public Spaces for Walking and Recreation: Describe improvements to be made to the public spaces for walking and recreation, and how these improvements will enhance public health, cultural connection, and/or community placemaking.

Goal 4. Advance Equity for [Underserved Communities](#): Projects that demonstrate a benefit to an underserved community, either directly or indirectly, will be more competitive. For these projects, applicants must explain which underserved community is benefited, how it was identified, and how the project benefits that community. Applicants should also explain the percentage of grant funds that will benefit the community and how these percentages were calculated. Calculations can be based on the project's relative population benefit to underserved communities or another methodology. If another methodology is used, provide a brief justification for using it.

- The local public engagement process that culminated in the project identification and how the project reflects community priorities. Specifically, the Narrative should describe the stakeholder/community engagement efforts that went into identifying the proposed elements as a priority for the community. These efforts should include engagement with

underserved communities and/or any community-based organizations that serve them. The applicant can reference engagement that was sponsored by Caltrans or others. The Narrative should also describe how the project is consistent with or included in existing local or regional plans such as General Plans, Improvement Plans, bicycle and/or pedestrian plans, and complete street plans, that were the products of extensive public outreach. Finally, the Narrative should discuss how exactly the engagement influenced the project proposal.

- Project deliverability, including the applicant's certainty the project will be completed, opened to public, and all funds expended by June 30, 2024. Identify all permits required for the project and note all that have not been approved at time of application submittal. For any permit not obtained, explain how its approval will be achieved and the project completed by June 30, 2024. For infrastructure projects, describe all pre-construction work required to deliver this project by its completion date.
- If you are requesting advance payment, a justification.
- How the applicant is going to market the project, through materials such as press releases, press advisories, letters to the editor, fact sheets, social media posts, website pages, or speeches. Also state whether there will be a ground-breaking or ribbon cutting ceremony for any infrastructure improvements that are part of the project.
- If applicable, how the improvement(s) will be maintained. Identify the lifespan of the improvement(s), how the improvements will be maintained throughout their lifespans, the resources to fund maintenance activities, and the commitment of those resources. This information is required for physical project improvements and litter abatement events (i.e., there needs to be an explanation of the strategy for preventing litter from accumulating again, after the abatement event). This information is also required for any artwork or vegetation that is part of the proposal. Maintenance information is not required for educational programs.

2. Project's Population Benefit (PB) to Overall Community

For *infrastructure* projects, the project's PB to the overall community is the sum of the population of all census tracts within a quarter mile radius of the project added to the average daily ridership of transit routes that have stops within a half mile radius of the project. This sum is then increased by a factor related to the hours the improved site will be open to the public.

For *non-infrastructure* projects, the PB is the sum of the population benefit of each non-infrastructure activity. The population benefit of each activity is calculated based on the estimated number of unique people who attend an

activity or will be reached by a campaign, multiplied by the number of activities or campaigns.

Points for this scoring component will be awarded on a curve relative to all applications received. This component is worth a maximum of 20 points and up to 10 percent of the total application score. Details on how to calculate the PB and an example can be found in Appendices A1-A4.

3. Project's *Relative* PB to Underserved Communities

A project's relative population benefit to underserved communities is determined by a ratio of the project's PB to underserved communities over the project's PB to the overall community.

For *infrastructure* projects, the PB to underserved communities is the sum of the population of all *underserved* census tracts within a quarter mile radius of the project added to the average daily ridership of transit routes that have stops within a ½ mile radius of the project. This sum is then increased by a factor related to the hours the improved site will be open to the public. Note, the transit ridership is the same as it is for calculating the PB for the overall community in scoring component 2 described in the above section.

For *non-infrastructure* projects, the project's PB to underserved communities is the same as for the overall community.

Points for this scoring component will be awarded as a percentage based on the ratio of the underserved project benefit to the overall project benefit. This component is worth up to 35 points and 17.5 percent of the total application score. Details on how to calculate the PB to underserved communities can be found in Appendices A1-A4. See the section [Underserved Communities](#) in these guidelines for definitions of underserved communities.

4. Demonstrated Community Need

The demonstrated community need scoring component measures the demonstrated need of the applicant or sub-applicant to address the program goals. Needs include those for waste and debris reduction, beautification, enhanced public health, cultural connection, increased equity, or greening. This component is worth up to 50 points and 25 percent of the total application score. The score is based on the applicant's answers to questions about the existing public space(s) or community conditions. The questions can be found on the "Demonstrated Community Need Assessment Form." The form has five (5) sections, each relating to a program goal. Within each section, the applicant may choose up to two questions to answer. The form can be viewed in [Appendix B1](#), and an example of a completed form can be viewed in [Appendix B3](#).

5. Project's Outcomes Assessment

This scoring component measures the proposal's potential to accomplish the goals of the program. This component is worth up to 40 points and 20 percent of the total application score. The score is based on the applicant's answers to questions about anticipated project outcomes. The questions can be found on the "Project's Outcomes Assessment Form" in [Appendix B2](#). Like the "Demonstrated Community Need Assessment Form", the form has five (5) sections, each relating to a program goal. Within each section, the applicant may choose up to two questions to answer. A sample completed form based on a fictitious project can be viewed in [Appendix B3](#).

6. Scope, Cost, and Schedule

The scope, cost, and schedule submittals will be reviewed by a committee of subject matter experts who will evaluate how well the documents maximize project benefits versus costs. This component is worth up to 35 points and 17.5 percent of the total application score. A standardized scoring methodology will be used to assess this component.

The scope, cost, and schedule component must include the following, which are in the templates provided:

- The scope must include detailed project plans, and/or an educational programming workplan.
- The application must include a schedule showing planned start and end dates of salient infrastructure work activities and/or non-infrastructure tasks. The schedule must show all activities completed and all funds expended by June 30, 2024. If the project contains infrastructure components, these must also be opened to the public by June 30, 2024.
- The application must include a cost breakdown of all project components. Do not provide costs as lump sum expenses.

Other Attachments

Section 3.1 of the application will allow additional documents to be uploaded beyond what is listed above. Details on what these attachments should include are in the Application Instructions provided on the [CCLGP website](#).

Project Award Process

After evaluation is complete and the list of successful applicants is approved by the State, the list of awarded projects will be posted to the Caltrans website. Successful grant applicants will receive an award letter from Caltrans that outlines important next steps, such as executing the grant agreement, as well as program requirements the grant recipient must adhere to.

The CCLGP is limited to one cycle of funding. As a result, unsuccessful grant applicants will not receive a debrief.

Grant Agreement Processing

A restricted grant agreement will be utilized for the distribution of funds. The agreement will specify, among other things, the amount of funds granted, local match funds required, timeline for expenditure of funds, delivery schedule, and the approved project scope. Reporting timeframes and other requirements will also be identified in the agreement. A copy of the grant agreement will be made available on the CCLGP website.

Grant Project Administrative Requirements

Sub-contracts

If a grant recipient or a sub-recipient will hire a third-party to perform work during the project, proper procurement procedures must be used. Grant recipients may use their agency's procurement procedures. They should also comply with all applicable sections of the California Public Contract Code and Government Code, and any other applicable code. In addition, work cannot be sub-contracted unless it has been stated in the grant recipient's scope, cost, and schedule. A grant recipient is fully responsible for all work performed by its sub-recipients, consultants, or sub-consultants. Caltrans solely enters contracts directly with grant recipients.

Financial Requirements

Accounting Requirements

Grant recipients and sub-recipients are required to maintain an accounting system that properly records and segregates incurred project costs and matching funds by line item. The accounting system of the grant recipient, including its sub-recipients and sub-contractors, must conform to Generally Accepted Accounting Principles that enable the determination of incurred costs at interim completion points. This accounting system must also provide support for reimbursement payment vouchers or invoices sent to or paid by Caltrans. Allowable project costs must comply with [2 Code of Federal Regulations \(CFR\), Part 200](#).

It is the grant recipient's responsibility to monitor work and expenses to ensure the project is completed according to the contracted Scope, Cost, and Schedule. The grant recipient agrees to revert all unused grant funds to the Department if they are not expended within the timeline specified in the grant agreement. In the event of nonperformance by the grant recipient, or if project outcomes and benefits are not met, the Department shall require full recovery of all disbursed grant funds. A grant recipient shall provide a money transfer confirmation within 60 days upon the receipt of a notice from the Department that grant funds must be reimbursed. If a grant recipient does not expend funds within the timeline specified in the grant agreement or does not perform, this

could also impact the grant recipient's competitiveness in any potential future funding cycles of this program.

Grant recipients must submit invoices on a regular and timely basis. This is no more frequently than monthly and no less frequently than quarterly for projects not requesting advance payments. This is monthly for projects requesting [advance payments](#).

Costs incurred prior to or after the end date of an executed agreement are not eligible for reimbursement and will not be counted towards local match requirements. CCLGP funds shall not supplant other committed funds and are not available to fund cost increases. Funds must be expended concurrently and proportionally with the approved local match unless an advance payment request is approved. Cost savings will be shared proportionally between all committed fund sources.

Grant recipients must communicate with the Caltrans project manager to ensure any issues are addressed early during the project period.

Audits and Investigations

Clean California Local Grant Program projects are subject to audit. Therefore, all financial records related to the project must be retained for a minimum of three years from project closeout.

Reporting

Upon execution of a CCLGP agreement, grant recipients must submit quarterly Project Progress Reports and a Final Delivery Report to Caltrans. The reports will be required to assess whether projects are meeting their scope and are being delivered on time and within budget. They will be submitted electronically and due within 45-days of the end of a quarter.

The State may make periodic visits, including a final inspection, to project sites. The State will determine if the work is consistent with the approved project scope. Caltrans staff will be responsible for conducting and coordinating site visits with the awarded projects.

The final invoice will be paid upon submission and acceptance of the Final Delivery Report to Caltrans. Complete final delivery reports and invoices must be submitted to Caltrans no later than November 1, 2024.

Project Photos

A before photo will be required with the application and an after photo will be required as part of the closeout reporting process for grant recipients. Caltrans must be granted the right to use photos of the completed project.

Project Amendments

The CCLGP will not participate in cost increases to the project. Any cost increases must be funded from other fund sources. If there is a change in the project cost, it must be reported through the quarterly project reporting process.

Scope changes will not be considered unless the change is minor, does not reduce project benefits, and does not change the approved project schedule. Scope changes must be requested in writing to the Caltrans project manager and may require an amendment to the restricted grant agreement.

Projects must be complete with all funds expended by June 30, 2024. If the project involves infrastructure components, these must be opened to the public by June 30, 2024. Amendments for time are not permitted.

Program Evaluation

The CCLGP will be evaluated for its effectiveness in meeting its goals. Grant recipients must collect and submit data to Caltrans as described in the [Reporting](#) section.

As part of the fiscal year 2022–23 and 2023–24 California budgets, Caltrans shall report to the Legislature on the CCLGP, including, but not limited to, cubic yards of litter collected, the locations and types of projects, and any other important program outcomes. The report will include a discussion on program effectiveness in terms of planned and achieved outcomes in litter abatement and beautification efforts, as well as timely use of funds. It will also include a summary of its activities relative to program administration, including projects awarded, projects completed to date by project type, projects completed to date by geographic distribution, and projects completed to date by benefit to underserved communities.

Appendix A.0. Example Calculations to Determine Required Local Match for a Fictitious Project

For demonstration purposes, this appendix performs an example calculation to determine the required local match for a fictitious project. You will first determine the SOD of the surrounding community, and then use that number to determine the corresponding required local match. The required local match will decrease as the SOD of the surrounding community increases.

Fictitious Project Summary:

The sample project proposes improving the parkland at the Greenside Park in the City of Eureka, CA (M St & 12th St, Eureka, CA 95501) with beautification upgrades and litter abatement. In addition to physical improvements, the project proposes to launch a litter abatement campaign on social media that will reach 1,000 people/week for 52 weeks in total, and a ribbon cutting event/litter abatement event with 200 people invited.

Step 1. Choose a definition by which to define the community surrounding the project as underserved. See the section [Underserved Communities](#) of these guidelines for more information. If the community surrounding the project is considered underserved based on multiple options, choose the option that best supports the community's status as underserved. Per Option 5, Tribal Communities require zero local match, and thus none of these calculations.

Step 2. Determine the SOD of the community surrounding the project:

$$\begin{aligned} \text{SOD of} \\ \text{surrounding} &= \text{Weighted average of the SODs of the surrounding census tracts.} \\ \text{community} &= \frac{\text{Sum} [(\text{Pop. CT 1} \times \text{metric score CT 1}) + (\text{Pop. CT 2} \times \text{metric score CT 2}) + (\text{Pop. CT N} \times \text{metric score CT N...})]}{\text{Sum} (\text{Pop. CT 1} + \text{Pop. CT 2} + \text{Pop. of CT N...})} \end{aligned}$$

Where:

- **Pop. CT** = Population of a census tract within a ¼ mile radius of the project site or sites.
- **Metric Score** = The underserved community score of a census tract determined using one of the 5 options listed in Table 2 of the guidelines.

Perform this calculation using Table 1, SOD of Community Surrounding the Project Site(s). When calculating SOD, the same definition of underserved community must be used throughout Table 1.

Table 1. SOD of Community Surrounding the Project Site(s)					
List the Option Used to Determine SOD: (For definitions of each of the five options, see the section " Underserved Communities ".)				AMI	
Location Relative to Project Site(s)		Census Tract Number	Census Tract Population	Metric Score of Census Tract using the chosen option listed above.	SOD of Tract (3) x (4)
(1)		(2)	(3)	(4)	(5)
1	Project Site A	5	4450	\$32,500	\$144,625,000
2	Within a ¼ mile radius.	6	4998	\$28,700	\$143,442,600
3	Within a ¼ mile radius.	1	4242	\$51,600	\$218,887,200
4	Within a ¼ mile radius.				
5	Project Site B				
6	Within a ¼ mile radius.				
7	Within a ¼ mile radius.				
8	Within a ¼ mile radius.				
TOTALS			13,690		\$506,954,800
SOD of Community Surrounding the Project			=	Total of Column 5 Total of Column 3	= \$37,031

Why we filled in Table 1 as we did:

- We chose option 1, Area Medium Income (AMI), to define an underserved community. Then we looked up the project address in the 2019 American Community Survey 5-yr. Estimates (ACS5) and found it is in census tract 5 with a population of 4,450 people and a median income of \$32,500. We logged this information on line 1 accordingly.
- We then drew a ¼ mile buffer around the project limits and determined all other census tracts that fell totally or partially within buffer limits. Two tracts met this criterion, census tracts 6 and 1. We completed lines 2 and 3 based on the populations and median incomes of those tracts.

- The remaining values auto calculated. The tables provided on the CCLPG website in Attachment I are fillable and will calculate for you. (Note, all dollar values and populations shown were made up for demonstration purposes.)

Step 3. Use Table 2 below to determine the Required Local Match based off the SOD of Community Surrounding the Project. For this example, the required local match would be 0% (see highlighted values).

Table 2. Severity of Disadvantage and Corresponding Local Match Requirement			
SOD Criteria	Ranges for SOD of Community Surrounding the Project	Required Local Match %	
Option 1: Area Median Income (AMI) compared to Statewide Median Income (SMI)*			
Data: Census Tract Level Data from the 2019 American Community Survey 5-year (ACS5) Estimates			
If the AMI SOD of the surrounding community is...	> \$60,188	Then local match is...	50
	\$56,426 to \$60,188		37.5
	\$52,665 to \$56,425		25
	\$48,903 to \$52,664		12.5
	< \$48,903		0
Option 2: CalEnviroScreen 3.0 Percentile Score			
Data: SB 535 List of Disadvantaged Communities or SB 535 Disadvantaged Communities Map			
If the CalEnviroScreen 3.0 SOD of the surrounding community is...	< 39	Then local match is...	50
	39 to 42		37.5
	43 to 46		25
	47 to 50		12.5
	> 50		0
Option 3: Percentage of Students that Receive Free or Reduced Lunches**			
Data: California Department of Education website			
If the Free Lunch SOD of the surrounding community is...	< 75	Then local match is ...	50
	75 to 79		37.5
	80 to 84		25
	85 to 89		12.5
	> 90		0
Option 4: Healthy Places Index (HPI) Score (use overall HPI score only)			
Data: California Healthy Places Index website			
If the HPI SOD of the surrounding community is...	> 25	Then local match is...	50
	21 to 25		37.5
	16 to 20		25
	10 to 15		12.5
	< 10		0
Option 5: Tribal Communities			
Data: List of Federally Recognized Tribal Governments in California			
If the project applicant or sub-applicant is a Federally Recognized Tribal Government or the project area is located within (or partially within) Federally Recognized Tribal Lands (typically within the boundaries of a Reservation or Rancheria), lands owned by or held in trust for an Indian tribe, allotted lands, and/or sensitive tribal areas (which might include areas in which a Native American Tribe has a significant interest such as traditional cultural properties and sacred sites).		Then the local match is...	0
*Communities with a population less than 15,000 may use data at the Census Block Group level. Unincorporated communities may use data at the Census Place level.			
**During the development of these guidelines, the National School Lunch Program started offering free lunches to all students. Thus, if an applicant still wants to use this option, it is recommended that pre-pandemic data be used.			

Appendix A.1. Definition of the Project's Population Benefit (Overall)

$$\begin{array}{ccc} \text{Project's Population Benefit (PB)} & & \text{(A) Infrastructure Work PB Overall} \\ \text{Overall} & = & + \\ & & \text{(B) Non-infrastructure Work PB} \end{array}$$

Where:

A. **Infrastructure Work PB** = (Direct PB + Indirect PB) x Dose

Where:

- **Direct PB** = Sum of the population of all census tracts within a ¼ mile radius of the project site(s).
- **Indirect PB** = Sum of the average daily ridership of transit routes that have stops within a ½ mile radius of the project site(s).
- **Dose** = Hours the site will be accessible to the public under the improved conditions. (If the project has multiple sites and hours differ, use the average number of hours.)

B. **Non-infrastructure Work PB** = Sum of the PB of each non-infrastructure (NI) activity.

Where:

- **The PB of NI Activity = Reach x Dose**

Where:

- **Reach** = Number of people reached at least once by an educational campaign or eligible event.
- **Dose** = Number of times the campaign will run, or the event will be held.

Copies of the forms to perform the calculations are provided in Appendix A3. Example calculations based on a fictitious project are provided in Appendix A4. When submitting the application, complete the form in Attachment I from the CCLGP website and attach it to your application.

Appendix A.2. Definition of the Project's Relative Population Benefit (PB) (Underserved Communities)

$$\text{Project's Relative PB (underserved communities)} = \frac{\text{Projects PB (underserved)} \times 100}{\text{Projects PB (overall)}}$$

$$\text{Project's PB Underserved Community} = \begin{matrix} \text{(A) Infrastructure Work PB Underserved} \\ + \\ \text{(B) Non-infrastructure Work PB} \end{matrix}$$

Where:

$$\text{A. Infrastructure Work PB Underserved} = (\text{Direct PB Underserved} + \text{Indirect PB}) \times \text{Dose}$$

Where:

- **Direct PB Underserved** = Sum of the population of all underserved census tracts within a ¼ mile radius of the project site(s).
- **Indirect PB** = same as used in Appendix A.1.
- **Dose** = same as used in Appendix A.1.

$$\text{B. Non-infrastructure PB} = \text{Same as used in Appendix A.1.}$$

Copies of the forms to perform the calculations are provided in Appendix A3. Example calculations based on a fictitious project are provided in Appendix A4. When submitting the application, complete the form in Attachment I from the CCLGP website and attach it to your application.

Appendix A.3. Forms for Calculating Population Benefit (PB) (Overall) and Relative PB (Underserved Community)

Step 1. If your project has no infrastructure work, skip to Step 3.

Step 2. If your project has infrastructure work, complete Tables 1 through 5 below. Information from tables 1 through 3 will be used to calculate the Infrastructure Work PB for both the overall and underserved community in Tables 4 and 5, respectively.

Table 1. Infrastructure Work – Direct PB (Overall and Underserved Community)

- On line 1, list the census tract in which the project is located.
- On subsequent lines, list all census tracts within a $\frac{1}{4}$ mile radius of your project. If your project is large or long, use a $\frac{1}{4}$ mile from the outer edges. If your project has multiple locations, list the census tracts for each location. Add more rows on the last page if necessary.
- For each census tract listed, provide the information requested. For columns 4 and 5, consult the CCLGP guidelines on how to define an underserved community. If you choose “other” as your option, you must submit Attachment J with a justification of your methodology.
- Total column 3 and column 5.

Table 1. Infrastructure Work- Direct Population Benefit					
Location Relative to Project Site(s)		Census Tract Number	Census Tract Population (Overall)	If the tract is underserved community, record the option used to make the determination. (ACS5, SB535, CDEdu, HIP, Other)	Census Tract Population (Underserved) If the tract is an underserved community, also record population in this column.
(1)		(2)	(3)	(4)	(5)
1	Project Site A				
2	Within a ¼ mile radius.				
3	Within a ¼ mile radius.				
4	Within a ¼ mile radius.				
5	Project Site B				
6	Within a ¼ mile radius.				
7	Within a ¼ mile radius.				
8	Within a ¼ mile radius.				
Population Totals		(Overall) =		(Underserved) =	

Table 2. Infrastructure Work – Indirect PB

- List all transits routes with at least one transit stop within a ½ mile radius of your project. If you project is large or long, use a ½ mile from the outer edges. Add more rows on the last page if necessary.
- Total all ridership numbers.

Table 2. Infrastructure Work - Indirect Benefit Population		
Name of Transit Route with at least One Stop within a 1/2 Mile of Project Site(s) (1)		Average Daily Ridership of the Route (2)
1		
2		
3		
4		
5		
6		
7		
Total of the Average Daily Ridership of Qualifying Routes		

Table 3. Infrastructure Work – Dose

Determine the “dose” factor for the infrastructure work, which are the hours the site will be accessible to the public under the improved conditions.

- List all sites and the hours for each site. Add more rows on the last page if necessary.
- Calculate the average number of hours of all sites.

Table 3. Infrastructure Dose		
Infrastructure Site (1)		Hours Improved Site Accessible to Public (2)
1		
2		
3		
4		
5		
6		
7		
Average of Hours if Project Contains Multiple Sites		

Table 4. Infrastructure Work PB (Overall)

Use information from Tables 1-3 to complete Table 4.

Table 4. Infrastructure Work PB (Overall)						
(Direct PB (Table 1, Column 3) (1))	+	(Indirect PB) (Table 2, Column 2) (2))	×	Dose (Table 3, Column 2) (3))	=	Infrastructure Work PB (Overall) (4))
	+		×		=	

Table 5. Infrastructure Work PB (Underserved Community)

Use information from Tables 1-3 to complete Table 5.

Table 5. Infrastructure Work PB (Underserved Community)						
(Direct PB (Table 1, Column 5) (1))	+	(Indirect PB) (Table 2, Column 2) (2))	×	Dose (Table 3, Column 2) (3))	=	Infrastructure Work PB (Underserved Community) (4))
	+		×		=	

Step 3: If your application proposes educational campaigns or events about litter abatement, proper waste disposal, or how to do sanctioned artwork (as opposed to vandalism), use Table 6 to calculate PB of each non-infrastructure activity and total. If your application does not propose these activities, skip to Step 4.

Table 6. Non-Infrastructure Work PB

- **Reach** = Number of people reached at least once by an educational campaign or eligible event.
- **Dose** = Number of times the campaign will run, or the event will be held.

Table 6. Non-Infrastructure Work (NI) PB						
NI Activity Number	NI Activity Name	Activity Reach (1)	x	Activity Dose (2)	=	PB of NI Activity (3)
1			x		=	
2			x		=	
3			x		=	
4			x		=	
Total NI Work PB						

Step 4. Calculate the Project's Population Benefit (Overall). This score will be graded by the Department on a curve relative to all applications submitted. The number of points the applicant will be awarded for Scoring Component 2, Project Population Benefit, will be granted accordingly. The maximum number of points is 20.

Table 7. Project's PB (Overall)

Table 7. Project's PB (Overall)				
Infrastructure Work PB (Overall) (From Table 4, Column 4) (1)	+	Non-Infrastructure Work PB (From Table 6, Column 3) (2)	=	Project's PB (Overall) (3)
	+		=	

Step 5. Calculate the Project's Population Benefit (Underserved Community).

Table 8. Project's PB (Underserved Community)

Table 8. Project's PB (Underserved Community)				
Infrastructure Work PB (Underserved Community) (From Table 5, Column 4) (1)	+	Non-Infrastructure Work PB (From Table 6, Column 3) (2)	=	Project's PB (Underserved Community) (3)
	+		=	

Step 6. Calculate the Project's *Relative* Population Benefit to the underserved community.

Table 9. Project's Relative PB to Underserved Communities				
Project's PB (Underserved Community) (From Table 8, column 3) (1)	÷	Project's PB (Overall) (From Table 7, column 3) (2)	=	Project's Relative PB (Underserved Community) (3)
	÷		=	

Step 7. Calculate the number of points you, the applicant, will be awarded for Scoring Component 3, Project's *Relative* Population Benefit to the Underserved Community. The maximum number of points is 35.

Table 10. Applicant's Points for Scoring Component 3, Project's Relative PB (Underserved Community)

Table 10. Scoring Component 3, Project's Relative PB (Underserved Community)				
Project's Relative PB (Underserved Community) (From Table 9, column 3) (1)	×	Maximum Possible Points (2)	=	Score (Pts.) (3)
	×	35	=	

Examples of completed calculation forms based on a fictitious project can be found in Appendix A.4.

Additional rows for Tables 1 and 2. (Only use these pages if needed.)

Table 1. Infrastructure Work- Direct Population Benefit (CONTINUED)					
Location Relative to Project Site(s)		Census Tract Number	Census Tract Population (Overall)	If the tract is underserved community, record the option used to make the determination. (ACS5, SB535, CDEdu, HIP, Other)	Census Tract Population (Underserved) If the tract is an underserved community, also record population in this column.
(1)		(2)	(3)	(4)	(5)
9	Project Site C				
10	Within a ¼ mile radius.				
11	Within a ¼ mile radius.				
12	Within a ¼ mile radius.				
13	Project Site D				
14	Within a ¼ mile radius.				
15	Within a ¼ mile radius.				
16	Within a ¼ mile radius.				

Table 2. Infrastructure Work - Indirect Benefit Population (CONTINUED)		
Name of Transit Route with at least One Stop within 1/2 Mile of Project Site(s)		Average Daily Ridership of the Route
(1)		(2)
8		
9		
10		
11		
12		
13		
14		
15		

Additional rows for Tables 3 and 6. (Only use these pages if needed.)

Table 3. Infrastructure Dose (CONTINUED)		
Infrastructure Site (1)		Hours Improved Site Accessible to Public (2)
8		
9		
10		
11		
12		
13		
14		
15		

Table 6. Non-Infrastructure Work (NI) PB (CONTINUED)						
NI Activity Number	NI Activity Name	Activity Reach (1)	x	Activity Dose (2)	=	PB of NI Activity (3)
5			x		=	
6			x		=	
7			x		=	
8			x		=	
9			x		=	
10			x		=	
11			x		=	
12			x		=	
13			x		=	
14			x		=	
15			x		=	
16			x		=	

Appendix A.4. Example PB (Overall) and Relative PB (Underserved Communities) Calculations Performed for a Fictitious Project

For demonstration purposes, this appendix performs sample population benefit calculations based on a fictitious project.

Fictitious Project Summary:

The sample project proposes improving the parkland at the Greenside Park in the City of Eureka, CA (M St & 12th St, Eureka, CA 95501) with beautification upgrades and litter abatement. In addition to physical improvements, the project proposes to launch a litter abatement campaign on social media that will reach 1,000 people/week for 52 weeks in total and will host a ribbon cutting and litter abatement event with 200 people invited. I have filled this form out as the applicant for the purposes of showing how this would be accomplished and the results you might see from this.

Example Population Benefit Calculations:

Step 1. If your project has no infrastructure work, skip to Step 3.

Our project has infrastructure, so we continue to Step 2.

Step 2. If your project has infrastructure work, complete Tables 1 through 5 below. Information from tables 1 through 3 will be used to calculate the Infrastructure Work PB for both the overall and underserved community in Tables 4 and 5, respectively.

Table 1. Infrastructure Work – Direct PB (Overall and Underserved Community)

- On line 1, list the census tract in which the project is located.
- On subsequent lines, list all census tracts within ¼ mile radius of your project. If your project is large or long, use a ¼ mile from the outer edges. If your project has multiple locations, list the census tracts for each location. Add more rows on the last page if necessary.
- For each census tract listed, provide the information requested. For columns 4 and 5, consult the CCLGP guidelines on how to define an underserved community. If you choose “other” as your option, you must submit Attachment J with justification of your determination method.
- Total column 3 and column 5.

Table 1. Infrastructure Work- Direct Population Benefit					
Location Relative to Project Site(s)		Census Tract Number	Census Tract Population (Overall)	If the tract is underserved community, record the option used to make the determination. (e.g. ACS5, SB535, CDEdu, HIP, Other)	Census Tract Population (Underserved) If the tract is an underserved community, also record population in this column.
(1)		(2)	(3)	(4)	(5)
1	Project Site A	5	4,450	ACS5	4,450
2	Within a ¼ mile radius.	6	4,998	ACS5	4,998
3	Within a ¼ mile radius.	1	4,242	ACS5	4,242
4	Within a ¼ mile radius.				
5	Project Site B				
6	Within a ¼ mile radius.				
7	Within a ¼ mile radius.				
8	Within a ¼ mile radius.				
Population Totals		(Overall) =	13,960	(Underserved) =	13,690

Why we filled in Table 1 as we did:

- We chose to use option 1 of the 5 options provided in the guidelines to determine if the community around the project is underserved. We looked up the project address in the 2019 American Community Survey 5-Year Estimates (ACS5) and found it is in census tract 5 with a population of 4,450 people and has a median income less than 80% of the State Median Income. This means the census tract qualifies as an underserved community. We logged this information on line 1 accordingly.
- We drew a ¼ mile buffer around the project limits and then determined all other census tracts that fell totally or partially within the project site or buffer limits. Using the ACS5, two tracts met this criteria, census tracts 6

and 1, and both also qualified as underserved. We completed lines 2 and 3 accordingly.

- Note, you are not limited to one option when making the “underserved” determination. If a tract did not qualify as underserved on the ACS5, we could have also checked another option, such as the Healthy Places Index. If it qualified under one of the options, we could have designated that tract as underserved.

Table 2. Infrastructure Work – Indirect PB

- List all transits routes with at least one transit stop within a ½ mile radius of your project. If you project is large or long, use a ½ mile from the outer edges. Add more rows on the last page if necessary.
- Total all ridership.

Table 2. Infrastructure Work - Indirect Benefit Population		
Name of Transit Route with at least One Stop within 1/2 Mile of Project Site(s)		Average Daily Ridership of the Route
(1)		(2)
1	Redwood Transit System Route	500
2	Southern Humboldt Intercity Route	500
3		
4		
5		
6		
7		
Total of the Average Daily Ridership of Qualifying Routes		1,000

Why we filled out Table 2 as we did:

We drew a ½ mile buffer around the project limits and determined what transit stops existed within the project limits or the buffer zone. We found two bus routes that stopped within a ½ mile of the project and logged the route information accordingly.

Table 3. Infrastructure Work – Dose

Determine the “dose” factor for the infrastructure work, which is the hours the site will be accessible to the public under the improved conditions.

- List all sites and the hours for each site. Add more rows on the last page if necessary.

- Calculate the average number of hours of all sites.

Table 3. Infrastructure Dose		
Infrastructure Site (1)		Hours Improved Site Accessible to Public (2)
1	Greenside Park	24
2		
3		
4		
5		
6		
7		
Average of Hours if Project Contains Multiple Sites		24

Why we filled in Table 3 as we did:

- The park will be accessible to the public 24 hours per day upon completion of the project. If we had multiple sites with different hours, we would have averaged the hours.

Table 4. Infrastructure Work PB (Overall)

Use information from Tables 1-3 to complete Table 4.

Table 4. Infrastructure Work PB (Overall)						
(Direct PB (Table 1, Column 3) (1))	+	(Indirect PB) (Table 2, Column 2) (2))	×	Dose (Table 3, Column 2) (3))	=	Infrastructure Work PB (Overall) (4))
13,960	+	1,000	×	24	=	359,040

Table 5. Infrastructure Work PB (Underserved Community)

Use information from Tables 1-3 to complete Table 5.

Table 5. Infrastructure Work PB (Underserved Community)						
(Direct PB) <i>(Table 1, Column 5)</i> <i>(1)</i>	+	Indirect PB) <i>(Table 2, Column 2)</i> <i>(2)</i>	×	Dose <i>(Table 3, Column 2)</i> <i>(3)</i>	=	Infrastructure Work PB (Underserved Community) <i>(4)</i>
13,960	+	1,000	×	24	=	359,040

Note, because all the tracts within a ¼ mile of the project qualified as underserved, the project's Infrastructure Work PB (Overall) in Table 7 equals the project's Infrastructure work PB (underserved community) in Table 8.

Step 3: If your application proposes educational campaigns or events about litter abatement, proper waste disposal, or how to do sanctioned artwork (as opposed to vandalism), use Table 6 to calculate PB of each non-infrastructure activity and total. If your application does not propose these activities, skip to Step 4.

Table 6. Non-Infrastructure Work PB

- **Reach** = Number of people reached at least once by an educational campaign or eligible event.
- **Dose** = Number of times the campaign will run or the event will be held.

Table 6. Non-Infrastructure Work (NI) PB						
NI Activity Number	NI Activity Name	Activity Reach <i>(1)</i>	×	Activity Dose <i>(2)</i>	=	PB of NI Activity <i>(3)</i>
1	Social Media Litter Abatement Campaign	1000	×	52	=	52,000
2	Ribbon Cutting and Litter Abatement Event	200	×	1	=	200
3			×		=	
4			×		=	
Total NI Work PB						52,200

Why we filled in Table 6 as we did:

- The project includes 2 non-infrastructure events, a media campaign that will reach 1,000 social media followers (the Activity 1 reach) once a week for 52 weeks (the Activity 1 dose) and a ribbon cutting and trash disposal education event to which 200 people (the Activity 2 reach) will be invited. The ribbon cutting event is a one-time affair (the Activity 2 dose.)

Step 4. Calculate the Project's Population Benefit (Overall). This score will be graded by the Department on a curve relative to all applications submitted. The number of points the applicant will be awarded for Scoring Component 2, Project Population Benefit, will be granted accordingly. The maximum number of points is 20.

Table 7. Project's PB (Overall)

Table 7. Project's PB (Overall)				
Infrastructure Work PB (Overall) (From Table 4, Column 4) (1)	+	Non-Infrastructure Work PB (From Table 6, Column 3) (2)	=	Project's PB (Overall) (3)
359,040	+	52,200	=	411,240

The number calculated here will be graded on a curve relative to other applications submitted to determine the percentage of the maximum possible 20 points to award.

Step 5. Calculate the Project's Population Benefit (Underserved Community).

Table 8. Project's PB (Underserved Community)

Table 8. Project's PB (Underserved Community)				
Infrastructure Work PB (Underserved Community) (From Table 5, Column 4) (1)	+	Non-Infrastructure Work PB (From Table 6, Column 3) (2)	=	Project's PB (Underserved Community) (3)
359,040	+	52,200	=	411,240

Step 6. Calculate the Project's *Relative Population Benefit* to the underserved community.

Table 9. Project's Relative PB to Underserved Communities				
Project's PB (Underserved Community) (From Table 8, column 3) (1)	÷	Project's PB (Overall) (From Table 7, column 3) (2)	=	Project's Relative PB (Underserved Community) (3)
411,240	÷	411,240	=	100%

Step 7. Calculate the number of points you, the applicant, will be awarded for Scoring Component 3, Project's *Relative Population Benefit* to the Underserved Community. The maximum number of points is 35.

Table 10. Applicant's Points for Scoring Component 3. Project's Relative PB (Underserved Community)

Table 10. Scoring Component 3 Project's Relative PB (Underserved Community)				
Project's Relative PB (Underserved Community) (From Table 9, column 3) (1)	×	Maximum Possible Points (2)	=	Score (Points) (3)
100%	×	35	=	35

Appendix B1. Demonstrated Community Need Assessment Form

This table measures the demonstrated need of the community to execute the goals of the program. Needs can be the community's need for waste and debris reduction, beautification, enhanced public health, cultural connection, or another need. This component is worth a maximum of 50 points and up to 25 percent of the total application score. The score is based on the applicant's answers to questions about the **existing site** or community conditions. The form has five (5) sections, each relating to a program goal or objective. **Within each section, choose a maximum of two (2) questions to answer**, for a total of 10 questions. All applicants must answer question 1-1, as one of their two questions in Section 1.

Table 1: Demonstrated Community Need Assessment Form

Section 1: Answer question 1-1, and one other question of your choice.						
Program Goal or Objective	ID #	Max. Poss. Pts.	Community Need Assessment Question	Points Guidance	Applicant Response	Applicant's Self Score
To reduce the amount of waste and debris within public rights-of-way, pathways, parks, transit centers, and other public spaces.	1 -1	5	Describe the evidence there is a recurring litter or land misuse in the project area under existing conditions. Summarize trash collection data or other empirical data.	(Range 0-5pts., No evidence= 0pts.)	Use box below	
	1-2	5	Under existing conditions, does the project site have adequate signage and amenities for proper waste disposal or prevention?	No = 5 pts., Somewhat = 3pts., Yes = 0 pts.		
	1-3	5	Under existing conditions, does the site have physical features to discourage inappropriate waste disposal or dumping?	No = 5 pts., Somewhat = 3pts., Yes = 0 pts.		
	1-4	3	Under existing conditions, does the proposed community or project site lack educational programs or events about litter abatement or proper waste disposal?	Yes = 3pts., Somewhat=2pts., No or NA = 0pts.		

Section 2: Answer 2 questions below.						
Program Goal or Objective	ID #	Max. Poss. Pts.	Community Need Assessment Question	Point Guidance	Applicant Response	Applicant's Self Score
To enhance, rehabilitate, restore, or install measures to beautify and improve public spaces.	2-1	5	Under existing conditions what percentage of the project site needs beautification?	0-20%= 1 pt., 21-40%= 2 pts., 41-60%= 3 pts., 61-80%= 4 pts., >80%= 5 pts.,		
	2-2	5	Under existing conditions, what percentage of the project site is not functional and/or accessible for community use?	0-20%= 1 pt., 21-40%= 2 pts., 41-60%= 3 pts., 61-80%= 4 pts., >80%= 5 pts.,		
	2-3	5	Based on the hours the project site is open, approximately what percentage of time is it significantly underutilized?	0-20%= 1 pt., 21-40%= 2 pts., 41-60%= 3 pts., 61-80%= 4 pts., >80%= 5 pts.,		
	2-4	5	What percentage of the project site is negatively affected by graffiti or other vandalism?	0-20%= 1 pt., 21-40%= 2 pts., 41-60%= 3 pts., 61-80%= 4 pts., >80%= 5 pts.,		

Section 3: Answer 2 questions below.						
Program Goal or Objective	ID #	Max. Poss. Pts.	Community Need Assessment Question	Point Guidance	Applicant Response	Applicant's Self Score
To enhance public health, cultural connection, and community placemaking by improving public spaces for walking and recreation.	3-1	5	Does the project area currently prevent a critical connection to daily life destinations such as school, medical care, jobs, or groceries via walking, biking, or transit?	Yes = 5 pts., Somewhat= 3pts., No = 0 pts..		
	3-2	5	Is the public space a barrier or hazard on a walking or biking route?	Yes = 5 pts., Somewhat= 3pts., No = 0 pts..		
	3-3	5	Is the existing public recreation space unusable for its intended purposes?	Yes = 5 pts., Somewhat= 3pts., No = 0 pts..		
	3-4	5	Under existing conditions, are there adequate/sufficient recreation places in the community?	No= 5 pts., Somewhat=3pts., Yes = 0 pts.		
	3-5	3	Under existing conditions, are there enough places to sit at the project site?	No= 3 pts., Somewhat=2pts., Yes = 0 pts.		
	3-6	5	Does the existing project site lack features or elements that connect it to the culture or history of the surrounding community?	Yes= 5 pts., Somewhat=3pts., No = 0 pts.		

Section 4: Answer 2 questions below.						
Program Goal or Objective	ID #	Max. Poss. Pts.	Community Need Assessment Question	Point Guidance	Applicant Response	Applicant's Self Score
To advance equity for underserved communities.	4-1	5	How does the percentage of usable public space in the underserved community compare to the region's average?	Below Average = 5pts., Average =3pts., Above Average = 0pts.		
	4-2	5	Is the project area an underutilized connection in an underserved community?	Yes = 5pts., Somewhat=3pts., No or NA = 0pts.		
	4-3	5	Is the project site an underutilized public space in an underserved community?	Yes = 5pts., Somewhat=3pts., No or NA = 0pts.		
	4-4	5	Does the space function for people with disabilities or special needs?	No = 5pts., Somewhat=3pts., Yes or NA = 0pts.		

Section 5: Answer 2 questions below.						
Program Goal or Objective	ID #	Max. Poss. Pts.	Community Need Assessment Question	Point Guidance	Applicant Response	Applicant's Self Score
Greening to provide shade, reduce urban island effect, and use native, low-water plants.	5-1	5	Under existing conditions what percentage of the space is landscaped and/or soft-scaped?	0-20%=5pts., 21-40=4pts., 41-60=3pts., 61-80=2pts., 81-100=1pts.		
	5-2	5	Under existing conditions, what percentage of landscape lacks native or low-water plants?	0-20%= 5pts., 21-40=4pts., 41-60=3pts., 61-80=2pts., 81-100=1pts.		
	5-3	5	What percentage of the space is unusable due to lack of shade at midday?	0-20%=1pts., 21-40=2pts., 41-60=3pts., 61-80=4pts., 81-100=5pts.		
	5-4	5	What percentage of the project site is unusable due to excessive heat at midday?	0-20%=1pts., 21-40=2pts., 41-60=3pts., 61-80=4pts., 81-100=5pts.		
	Total Score from Sections 1 to 5: Community Need Assessment (Max Possible Points is 50)					0

Appendix B2. Project's Outcomes Assessment Form

This form measures the proposal's potential to accomplish the goals of the program. This component is worth a maximum of 40 points and up to 20 percent of the total application score. The score is based on the applicant's answers to questions about anticipated project results. The form has five (5) sections, each relating to a program goal or objective. **Within each section, choose a maximum of two questions to answer, for a total of 10 questions.**

Table 2: Project's Outcomes Assessment Form

Section 1: Answer 2 questions below.						
Program Goal or Objective	ID #	Max. Poss. Pts.	Project's Outcomes Questions	Point Guidance	Applicant Response	Applicant's Self Score
To reduce the amount of waste and debris within public rights-of-way, pathways, parks, transit centers, and other public spaces.	1-1	4	By what percentage will the waste and debris within the project site be reduced?	0-25% =1 pt., 26-50%= 2pts., 51-75%= 3pts., 76-100%= 4pts.		
	1-2	3	By what percentage will the signage and amenities for proper waste disposal or prevention increase at the project site?	0-33% = 1 pt., 34-66% = 2pts., 67-100% = 3pts.		
	1-3	4	What is the estimated reduction of waste or debris at the project site because of new physical features to discourage inappropriate waste disposal or dumping?	0-25% =1 pt., 26-50%= 2pts., 51-75%= 3pts., 76-100%= 4pts.		
	1-4	3	What is the percent increase in the number of educational programs or events about litter abatement and proper waste disposal?	0-33% = 1 pt., 34-66% = 2pts., 67-100% = 3pts.		
	1-5	3	What is the percent increase in the number of litter pickup and waste disposal events?	0-33% = 1 pt., 34-66% = 2pts., 67-100% = 3pts.		

Section 2: Answer 2 questions below.						
Program Goal or Objective	ID #	Max. Poss. Pts.	Project's Outcomes Questions	Point Guidance	Applicant Response	Applicant's Self Score
To enhance, rehabilitate, restore, or install measures to beautify and improve public spaces.	2-1	4	By what percentage will the project site be beautified or improved?	0-25% = 1 pt., 26-50% = 2pts., 51-75% = 3pts., 76-100% = 4pts.		
	2-2	4	By what percentage do the improvements increase the number and/or diversity of viable uses in the project site?	0-25% = 1 pt., 26-50% = 2pts., 51-75% = 3pts., 76-100% = 4pts.		
	2-3	5	By what percentage do the improvements increase access to the project site?	0-20% = 1 pt., 21-40% = 2 pts., 41-60% = 3 pts., 61-80% = 4 pts., 81-100% = 5pts.		
	2-4	4	By what percentage will the quantity of human scale, energy conserving lighting be increased?	0-25% = 1 pt., 26-50% = 2pts., 51-75% = 3pts., 76-100% = 4pts.		
	2-5	4	What percentage of project site will be improved with anti-graffiti/anti-vandalism solutions?	0-25% = 1 pt., 26-50% = 2pts., 51-75% = 3pts., 76-100% = 4pts.		
	2-6	4	Will visual art pieces be added to the project site?	2 or more = 4pts., 1 = 3 pts.		
	2-7	4	What is the percentage increase in educational programs informing the community how to do sanctioned public artwork (as opposed to vandalism/graffiti)?	0-25% = 1 pt., 26-50% = 2pts., 51-75% = 3pts., 76-100% = 4pts.		

Section 3: Answer 2 questions below.						
Program Goal or Objective	ID #	Max. Poss. Pts.	Project's Outcomes Questions	Point Guidance	Applicant Response	Applicant's Self Score
To enhance public health, cultural connection, and community placemaking by improving public spaces for walking and recreation.	3-1	4	Will the project create or enable a critical connection to daily life destinations such as school, medical care, jobs, or groceries via walking, biking, or transit?	Yes = 4pts., Somewhat = 2pts., No or NA = 0pts.		
	3-2	4	Will the project improve a walking or biking route?	Yes = 4pts., Somewhat = 2pts., No or NA = 0pts.		
	3-3	4	Will the project improve or rehabilitate an existing public recreation space?	Yes = 4pts., Somewhat = 2pts., No or NA = 0pts.		
	3-4	4	Will the project add new recreation space to the community?	Yes = 4pts., Somewhat = 2pts., No or NA = 0pts.		
	3-5	4	By what percentage will the project site(s) be improved for walking or recreation?	0-25% = 1 pt., 26-50% = 2pts., 51-75% = 3pts., 76-100% = 4pts.		
	3-6	4	Will the improved project site incorporate features or elements that connect it to the culture or history of the surrounding community?	Definitely = 4 pts., Sufficiently = 3 pts., Somewhat = 2 pts., A little = 1 pt. Not at all = 0 pts.		

Section 4: Answer 2 questions below.						
Program Goal or Objective	ID #	Max. Poss. Pts.	Project's Outcomes Questions	Point Guidance	Applicant Response	Applicant's Self Score
Advance equity for underserved communities.	4-1	4	What percentage of census tracts within a 1/4 mile of the project site qualify as underserved?	> 51%=4pts, 40-50%=3pts, 20-39%=2pts < 20% = 1pts		
	4-2	4	What percentage of transit routes within a 1/2 mile of the project site reach an underserved community?	> 51%=4pts, 40-50%=3pts, 20-39%=2pts < 20% = 1pts		
	4-3	4	Will the project create or improve access to a key connection across a major physical barrier in an underserved community?	Yes = 4pts., Somewhat = 2pts., No or NA = 0pts.		
	4-4	4	Will the improved project site function for people with disabilities or special needs?	Yes = 4pts., Somewhat = pts., No or NA = 0pts.		

Section 5: Answer 2 questions below.						
Program Goal or Objective	ID #	Max. Poss. Pts.	Project's Outcomes Question	Point Guidance	Applicant Response	Applicant's Self Score
Greening to provide shade, reduce urban island effect, and use native, low-water plants.	5-1	4	What is the anticipated decrease in impervious surfaces at the project site?	0-25% = 1 pt., 26-50% = 2pts., 51-75% = 3pts., 76-100% = 4pts.		
	5-2	4	What will be the percent increase in native, drought tolerant plantings?	0-25% = 1 pt., 26-50% = 2pts., 51-75% = 3pts., 76-100% = 4pts.		
	5-3	4	What is the anticipated percent increase of shade measured at the noon hour?	0-25% = 1 pt., 26-50% = 2pts., 51-75% = 3pts., 76-100% = 4pts.		
	5-4	4	What is the anticipated increase of greening or tree canopy?	0-25% = 1 pt., 26-50% = 2pts., 51-75% = 3pts., 76-100% = 4pts.		
Total of Scores from Sections 1 to 5: Project Outcomes (Max Possible is 40)						0

Appendix B3. Example of Forms B1 and B2 Completed for a Fictitious Project

For demonstration purposes, this appendix contains completed Demonstrated Community Need Assessment and Project's Outcomes Assessment forms based on a fictitious project.

Fictitious Project Summary:

One-acre public space that will include landscaping, shade trees, improved street furniture, new bins for proper waste disposal, enhanced lighting, a mural by a local artist, and upgrades to the bus stop shelter at the site. Youth volunteers will be recruited to help clean the space before improvements are made, and they will learn about litter abatement and the free dump days in the community.

Table 1: Completed Demonstrated Community Need Assessment Form

Section 1: Answer question 1-1, and one of your choice.						
Program Goal or Objective	ID #	Max. Poss. Pts.	Community Need Assessment Question	Points Guidance	Applicant Response	Applicant's Self Score
To reduce the amount of waste and debris within public rights-of-way, pathways, parks, transit centers, and other public spaces.	1 -1	5	Describe the evidence there is a recurring issue of trash production or land misuse in the project area under existing conditions. Summarize trash collection data or other empirical data.	(Range 0-5pts., No evidence= 0pts.)	Use box below	
	Trash bins are always overflowing. The amount of trash has increased by approximately 300% according to the maintenance department. Many people dump their garbage around the park. Park walls have re-occurring graffiti. There have been citizen complaints and about garbage and broken benches. The park has seen reduced usage over the years due to safety concerns and poor lighting. Reservations for youth sports at the facility and picnic areas have reduced by 25%.					5
	1-2	5	Under existing conditions, does the project site have adequate signage and amenities for proper waste disposal or prevention?	No = 5 pts., Somewhat = 3pts., Yes = 0 pts.		
	1-3	5	Under existing conditions, does the site have physical features to discourage inappropriate waste disposal or dumping?	No = 5 pts., Somewhat = 3pts., Yes = 0 pts.	No	5
	1-4	3	Under existing conditions, does the proposed community or project site lack educational programs or events about litter abatement or proper waste disposal?	Yes = 3pts., Somewhat=2pts., No or NA = 0pts.		

Section 2: Answer 2 questions below.						
Program Goal or Objective	ID #	Max. Poss. Pts.	Community Need Assessment Question	Point Guidance	Applicant Response	Applicant's Self Score
To enhance, rehabilitate, restore, or install measures to beautify and improve public spaces.	2-1	5	Under existing conditions what percentage of the project site needs beautification?	0-20%= 1 pt., 21-40%= 2 pts., 41-60%= 3 pts., 61-80%= 4 pts., >80%= 5 pts.,	81	5
	2-2	5	Under existing conditions, what percentage of the project site is not functional and/or accessible for community use?	0-20%= 1 pt., 21-40%= 2 pts., 41-60%= 3 pts., 61-80%= 4 pts., >80%= 5 pts.,		
	2-3	5	Based on the hours the project site is open, approximately what percentage of time is it significantly underutilized?	0-20%= 1 pt., 21-40%= 2 pts., 41-60%= 3 pts., 61-80%= 4 pts., >80%= 5 pts.,	61	4
	2-4	5	What percentage of the project site is negatively affected by graffiti or other vandalism?	0-20%= 1 pt., 21-40%= 2 pts., 41-60%= 3 pts., 61-80%= 4 pts., >80%= 5 pts.,		

Section 3: Answer 2 questions below.						
Program Goal or Objective	ID #	Max. Poss. Pts.	Community Need Assessment Question	Point Guidance	Applicant Response	Applicant's Self Score
To enhance public health, cultural connection, and community placemaking by improving public spaces for walking and recreation.	3-1	5	Does the project area currently prevent a critical connection to daily life destinations such as school, medical care, jobs, or groceries via walking, biking, or transit?	Yes = 5 pts., Somewhat= 3pts., No = 0 pts..		
	3-2	5	Is the public space a barrier or hazard on a walking or biking route?	Yes = 5 pts., Somewhat= 3pts., No = 0 pts..		
	3-3	5	Is the existing public recreation space unusable for its intended purposes?	Yes = 5 pts., Somewhat= 3pts., No = 0 pts..		
	3-4	5	Under existing conditions, are there adequate/sufficient recreation places in the community?	No= 5 pts., Somewhat=3pts., Yes = 0 pts.	Somewhat	3
	3-5	3	Under existing conditions, are there enough places to sit at the project site?	No= 3 pts., Somewhat=2pts., Yes = 0 pts.		
	3-6	5	Does the existing project site lack features or elements that connect it to the culture or history of the surrounding community?	Yes= 5 pts., Somewhat=3pts., No = 0 pts.	Yes	5

Section 4: Answer 2 questions below.						
Program Goal or Objective	ID #	Max. Poss. Pts.	Community Need Assessment Question	Point Guidance	Applicant Response	Applicant's Self Score
To advance equity for underserved communities.	4-1	5	How does the percentage of usable public space in the underserved community compare to the region's average?	Below Average = 5pts., Average =3pts., Above Average = 0pts.	Below Average	5
	4-2	5	Is the project area an underutilized connection in an underserved community?	Yes = 5pts., Somewhat=3pts., No or NA = 0pts.		
	4-3	5	Is the project site an underutilized public space in an underserved community?	Yes = 5pts., Somewhat=3pts., No or NA = 0pts.	Yes	5
	4-4	5	Does the space function for people with disabilities or special needs?	No = 5pts., Somewhat=3pts., Yes or NA = 0pts.		

Section 5: Answer 2 questions below.						
Program Goal or Objective	ID #	Max. Poss. Pts.	Community Need Assessment Question	Point Guidance	Applicant Response	Applicant's Self Score
Greening to provide shade, reduce urban island effect, and use native, low-water plants.	5-1	5	Under existing conditions what percentage of the space is landscaped and/or soft-scaped?	0-20%=5pts., 21-40=4pts., 41-60=3pts., 61-80=2pts., 81-100=1pts.		
	5-2	5	Under existing conditions, what percentage of landscape lacks native or low-water plants?	0-20%= 5pts., 21-40=4pts., 41-60=3pts., 61-80=2pts., 81-100=1pts.	35	4
	5-3	5	What percentage of the space is unusable due to lack of shade at midday?	0-20%=1pts., 21-40=2pts., 41-60=3pts., 61-80=4pts., 81-100=5pts.	75%	4
	5-4	5	What percentage of the project site is unusable due to excessive heat at midday?	0-20%=1pts., 21-40=2pts., 41-60=3pts., 61-80=4pts., 81-100=5pts.		
	Total Score from Sections 1 to 5: Community Need Assessment (Max Possible Points is 50)					45

Table 2: Completed Project's Outcomes Assessment Form

Section 1: Answer 2 questions below.						
Program Goal or Objective	ID #	Max. Poss. Pts.	Project's Outcomes Questions	Point Guidance	Applicant Response	Applicant's Self Score
To reduce the amount of waste and debris within public rights-of-way, pathways, parks, transit centers, and other public spaces.	1-1	4	By what percentage will the waste and debris within the project site be reduced.	0-25% = 1 pt., 26-50% = 2pts., 51-75% = 3pts., 76-100% = 4pts.	100	4
	1-2	3	By what percentage will the signage and amenities for proper waste disposal or prevention increase at the project site?	0-33% = 1 pt., 34-66% = 2pts., 67-100% = 3pts.		
	1-3	4	What is the estimated reduction of waste or debris at the project site because of new physical features to discourage inappropriate waste disposal or dumping?	0-25% = 1 pt., 26-50% = 2pts., 51-75% = 3pts., 76-100% = 4pts.	80	4
	1-4	3	What is the percent increase in the number of educational programs or events about litter abatement and proper waste disposal?	0-33% = 1 pt., 34-66% = 2pts., 67-100% = 3pts.		
	1-5	3	What is the percent increase in the number of litter pickup and waste disposal events?	0-33% = 1 pt., 34-66% = 2pts., 67-100% = 3pts.		

Section 2: Answer 2 questions below.						
Program Goal or Objective	ID #	Max. Poss. Pts.	Project's Outcomes Questions	Point Guidance	Applicant Response	Applicant's Self Score
To enhance, rehabilitate, restore, or install measures to beautify and improve public spaces.	2-1	4	By what percentage will the project site be beautified or improved?	0-25% = 1 pt., 26-50% = 2pts., 51-75% = 3pts., 76-100% = 4pts.	80	4
	2-2	4	By what percentage do the improvements increase the number and/or diversity of viable uses within the project site?	0-25% = 1 pt., 26-50% = 2pts., 51-75% = 3pts., 76-100% = 4pts.		
	2-3	5	By what percentage do the improvements increase access to the project site?	0-20% = 1 pt., 21-40% = 2 pts., 41-60% = 3 pts., 61-80% = 4 pts., 81-100% = 5pts.		
	2-4	4	By what percentage will the quantity of human scale, energy conserving lighting will be increased?	0-25% = 1 pt., 26-50% = 2pts., 51-75% = 3pts., 76-100% = 4pts.	60	4
	2-5	4	What percentage of project site will be improved with anti-graffiti/anti vandalism solutions?	0-25% = 1 pt., 26-50% = 2pts., 51-75% = 3pts., 76-100% = 4pts.		
	2-6	4	Will visual art pieces be added to the project site?	2 or more = 4pts., 1 = 3 pts.		
	2-7	4	What is the percentage increase in educational programs informing the community how to do sanctioned public artwork (as opposed to vandalism/graffiti)?	0-25% = 1 pt., 26-50% = 2pts., 51-75% = 3pts., 76-100% = 4pts.		

Section 3: Answer 2 questions below.						
Program Goal or Objective	ID #	Max. Poss. Pts.	Project's Outcomes Questions	Point Guidance	Applicant Response	Applicant's Self Score
To enhance public health, cultural connection, and community placemaking by improving public spaces for walking and recreation.	3-1	4	Will the project create or enable a critical connection to daily life destinations such as school, medical care, jobs, or groceries via walking, biking, or transit?	Yes = 4pts., Somewhat = 2pts., No or NA = 0pts.		
	3-2	4	Will the project improve a walking or biking route?	Yes = 4pts., Somewhat = 2pts., No or NA = 0pts.		
	3-3	4	Will the project improve or rehabilitate an existing public recreation space?	Yes = 4pts., Somewhat = 2pts., No or NA = 0pts.	Yes	4
	3-4	4	Will the project add new recreation space to the community?	Yes = 4pts., Somewhat = 2pts., No or NA = 0pts.		
	3-5	4	By what percentage will the project site(s) be improved for walking or recreation?	0-25% = 1 pt., 26-50% = 2pts., 51-75% = 3pts., 76-100% = 4pts.		
	3-6	4	Will the improved project site incorporate features or elements that connect it to the culture or history of the surrounding community?	Definitely = 4 pts., Sufficiently = 3 pts., Somewhat = 2 pts., A little = 1 pt. Not at all = 0 pts.	Definitely	4

Section 4: Answer 2 questions below.						
Program Goal or Objective	ID #	Max. Poss. Pts.	Project's Outcomes Questions	Point Guidance	Applicant Response	Applicant's Self Score
Advance equity for underserved communities.	4-1	4	What percentage of census tracts within a 1/4 mile of the project site qualify as underserved?	> 51%=4pts, 40-50%=3pts, 20-39%=2pts < 20% = 1pts	100%	4
	4-2	4	What percentage of transit routes within a 1/2 mile of the project site reach an underserved community?	> 51%=4pts, 40-50%=3pts, 20-39%=2pts < 20% = 1pts	50	3
	4-3	4	Will the project create or improve access to a key connection across a major physical barrier in an underserved community?	Yes = 4pts., Somewhat = 2pts., No or NA = 0pts.		
	4-4	4	Will the improved project site function for people with disabilities or special needs?	Yes = 4pts., Somewhat = pts., No or NA = 0pts.		

Section 5: Answer 2 questions below.						
Program Goal or Objective	ID #	Max. Poss. Pts.	Project's Outcomes Question	Point Guidance	Applicant Response	Applicant's Self Score
Greening to provide shade, reduce urban island effect, and use native, low-water plants.	5-1	4	What is the anticipated decrease in impervious surfaces at the project site?	0-25% = 1 pt., 26-50% = 2pts., 51-75% = 3pts., 76-100% = 4pts.		
	5-2	4	What will be the percent increase in native, drought tolerant plantings?	0-25% = 1 pt., 26-50% = 2pts., 51-75% = 3pts., 76-100% = 4pts.	65	3
	5-3	4	What is the anticipated percent increase of shade measured at the noon hour?	0-25% = 1 pt., 26-50% = 2pts., 51-75% = 3pts., 76-100% = 4pts.		
	5-4	4	What is the anticipated increase of greening or tree canopy?	0-25% = 1 pt., 26-50% = 2pts., 51-75% = 3pts., 76-100% = 4pts.	60	3
Total of Scores from Sections 1 to 5: Project Outcomes (Max Possible is 40)						37

CCLGP Frequently Asked Questions

Application Process

Q1: Who is an eligible applicant?

- A. The applicant must be a local or regional public agency, transit agency, or federally recognized tribal government. Nonprofit organizations may partner with eligible applicants, as sub-applicants.

Q2: Are school districts, special districts, or Joint Powers Authorities (JPA) eligible applicants?

- A. Public agency status is determined based on the agency's enacting documents. Additionally, it must be established that the JPA or district has jurisdiction over the public space being improved.

Q3: How would you define a "project"?

- A. A project can include multiple elements such as infrastructure and non-infrastructure elements, as well as multiple locations. For example, one project may include installation of lighting, litter abatement, and painting of a mural. All infrastructure and non-infrastructure project elements must be included in their respective cost proposals.

Q4: Can I submit multiple projects in one application?

- A. One application can contain more than one project element and can include both infrastructure and non-infrastructure elements, but all elements must be under one project. Applications that include multiple elements may be more competitive.

Q5: Can an agency submit multiple applications?

- A. Yes. There is no limit to the number of applications an applicant can submit. Also, multiple departments within one agency can submit separate applications.

Q6: Do I need to submit a City Council resolution for my project with my application?

- A. A City Council Resolution (or similar approval document) is not required to be submitted with an application. A resolution will be required at the time a grant agreement is executed.

Q7: Can a project that has already received funding from another program apply for additional funding with this grant?

- A. CCLGP funds cannot be used to supplant existing funds. If the project is adding scope and funding, that portion of the project may be eligible for CCLGP funds.

Q8: If an application includes both infrastructure and non-infrastructure components, would cost proposals need to be submitted for each?

- A. Yes.

Q9: Is there a limit to the number of sub-applicants that can be included?

- A. No.

Q10: How detailed do the engineering and/or project plans submitted with the Scope need to be?

- A. Applications that more strongly support a project can be completed by the project delivery date of June 30, 2024 will be more competitive. The level of detail needs to be sufficient to support the scope, schedule, and budget in the grant application.

Award Process and Administrative Requirements

Q11: Is it possible for the same agency to be awarded multiple grants if they submit multiple applications?

- A. Yes.

Q12: Are indirect costs eligible for reimbursement?

- A. Awardees may only claim an indirect cost rate that is approved by the California Department of Transportation Independent Office of Audits and Investigations, or the applicant's cognizant agency. Also, if claiming indirect costs, an approved indirect cost rate will need to be included in the grant agreement. To obtain or update an indirect cost rate with Caltrans, please visit this link for instructions:
<https://ig.dot.ca.gov/resources>.

Q13: Will CCLGP projects fall under our Master Agreement?

- A. The Master Agreement/Program Supplement process will not be used for this program. Awardees will need to execute a Restricted Grant Agreement (RGA) with Caltrans. See a sample of the RGA here:
<https://cleancalifornia.dot.ca.gov/local-grants/workshops-milestones>.

Public Engagement

Q14: Does public engagement need to be completed before the proposal is submitted on 2/1/22?

- A. The application needs to show the need for the project was identified through a public engagement process. That process needs to be explained in the project narrative portion of the application, which is submitted as Attachment A of the application. More information can be found in the section, "1. Narrative," (third bullet) of the Guidelines.

Q15: What is the expectation for public engagement for this program considering COVID-19?

- A. In-person engagement events are not expected. Online engagement activities such as online workshops and surveys that follow locally approved community engagement policies are sufficient forms of community engagement. More information can be found in the section, "1. Narrative," (third bullet) of the Guidelines.

Q16: How do I find volunteers for my project?

- A. California Volunteers is an excellent resource for finding volunteers. Please visit the following link for more information:
<https://www.californiavolunteers.ca.gov/>.

Competitive Projects

Q17: How can I make my application competitive?

A. Please see the "Selection Criteria" section of the grant guidelines.

Q18: Will preference be made to projects that are shovel-ready?

A. Projects that can clearly be completed by the project delivery date of June 30, 2024 will be more competitive.

Q19: Are projects with multiple elements, such as infrastructure and non-infrastructure elements, more competitive?

A. Projects that have more than one element may be more competitive if they meet the grant objectives.

Q20: Are projects with a higher local match requirement more competitive?

A. The amount of the required local match is not an evaluation criterion.

Q21: Would it be better to submit more applications with smaller projects, or one application with one large project?

A. The scoring is designed to prioritize quality of transformation over quantity of space transformed. However, applications that include multiple types of project elements may be more competitive.

Q22: Is a project more competitive if it's adjacent to or on Caltrans property?

A. The CCLGP program is intended to beautify and improve public spaces in local communities that meet the program goals and objectives. Caltrans has separate funding for projects on the State's right-of-way.

Underserved Communities

Q23: Is required local match determined by the disadvantage of the agency or the project location?

- A. The local match is determined by the disadvantage of the project location. The required local match will decrease as the disadvantage of the community surrounding the project increases. This is an important change to the draft guidelines. See the section, "Local Match Requirement," in the final guidelines for details.

Q24: Now that CalEnviroScreen 4.0 Final is available, should I use that instead of 3.0?

- A. No. Since the map of SB 535 Disadvantaged Communities based on CalEnviroScreen 4.0 is still in draft form at time of writing, please use CalEnviroScreen 3.0.

Eligible Expenditures and Activities

Q25: Are renewable and clean energy technologies considered an eligible activity?

- A. These may be eligible items if they meet the goals and objectives of the program.

Q26: Would the public engagement portion of the project that occurred prior to the application submittal be considered an eligible expenditure?

- A. Work performed prior to the execution of the grant agreement is ineligible for reimbursement.

Q27: Is maintenance an eligible activity?

- A. Maintenance of a project improvement is not a reimbursable expense; however it can be an in-kind contribution if it occurs prior to June 30, 2024.

Q28: Is the construction of a new landscaped median island on a local road eligible?

- A. This may be an eligible item if the application demonstrates that this element meets the goals and objectives of the program and can be implemented by June 30, 2024.

Q29: Is vegetation or invasive species management an eligible activity?

- A. This may be an eligible item if it meets the goals and objectives of the program.

Q30: Are new transportation connections such as bike lanes, pedestrian paths, or sidewalks eligible?

- A. This may be an eligible item if it meets the goals and objectives of the program and can be completed by June 30, 2024.

Q31: Is pavement rehabilitation an eligible activity?

- A. Replacing impermeable pavement with permeable pavement or pavement alternatives such as wood chips are eligible activities if performance of the work accomplishes the goals of the program.

Q32: Can funds only be used towards construction or implementation, or can they also be used for project-related expenses such as administration, design, and environmental review?

- A. Generally, project-related costs that meet the program guidelines, goals, and objectives, and that can be completed by June 30, 2024 are eligible expenses.

Q33: If our agency is not underserved or disadvantaged, can we still apply?

- A. Yes, projects that benefit underserved communities, either directly or indirectly, are competitive, regardless of the agency.

Q34: Does the project have to relate to transportation?

- A. Eligible projects must meet program goals and objectives to beautify and clean up local streets and roads, tribal lands, parks, pathways, transit centers, and other public spaces.

Q35: Is graffiti abatement considered an eligible activity?

- A. This may be an eligible activity if it meets the goals and objectives of the program, and the activities can be completed by June 30, 2024.

Funding

Q36: Does this program involve federal money?

- A. The CCLGP is 100% state funded.

Q37: Do projects require California Transportation Commission (CTC) allocation of funds?

- A. Funds for the CCLPG are not allocated through the CTC.

Q38: Will there be future rounds for this grant?

- A. Currently the legislature authorized a one-time budget for the CCLGP.

Q39: Is the \$5 million maximum per grant application or per Agency?

- A. The \$5 million maximum is per grant application.

Q40: Can funding be used to support smaller components of a larger project that exceeds \$5 million?

- A. CCLGP funds cannot supplant other funds. However, if the proposed smaller components meet the goals and objectives of the program and are not already funded by another program, they may be eligible.

Partnering with Caltrans

Q41: Where can I get information about the Caltrans encroachment permit process?

- A. Please visit the following website for information on the Caltrans encroachment permit process: <https://dot.ca.gov/programs/traffic-operations/ep>.

Partnering with Other Agencies

Q42: If one agency will implement the project and another agency will maintain it, how should this be conveyed through the application?

- A. This must be explained in the Narrative portion of the application in the discussion on the maintenance plan. Also, the application must include a formal letter of commitment from the agency performing the in-kind services.

Permits

Q43: Do we need to obtain all permits/approvals for the project prior to submitting the application on 2/1/22?

- A. It is recommended that you obtain all permits/approvals for the project prior to submitting the application to ensure the June 30, 2024 project delivery deadline can be met.

Q44: Will CEQA Environmental Review be required?

- A. CEQA requirements are not waived for this program.

Timeline and Deadlines

Q45: Can we spend local match funds after the June 30, 2024 deadline?

- A. All funds must be expended by June 30, 2024.

Q46: Can the June 30, 2024 project delivery deadline be extended?

- A. There is no authority to extend the project delivery deadline.

Miscellaneous

Q47: Will signs notifying the public that this is a CleanCA project be required?

- A. There are no sign requirements for this program.

Q47: Will Right-of-Way (RW) Certification be required?

- A. All infrastructure projects will need RW Certification.



AGENDA SUMMARY REPORT

SUBJECT: Presentation of City's Audited Annual Comprehensive Financial Report (ACFR) and Audit Reports for the Year Ended June 30, 2021.

DEPARTMENT: Finance
PREPARED BY: Ginny Feth-Michel, Dan Buffalo, Finance Director,
Olga Keough, Controller, Mary Horger, Financial
Services Manager
PRESENTER: Dan Buffalo, Finance Director

ATTACHMENTS:

1. City of Ukiah ACFR, June 30, 2021
2. CAFR Presentation, 2021

Summary: Finance Management will present to the City Council the audited Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2021.

Background: Pursuant to City policy and state law, the City has prepared financial statements for the year ended June 30, 2021, in accordance with generally accepted accounting principles (GAAP). Those statements were audited by an independent public accounting firm, Van Lant and Fankhanel, LLP, licensed by the State of California, and knowledgeable of governmental accounting and reporting.

Discussion: Management is pleased to submit the City of Ukiah's Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2021. This report is prepared by the Accounting Division of the Finance Department in accordance with state law, generally accepted accounting principles (GAAP), and the best management practices for financial reporting as defined by the Government Finance Officers' Association (GFOA). California law requires that a financial report be prepared annually and audited by a licensed certified public accountant within a reasonable period of time following the year end. These financial statements are presented in conformity with GAAP and audited in accordance with generally accepted auditing standards.

Responsibility for the accuracy of the data and the fairness of presentation, including all footnotes and disclosures, rests with City management. We believe the data presented in this report is accurate in all material respects, and all statements and disclosures necessary for the reader to obtain a thorough understanding of the City's financial activities have been included. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The City's MD&A can be found immediately following the report of the independent auditor.

Management of the City has established an internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient, reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatements.

While traditionally addressed to the governing body of the City, this report is intended to provide relevant financial information to external users (non-management employees), who include the citizens of the City of

Ukiah, City staff, creditors, investors, and other concerned readers. We encourage all readers to contact the Finance Department with any questions or comments concerning this report.

The City's financial statements have been audited by Van Lant & Fankhanel, LLP, a firm of certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2021, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation.

Based upon the audit, the independent auditors concluded that there was reasonable basis for rendering an unqualified opinion, which states that the City's financial statements for the fiscal year ended June 30, 2021, are presented fairly in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report. There were, however, audit findings, recommendations, and subsequent management responses made to several items related to internal control, most of which were carryovers from prior fiscal years. That information is found in the ACFR beginning on page 183 (page 212 of the pdf). Management addressed several of those items from the past and is committed to addressing the remaining items in the 2021-22 fiscal year and beyond.

Management will present the 2021 ACFR (Attachment 1) to Council and highlight key elements of the report for its consideration, including how to navigate the document. Attachment 2 is the presentation Finance provides Council to accompany the ACFR. Council may use it as a primer to better understand the document.

Recommended Action: Receive and file ACFR.

BUDGET AMENDMENT REQUIRED: N/A

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 of Ukiah

City of Ukiah, California Annual Comprehensive Financial Report

Fiscal Year Ended
June 30, 2021

Annual Comprehensive Financial Report

City of Ukiah, California

Fiscal Year Ended June 30, 2021

Prepared by

City of Ukiah Finance Department | Accounting Division

Team Members:

Daniel Buffalo, MPA, CPA, CGMA | Finance Director

Ginny Feth-Michel, CPA | Assistant Finance Director

Mary Horger | Financial Services Manager – Procurement, Capital, and Special Projects

Olga Keough, CPA | Controller

Sarah Brown, Financial Services Manager - Disbursements

This Page Intentionally Left Blank

Table of Contents

Introductory Section

Letter of Transmittal	i
Profile of the City of Ukiah.....	ii
The City of Ukiah Organization	iii
Current Economic Conditions and Outlook.....	vi
Major Initiatives	xi
Measure P	xii
Measure Y	xiv
Relevant Financial Policies	xv
Acknowledgements	xv
GFOA Certificate of Achievement.....	xvii
List of Officials	xviii
City Organizational Chart.....	xix

Financial Section

Independent Auditor's Report	1
Management Discussion and Analysis (MD&A) (Required Supplementary Information).....	4
Financial Highlights	4
Overview of the Annual Comprehensive Financial Report	4
Government-Wide Financial Analysis	8
Capital Assets and Debt Administration.....	14
Fund Financial Analysis	15
Governmental Funds.....	15
Proprietary Funds.....	16
Budgetary Comparison	16
Economic Outlook	18
Requests for Information.....	19
Government-Wide Financial Statements	20
Statement of Net Position.....	21
Statement of Activities.....	22
Fund Financial Statements	23
Governmental Funds.....	23
Balance Sheet.....	24

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	25
Statement of Revenues, Expenditures, and Changes in Fund Balances	26
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	27
Proprietary Funds.....	28
Statement of Net Position.....	29
Statement of Revenues, Expenses, and Changes in Net Position	30
Statement of Cash Flows	31
Fiduciary Funds.....	32
Statement of Fiduciary Net Position	33
Statement of Changes in Fiduciary Net Position	34
Notes to the Basic Financial Statements Index	35
Note 1 - Summary of Significant Accounting Policies	36
Note 2 - Stewardship, Compliance, and Accountability	46
Note 3 - Cash and Investments	47
Note 4 - Accounts Receivable	51
Note 5 – Notes and Loans Receivable	52
Note 6 - Capital Assets	53
Note 7 - Long-Term Liabilities	55
Note 8 – Landfill Closure and Post Closure Costs.....	60
Note 9 - Interfund Transactions and Interfund Borrowing.....	60
Note 10 - Risk Management	62
Note 11 - Public Employee Retirement Plan.....	64
Note 12 – Related Organizations	76
Note 13 - Commitments and Contingencies	77
Note 14 – Successor Agency Trust, Former Ukiah Redevelopment Agency	78
Note 15 – New Pronouncements	81
Note 16 – Service Contracts	82
Required Supplementary Information (RSI).....	84
Schedules of Contributions and Proportionate Share of Net Pension Liability, Agent Multiple Employer (Miscellaneous), Last Ten Years	84
Schedules of Contributions and Proportionate Share of Net Pension Liability, Cost Sharing Plan (Safety), Last Ten Years	86
General Fund Budgetary Comparison Schedule	88
HOME Program Income Budgetary Comparison Schedule	89
Notes to Required Supplemental Information	90

Supplementary Information	91
Streets Capital Improvement Budgetary Comparison Schedule	92
Pension Debt Service Budgetary Comparison Schedule.....	93
Nonmajor Governmental Funds	94
Combining Balance Sheet – Special Revenue	99
Combining Balance Sheet – Capital Project	103
Combining Balance Sheet – Permanent	105
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Special Revenue	107
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Capital Project	111
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Permanent...	113
Governmental Fund Budget Comparisons.....	115
Special Revenue Fund	115
Prop 172.....	116
Museum Grant Fund	117
ARRC	118
Downtown Business Improvement.....	119
Low-Mod Income Housing Fund (LMIHF).....	120
Winter Special Events	121
Advanced Planning	122
Highway User Tax (Gas Tax).....	123
Signalization	124
1998 STIP Augmentation	125
SB 325 Reimbursement	126
S.T.P.....	127
Trans-Traffic Congestion Relief	128
CDBG Program Income	129
CASP Certification and Training	130
Asset Seizure	131
Sup. Law Enforcement Svc. (SLESF)	132
Community-Based Transitional Housing.....	133
Asset Forfeiture 11470.2 H&S	134
Special Revenue - Police	135
American Rescue Fund.....	136
Transfer Station.....	137

Equipment Reserve	138
Special Projects Reserve	139
Park Development Fees	140
Anton Stadium	141
Observatory Park	142
Playground & Park Amenities	143
Swimming Pool	144
Riverside Park	145
Skate Park	146
Softball Complex	147
Rail Trail	148
Riparian Corridor Enhancement	149
Combining Nonmajor Enterprise funds	150
Combining Statement of Net Position	151
Combining Statement of Revenues, expenses, and Changes in Net Position	152
Combining Statement of Cash Flows	153
Combining Internal Service Funds	154
Combining Statement of Net Position	155
Combining Statement of Revenues, expenses, and Changes in Net Position	156
Combining Statement of Cash Flows	157
Combining Fiduciary Funds	158
Combining Fiduciary Net Position	159
Combining Statement of Changes in Fiduciary Net Position	160

Statistical Section

Statistical Section Index	162
Financial Trends	164
Net Position by Component	164
Changes in Net Position	165
Fund Balances, Governmental Funds	167
Changes in Fund Balances, Governmental Funds	168
Revenue Capacity	169
Tax Revenues by Source, Governmental Funds	169
Property Tax Rates	170
Electric Utility Rates	171
Wastewater Utility Rates	172

Water Utility Rates.....	173
Top Ten Electric Usage Customers	174
Debt Capacity.....	175
Ratio of Outstanding Debt by Type	175
Ratio of General Bonded Outstanding Debt.....	176
Computation of Direct and Overlapping Debt	177
Legal Debt Margin Information	178
Pledged Net Revenue Debt Coverage.....	179
Demographic and Economic information	180
Demographic and Economic Statistics.....	180
Principal Employers.....	181
Operating Information	182
Full-time and Part-time City Employees by Function	182

Other Compliance Reports

Independent Auditor's Report on Internal Control	183
Independent Accountant's Report on Agreed-upon Procedures Applied to Appropriations Limit	186

Introductory Section



December 30, 2021

To the Honorable Mayor, members of the City Council and citizens of the City of Ukiah:

We are pleased to submit the City of Ukiah's Annual Comprehensive Financial Report (CAFR) for the fiscal year ended June 30, 2021. This report is prepared in accordance with state law, generally accepted accounting principles (GAAP), and the best management practices for financial reporting as defined by the Government Finance Officers' Association (GFOA). California law requires that a financial report be prepared annually and audited by a licensed certified public accountant within a reasonable period following the year end. These financial statements are presented in conformity with GAAP and audited in accordance with generally accepted auditing standards.

Responsibility for the accuracy of the data and the fairness of presentation, including all footnotes and disclosures, rests with City management. We believe the data presented in this report is accurate in all material respects, and all statements and disclosures necessary for the reader to obtain a thorough understanding of the City's financial activities have been included. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditor.

Management of the City has established an internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile enough, reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatements.

While traditionally addressed to the governing body of the City, this report is intended to provide relevant financial information to external users who include the citizens of the City of Ukiah, City staff, creditors, investors, and other concerned readers. We encourage all readers to contact the Finance Department with any questions or comments concerning this report.

The City's financial statements have been audited by Van Lant & Fankhanel, LLP, a firm of certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2021, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation.

Based upon the audit, the independent auditors concluded that there was reasonable basis for rendering an unmodified opinion, which states that the City's financial statements for the fiscal year ended June 30, 2021, are presented fairly in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report. This report includes all funds of the City and its blended component unit: The Successor Agency to the Ukiah Redevelopment Agency.



Profile of the City of Ukiah

The City of Ukiah is a full-service city in that it provides most typical municipal functions, including public safety (including police and fire protection), public works, community development and parks and recreation. In addition, the City provides proprietary services, including water, wastewater, electric, golf, and airport services. It operates in a council-manager form of government, whereby the council serves as the legislative body and the City Manager its executive.

Incorporated on March 8, 1876 as a general law city, Ukiah serves as the administrative seat for the County of Mendocino, and with a residential population of more than 15,526¹ in a 4.7 square-mile area, Ukiah is graced with a strong business base and a well-established residential community.

Ukiah is a travel and recreation-oriented destination and fortunate to serve as a hub for Lake, Mendocino, southern Humboldt, and northern Sonoma counties. The Ukiah business environment is positive and well organized. Driven by an active chamber of commerce, local businesses are community-oriented and engaged in City-business partnerships, including economic development, job creation, tourism, and community events. The City's permanent retail trade area population is approximately 104,000 people with 45,000 within a 10-mile radius. Ukiah's historic downtown area is the center of commercial activity within the community. There are also commercial areas along Orchard/Perkins corridor, Airport Park Boulevard, Perkins Street, as well as much of State Street.

The City's total labor force is approximately 6,960². Unemployment in Ukiah was approximately 6.4 percent in June 2021, down from 15.3 percent in 2020³. Within ten miles, there is a diverse labor force specializing in such

¹ 2021 California Department of Finance, Demographic Research Unit, E-1 Population Estimates for Cities, Counties, and the State, May 2021

² 2021 California Employment Development Department, Labor Market Information Division, <https://www.labormarketinfo.edd.ca.gov/data/interactive-labor-market-data-tools.html>

³ Unemployment spike to end the fiscal year, June 30, 2020 due predominantly to the COVID-19 pandemic. Prior to March 2020, the unemployment rate in Ukiah was 5.9 percent.

occupations as sales, technical and professional services, education, medical, agriculture, and government services, and other specialties. The largest employment sectors in the Ukiah area are: government (county and city); education; healthcare; light industry; and the service and hospitality trades. The agricultural and construction sectors are important, and the transportation/public utilities, wholesale trade, finance/insurance/real estate and manufacturing sectors round out the employment picture. Some of the larger employers in the primary trade area include the Ukiah Valley Medical Center, Ukiah Unified School District, County of Mendocino, City of Ukiah, and Savings Bank of Mendocino County. Approximately 19.1⁴ percent of all jobs in Mendocino County are located within the City of Ukiah.

The City of Ukiah Organization

The City is committed to providing high quality services in an economical manner. For fiscal year 2020-21, the City's efforts were focused in the following areas:

- **Public safety services.** Demand for police and fire services continued to grow. The Police Department sustained an aggressive recruiting strategy to attract officer candidates in a highly competitive job market, working to increase staffing of skilled officers capable of serving an expanding scope of duties to meet the broadened demands on law enforcement. These include untreated mental illness, substance abuse, homelessness, more sophisticated criminal use of technology, and the effects of prison realignment and decriminalization. With the continued and steady rise of incidents, the Fire Department saw an increasing number of times where all their resources are committed and unable to respond to additional calls for service. The COVID-19 pandemic elevated considerably the need for public safety services, working with other services offered by the City and Mendocino County to ensure the Ukiah community could navigate the effects of the pandemic.
- **Recreation and civic culture.** The Community Services Department expanded programming to include Spanish-language swim classes, paddle boarding classes, pickleball, health and safety classes, aquatic yoga, and SCUBA certifications. Over 160 contractor classes were provided with a broad variety of offerings.

Additionally, the department improved Spanish-language accessibility by providing forms and flyers in Spanish. These additional activities enable the City to effectively serve even more of our valued community members.

Events are an important part of Ukiah's culture, education, economic and social well-being, and City staff organized and hosted numerous events throughout the year including: PumpkinFest, Sundays in the Park, Moonlight Movie Madness, All American Picnic in the Park, Flynn Creek Circus, Community Yard Sale and Kids Triathlon.

At the Grace Hudson Museum, the City replaced incandescent gallery lighting with LED lights, thus conserving energy and utilities expenses over time. Museum staff embraced the challenge of finding new and diverse ways to engage the public in this time of pandemic.

⁴ 2021 California Employment Development Department, Labor Market Information Division, <https://www.labormarketinfo.edd.ca.gov/data/interactive-labor-market-data-tools.html>

The Civic Center Council Chambers received a significant audio/visual overhaul and upgrade, allowing better community engagement and outreach as the Council conducts their meetings and City business.

- **Community preparedness and emergency management.** Unprecedented wildfires, drought, Public Safety Power Shut-offs, and the COVID-19 pandemic have led to an increased need for community outreach and emergency preparedness. The City responded to these needs by prioritizing emergency management through staff reassignments to provide a full-time Emergency Manager and a part-time analyst. The reassignments ensured that the City could provide optimal response to the pandemic and prepare for other disasters.

The City's Emergency Management Office partnered with the Ukiah Valley Fire Authority, Mendocino College, Adventist Health Ukiah Valley, Coastal Valley EMS, North Coast Opportunities, and Mendocino County Public Health, to organize a COVID-19 testing and vaccination sites where thousands of community members were successfully tested and/or vaccinated for COVID-19.

Additional emergency preparedness efforts included the ongoing development of community partnerships, collaboration to develop fire fuel breaks, and community outreach and preparedness events.

- **Housing.** The City of Ukiah adopted a 2021-2027 Housing Element on October 23, 2019, and the newly updated Housing Element was certified by the State Department of Housing and Community Development (HCD) on December 5, 2019. The City continued its efforts in 2021, implementing the measures contained in the Housing Element, with deliberate focus on increasing the supply of housing and bringing in over \$4.5 million in grant funding to support that effort.
- **Improving our streets and infrastructure.** Public Works has continued to utilize Measure Y funds for the improvement of all streets throughout the City. In this effort, the establishment of a Construction Management and Inspection Team has been implemented, as requested by Council. Altogether, \$2.9 million was expended on streets from Measure Y alone (additional discussion of this provided later in this letter).

The Public Works Department, in partnership with the Electric Utility Department and City Manager's Office, continued work on the Ukiah Streetscape Project. When completed, the Ukiah Streetscape Project will provide streetscape improvements in downtown Ukiah on State Street, Perkins Street, and Standley Street, including sidewalk widening, curb ramps and bulb outs, street lights, street furniture and tree planting. The project also includes a road diet between Henry Street and Mill Street that will transform the existing four-lane cross section to improve traffic and pedestrian safety and streamline traffic flow. This work also will comprise of pavement overlay, striping, and pavement markings.

Capital projects continued at the City of Ukiah Municipal Airport. A \$3.8 million dollar grant from the Federal Aviation Administration (FAA) awarded to the City supported runway improvements.

The project includes replacement of 75 feet of center runway, the installation of a new blast pad, and surface treatment for the remainder of the runway. Additionally, lighting, pavement markings, and signage were updated during this project. From daily freight operations to emergency services and so much more, the airport is itself an economic engine for the area.

Resiliency and sustainability continue to be major areas of focus for the City. In 2020-21, the Electric Utility Department completed a substantial utility undergrounding project in Oak Manor and began the Gobbi Street undergrounding project. Utilities will also be moved underground on State Street in the Streetscape Project area. The Department completed the State Fire Mitigation Plan, continues to participate in the State's Low Carbon Fuel Standard Program, and has expanded maintenance and preventative testing. These projects significantly increase our fire resiliency as well as reduce the risks of electrical outages for all customers.

Our Water Resources Department made significant progress in the replacement of an existing 100,000-gallon water reservoir in Pressure Zone 2 South. They also replaced several water mains as part of an ongoing capital improvement program, updated the Urban Water Management Plan, and re-initiated water rights petitions to ensure that this valuable resource provides maximum benefits for our community. The Recycled Water Division completed Phases 1-3 of the recycled water project, a highly successful component of the City's sustainability efforts, and the team will begin design of Phase 4. Phases 1-3 are currently serving about 650 acres of agriculture (vineyards, orchards, and alfalfa) 20 acres of pasture, and 15 acres of turf (3 parks and a school).

From all sources this year, the City spent over \$7.3 million on streets and rights-of-way infrastructure and \$22.2 million in utility and support services infrastructure, totaling \$29.5 million.

The City Council establishes annual budgets for the General Fund, proprietary (enterprise and internal service) funds, and all special revenue funds, with a possible exception for certain special revenue funds for which expenditures are controlled by grant funding or by special assessments. Budgetary control is legally maintained at the fund level. Department heads submit budget requests to the City Manager. The City Manager prepares an estimate of revenues and prepares recommendations for the next year's budget. The preliminary budget may or may not be amended by the City Council and is adopted by resolution by the City Council on or before June 30.

The Ukiah City Council consists of five members, 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. The Mayor conducts the Council meetings and represents the City in ceremonial functions.

The City Council serves as the policy board for the municipality. It provides policy direction, establishes goals, and sets priorities for the City government. In addition to serving as the broad policy makers for the community, the City Council also is responsible for numerous land use decisions within its borders, including the General Plan. The City Council appoints the City Manager, the City Attorney, and all members of advisory boards and commissions. The City also maintains an elected City Treasurer.

Current Economic Conditions and Outlook

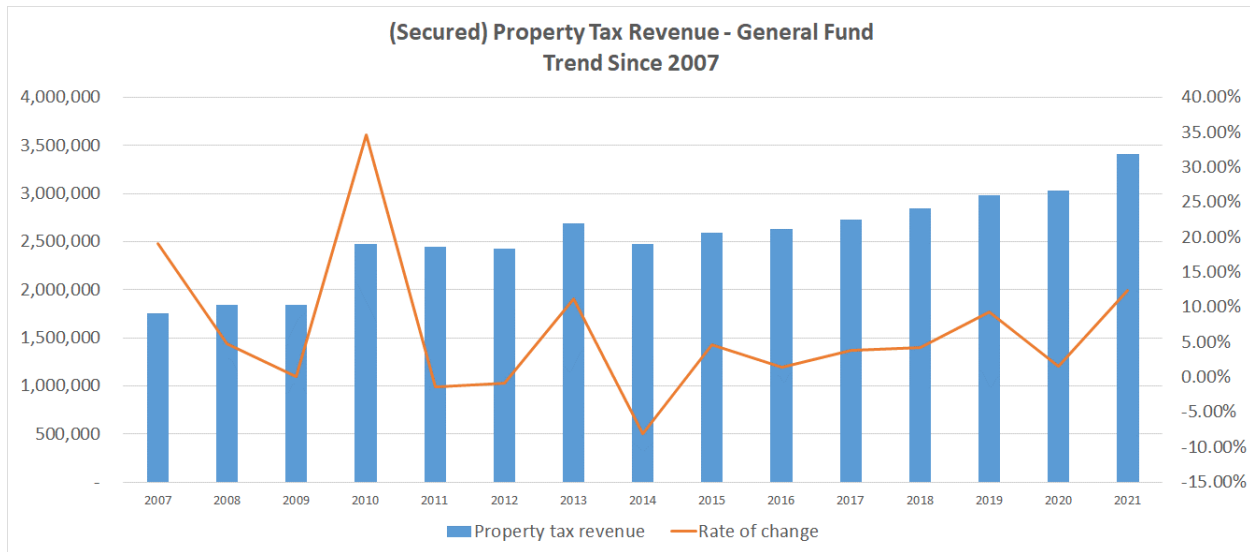
The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates. Understanding that property and sales taxes generate the City's largest two sources of general revenue, it is important to look at the economy in the context of people's wherewithal for producing General Fund tax revenues.

Like every community in the nation, Ukiah was hit hard by the COVID-19 pandemic. The local economy, however, endured (and continues to endure) through the most challenging financial impacts of it. Due in large part to its diverse, economic base and function as an economic hub to the greater Mendocino, Lake, southern Humboldt, and northern Sonoma counties, Ukiah businesses have persevered, and the City finances have remained reasonably stable. Prior to March 2021, unemployment remained low, and consumer spending (through sales tax analysis), building permits, and planning work indicates economic confidence to invest in housing and business development was strong. The housing market, while making progress toward recovering values from the highs of 2007, remained strong, albeit insufficient to meet the demands for market-based housing due to its low supply of units and high prices.

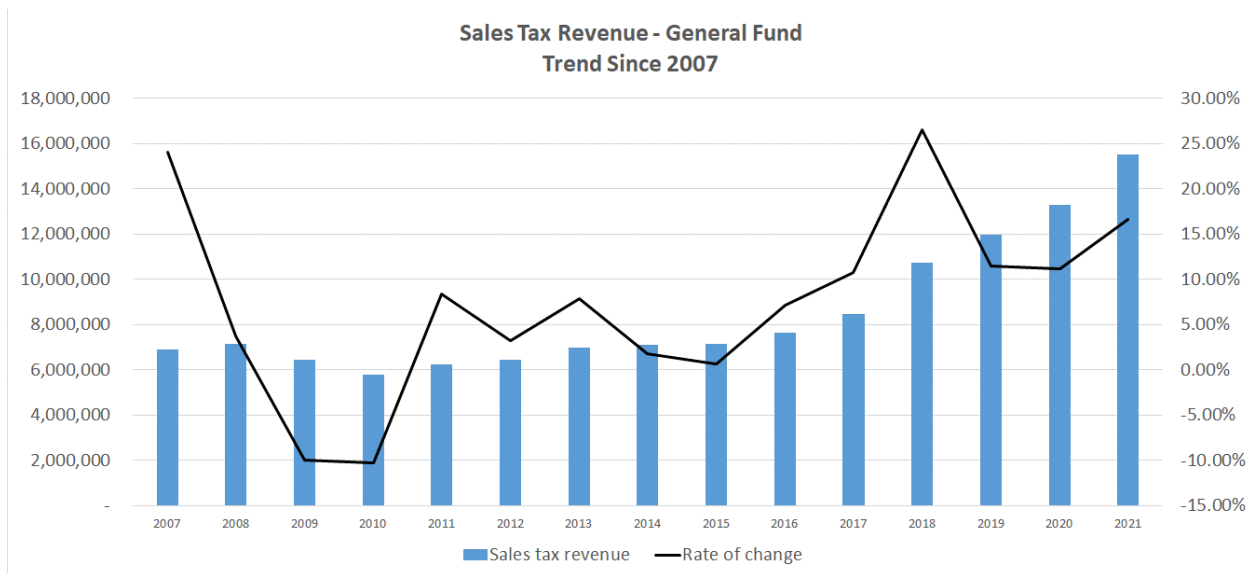
The City's economic development efforts and development of a high-quality workforce help to promote Ukiah's long-term fiscal stability. This will be a cornerstone in the Council's approach to debt structuring, capital improvement planning, labor negotiations, and service delivery.

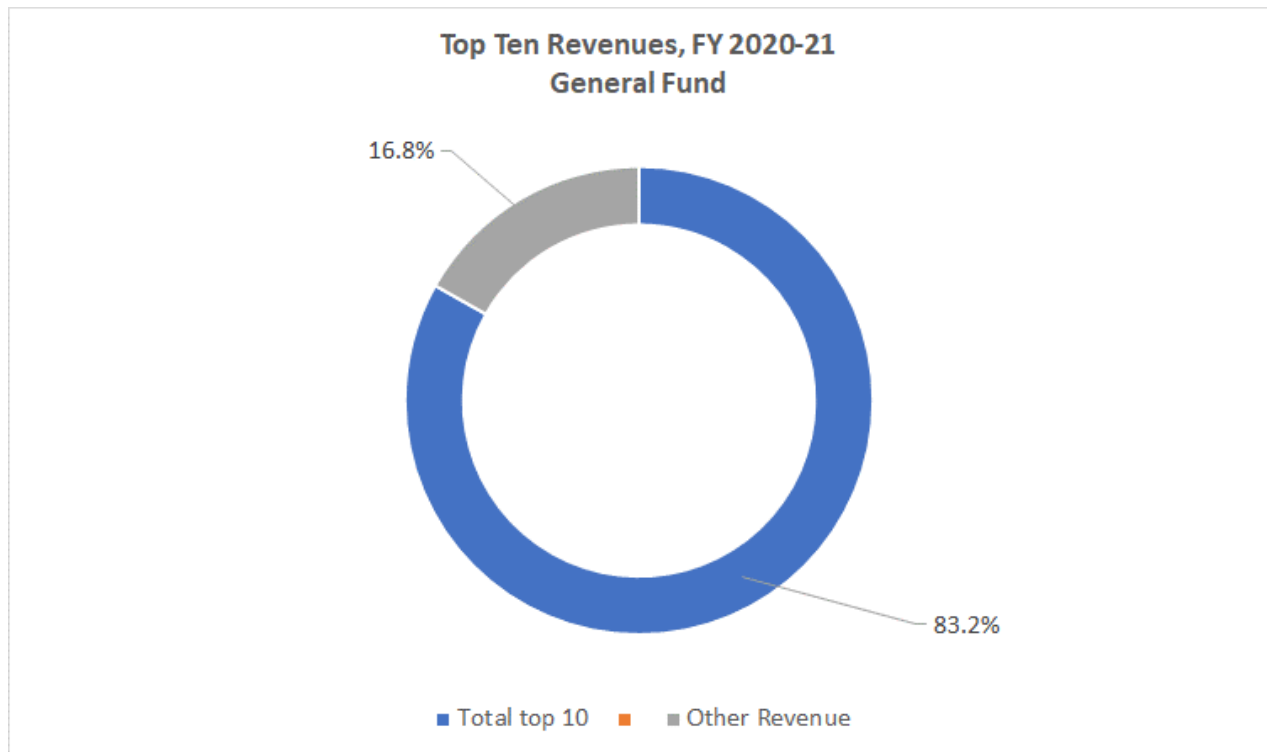
As mentioned earlier, the City's principal General Fund revenue sources are sales tax and property taxes. Sales tax (most notably) grew significantly from the year prior to end the fiscal year. Tax revenue sources are expected continue to grow modestly in the first quarter of FY 2022. But so much of that continued growth depends on the actions of the federal government, most notably Congress, in its economic response to the pandemic, including measure to address inflationary pressures on local businesses and consumers.

Underlying property-related revenues in general are expected to increase modestly FY 2021-21 and beyond, likely to average 2-2.5 percent; however, as illustrated in Figure 1 below, revenue received from this source increased at a higher rate due to adjustments of property tax increment payments to the City from the County of Mendocino. These adjustments are related more to the effects from dissolution activities of the former Ukiah Redevelopment Agency than to underlying property values in the former redevelopment project area.

**FIGURE 1**

As the hub of Mendocino County, Ukiah has a strong sales tax base. This served the City well in providing sufficient revenues to maintain service levels at pre-pandemic levels with minimal interruption or disruption. The City realized positive sales tax returns beyond initial budgetary estimates for the year and exceeded amounts realized in the prior year, as Figure 2 demonstrates. We forecast continued growth and strong revenues from sales tax sources in the coming year and, short of an immediate recession, beyond for at least another. But we continue to take a cautiously optimistic view at this time and plan service delivery and budgetary estimates with conservative revenue assumptions.

**FIGURE 2**

Financial Condition: General Revenues - Top Ten:**FIGURE 3**

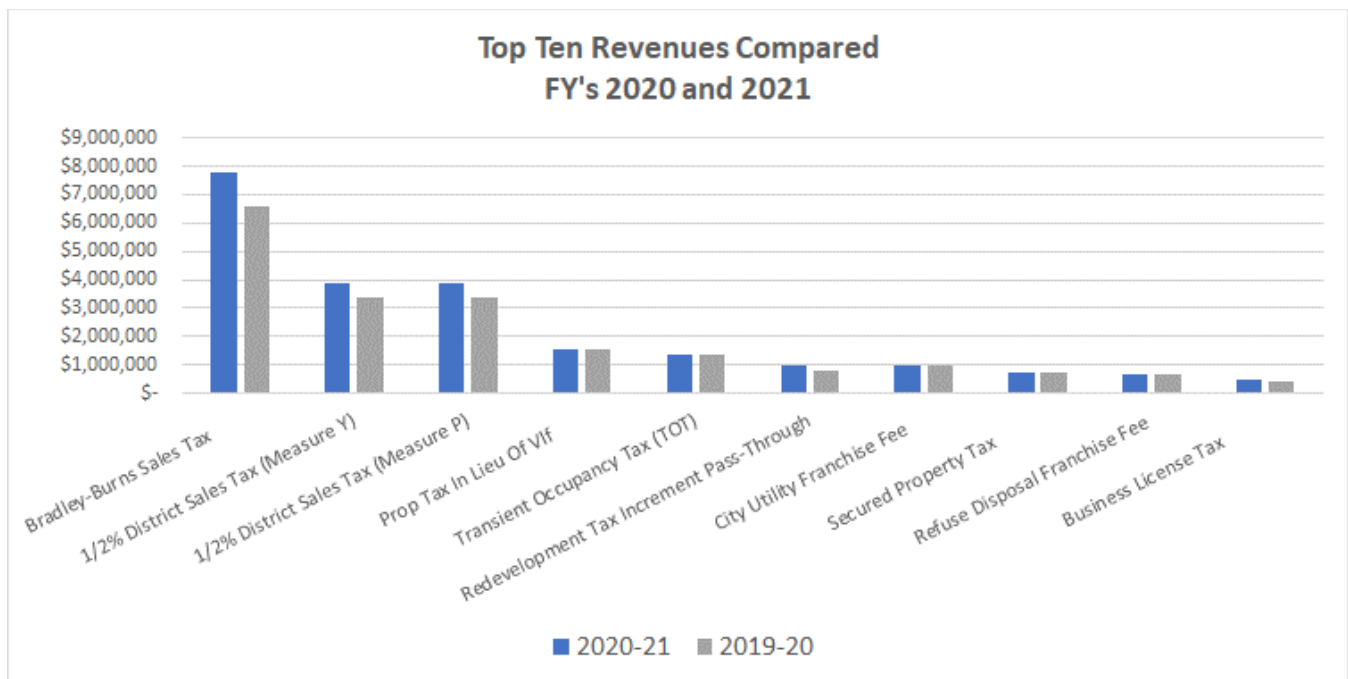
The City's top ten revenue sources account for 83.2 percent of total General Fund income. Focusing on these sources can provide a useful understanding of the City's revenue position.

Overall, these key revenues performed better in 2021 than in 2020. The strongest performer was Redevelopment Tax Increment pass-through, due principally to changes in funding and obligation requirements for the Ukiah Redevelopment Successor Agency. Business license tax revenue was next, but increased revenues from this source reflected more on the timing of payments from businesses that were past due or late in payment from the prior year. The most informative change in terms of the underlying revenue picture for the City's general fund is that of sales and transaction and use taxes. As the City is strongly reliant on the economic vitality of its retailers, strong returns in this revenue source signaled strong overall economic health for both the City and broader retail trade area.

TOP 10 - REVENUES

Current from Prior
Year Ended June 30, 2021

REVENUE	2020-21	2019-20	Percent Change	Percent of Total 2020-21 General Revenues
Top 10:				
Bradley-Burns Sales Tax	\$ 7,813,891	\$ 6,572,573	18.89%	29.11%
1/2% District Sales Tax (Measure Y)	3,862,145	3,368,450	14.66%	14.39%
1/2% District Sales Tax (Measure P)	3,858,985	3,372,183	14.44%	14.38%
Prop Tax In Lieu Of Vlf	1,559,290	1,530,602	1.87%	5.81%
Transient Occupancy Tax (TOT)	1,362,133	1,365,477	-0.24%	5.08%
Redevelopment Tax Increment Pass-Through	1,007,559	763,483	31.97%	3.75%
City Utility Franchise Fee	979,180	951,857	2.87%	3.65%
Secured Property Tax	710,556	743,317	-4.41%	2.65%
Refuse Disposal Franchise Fee	686,967	657,307	4.51%	2.56%
Business License Tax	484,533	389,829	24.29%	1.81%
Total top 10	22,325,239	19,715,078	13.24%	83.18%
Other Revenue	4,513,875	1,620,423	178.56%	16.82%
Total current revenue	\$ 26,839,114	\$ 21,335,501	25.80%	100.00%

**FIGURE 4**

Sales Tax. The City collects sales tax from three sources: normal Bradley-Burns sales taxes (1 percent of taxable transactions), a ½ cent transaction and use tax, commonly referred to as Measure P, and a ½ cent transaction and use tax, commonly referred to as Measure Y. All are devoted entirely to the City and are distinct and considered separate sources of revenue. Each behave slightly differently given their tax base. Bradley-Burns sales taxes are referred to as “sales and use” taxes, levied on transactions based geographically in the City. Measures P and Y are referred to as a “transaction and use” taxes and is applied to any taxable sale in the

City as well as any sale where the use of the item is in the City. For instance, a car purchased outside the City but registered to, and therefore presumed to be used at, an address within would be levied the ½ cent on the purchase price for Measure P and the same amount for Measure Y. Both are general taxes and can be used for any regular, general governmental purpose; however, the City Council, through resolution, has assigned their use to public safety and streets, respectively.

Overall, sales taxes receipts (Bradley-Burns and Measure P) were up from a year ago due in part to growth across most of the City's major industry groups. Driving the change was general consumer goods (up 13.9% from the prior year), which also affected the City's share in the state and county pool allocation (up 28.9%). All sales tax due the City is administered by the California Department of Tax and Fee Administration (CDTFA).

Property Tax in Lieu of VLF (Vehicle License Fee). These are property tax shares allocated to cities and counties beginning in FY 04-05 as compensation for the state's take of Vehicle License Fees (VLF). This revenue source typically follows regular property tax collections, discussed under "Secured Property Tax" below and is up 1.87 percent compared to last year.

Transient Occupancy Tax (TOT). Commonly referred to as a "bed," "hotel," or "room" tax this revenue source was performing strongly over the last two years up until March. Travel restriction brought on by the pandemic will continue to negatively affect this revenue source. However, driven by increased tourism in the greater Ukiah Valley area and a larger volume of travelers heading north, this revenue source is poised to continue its growth trend for several more years after the pandemic has abated. Visitors are stopping in Ukiah as a final layover before making the trek to Fort Bragg and Humboldt County and are exploring the wonders of what the Ukiah Valley has to offer.

The TOT rate in Ukiah currently is 10 percent; however, 1 percentage point has been committed by the Ukiah City Council to fund the Visit Ukiah Program.

City Utility Franchise Fees. This revenue source is a charge to the City's electric utility. Franchise fees are not taxes; rather, they are rents paid by utility providers to operate on or in City rights-of-way and City property, such as roads, sidewalks, parklands, etc. The rents are established by the City Council and typically are correlated to gross revenues generated by the utility provider. Revenues from this source remain stable with a nominal increase from the prior year.

Redevelopment Tax Increment Pass-Through. After the dissolution of Redevelopment in California by the Legislature, the Ukiah Redevelopment Agency was sent into receivership of a successor agency. Property tax increment revenue once received by the former redevelopment agency was instead held in trust by the County Auditor-Controller in a specific fund, affectionately known as the Redevelopment Property Tax Trust Fund (RPTTF). Property tax increment collected in this fund would first pay the County Auditor-Controller's administrative costs, then pass to the successor agency of the former RDA (City of Ukiah) to satisfy the obligations of the former agency, then to the taxing entities in the project area of the former RDA, including the Ukiah Unified School District and the County of Mendocino General Fund. The City also receives a share of these residuals which are reported in the General Fund.

This revenue source tracks like regular (secured) property tax, although it is calculated from a slightly different derivative property tax base (tax increment).

Secured Property Tax. Traditionally, revenue from property tax was viewed as a very stable source. The housing collapse of 2008 tested that assumption. However, as the housing market continued to recover modestly in Ukiah, receipts came in lower than the year prior. This was due to adjustments made by the County Auditor-Controller. Slightly less than 11 percent of property taxes paid by property owners within the City are allocated to the City. The majority is distributed to local schools and the County of Mendocino.

Depending on the final economic outcome of the pandemic to Ukiah, revenue from this source may continue to trend positively over the next few years as the county continues to process Prop 8 property value adjustments and as housing prices and home sales increase.

Refuse Disposal Franchise Fees. This revenue source is a charge to the City's franchise solid waste hauler. As discussed earlier, franchise fees are not taxes; rather, in the case of refuse disposal franchise fees they are rents paid by the refuse hauler for the use of rights-of-way to provide and distribute its services. Refuse hauler vehicles used to haul refuse are utilized more frequently and wear roads more significantly than other commercial or non-commercial vehicles. Revenues from this source were higher in FY 2020-21 than in the preceding year due to increased sales and rate adjustments by the hauler, Ukiah Waste Solutions.

Business License Tax. Businesses that operate within City limits are required to obtain a business license. The fees are based on the type of business and an estimate of their gross receipts. The proceeds from the tax collected are available for unrestricted use in the General Fund. As mentioned earlier, receipts were higher in 2021 than in the prior year due to late payments. Before the onset of the pandemic in March 2021, business license activity was trending positively. That trend has slowed and likely will normalize in the 2022 fiscal year.

Major Initiatives

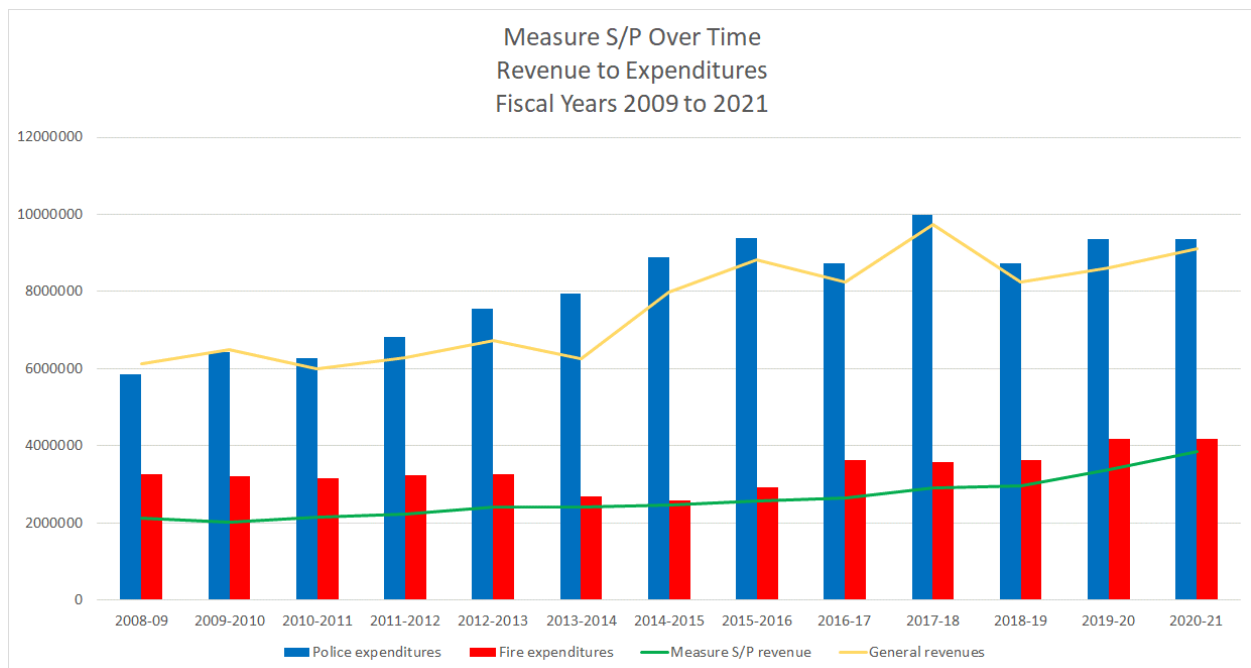
The Ukiah City Council, through a strategic process of discussion, observation, and education, has developed the following set of focused priorities that help guide the development and implementation of policies, activities, and programs. These three areas are in no way all-encompassing of the City's scope of work nor are they finite; rather, the strategic planning process is considered evolutionary and vision-based. All these areas work to further promote the vibrancy and sustainability of the Ukiah community and the organization.

Strategic Plan Priorities

- **Enhance Our Neighborhoods:** Foster a sense of small-town life by embracing our diversity and supporting our residents with quality services and vibrant places (People, Places, & Services).
- **Develop Quality Infrastructure:** Implement a prioritized plan for maintaining and improving public infrastructure and utilities.
- **Plan for the Future:** Utilize sound principles for valley-wide planning
- **Grow our Businesses:** Facilitate the development of a sound local economy that attracts investment, promotes economic diversity, supports businesses, creates employment opportunities, and generates public revenues.
- **Value our Team:** Ensure Council and staff work together to create a more responsive and effective workplace environment.

Measure P

Measure P, passed by a simple majority (50 percent plus 1) of Ukiah voters in November of 2014, 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. It continued a sun-set transaction and use tax, known as Measure S (2005), accompanied by an advisory Measure T (2005). Measure P, however, was passed with no advisory measure. The purpose of Measure P is to augment public safety expenditures to provide a higher level of police and fire service to the community. Amounts collected from the tax are to be used in addition to the commitment of the General Fund and not in replacement of. The following graph demonstrates how the past revenue measure (S) and now Measure P have been employed with relation to the General Fund.



City of Ukiah

Measure P

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Baseline to Current Actual
For the Year Ended June 30, 2021

	2014-15 Baseline	2020-21 Actual	Variance with Baseline
REVENUES			
Measure P	\$ 2,465,521	\$ 3,858,985	\$ 1,393,464
Public safety revenues:			
Police	1,001,861	296,441	(705,420)
Fire	37,235	196,930	159,695
Prop 172	53,471	102,251	48,780
General revenues (general fund)	7,922,006	9,100,101	1,178,095
Total revenues	11,480,094	13,554,708	2,074,614
EXPENDITURES			
Current:			
Police	8,709,693	9,308,866	(599,173)
Fire	2,553,407	4,166,491	(1,613,084)
Total current	11,263,100	13,475,357	(2,212,257)
Capital outlay:			
Police	186,594	55,999	130,595
Fire	30,400	23,352	7,048
Total capital outlay	216,994	79,351	137,643
Total expenditures	11,480,094	13,554,708	(2,074,614)
Excess (deficiency) of revenues over expenditures	\$ -	\$ -	\$ -
PERSONNEL			
Police:			
Sworn	32	27	(5)
Miscellaneous	18	17	(1)
Total police	50	44	(6)
Fire:			
City	11	18	7
UVSD	6	-	(6)
Total fire	17	18	1

Notes:

- 1) Excludes parking enforcement expenditures and associated revenue.
- 2) Excludes dispatch service revenue, except for general fund contributions.
- 3) Includes a temporary reduction in budgeted officers and an increase to the number of CSO positions, an interim measure to meet work demands due to the number of sworn officer vacancies.
- 4) Does not include Emergency Management services, which are included in Public Safety on the Statement of Revenues, Expenditures, and Changes in Fund Balance.

Measure Y

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. 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. Language for the two ballot measures was as follows:

Ballot Measure “Y”:

Shall Ordinance No. 1165 be adopted to impose as a general tax an additional transaction (sales) and use tax of on-half of one percent within the city limits of the City of Ukiah to fund essential City services, including street repair and maintenance. Such tax increase is estimated to raise \$2,470,000 annually at a rate of 0.5 percent. The duration of the tax will continue unless or until the tax is repealed by majority vote in a municipal election.

Advisory Measure “Z”:

Shall street repair and maintenance and related public infrastructure improvements be the exclusive use of the revenues from an additional 0.5 percent sales tax in the City of Ukiah and add to and not replace current spending for street maintenance and repair.

City of Ukiah
Comparative Schedule of Resources and Uses
Measure Y
For the Years Ended June 30, 2021, 2020, 2019, 2018, and 2017

	Measure Y					
	2021	2020	2019	2018	2017	Total
OPERATING REVENUES						
Measure Y 1/2 % transaction and use tax	\$ 3,862,145	\$ 3,368,450	\$ 3,016,205	\$ 2,729,797	\$ 528,057	\$ 13,504,654
OPERATING EXPENSES						
General and administrative	10,251	17,733	10,150	5,444	9,134	52,712
Basic maintenance and operations	598,296	644,771	387,449	306,143	294,084	2,230,742
Enhanced capacity for maintenance and operations	158,500	154,479	60,260	1,979	-	375,217
Less: general fund maintenance of effort (see Note 1)	(399,840)	(385,086)	(375,597)	(373,870)	(350,000)	(1,884,393)
Total operating expenditures	367,207	431,897	82,262	(60,304)	(46,782)	774,279
DEBT SERVICE AND CAPITAL PROJECTS						
Debt service, I-Bank	75,538	75,638	75,638	75,638	-	302,452
Projects	2,688,687	2,689,759	4,526,294	1,841,113	38,460	11,784,313
Total debt service and capital projects	2,764,225	2,765,397	4,601,932	1,916,751	38,460	12,086,765
Total expenditures, Measure Y	3,131,432	3,197,294	4,684,194	1,856,446	(8,322)	12,861,044
Change in Measure Y resources	730,714	171,156	(1,667,989)	873,351	536,379	643,610
Measure Y resources - beginning	(87,103)	(258,259)	1,409,729	536,379	-	-
Measure Y resources - ending	\$ 643,610	\$ (87,103)	\$ (258,259)	\$ 1,409,729	\$ 536,379	
PROJECTS IN PROCESS (see Note 2)						
Reconstruction	\$ 243,044					
Total projects in process	\$ 243,044					

Notes:

1. This is the amount established by the City Council, per Resolution 2016-34, committing a minimum of \$350,000 per year from the general fund on street maintenance and repair. That amount is to be adjusted annually by changes to the Construction Cost Index, as reported by the Engineering News-Record.
2. Projects in process are projects and activities that are in contract (encumbered) but which have not incurred expenditures as of June 30, 2021.
3. Measure Y resources for Public Works Engineering Services were enhanced in FY 2020 to support basic maintenance and operations due to increased focus on Measure Y activities.

Relevant Financial Policies

City Management has adopted a series of financial policies meant to guide its use and reporting of revenues. Some of the more germane policies as related to this report include the following:

- All current operating expenditures will be paid for with current revenues, unless the use of reserves is approved by the City Council.
- Revenues will be conservatively estimated.
- Intergovernmental assistance in the form of grants and loans will be used to finance only:
 - Those capital improvements which can be maintained and operated over time; or
 - Operating programs that can either be sustained over time or have a limited horizon.
- A minimum fund balance reserve in the General Fund will always be maintained. The minimal, optimal level required for this reserve will be 25 percent of the General Fund operating budget. The reserve will be drawn down as a funding source of last resort and used only after other reserve accounts have been accessed.
- The unrestricted fund balance in the General Fund will be maintained at a level enough to provide adequate working capital and to accommodate required adjustments to other reserve accounts, including the reserves for advances to other funds, deposits and prepaid items.
- In general, one-time revenues will be used only to support capital or other non-recurring expenditures. One-time revenues may be used for operating programs only after an examination determines if they are subsidizing an imbalance between operating revenues and expenditures; and then only if a long-term forecast shows that the operating deficit will not continue.
- The City invests all idle cash as determined by analysis of anticipated cash flow needs. Specific emphasis will be placed on future cash requirements when selecting maturity dates to avoid forced liquidations and the potential corresponding loss of investment earnings.
- When the City finances capital projects by issuing bonds or acquiring loans, it will pay back those obligations within a period that is consistent with the useful life of the project.
- The City requires an annual audit of the books of account, financial records, inventories and reports of all City officers and employees involved in the handling of financial matters by a qualified independent auditor.

Information concerning significant accounting policies affecting the finances of the City is summarized in the Notes to the Financial Statements.

Acknowledgements

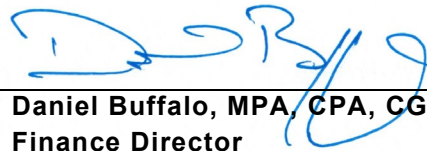
The preparation of this Annual Comprehensive Financial Report could not be accomplished without the efficient and dedicated service of the entire staff of the Finance Department, the City's Management Team, and the auditing firm of Van Lant & Fankhanel, LLP. We would like to express our appreciation to Brett Van Lant, CPA; Greg Fankhanel, CPA; the staff of Van Lant & Fankhanel; and to the members of the Finance Department, City Manager's Office, and other administrative divisions who assisted and contributed to its development.

We also would like to thank members of the City Council and all City departments for their cooperation and support in planning and conducting the financial operations of the City during the fiscal year.

Respectfully submitted,



Sage Sangiacomo
City Manager



Daniel Buffalo, MPA, CPA, CGMA
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Ukiah
California**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morrell

Executive Director/CEO

City of Ukiah, California
List of Officials
June 30, 2021

CITY COUNCIL

UKIAH REDEVELOPMENT SUCCESSOR AGENCY BOARD OF DIRECTORS

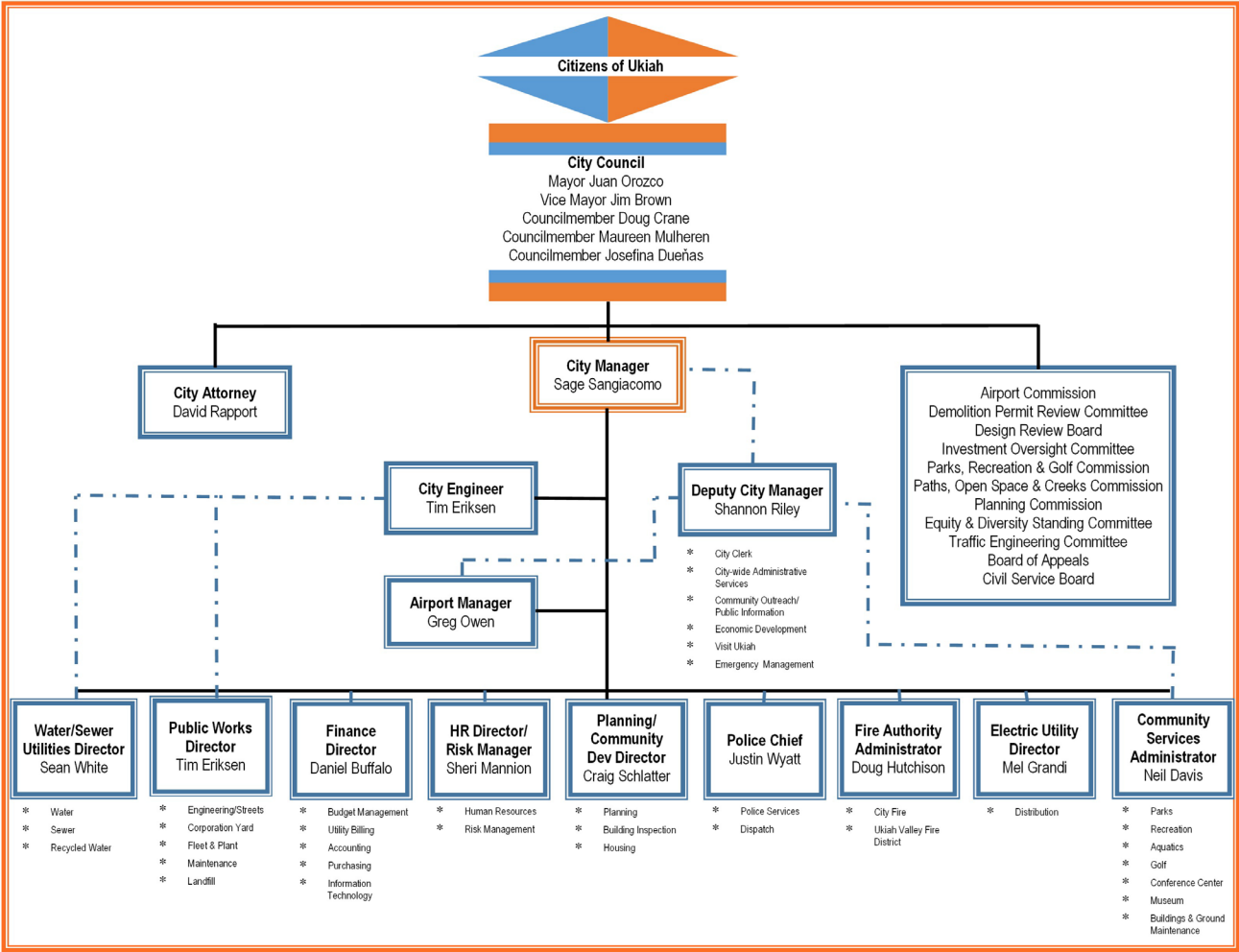
Juan Orozco	Mayor
Jim Brown	Vice Mayor
Doug Crane	Council Member
Maureen Mulheren	Council Member
Steve Scalmanini	Council Member

EXECUTIVE MANAGEMENT TEAM

Sage Sangiacomo	City Manager
Shannon Riley	Deputy City Manager
David Rapport	City Attorney
Kristine Lawler	City Clerk
Justin Wyatt	Chief of Police
Doug Hutchison	Fire Authority Chief
Daniel Buffalo	Finance Director
Sheri Mannion	Human Resources/Risk Management Director
Tim Eriksen	Public Works Director/City Engineer
Craig Schlatter	Community Development Director
Greg Owen	Airport Manager
Mel Grandi	Electric Utility Director
Sean White	Water Resources Director
Neil Davis	Community Services Director



City Organizational Chart



Financial Section

Independent Auditor's Report

The Honorable City Council
City of Ukiah, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Ukiah (City), as of and for the year ended June 30, 2021, and the related notes to the financial statements which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Ukiah, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements. The introductory section, the schedules listed in the supplementary Information section of the table of contents, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules listed in the supplementary information section of the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules listed in the supplementary information section of the table of contents are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated December 30, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Van Lant & Fankhaenel, LLP". The signature is written in a cursive, flowing style.

Murrieta, California
December 30, 2021

Management Discussion and Analysis (MD&A) (Required Supplementary Information)

The following discussion provides readers of the City of Ukiah's financial statements a narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with the Independent Auditor's Report, the basic financial statements, and the accompanying notes.

Financial Highlights

- City assets and deferred outflows exceeded its liabilities and deferred inflows of resources by \$166.9 million (net position) as of June 30, 2021.
- Deferred inflows and outflows related to the City's unfunded accrued pension liabilities (UAL) with CalPERS changed from the prior year due to gains and losses recognized by CalPERS, including contributions made by the City.
- The City's net position in total increased by \$7.4 million during the fiscal year 2020-21.
- The net position for governmental activities ended the year at \$47.9 million, while the net position of business activities was \$119.0 million.
- Of the \$47.9 million in total governmental activities net position, a negative \$18.5 million is characterized as unrestricted.
- The governmental activities saw increased revenues from most major sources. Tax sources rose in the amount of \$2.6 million driven by sales taxes.
- Business activities saw revenue for charges for services increase by \$3.1 million, resulting primarily from project reimbursements and changes to the rate revenue schedule for water and sewer services.

Overview of the Annual Comprehensive Financial Report

This Annual Comprehensive Financial Report is presented in three major parts:

- 1) **Introductory section**, which includes the Transmittal Letter and general information; and
- 2) **Financial section**, which includes the Management's Discussion and Analysis (MD&A), the Basic Financial Statements, which include the Government-wide and the Fund Financial Statements, along with the notes to these financial statements and Combining and Individual Fund Financial Statements and Schedules; and
- 3) **Statistical section**, which includes financial, demographic and economic information on the City and surrounding community such as the value of taxable property, direct and overlapping tax rates, direct and overlapping debt, population and estimated per capita income.

This Management Discussion and Analysis is intended to serve as an introduction to the financial section. The statements of this section are comprised of components including financial highlights, government-wide financial statements, fund financial statements, a General Fund budgetary comparison and an economic outlook.

The Government-Wide Financial Statements

The government-wide financial analysis provides an overview of the City's activities and is comprised of the Statement of Net Position and the Statement of Activities. The Statement of Net Position provides information

about the financial position of the City as a whole, including all its assets, capital assets and liabilities on the full-accrual basis, like that used by private sector entities. The Statement of Activities provides information about all the City's revenues and expenses, also on the full-accrual basis, with the emphasis on measuring net revenues or expenses of each the City's major functions, which have been categorized as follows:

Governmental Activities

- General and administrative (City Council, City manager, City Clerk)
- General government (e.g., administration, finance and accounting, human resources, legal, treasurer, etc.)
- Community development (planning and building)
- Roads and infrastructure (road maintenance, city engineer and public works,)
- Housing and support programs (CDBG and HOME grants, etc.)
- Redevelopment/Economic development
- Public safety (Police and Fire)
- Parks, buildings, and grounds (parks, building and grounds maintenance, etc.)
- Culture and recreation (museum, pool, sports, etc.)

Business-type activities

- Airport
- Ambulance
- Conference Center
- Electric
- Golf Course
- Landfill
- Parking District
- Street lighting
- Wastewater
- Water

The Statement of Activities explains in detail the change in Net Position for the year. As indicated in the Financial Highlights, the City's net position increased \$9.7 million, which includes costs associated with depreciation and other non-budgeted items that may not influence cash or current financial resources but do affect net position. The statement presents expenses categorized by function or activity. This is done so that a direct connection can be made to the cost of providing that service or function for the year. The statement then presents how that activity was financed using funds other than those that can be used for any purpose (i.e. taxes, fines, investment earnings, etc.). This is an attempt to demonstrate how self-sufficient an activity was during the year. The remainder is the net expense covered by general revenues.

All the City's activities are grouped into either governmental activities or business-type activities, as explained below. The amounts in the Statement of Net Position and the Statement of Activities are separated into governmental activities and business-type activities in order to provide a clear summary of the two.

Government-wide financial statements, prepared on the accrual basis, measure the flow of all economic resources of the City.

The Statement of Net Position and the Statement of Activities present information about the following:

- **Governmental activities**—all the City's basic services are governmental activities. These services are supported by general city revenues, such as taxes, and by specific program revenues such as user fees and charges.

The City's governmental activities also include the housing activities of the (former) Ukiah Redevelopment Agency, a separate legal entity for which the City is financially responsible. As of February 1, 2012, the Ukiah Redevelopment Agency was dissolved, and a successor agency was established to handle the remaining affairs and obligations of the former agency. The City of Ukiah elected to be that successor agency. Upon dissolution, the assets and liabilities of the former agency were transferred to a private-purpose trust fund, which is not reported on the government-wide statements but is presented in the fund-based statements using the full accrual basis of accounting.

- **Business-type activities**—The City's enterprise activities of electric, water, wastewater, recycled water, solid waste disposal site, parking, street lighting, airport, conference center and golf course are reported in this area. Unlike governmental activities, these services are supported by charges paid by users based on the amount of the service they use.

Fund Financial Statements

The fund financial statements report the City's operations in more detail than the entity-wide statements and focus primarily on the short-term activities of the City's General Fund and other major funds. The fund financial statements measure only current revenues and expenditures and fund balances; they exclude capital assets, long-term debt and other long-term amounts.

Because the focus of fund statements is narrower than that of the government-wide, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impacts of the City's near-term financing decisions. Both the governmental activities Statement of Net Position and the governmental funds Statement of Revenues, Expenditures, and Changes in Net Position provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Major funds account for the largest portion of the financial activities of the City and are presented individually, while the activities of non-major funds are presented in summary, with supplementary schedules presenting the detail for each. Major funds are explained below.

The fund financial statements provide detailed information about each of the City's most significant funds, termed major funds. The concept of major funds, and the determination of which are major, was established by GASB Statement 34 and replaces the concept of combining like funds and presenting them in total. Instead, each major fund is presented individually, with all non-major funds summarized and presented only in a single column. Supplementary Information present the detail of these non-major funds. Major funds present the major activities of the City for the year and may change from year to year as a result of changes in the pattern of City's activities.

For the fiscal year ended June 30, 2021, the City's major funds were as follows:

GOVERNMENTAL FUNDS:

- General Fund
- Streets Capital Projects
- Pension Stabilization
- HOME Program Income

PROPRIETARY FUNDS:

- Landfill
- Electric Enterprise
- Water Enterprise
- Wastewater Enterprise

The City's enterprise funds (electric, water, wastewater and landfill) are reported as proprietary funds. Enterprise fund financial statements are prepared on the full-accrual basis, and include all their assets and liabilities, both current and long-term.

The City adopts an annual appropriated budget for all governmental and proprietary funds. Budgetary comparison statements for the General Fund and all major governmental funds are presented as required supplementary information (RSI), as required by GASB 34. Proprietary budget comparison statements are not required or presented.

Fiduciary Statements

The City's fiduciary activities are reported in the separate Statement of Fiduciary Net Position. These activities are excluded from the City's other financial statements because the City cannot use these assets to finance its own operations. The City maintains two fund types in this category: custodial and private purpose trust funds. These funds include resources held by the City on behalf of the Ukiah Valley Sanitation District, The Russian River Watershed Association, and the Ukiah Valley Fire District and the Ukiah Redevelopment Successor Agency. They provide information about the cash balances and activities of these funds. In its presentation of these statements, the City has adopted the provisions of GASB 84: Fiduciary Activities.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements. The notes to the basic financial statements can be found following the basic financial statement presentation of this report.

Other Supplementary Information

In addition to the basic financial statements and the accompanying notes, this report also presents combined statements, which illustrate the condition and activities of all non-major funds. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements can be found subsequent to the notes section of this report.

Government-Wide Financial Analysis

Net Position

Net position may serve over time as a useful indicator of a government's financial position. The following table reflects the condensed net position for both governmental and business-type activities.

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 40,455,893	\$ 23,599,020	\$ 36,056,999	\$ 43,378,333	\$ 76,512,892	\$ 66,977,353
Capital assets(net)	58,404,222	53,075,972	178,049,774	173,928,238	236,453,996	227,004,210
Total assets	98,860,115	76,674,992	214,106,773	217,306,571	312,966,888	293,981,563
Deferred outflows of resources	35,276,895	6,786,028	18,409,328	2,572,408	53,686,223	9,358,436
Total assets and deferred outflows of resources	134,137,010	83,461,020	232,516,101	219,878,979	366,653,111	303,339,999
Current and other liabilities	5,879,729	1,796,527	3,200,728	5,784,110	9,080,457	7,580,637
Long-term liabilities	79,926,642	42,761,500	110,300,288	92,450,178	190,226,930	135,211,678
Total liabilities	85,806,371	44,558,027	113,501,016	98,234,288	199,307,387	142,792,315
Deferred inflows of resources	436,336	814,656	8,893	265,550	445,229	1,080,206
Total Liability and deferred inflows of resources	86,242,707	45,372,683	113,509,909	98,499,838	199,752,616	143,872,521
NET POSITION						
Net investment in capital assets	50,915,097	47,339,972	126,053,127	119,060,268	176,968,224	166,400,240
Restricted	15,484,736	10,544,419	251,126	99,829	15,735,862	10,644,248
Unrestricted	(18,505,530)	(19,796,054)	(7,298,061)	2,219,045	(25,803,591)	(17,577,009)
Total net position	\$ 47,894,303	\$ 38,088,337	\$ 119,006,192	\$ 121,379,142	\$ 166,900,495	\$ 159,467,479

The City's net position as of June 30, 2021, was \$166.9 million, an increase of \$7.4 million. The overall change in net position is due in large part to a capital contribution to increased revenues from taxes as well as a reduction in expense related to unfunded pension liabilities. The City also accrued \$9.98 million in grants, most notably for housing services and streets.

Restricted net position of \$15.7 million is primarily comprised of cash and cash-equivalents for use as prescribed by an outside entity, such as a grantor, bond holder, covenant, or other restricting entity or instrument, or are in the form of long-term notes receivable and are unavailable for spending. In the case for FY 2021, this is held primarily for Housing Programs in the form of loans receivable and unspent bond proceeds. A much small portion is restricted for public safety activities and streets. It is important to note that restricted cash and investments may be different than restricted net position, e.g., cash restricted by a bond indenture as part of a bond issue is offset by the corresponding liability on the statement of net position, which is part of net investment in capital assets.

Unrestricted net position of negative \$25.8 million includes cash and cash equivalents and may be used to meet the City's ongoing obligations to citizens, creditors, and City-imposed designations (e.g. reserves, pending litigations, contingencies, capital projects, special grant and revenue programs and projects, etc.). It is negative primarily due to the City's long-term obligations related to net pension liabilities, capital-related debt, and estimated landfill closure costs. The City's working capital to meet current and other near-term operating and capital concerns was \$52.2 million.

Activities

Expenses incurred by the City for FY 2021 year totaled \$65.4 million, a decrease from FY 2020 of \$3.0 million. Much of this decrease was related to reductions to pension costs of the City UAL with CalPERS. Governmental

expenses totaled nearly \$24.9 million or 38.0 percent of total expenses. Public safety costs represented most of the governmental expenses, followed by public works and recreation.

Business-type activities incurred \$40.6 million of expense during the fiscal year, 62.0 percent of all City expenses.

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
REVENUES						
Program revenues:						
Charges for services	\$ 3,487,098	\$ 2,157,277	\$ 36,024,011	\$ 32,912,229	\$ 39,511,109	\$ 35,069,506
Operating grants and contributions	7,890,530	4,431,684	759,696	2,830,622	8,650,226	7,262,306
Capital grants and contributions	771,125	76,898	556,033	24,876,967	1,327,158	24,953,865
General revenues:						
Taxes	20,822,658	18,231,528	16,714	16,815	20,839,372	18,248,343
Franchise fees	1,815,271	1,742,671	-	-	1,815,271	1,742,671
Use of money and property	266,006	696,930	352,781	950,715	618,787	1,647,645
Other revenue	67,776	246,319	22,223	-	89,999	246,319
Total revenues	<u>35,120,464</u>	<u>27,583,307</u>	<u>37,731,458</u>	<u>61,587,348</u>	<u>72,851,922</u>	<u>89,170,655</u>
EXPENSES						
Governmental activities:						
General government	838,727	99,829	-	-	838,727	99,829
Public safety	13,659,736	12,812,411	-	-	13,659,736	12,812,411
Housing and community development	1,460,134	2,833,311	-	-	1,460,134	2,833,311
Public works	3,426,376	4,752,062	-	-	3,426,376	4,752,062
Parks, buildings, and grounds	1,560,436	248,989	-	-	1,560,436	248,989
Recreation and culture	2,640,963	3,724,424	-	-	2,640,963	3,724,424
Economic development and redevelopment	290,261	403,808	-	-	290,261	403,808
Interest on long-term debt	992,902	165,210	-	-	992,902	165,210
Business-Type activities:						
Airport	-	-	1,857,261	1,528,285	1,857,261	1,528,285
Ambulance Services	-	-	55,894	11,089	55,894	11,089
Conference Center	-	-	(336,910)	503,445	(336,910)	503,445
Electric	-	-	19,695,234	18,854,227	19,695,234	18,854,227
Golf	-	-	144,680	251,078	144,680	251,078
Landfill	-	-	969,800	4,165,711	969,800	4,165,711
Parking District	-	-	137,930	171,705	137,930	171,705
Street Lighting	-	-	186,765	147,861	186,765	147,861
Wastewater	-	-	9,659,518	11,580,850	9,659,518	11,580,850
Water	-	-	8,179,199	6,196,274	8,179,199	6,196,274
Total expenses	<u>24,869,535</u>	<u>25,040,044</u>	<u>40,549,371</u>	<u>43,410,525</u>	<u>65,418,906</u>	<u>68,450,569</u>
Change in net position before transfers	10,250,929	2,543,263	(2,817,913)	18,176,823	7,433,016	20,720,086
Transfers	(444,963)	(510,543)	444,963	510,543	-	-
Change in net position	9,805,966	2,032,720	(2,372,950)	18,687,366	7,433,016	20,720,086
Net position - beginning	38,088,337	36,055,617	121,379,142	102,691,776	159,467,479	138,747,393
Net position - ending	<u>\$ 47,894,303</u>	<u>\$ 38,088,337</u>	<u>\$ 119,006,192</u>	<u>\$ 121,379,142</u>	<u>\$ 166,900,495</u>	<u>\$ 159,467,479</u>

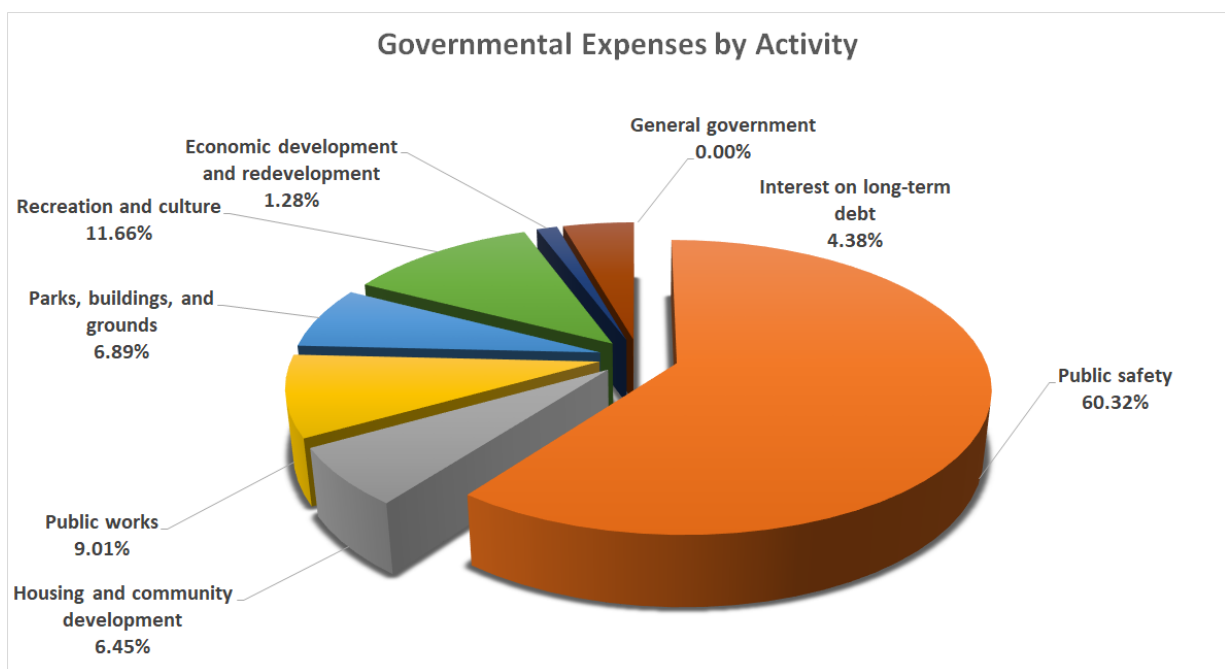
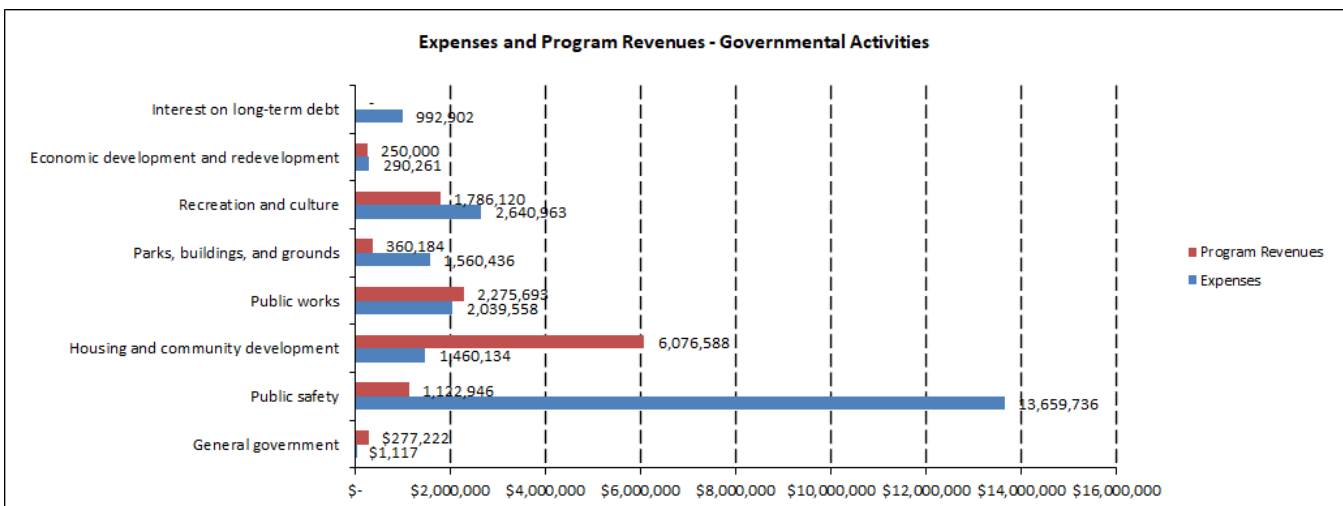
Governmental Activities

Net expenses of \$10.5 million for the provision of these governmental activities was funded by general revenues, primarily in the general fund, including taxes, licenses, permits, franchise fees, and rents.

Public safety (police, fire, and emergency management services) comprised the largest activity segment of governmental expenses (\$13.6 million, 60.32 percent). A significant portion of this expense is related to retirement benefit costs. Maintenance of streets and rights-of-way were the next largest expense of the City's governmental activities. The City has deployed a significant portion of its discretionary and programmatic resources toward the improvement of City streets, walkways, and trails. Costs and programmatic revenues directly associated with governmental activities were as follows:

City of Ukiah
Expenses and Program Revenues
Governmental Activities
For the Year Ended June 30, 2020

Functions/Programs	Expenses	% of Total	Program Revenues	% of Total	Net (Expense) Revenue
General government	\$ 1,117	0.00%	\$ 277,222	2.28%	\$ 276,105
Public safety	13,659,736	60.32%	1,122,946	9.24%	(12,536,790)
Housing and community development	1,460,134	6.45%	6,076,588	50.02%	4,616,454
Public works	2,039,558	9.01%	2,275,693	18.73%	236,135
Parks, buildings, and grounds	1,560,436	6.89%	360,184	2.96%	(1,200,252)
Recreation and culture	2,640,963	11.66%	1,786,120	14.70%	(854,843)
Economic development and redevelopment	290,261	1.28%	250,000	2.06%	(40,261)
Interest on long-term debt	992,902	4.38%	-	0.00%	(992,902)
Total	\$ 22,645,107	100.00%	\$ 12,148,753	100.00%	\$ (10,496,354)

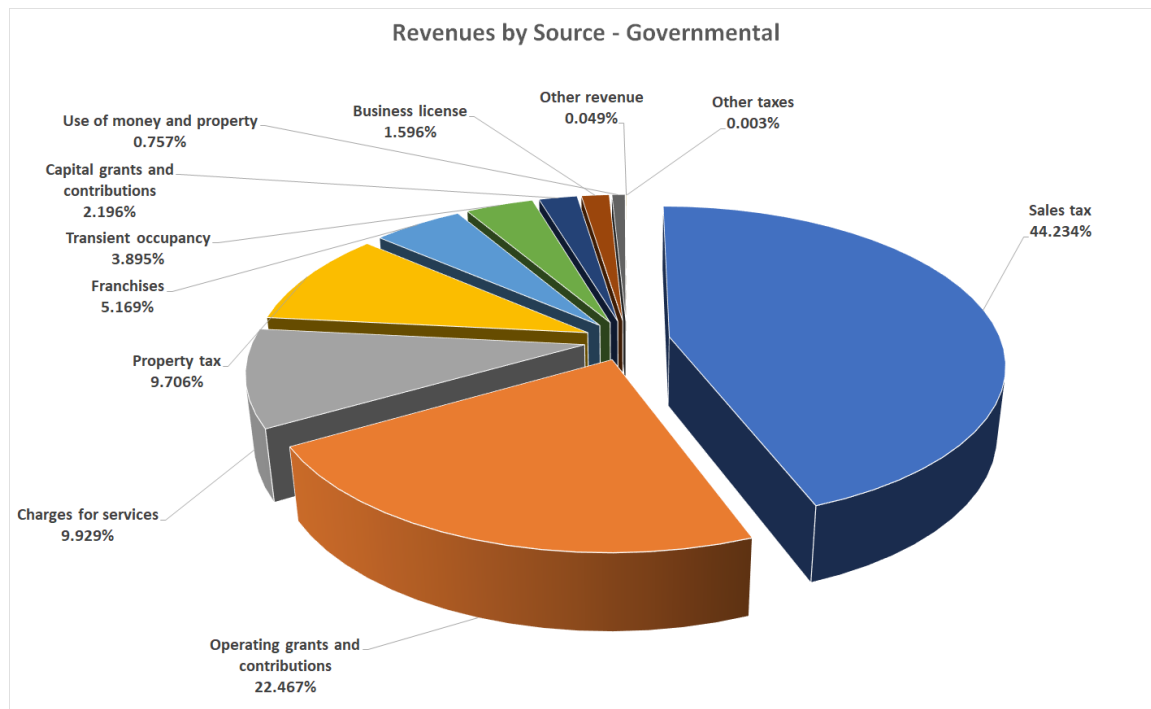


Significant revenues for the City came from taxes (59.4 percent), which included sales taxes (Bradley-Burns, Measure P and Measure Y transactions and use taxes), property taxes and transient occupancy taxes. Despite the continuation of the COVID-19 pandemic, tax revenues overall were higher than in the prior year due to increases to the sales and property tax base from a strong and diversified local economy.

From highest to lowest, revenues directly associated with governmental collections were as follows. This information is presented in greater detail than that found on the Statement of Activities or Changes in Fund Balance to allow the reader to gain a more in-depth understanding of the sources and uses of revenue.

**City of Ukiah
Revenues by Source
Governmental Activities
For the Year Ended June 30, 2021**

Revenues Source	Revenue	% of Total
Sales tax	\$ 15,535,021	44.23%
Operating grants and contributions	7,890,530	22.47%
Charges for services	3,487,098	9.93%
Property tax	3,408,846	9.71%
Franchises	1,815,271	5.17%
Transient occupancy	1,367,852	3.89%
Capital grants and contributions	771,125	2.20%
Business license	560,527	1.60%
Use of money and property	266,006	0.76%
Other revenue	17,052	0.05%
Other taxes	1,136	0.00%
Total	\$ 35,120,464	100.01%

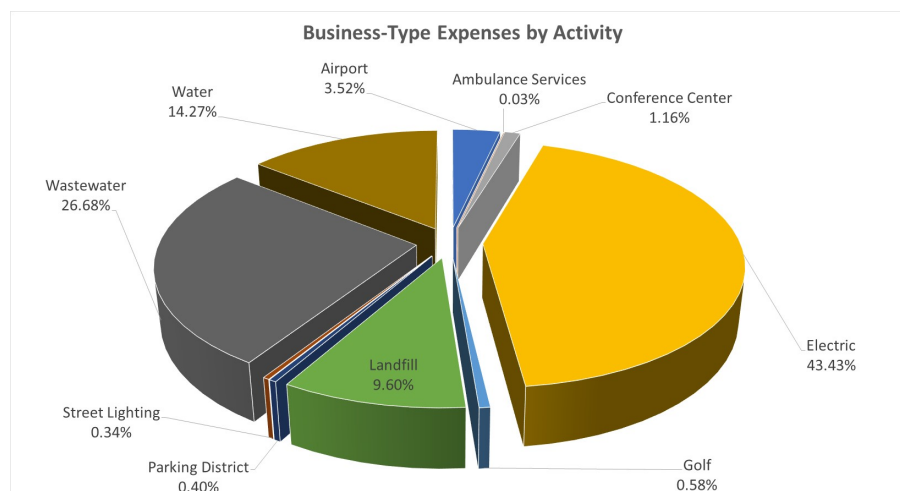
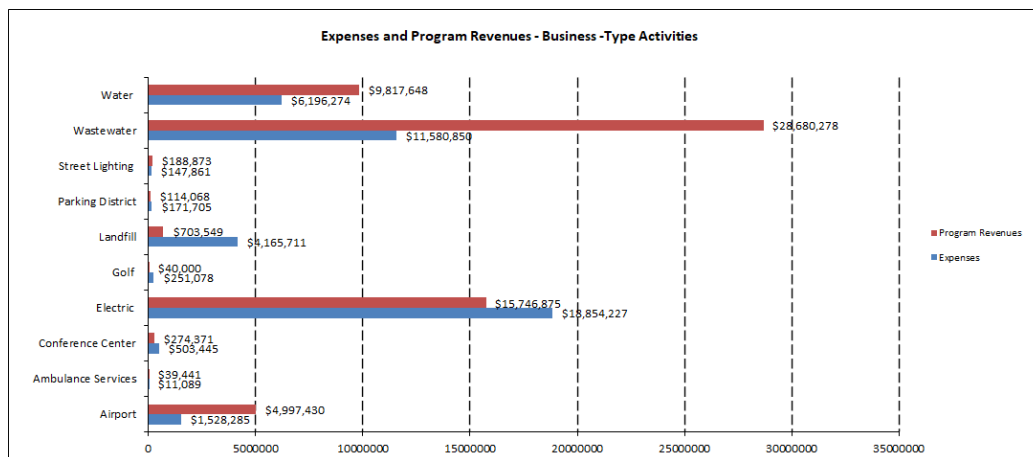


Business-type Activities

In the fiscal year ended June 30, 2021, business-type activities decreased the City's net position by \$2.3 million. That loss came from net revenues, which is defined as total expenses minus program revenues, which include charges for service, as well as operating and capital grants and contributions.

Expenses and Program Revenues Business-Type Activities For the Year Ended June 30, 2021

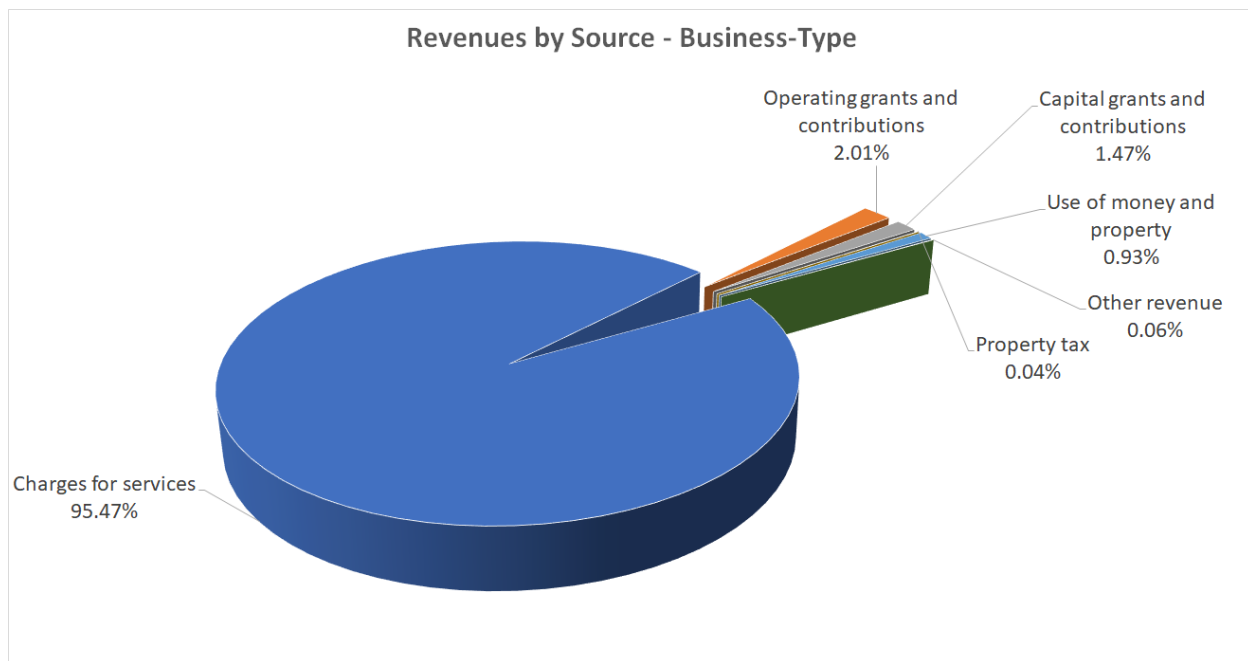
Funds	Expenses	% of Total	Program Revenues	% of Total	Net (Expense) Revenue
Airport	\$ 1,857,261	4.58%	\$ 1,946,228	5.21%	\$ 88,967
Ambulance Services	55,894	0.14%	79,891	0.21%	23,997
Conference Center	(336,910)	-0.83%	212,201	0.57%	549,111
Electric	19,695,234	48.57%	18,761,775	50.25%	(933,459)
Golf	144,680	0.36%	175,266	0.47%	30,586
Landfill	969,800	2.39%	716,223	1.92%	(253,577)
Parking District	137,930	0.34%	100,679	0.27%	(37,251)
Street Lighting	186,765	0.46%	183,278	0.49%	(3,487)
Wastewater	9,659,518	23.82%	7,935,941	21.25%	(1,723,577)
Water	8,179,199	20.17%	7,228,258	19.36%	(950,941)
Total	\$ 40,549,371	100.00%	\$ 37,339,740	100.00%	\$ (3,209,631)



General revenues for business-type activities include rents and interest earnings as well as some property taxes collected by the City's parking district. The general revenues were down from the prior year approximately 50 percent resulting primarily from smaller returns on the City's investment portfolio from less cash invested. Charges for services, however, was higher than the prior year due certain reimbursable jobs in the electric utility as well as increased rate revenue from the scheduled adjustment to water and sewer rates in October.

**Revenues by Source
Business-Type Activities
For the Year Ended June 30, 2021**

Revenues Source	Revenue	% of Total
Charges for services	\$ 36,024,011	95.47%
Operating grants and contributions	759,696	2.01%
Capital grants and contributions	556,033	1.47%
Property tax	16,714	0.04%
Use of money and property	352,781	0.93%
Other revenue	22,223	0.06%
Total	\$ 37,731,458	100.00%



Capital Assets and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental and business-type activities at June 30, 2021 totaled \$236.5 million (net of accumulated depreciation). The investment in capital assets includes land, buildings and improvements, equipment, vehicles, infrastructure, and construction in progress. Depreciation expense for the year, government-wide, totaled \$7.5 million.

Comparative Statement of Capital Assets June 30, 2020 and 2021

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 4,092,630	\$ 2,705,812	\$ 7,042,727	\$ 6,932,722	\$ 11,135,357	\$ 9,638,534
Infrastructure and network	55,602,715	55,602,715	165,703,874	157,263,611	221,306,589	212,866,326
Buildings and improvements	21,862,814	21,860,720	63,283,228	63,440,511	85,146,042	85,301,231
Construction in progress	6,971,422	1,122,971	8,470,658	7,884,420	15,442,080	9,007,391
Machinery equipment and vehicles	10,045,491	11,642,531	13,562,385	14,898,769	23,607,876	26,541,300
Intangible assets	-	-	180,000	90,000	180,000	90,000
	<u>98,575,072</u>	<u>92,934,749</u>	<u>258,242,872</u>	<u>250,510,033</u>	<u>356,817,944</u>	<u>343,444,782</u>
Less: accumulated depreciation	(40,170,850)	(39,858,777)	(80,193,098)	(76,581,792)	(120,363,948)	(116,440,569)
Capital assets, net	<u>\$ 58,404,222</u>	<u>\$ 53,075,972</u>	<u>\$ 178,049,776</u>	<u>\$ 173,928,241</u>	<u>\$ 236,453,996</u>	<u>\$ 227,004,213</u>

Additional information on the City's capital assets can be found in Note 6, along with the City's capitalization policies in Note 1 in the notes to the basic financial statements. Reasons for the change in capital assets were engagement in major work on several construction projects, including work on the airport runway and several streets and rights-of-way.

Long-Term Liabilities

The City's outstanding Noncurrent liabilities, including bonds, loans payable, the net pension liability and compensated absences totaled over \$135 million as of June 30, 2021. The most significant obligation added this year were additions to the landfill closure, post closure, and corrective action plan, the engineering estimates for which were updated in 2019 and adjusted for inflation. However, a more accurate estimate of total landfill closure, post-closure, and corrective action costs will not be determined until contractor bids are received.

Long-term Obligations Two-Year Comparison

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
2017 CalTrans Aeronautics Loan - Airport	\$ -	\$ -	\$ 159,635	\$ 169,999	\$ 159,635	\$ 169,999
2016 Water Revenue Refunding Bonds	-	-	8,620,000	9,160,000	8,620,000	9,160,000
2016 unamortized premium	-	-	1,358,275	1,383,428	1,358,275	1,383,428
Lawsuit settlement liability	-	-	2,000,000	3,000,000	2,000,000	3,000,000
Landfill closure and post-closure	-	-	19,297,593	19,063,628	19,297,593	19,063,628
2017 SWRCB recycled water loan	-	-	18,238,738	16,778,411	18,238,738	16,778,411
Series 2020 Wastewater Refunding Bonds	-	-	23,620,000	23,620,000	23,620,000	23,620,000
2017 fire engine lease	763,396	869,798	-	-	763,396	869,798
2017 computer equipment lease	58,280	116,418	-	-	58,280	116,418
2017 I-Bank financing lease	3,751,776	3,837,218	-	-	3,751,776	3,837,218
2020 fire brush truck equipment lease	207,216	227,606	-	-	207,216	227,606
2020 fire self-contained breathing apparatus equipment	328,457	-	-	-	328,457	-
Series 2020A Community Facilities Lease Revenue Bonds	2,380,000	-	-	-	2,380,000	-
2020A unamortized premium	351,130	-	-	-	351,130	-
Series 2020B CalPERS Taxable Lease Revenue Bonds	32,426,592	-	17,448,408	-	49,875,000	-
Claims payable	430,458	573,944	99,166	148,749	529,624	722,693
Net pension liability	38,156,746	36,143,162	18,895,630	17,210,447	57,052,376	53,353,609
Compensated absences	1,072,592	993,354	562,843	525,516	1,635,435	1,518,870
Total	<u>\$ 79,926,642</u>	<u>\$ 42,761,500</u>	<u>\$ 110,300,288</u>	<u>\$ 92,450,178</u>	<u>\$ 190,226,930</u>	<u>\$ 135,211,678</u>

Additional information on the City's outstanding long-term liabilities can be found in Note 7.

Fund Financial Analysis

The City employs fund accounting to ensure and demonstrate compliance with finance-related legal requirements. As was mentioned earlier, fund financial statements present information based on current financial resources and expenditures. Essentially, they are snapshots of the condition of major funds in the near-term; whereas, the government-wide statements present the entire picture of the reporting entity. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. For comparison purposes, fund statements correlate well to the City's adopted budget.

Governmental Funds

As of June 30, 2021, the City's governmental fund balance was \$30.7 million. GASB 54 established five new criteria for categorizing that balance based on its restricted and unrestricted use. The five categories are the following:

- Non-spendable fund balance
- Restricted fund balance
- Committed fund balance
- Assigned fund balance
- Unassigned fund balance.

A more detailed discussion of these fund balance categories is presented in Note 1.

General Fund Financial Condition

The City's General Fund is its primary source of discretionary resources for the provision of service deemed necessary and desirable by the citizens of Ukiah and the City Council. General fund revenues were up nearly \$4.6 million from the year prior, driven by stronger than anticipated sales tax growth (even with the continuation of the COVID-19 pandemic) and the receipt of grant revenues. A diverse local economic base supports this growth. Similarly, total expenditures were higher by \$2.2 million due mostly to lower capital outlays. After other financing sources and uses were accounted for, fund balance increased by \$1.9 million.

Other governmental funds reported a net increase in fund balance of \$8.8 million, primarily influenced by an addition of \$3.5 million of cash from bond proceeds refunding the City's payment to CalPERS for its 2021 unfunded accrued liability payment. This amount was placed in a newly created fund as a reserve for future advanced prepayment of unfunded pension liabilities. These funds also include revenues from many federal, state and special district grants which vary greatly from year to year.

Governmental funds reported \$5.04 million in non-spendable fund balance at the end of the fiscal year. This is comprised of long-term interfund advances held by the General Fund as well as reinstatement of a loan receivable from the Ukiah Redevelopment Successor Agency.

The balance of \$15.3 million in restricted fund balance - those financial resources can be spent only on specific activities as defined by outside entities (e.g. a grantor, state agency, statute, etc.) – is found in special revenue funds law enforcement, housing and streets, and infrastructure.

Committed fund balance of \$415 thousand consists primarily of several select capital projects earmarked by the City Council through resolution. \$4.9 million in assigned fund balance consists of reserve amounts designated by management for future capital acquisition and specific projects, including maintaining a reserve for the advanced payment of pension liabilities.

The remaining amount of \$4.9 million of unassigned fund balance result primarily from general fund reserves and deferred revenues in several special revenue funds that have not been converted to revenues but are expected to in the following year. Additional information on deficit fund balances can be found in Note 2.

Proprietary Funds

Enterprise Fund - Landfill

The net position of the landfill closure and post-closure fund increased \$223 thousand from a negative 9.4 million to \$9.2 million. Surcharge amounts collected at the Ukiah Transfer Station and transferred to the Landfill fund helped to bolster it in preparation for final closure and remediation activities forthcoming.

Enterprise Fund - Electric

The net position of the electric enterprise fund decreased \$817 thousand primarily due to decreased pandemic-related rate revenue in commercial accounts. Operating expenses exceeded operating revenues by \$757 thousand, driven by increased personnel costs related to market-based salary adjustments.

Enterprise Fund - Water

The net position of the water enterprise fund decreased \$563 thousand primarily due to decreased pandemic-related rate revenue. Operating expenses nominally exceeded operating revenue while non-operating expenses, influenced by interest and fiscal costs, outpaced non-operating revenue.

Enterprise Fund - Wastewater

The net position of the wastewater enterprise fund decreased \$1.9 million. Operating revenue was lower than operating expenses, resulting in an operating loss of \$977 thousand. The change was influenced in large part by operating costs (notably insurance premium increases) that exceeded pandemic-related decreasing rate revenue. The adoption of rate adjustments in October 2020 helped to reduce the effect. Further, nonoperating expenses outpaced revenues by \$1.6 million driven by interest and other fiscal charges.

Budgetary Comparison

A comparison of budget to actual for major governmental funds is presented in the fund financial statements. These statements and the notes are presented as additional information to show that appropriations are being spent as authorized by the City Council. Budgetary control for the City rests at the fund level.

General Fund

The original budget estimated \$20.2 million in revenues. It was increased to \$26.6 in anticipation of grant revenues for capital projects. Revenues in the General Fund were \$203 thousand higher than was budgeted primarily due to increased sales taxes. Additionally, property taxes received were higher than originally estimated due to adjustments to residual property tax increments passed to the City from the former Ukiah Redevelopment Agency.

Expenditures were \$1.7 million more than budget appropriations primarily due to various increased operating costs related to overtime and part-time personnel costs. They were offset by less than expected capital expenditures, resulting in total expenditures in the fund being \$573 thousand more than expected. These costs were difficult to plan for as the City responded to the COVID-19 pandemic.

Policy Resolution No. 39 (2013), passed the Ukiah City Council and incorporated in the City's financial management policies, established an unrestricted fund balance of at least 25 percent of annual operating expenditures in the General Fund. Its purpose is to serve as a strategic reserve, ensuring liquidity of the General Fund and to make certain adequate resources are available to manage economic uncertainties. The General Fund ended the year with a fund balance (consisting of nonspendable, committed, and unassigned amounts) of \$11.2 million, representing 52.5 percent of operating expenditures for the year.

**City of Ukiah
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Total revenues	20,207,269	26,636,208	26,839,114	202,906
EXPENDITURES				
Current:				
General government	(235,895)	(227,042)	60,132	(287,174)
Public safety	11,906,160	12,125,672	12,701,313	(575,641)
Housing and community development	968,815	1,142,970	1,044,627	98,343
Public works	1,246,454	1,639,473	1,487,609	151,864
Parks, buildings, and grounds	1,152,993	1,156,049	1,189,386	(33,337)
Recreation and culture	1,584,385	1,582,533	2,435,717	(853,184)
Economic development and redevelopment	99,923	99,923	256,392	(156,469)
Total current	16,722,835	17,519,578	19,175,176	(1,655,598)
Total debt service	304,780	304,780	300,874	3,906
Total capital outlay	682,000	2,956,754	1,877,910	1,078,844
Total expenditures	17,709,615	20,781,112	21,353,960	(572,848)
Excess (deficiency) of revenues over expenditures	2,497,654	5,855,096	5,485,154	(369,942)
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	(2,497,653)	(3,272,579)	(3,558,932)	(286,353)
Net change in fund balances	1	2,582,517	1,926,222	(656,295)
Fund balances - beginning	9,303,307	9,303,307	9,303,307	-
Fund balances - ending	\$ 9,303,308	\$ 11,885,824	\$ 11,229,529	\$ (656,295)

Economic Outlook

Despite the onset of the COVID-19 pandemic in March of 2020 and its subsequent effects, the City's financial position remained stable to end the fiscal year. A diverse economic base serving as a hub for the greater geographic region around the city and Mendocino County was largely responsible. City management took a very conservative approach to revenue estimation when preparing the City's 2021 budget and adjusted appropriations accordingly, particularly in the general fund, which resulted in positive financial outcomes for the general fund in particular. Management continued that approach into the fiscal year 2021-22.

The following economic factors currently affect the City of Ukiah and were considered in developing the 2021-22 fiscal year budget.

- Sales tax revenue and transient occupancy taxes were estimated to increase by marginal amounts respectively from the prior year due, even in considering the larger economic recessionary effects of the COVID-19 pandemic. General fund appropriations were nonetheless adjusted to continue to generate a budgetary surplus as a hedge against unexpected revenue shortfalls.
- An increase in water and sewer rates beginning October 1, 2021 was approved by the City Council and went into effect for commercial and residential rate payers. This was in response to anticipated current and future expenditure increases in operating costs, capital outlays, and settlement payments to the Ukiah Valley Sanitation District. The adjustment to rates will continue each July 1 for the next 4 years.
- Rate revenue in electric enterprise funds was estimated to be relatively unchanged from the year prior, which anticipated marginal increases in commercial accounts as the City's businesses continue to adjust and recover from the economic effects of the pandemic.
- A property tax rate increase of 2 percent to fund increases in recurring general fund obligations.
- Implementation of increased rates on the City of Ukiah's current fee schedule.
- Interest rates in municipal financial markets are expected to remain at record low levels throughout fiscal year 2021-22. The City intends to continue efforts to restructure its outstanding debt obligations to take advantage of the current municipal lending environment.
- On the expenditure side, regular increases are expected in health insurance premiums, as well as pension costs.
- Departmental budgets were held to comparably amounts from 2020-21.
- Contract adjustments with all City of Ukiah's bargaining groups resulted in the advancement of the final cost of living adjustment from its previously scheduled implementation date.

Maintaining and growing revenue streams to the City remains a high priority for staff. Existing sources – predominately sales and property taxes – are stable, and our estimates for the future will continue to be conservative. Expenses related to personnel (primarily in health premium and pension costs) are increasing at a substantial, though manageable, pace. We continue to look to find cost saving measures to help offset these expenses. The challenge remains providing the highest level and quality of service that the community needs, expects and deserves.

Requests for Information

This Annual Comprehensive Financial Report is intended to provide citizens, taxpayers, investors, and creditors with a general overview of the City's finances. Questions regarding this report, or request for additional information, should be made to the Finance Department, City of Ukiah, CA, 95482.

Government-Wide Financial Statements

The Statement of Net Position reports the difference between the City's total assets and the City's total liabilities, including all the City's capital assets and all its long-term debt. The Statement of Net Position summarizes the financial position of all City Governmental Activities in a single column, and the financial position of all the City's Business-Type Activities in a single column; these are followed by a total column which presents the financial position of the entire City.

The City's Governmental Activities include the activities of its General Fund, along with all its Special Revenue, Capital Projects and Debt Service Funds. The City's Business-Type Activities include all its Enterprise Fund activities.

The Statement of Activities reports increases and decreases in the City's net position. It presents the City's expenses first, listed by program, and follows these with the expenses of its business-type activities. Program revenues—that is, revenues which are generated directly by these programs—are then deducted from program expenses to arrive at the net expense of each governmental and business-type program. The City's general revenues are then listed in the Governmental Activities or Business-type Activities column, as appropriate, and the Change in Net Position is computed and reconciled with the Statement of Net Position.

Both these Statements include the financial activities of the City, the Ukiah Redevelopment Agency and the City of Ukiah Municipal Sewer District, which are legally separate but are component units of the City because they are controlled by the City, which is financially accountable for their activities.

City of Ukiah, California
Statement of Net Position
June 30, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 15,763,095	\$ 20,133,777	\$ 35,896,872
Restricted cash and investments	2,864,287	-	2,864,287
Investment in NCPA reserves	-	7,749,546	7,749,546
Accounts receivables (net allowance for uncollectibles)	6,252,963	7,680,913	13,933,876
Notes and loans receivable	121,175	-	121,175
Inventories and prepaids	207,097	1,430,648	1,637,745
Land held for resale	2,435,114	-	2,435,114
Internal balances	943,385	(943,385)	-
Noncurrent assets:			
Notes and loans receivable	11,868,777	5,500	11,874,277
Capital assets not being depreciated:			
Land	4,092,630	7,042,727	11,135,357
Construction in progress	6,971,422	8,470,658	15,442,080
Intangible assets	-	180,000	180,000
Capital assets, net depreciation:			
Buildings and improvements	14,013,246	29,341,998	43,355,244
Infrastructure and network	29,801,312	127,499,366	157,300,678
Machinery equipment and vehicles	3,525,612	5,515,025	9,040,637
Total assets	<u>98,860,115</u>	<u>214,106,773</u>	<u>312,966,888</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow of resources related to pension	35,276,895	18,409,328	53,686,223
Total deferred outflows of resources	<u>35,276,895</u>	<u>18,409,328</u>	<u>53,686,223</u>
Total assets and deferred outflows of resources	<u>134,137,010</u>	<u>232,516,101</u>	<u>366,653,111</u>
LIABILITIES			
Accounts payable	3,998,603	2,232,794	6,231,397
Accrued payroll liabilities	1,241,136	650,835	1,891,971
Interest payable	639,990	311,375	951,365
Deposits payable	-	5,724	5,724
Noncurrent liabilities:			
Due within one year	1,124,841	3,914,868	5,039,709
Due in more than one year	78,801,801	106,385,420	185,187,221
Total liabilities	<u>85,806,371</u>	<u>113,501,016</u>	<u>199,307,387</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow of resources related to pension	436,336	8,893	445,229
Total deferred inflows of resources	<u>436,336</u>	<u>8,893</u>	<u>445,229</u>
Total liabilities and deferred inflows of resources	<u>86,242,707</u>	<u>113,509,909</u>	<u>199,752,616</u>
NET POSITION			
Net investment in capital assets	50,915,097	126,053,127	176,968,224
Restricted for:			
Housing and community development	13,749,628	-	13,749,628
NCPA Projects	-	251,126	251,126
Parks and recreation:			
Expendable	8,460	-	8,460
Nonexpendable	137,576	-	137,576
Public safety	920,250	-	920,250
Public works	668,822	-	668,822
Unrestricted	(18,505,530)	(7,298,061)	(25,803,591)
Total net position	<u>\$ 47,894,303</u>	<u>\$ 119,006,192</u>	<u>\$ 166,900,495</u>

The accompanying notes are an integral part of these financial statements.

City of Ukiah, California
Statement of Activities
For the Fiscal Year Ended June 30, 2021

		Net (Expense) Revenue and Changes in Net Position						
		Program Revenues			Primary Government			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 838,727	\$ 78,607	\$ 198,615	\$ -	\$ (561,505)	\$ -	\$ (561,505)	
Public safety	13,659,736	326,986	452,197	343,763	(12,536,790)	-	(12,536,790)	
Housing and community development	1,460,134	573,410	5,503,178	-	4,616,454	-	4,616,454	
Public works	3,426,376	542,554	1,604,792	128,347	(1,150,683)	-	(1,150,683)	
Parks, buildings, and grounds	1,560,436	60,400	769	299,015	(1,200,252)	-	(1,200,252)	
Recreation and culture	2,640,963	1,655,141	130,979	-	(854,843)	-	(854,843)	
Economic development and redevelopment	290,261	250,000	-	-	(40,261)	-	(40,261)	
Interest on long-term debt	992,902	-	-	-	(992,902)	-	(992,902)	
Total governmental activities	24,869,535	3,487,098	7,890,530	771,125	(12,720,782)	-	(12,720,782)	
Business-type activities:								
Airport	1,857,261	1,390,195	-	556,033	-	88,967	88,967	
Ambulance Services	55,894	79,891	-	-	-	23,997	23,997	
Conference Center	(336,910)	210,000	2,201	-	-	549,111	549,111	
Electric	19,695,234	18,141,046	620,729	-	-	(933,459)	(933,459)	
Golf	144,680	38,500	136,766	-	-	30,586	30,586	
Landfill	969,800	716,223	-	-	-	(253,577)	(253,577)	
Parking District	137,930	100,679	-	-	-	(37,251)	(37,251)	
Street Lighting	186,765	183,278	-	-	-	(3,487)	(3,487)	
Wastewater	9,659,518	7,935,941	-	-	-	(1,723,577)	(1,723,577)	
Water	8,179,199	7,228,258	-	-	-	(950,941)	(950,941)	
Total business-type activities	40,549,371	36,024,011	759,696	556,033	-	(3,209,631)	(3,209,631)	
Total primary government	\$ 65,418,906	\$ 39,511,109	\$ 8,650,226	\$ 1,327,158	(12,720,782)	(3,209,631)	(15,930,413)	
General revenues:								
Property tax					3,408,846	16,714	3,425,560	
Sales tax					15,535,021	-	15,535,021	
Franchise fees					1,815,271	-	1,815,271	
Transient occupancy					1,367,852	-	1,367,852	
Business license					560,527	-	560,527	
Other taxes					1,136	-	1,136	
Use of money and property					266,006	352,781	618,787	
Other revenue					17,052	22,223	39,275	
Transfers					(444,963)	444,963	-	
Total general revenues, special items, and transfers					22,526,748	836,681	23,363,429	
Change in net position					9,805,966	(2,372,950)	7,433,016	
Net position - beginning					38,088,337	121,379,142	159,467,479	
Net position - ending					\$ 47,894,303	\$ 119,006,192	\$ 166,900,495	

The accompanying notes are an integral part of these financial statements.

Fund Financial Statements

Major funds are defined generally as having significant activities or balances in the current year. The funds described below were determined to be Major Governmental Funds by the City for fiscal 2021. Individual nonmajor funds may be found in the Supplemental section.

Governmental Funds

General Fund

The General Fund is used for all the general revenues of the City not specifically levied or collected for other City funds, and the related expenditures. The major revenue sources for this Fund are property taxes, sales taxes, franchise fees, business licenses, unrestricted revenues from the state, fines and forfeitures and interest income. Expenditures are made for community development, public safety, public works, and other services.

Streets Capital Improvement

This capital project fund accounts for street and right-of-way capital projects supported primarily by Measure Y resources, committed by the City Council through resolution.

Pension Debt Service

This debt service fund was created in 2021 to account for resources accumulated, used, and reserved for the retirement of lease revenue bonds.

HOME Program Income

The HOME Program Income Fund is a special revenue fund used to account for resources accumulated and held resulting from current and prior HOME program Grant activities.

City of Ukiah, California
Balance Sheet
Governmental Funds
June 30, 2021

	General Fund	Home Program Income	Streets Capital Improvements	Pension Debt Service	Total Nonmajor Funds	Total Governmental Funds
ASSETS						
Cash and investments	\$ 3,596,165	\$ 1,078,591	\$ 508,606	\$ 3,488,664	\$ 5,720,644	\$ 14,392,670
Restricted cash and investments	-	-	-	5,316	8,971	14,287
Accounts receivable	1,663,429	32,874	-	-	170,954	1,867,257
Taxes receivable	2,898,954	-	-	-	-	2,898,954
Notes receivable	3,924	8,159,796	-	-	1,705,057	9,868,777
Interest receivable	1,915	280	-	1,747	1,847	5,789
Grants and subventions receivable	910,106	186,375	-	-	235,569	1,332,050
Inventories and prepaids	207,097	-	-	-	-	207,097
Due from other funds	678,260	-	-	-	-	678,260
Advances to other funds	2,013,542	-	-	-	-	2,013,542
Land held for resale	-	-	-	-	2,435,114	2,435,114
Advance to Successor Agency	2,000,000	-	-	-	-	2,000,000
Due from other agencies	121,175	-	-	-	-	121,175
Total assets	<u>\$ 14,094,567</u>	<u>\$ 9,457,916</u>	<u>\$ 508,606</u>	<u>\$ 3,495,727</u>	<u>\$ 10,278,156</u>	<u>\$ 37,834,972</u>
LIABILITIES						
Accounts payable	\$ 1,069,402	\$ 1,080,805	\$ 1,057,005	\$ -	\$ 488,874	\$ 3,696,086
Accrued payroll liabilities	885,530	-	6,990	-	11,783	904,303
Due to other funds	-	-	-	-	230,760	230,760
Advance from other funds	-	-	-	-	332,611	332,611
Total liabilities	<u>1,954,932</u>	<u>1,080,805</u>	<u>1,063,995</u>	<u>-</u>	<u>1,064,028</u>	<u>5,163,760</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues - grants and subventions	910,106	863,907	-	-	243,498	2,017,511
Total deferred inflow of resources	<u>910,106</u>	<u>863,907</u>	<u>-</u>	<u>-</u>	<u>243,498</u>	<u>2,017,511</u>
Total liabilities and deferred inflows of resources	<u>2,865,038</u>	<u>1,944,712</u>	<u>1,063,995</u>	<u>-</u>	<u>1,307,526</u>	<u>7,181,271</u>
FUND BALANCES (DEFICITS)						
Nonspendable:						
Interfund loans	2,013,542	-	-	-	-	2,013,542
Inventories and prepaids	207,097	-	-	-	-	207,097
Notes receivable	2,003,924	-	-	-	-	2,003,924
Riparian corridor management	-	-	-	-	137,576	137,576
Restricted:						
CDBG activities	-	-	-	-	461,071	461,071
Certifications and training	-	-	-	-	50,371	50,371
Federal stimulus	-	-	-	-	468	468
Housing activities	-	7,513,204	-	-	5,724,514	13,237,718
Project reserve	-	-	-	-	14,664	14,664
Public safety	-	-	-	-	920,250	920,250
Riparian corridor management	-	-	-	-	8,460	8,460
Streets and rights-of-way	-	-	-	-	654,158	654,158
Committed:						
Park development	-	-	-	-	42,204	42,204
Planning activities	-	-	-	-	296,641	296,641
Solid waste management	-	-	-	-	76,789	76,789
Assigned:						
Capital projects	-	-	-	-	35,420	35,420
Economic development	186,134	-	-	-	-	186,134
Equipment reserve	-	-	-	-	380,569	380,569
Park Development	-	-	-	-	6,033	6,033
Pension reserve	-	-	-	3,495,727	-	3,495,727
Project reserve	-	-	-	-	888,617	888,617
Unassigned:	6,818,832	-	(555,389)	-	(727,175)	5,536,268
Total fund balances (deficits)	<u>\$ 11,229,529</u>	<u>\$ 7,513,204</u>	<u>\$ (555,389)</u>	<u>\$ 3,495,727</u>	<u>\$ 8,970,630</u>	<u>\$ 30,653,701</u>
Total liabilities and fund balances (deficits)	<u>\$ 14,094,567</u>	<u>\$ 9,457,916</u>	<u>\$ 508,606</u>	<u>\$ 3,495,727</u>	<u>\$ 10,278,156</u>	<u>\$ 37,834,972</u>

The accompanying notes are an integral part of these financial statements.

City of Ukiah, California
 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
 For the Fiscal Year Ended June 30, 2021

Fund balances of governmental funds		\$30,653,701
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds:		
Capital assets	95,620,194	
Accumulated depreciation	<u>(39,449,881)</u>	
		56,170,313
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Compensated absences	(885,429)	
Net pension liability	(38,156,746)	
2017 fire engine lease	(763,396)	
2017 I-Bank financing lease	(3,751,776)	
2020 Fire brush truck	(207,216)	
Fire apparatus	(328,457)	
2020B CalPERS Taxable Lease Revenue Bonds	<u>(32,426,592)</u>	
		(76,519,612)
Amounts for deferred inflows and deferred outflows related to the City's Net Pension Liability are not reported in the funds:		
Deferred outflows - pension related items	35,276,895	
Deferred inflows - pension related items	<u>(436,336)</u>	
		34,840,559
Internal service funds are used by management to charge the costs of certain activities, such as insurance and vehicle maintenance, to individual funds.		
The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		
	<u>1,348,935</u>	
		1,348,935
Accrued interest on long-term debt is not due and payable in the current period and is not reported in the funds.		
	<u>(617,104)</u>	
		(617,104)
Long-term assets are not available for current use.		
Amounts are unavailable under the modified accrual basis of accounting.		
	<u>2,017,511</u>	
		2,017,511
Net position of governmental activities		<u>\$47,894,303</u>

City of Ukiah, California
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2021

	General Fund	Home Program Income	Streets Capital Improvements	Pension Debt Service	Total Nonmajor Funds	Total Governmental Funds
REVENUES						
Property tax	\$ 3,408,846	\$ -	\$ -	\$ -	\$ -	\$ 3,408,846
Sales tax	15,535,021	-	-	-	-	15,535,021
Transient occupancy	1,362,134	-	-	-	-	1,362,134
Business license tax	484,533	-	-	-	25,270	509,803
Other taxes	1,136	-	-	-	-	1,136
Franchise fees	1,815,271	-	-	-	-	1,815,271
Charges for service	2,434,204	-	-	-	70,934	2,505,138
Licenses and permits	276,752	-	-	-	-	276,752
Grants contributions and donations	1,226,237	-	96,284	-	370,990	1,693,511
Use of money and property	52,427	147,587	270	(9,588)	732,114	922,810
Intergovernmental	77,668	4,783,983	-	-	1,174,603	6,036,254
Fines penalties and forfeitures	25,933	-	-	-	-	25,933
Interest, rent, and concessions	-	28,216	-	-	(372)	27,844
Miscellaneous	138,952	-	-	-	20,004	158,956
Total revenues	<u>26,839,114</u>	<u>4,959,786</u>	<u>96,554</u>	<u>(9,588)</u>	<u>2,393,543</u>	<u>34,279,409</u>
EXPENDITURES						
Current:						
General government	60,132	-	-	28,366,430	2,483	28,429,045
Public safety	12,701,313	-	-	-	785,114	13,486,427
Housing and community development	1,044,627	218,723	-	-	196,784	1,460,134
Public works	1,487,609	-	168,999	-	75,843	1,732,451
Parks, buildings, and grounds	1,189,386	-	-	-	880	1,190,266
Recreation and culture	2,435,717	-	-	-	81,656	2,517,373
Economic development and redevelopment	256,392	-	-	-	33,869	290,261
Debt service:						
Interest	90,242	-	46,488	-	2,340	139,070
Cost of issuance	-	-	-	554,846	-	554,846
Principal	56,392	-	29,050	-	-	85,442
Capital lease principal	127,291	-	-	-	-	127,291
Capital lease interest	26,949	-	-	-	-	26,949
Capital outlay:						
Public safety	65,051	-	-	-	14,300	79,351
Public works	1,812,859	-	2,687,602	-	1,133,087	5,633,548
Recreation and culture	-	-	-	-	63,302	63,302
Total expenditures	<u>21,353,960</u>	<u>218,723</u>	<u>2,932,139</u>	<u>28,921,276</u>	<u>2,389,658</u>	<u>55,815,756</u>
Excess (deficiency) of revenues over expenditures	<u>5,485,154</u>	<u>4,741,063</u>	<u>(2,835,585)</u>	<u>(28,930,864)</u>	<u>3,885</u>	<u>(21,536,347)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	129,001	-	3,662,605	-	478,156	4,269,762
Transfers out	(3,687,933)	-	(478,156)	-	(548,635)	(4,714,724)
Issuance of debt	-	-	-	32,426,591	343,763	32,770,354
Total other financing sources (uses)	<u>(3,558,932)</u>	<u>-</u>	<u>3,184,449</u>	<u>32,426,591</u>	<u>273,284</u>	<u>32,325,392</u>
Net change in fund balances	1,926,222	4,741,063	348,864	3,495,727	277,169	10,789,045
Fund balances - beginning	9,303,307	2,772,141	(904,253)	-	8,693,461	19,864,656
Fund balances - ending	<u>\$11,229,529</u>	<u>\$ 7,513,204</u>	<u>\$ (555,389)</u>	<u>\$ 3,495,727</u>	<u>\$ 8,970,630</u>	<u>\$30,653,701</u>

The accompanying notes are an integral part of these financial statements.

City of Ukiah, California

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities
For the Fiscal Year Ended June 30, 2021

Net change in fund balances - total governmental funds \$10,789,045

Amounts reported for governmental activities in the statement of net position are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives as depreciation expense.

Capital outlay	5,776,202	
Depreciation expense	(2,041,122)	
Gain on disposal of assets	<u>899,161</u>	4,634,241

The amounts below included in the Statement of Activities do not provide (require) the use of current financial resources and, therefore, are not reported as revenues or expenditures in governmental funds (net change):

Change to net pension liability	(2,013,584)	
Compensated absence expense	<u>(80,994)</u>	(2,094,578)

Amounts for deferred inflows and deferred outflows related to the City's Net Pension Liability are not reported in the funds. This is the net change in deferred inflows and deferred outflows related to the net pension liability:

Changes to deferred outflows: pension-related items	28,490,867	
Changes to deferred inflows: pension-related items	<u>378,320</u>	28,869,187

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, government funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The effect of these differences are as follows:

Principal paid on loans and capital leases	227,540	
Issuance of loan	(32,426,591)	
Issuance of capital lease	<u>(343,763)</u>	(32,542,814)

Some revenues reported in the Statement of Activities are not considered available to finance current expenditures and, therefore, are not reported as revenues in the governmental funds.

497,291

Accrued interest for long-term debt. This is the net change in accrued interest for the current period.

(548,690)

Internal service funds are used by management to charge the costs of certain activities, such as insurance and vehicle maintenance, to individual funds. The net revenue (expense) of the internal services funds is reported with governmental activities.

202,284

Change in net position of governmental activities	<u>\$9,805,966</u>
---	--------------------

The accompanying notes are an integral part of these financial statements.

Proprietary Funds

Proprietary funds account for City operations financed and operated in a manner like a private business enterprise. The intent of the City is that the cost of providing goods and services be financed primarily through user charges.

The City maintains four primary enterprise funds: electric, water, sewer, and landfill.

Landfill

This is the fund used to account for activities related to the closure, post-closure, and corrective action plan of the City of Ukiah landfill.

Electric Enterprise Fund

The Electric Utility provides electrical services to the citizens of Ukiah, including 24-hour, 365-day response to emergency service calls for customer power problems, and outages. Additionally, the enterprise 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.

Water Enterprise Fund

Chapter 13.04 of the Ukiah Municipal Code provides the authority for City to operate water system. Revenues (fees and charges) are collected to pay for service (water) received.

Sewer Enterprise Fund

Chapter 13.20 of the Ukiah Municipal Code provides the authority for the City to operate sewer system. Revenues (fees and charges) are collected to pay for availability of collection, transportation, treatment, and disposal system. In addition, grazing lease payments, LACOSAN payments for flows, tax revenues, FEMA storm damage reimbursement, OES storm damage reimbursement, and insurance rebates have been credited to this fund.

The City also employs the use of internal service funds.

Internal Service Funds

Established to account for the costs of activities primarily serving multiple department and funds. Such funds may also provide services to external users, such as other governmental entities.

City of Ukiah, California
Statement of Net Position
Proprietary Funds
June 30, 2021

	Business-type Activities						Governmental Activities
	Landfill	Electric	Water	Wastewater	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
ASSETS							
Current assets:							
Cash and investments	\$ 9,650,782	\$ 305,884	\$ 5,560,508	\$ 3,620,429	\$ 158,008	\$ 19,295,611	\$ 2,208,590
Investment in NCPA Reserves	-	7,749,546	-	-	-	7,749,546	-
Restricted cash and investments	-	-	-	-	-	-	2,850,000
Accounts receivable	106,075	3,672,638	1,647,070	1,525,769	62,400	7,013,952	148,911
Interest receivable	2,409	1,185	2,210	1,970	(91)	7,683	-
Grants and subventions receivable	-	-	-	-	659,279	659,279	-
Inventories and prepaids	-	1,310,112	102,516	18,020	-	1,430,648	-
Total current assets	9,759,266	13,039,365	7,312,304	5,166,188	879,596	36,156,719	5,207,501
Noncurrent assets:							
Notes receivable	-	-	-	-	5,500	5,500	-
Advances to other funds	-	186,270	-	-	716,578	902,848	545,045
Intangible assets	-	-	180,000	-	-	180,000	-
Land	699,654	1,963,436	1,915,344	670,431	1,793,862	7,042,727	762,562
Construction in progress	139,776	1,618,104	3,677,462	2,206,555	828,761	8,470,658	676,013
Infrastructure and network	-	25,582,658	45,571,415	87,712,780	6,837,023	165,703,876	-
Buildings and improvements	26,700	26,270,859	22,271,536	10,328,621	4,385,511	63,283,227	516,596
Machinery equipment and vehicles	504,796	5,272,186	3,069,291	3,817,431	762,013	13,425,717	1,136,373
Less accumulated depreciation	(415,351)	(31,327,811)	(15,188,256)	(28,544,751)	(4,580,262)	(80,056,431)	(857,634)
Total noncurrent assets	955,575	29,565,702	61,496,792	76,191,067	10,748,986	178,958,122	2,778,955
Total assets	10,714,841	42,605,067	68,809,096	81,357,255	11,628,582	215,114,841	7,986,456
DEFERRED OUTFLOWS OF RESOURCES							
Deferred outflow of resources related to pension	551,351	7,225,603	4,257,012	4,680,682	1,694,680	18,409,328	-
Total deferred outflows of resources	551,351	7,225,603	4,257,012	4,680,682	1,694,680	18,409,328	-
Total assets and deferred outflows of resources	\$ 11,266,192	\$ 49,830,670	\$ 73,066,108	\$ 86,037,937	\$ 13,323,262	\$ 233,524,169	\$ 7,986,456
LIABILITIES							
Current liabilities:							
Accounts payable	22,231	458,581	899,003	449,453	355,215	2,184,483	350,829
Accrued payroll liabilities	10,564	152,524	259,407	95,348	26,124	543,967	443,701
Due to other funds	-	-	-	-	447,500	447,500	-
Deposits payable	-	-	-	-	5,724	5,724	-
Interest payable	-	-	124,209	185,771	1,395	311,375	22,886
Compensated absences - current	1,602	23,021	11,502	11,433	3,979	51,537	23,457
Long-term obligations - current	7,289	93,448	1,174,913	2,503,068	30,287	3,809,005	341,349
Total current liabilities	41,686	727,574	2,469,034	3,245,073	870,224	7,353,591	1,182,222
Noncurrent liabilities:							
Claims payable	-	-	-	-	-	-	336,555
Advance from other funds	-	-	716,578	-	1,227,201	1,943,779	1,185,045
Installment obligations	508,399	6,517,492	31,230,319	26,861,670	1,518,171	66,636,051	-
Settlement liability	-	-	-	1,000,000	-	1,000,000	-
Landfill closure/post-closure	19,297,593	-	-	-	-	19,297,593	-
Net pension liability	565,916	7,416,475	4,369,465	4,804,327	1,739,447	18,895,630	-
Compensated absences	14,423	207,193	103,535	102,902	35,821	463,874	211,138
Due in more than one year	-	-	-	-	-	-	2,641,128
Total noncurrent liabilities	20,386,331	14,141,160	36,419,897	32,768,899	4,520,640	108,236,927	4,373,866
Total liabilities	20,428,017	14,868,734	38,888,931	36,013,972	5,390,864	115,590,518	5,556,088
DEFERRED INFLOWS OF RESOURCES							
Deferred inflow of resources related to pension	266	3,491	2,057	2,261	818	8,893	-
Total deferred inflows of resources	266	3,491	2,057	2,261	818	8,893	-
Total liabilities and deferred inflows of resources	20,428,283	14,872,225	38,890,988	36,016,233	5,391,682	115,599,411	5,556,088
NET POSITION							
Net investment in capital assets	955,575	29,379,433	33,279,779	52,571,067	9,867,273	126,053,127	2,233,910
Restricted for:							
NCPA Projects	-	251,126	-	-	-	251,126	-
Unrestricted	(10,117,666)	5,327,886	895,341	(2,549,363)	(1,935,693)	(8,379,495)	196,458
Total net position	\$ (9,162,091)	\$ 34,958,445	\$ 34,175,120	\$ 50,021,704	\$ 7,931,580	117,924,758	\$ 2,430,368
Difference between business-type adjustments to assets and liabilities.						1,081,435	
Net position of business-type activities						\$ 119,006,193	

The accompanying notes are an integral part of these financial statements.

City of Ukiah, California
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2021

	Business-type Activities					Governmental Activities	
	Landfill	Electric	Water	Wastewater	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES							
Charges for service	\$ 707,689	\$ 18,141,046	\$ 7,223,708	\$ 7,303,080	\$ 330,217	\$ 33,705,740	\$ 13,571,439
Licenses and permits	-	-	-	-	26,748	26,748	-
Cap and trade	-	618,246	-	-	-	618,246	-
Fines penalties and forfeitures	-	-	-	-	39,717	39,717	-
Facility rental	8,534	-	-	-	626,993	635,527	-
Fuel sales	-	-	-	-	975,786	975,786	-
Miscellaneous	-	-	26,523	-	3,082	29,605	145
Connection fees	-	-	-	617,861	-	617,861	-
Total operating revenues	716,223	18,759,292	7,250,231	7,920,941	2,002,543	36,649,230	13,571,584
OPERATING EXPENSES							
General and administrative	178,832	2,566,491	1,056,635	1,380,025	328,621	5,510,604	1,865,520
Maintenance and operations	768,889	15,641,579	4,597,956	5,354,833	993,121	27,356,378	11,750,775
Fuel	-	-	-	-	522,388	522,388	-
Depreciation	13,271	1,308,285	1,668,204	2,163,462	175,104	5,328,326	109,873
Total operating expenses	960,992	19,516,355	7,322,795	8,898,320	2,019,234	38,717,696	13,726,168
Operating income (loss)	(244,769)	(757,063)	(72,564)	(977,379)	(16,691)	(2,068,466)	(154,584)
NONOPERATING REVENUES (EXPENSES)							
Property tax	-	-	-	-	16,714	16,714	-
Intergovernmental	-	2,483	-	-	138,967	141,450	72,961
Interest, rent, and concessions	48,358	123,643	24,474	23,172	117,738	337,385	6,909
Miscellaneous	-	-	250	15,000	-	15,250	-
Interest expense and fiscal charges	-	-	(789,286)	(679,640)	(3,830)	(1,472,756)	(81,923)
Gain on sale of property	-	13,655	870	870	-	15,395	-
Total nonoperating revenues (expenses)	48,358	139,781	(763,692)	(640,598)	269,589	(946,562)	(2,053)
Income (loss) before contributions and transfers	(196,411)	(617,282)	(836,256)	(1,617,977)	252,898	(3,015,028)	(156,637)
Capital contributions	-	-	-	-	556,033	556,033	-
Transfers in	419,635	-	273,375	-	225,328	918,338	-
Transfers out	-	(200,000)	-	(273,375)	-	(473,375)	-
Change in net position	223,224	(817,282)	(562,881)	(1,891,352)	1,034,259	(2,014,032)	(156,637)
Total net position - beginning	(9,385,315)	35,775,727	34,738,001	51,913,056	6,897,321	119,938,790	2,587,005
Total net position - ending	\$ (9,162,091)	\$ 34,958,445	\$ 34,175,120	\$ 50,021,704	\$ 7,931,580	\$ 117,924,758	\$ 2,430,368
Adjustment to reflect the consolidation of internal service fund activities related to enterprise						(358,919)	
Changes in net position of business-type activities						<u>\$ (2,372,951)</u>	

The accompanying notes are an integral part of these financial statements.

City of Ukiah, California
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2021

	Business-type Activities - Enterprise Funds					Governmental Activities	
	Landfill	Electric	Water	Wastewater	Total Nonmajor Enterprises Funds	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES							
Cash receipts from customers	\$ 715,060	\$ 18,242,276	\$ 6,925,691	\$ 7,649,922	\$ 1,996,523	\$ 35,529,472	\$ 164,458
Receipts from interfund services provided	-	-	-	-	-	-	8,572,913
Payments to employees	(720,972)	(10,168,768)	(6,260,579)	(6,909,197)	(1,952,809)	(26,012,325)	(6,564,145)
Payments to suppliers	(251,529)	(11,656,710)	(1,260,486)	(1,947,694)	(3,429,121)	(18,545,540)	(4,940,838)
Payments for interfund services used	(178,832)	(2,566,491)	(1,056,635)	(1,380,025)	(328,621)	(5,510,604)	2,835,495
Other operating cash receipts (payments)	-	(147,302)	-	-	-	(147,302)	1,370
Net cash provided (used) by operating activities	(436,273)	(6,296,995)	(1,652,009)	(2,586,994)	(3,714,028)	(14,686,299)	69,253
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Principal payments received on loans receivable	-	-	-	-	6,500	6,500	-
Cash received (paid) to other funds	419,635	10,378	(445,751)	(273,375)	783,749	494,636	2,027,886
Property taxes received	-	-	-	-	16,714	16,714	-
Lawsuit settlement payments	-	-	-	(1,090,000)	-	(1,090,000)	-
Grants and contributions	-	2,483	-	-	2,201	4,684	72,961
Proceeds from pension bonds	515,688	6,610,940	4,188,219	4,744,738	1,388,824	17,448,409	-
Net cash provided (used) by noncapital financing activities	935,323	6,623,801	3,742,468	3,381,363	2,197,988	16,880,943	2,100,847
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Capital grants and contributions	-	-	924,899	-	2,494,718	3,419,617	-
Proceeds from capital loans	-	-	1,460,327	-	-	1,460,327	2,791,128
Interest paid	-	-	(662,926)	(608,222)	(3,962)	(1,275,110)	(63,257)
Principal paid on capital and related debt	-	-	(540,000)	(1,390,000)	(10,410)	(1,940,410)	(117,025)
Acquisition and construction of capital assets	(139,776)	(3,795,772)	(3,175,076)	(1,344,371)	(1,231,971)	(9,686,966)	(774,210)
Proceeds from sale of property	-	13,655	1,120	15,870	-	30,645	-
Net cash provided (used) by capital and related financing activities	(139,776)	(3,782,117)	(1,991,656)	(3,326,723)	1,248,375	(7,991,897)	1,836,636
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest received	60,527	131,428	31,514	33,590	2,015	259,074	10,686
Net cash provided (used) by investing activities	60,527	131,428	31,514	33,590	2,015	259,074	10,686
Net increase (decrease) in cash and cash equivalents	419,801	(3,323,883)	130,317	(2,498,764)	(265,650)	(5,538,179)	4,017,422
Balances - beginning of year	9,230,981	11,379,313	5,430,191	6,119,193	423,658	32,583,336	1,041,168
Balances - end of the year	\$ 9,650,782	\$ 8,055,430	\$ 5,560,508	\$ 3,620,429	\$ 158,008	\$ 27,045,157	\$ 5,058,590
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
Operating Income	\$ (244,769)	\$ (757,063)	\$ (72,564)	\$ (977,379)	\$ (16,691)	\$ (2,068,466)	\$ (154,584)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation	13,271	1,308,285	1,668,204	2,163,462	175,104	5,328,326	109,873
Changes in assets and liabilities:							
Decrease (increase) in accounts receivable	(1,163)	(517,016)	(302,723)	(243,170)	(6,019)	(1,070,091)	(131,827)
Decrease (increase) in prepaids	-	(1)	3,730	(1)	-	3,728	-
Decrease (increase) in inventory	-	19,339	(7,815)	453	-	11,977	-
Decrease (increase) in deferred outflows	(473,107)	(6,174,488)	(3,688,939)	(4,080,453)	(1,419,933)	(15,836,920)	-
Increase (decrease) in accounts payable	(1,595)	(484,521)	218,786	(176,259)	(2,307,683)	(2,751,272)	274,111
Increase (decrease) in accrued salaries and benefits	2,355	2,096	4,189	(6,983)	(6,901)	(5,244)	168,350
Increase (decrease) in compensated absences	149	27,294	12,884	4,482	(5,637)	39,172	(3,601)
Increase (decrease) in deferred inflows	(7,811)	(105,015)	(56,585)	(59,702)	(27,544)	(256,657)	-
Increase (decrease) in net pension liability	42,432	384,095	568,824	788,556	(98,724)	1,685,183	-
Increase (decrease) in landfill liability	233,965	-	-	-	-	233,965	-
Increase (decrease) in claims payable	-	-	-	-	-	-	(193,069)
Net cash provided (used) by operating activities	\$ (436,273)	\$ (6,296,995)	\$ (1,652,009)	\$ (2,586,994)	\$ (3,714,028)	\$ (14,686,299)	\$ 69,253
Noncash investing, capital and financing activities							
Amortization related to long-term debt	\$ -	\$ -	\$ 25,153	\$ -	\$ -	\$ 25,153	\$ -
Acquisition of capital assets on account	-	-	(20,634)	-	-	(20,634)	-
Total noncash investing, capital and financing activities	\$ -	\$ -	\$ 4,519	\$ -	\$ -	\$ 4,519	\$ -

Fiduciary Funds

These funds account for assets held by the City as an agent for individuals, private organizations, and other governments. The financial activities of these funds are excluded from the Government-wide financial statements but are presented in the separate Fiduciary Fund financial statements.

PRIVATE PURPOSE TRUST FUND

Redevelopment Non-Housing Housing Successor Private Purpose Trust Fund

Resources held for the benefit of the state from the dissolution of the Ukiah Redevelopment Agency's non-housing functions.

CUSTODIAL FUNDS

The City accounts for activities on behalf of external entities, including other governments.

City of Ukiah, California
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2021

	Private-Purpose Trust Funds	Custodial Funds
ASSETS		
Cash and investments	\$ 6,698,578	\$ 1,895,559
Restricted cash and investments	23	-
Accounts receivable	-	321,383
Interest receivable	1,595	208
Land held for resale	5,443	-
Total assets	<u>6,705,639</u>	<u>2,217,150</u>
LIABILITIES		
Accounts payable	\$ -	\$ 316,518
Accrued payroll liabilities	440	69,244
Deposits payable	-	1,042,249
Interest payable	9,845	-
Due to other agencies	-	315,810
Intergovernmental payable	-	34,904
Due to City of Ukiah	-	551,425
Advances from City of Ukiah	2,000,000	-
Due in more than one year	4,863,469	-
Total liabilities	<u>6,873,754</u>	<u>2,330,150</u>
DEFERRED INFLOWS OF RESOURCES		
Total deferred inflows of resources	-	-
Total liabilities and deferred inflows of resources	<u>6,873,754</u>	<u>2,330,150</u>
NET POSITION		
Restricted for:		
Held for the benefit of the state	(168,115)	-
Individuals, Organizations and Other Governments	-	(112,998)
Total net position	<u>\$ (168,115)</u>	<u>\$ (112,998)</u>

The accompanying notes are an integral part of these financial statements.

City of Ukiah, California
Statement of Changes in Fiduciary Net Position
Fiduciary Activities
For the Fiscal Year Ended June 30, 2021

	Private-Purpose Trust Funds	Custodial Funds
ADDITIONS		
Contributions:		
Grants contributions and donations	\$ -	\$ 395,189
Taxes and assessments collected for other governments	1,523,119	1,169,487
Service charges collected for other governments	-	304,300
Service charges collected for other agencies	-	1,471,242
Intergovernmental	-	60,390
Miscellaneous	-	6,892
Members	-	537,958
Total contributions	1,523,119	3,945,458
Investment earnings:		
Interest, rent, and concessions	25,104	8,991
Total investment earnings	25,104	8,991
Net investment earnings	25,104	8,991
Revenues		
Total revenues	-	-
Total additions	1,548,223	3,954,449
DEDUCTIONS		
General and administrative	250,000	312,329
Maintenance and operations	23,421	104,855
Interest expense and fiscal charges	211,130	75,212
Distributions to other governments	-	3,173,654
Payments to other agencies for service charges collected	-	668,368
Payments to City for services provided	-	2,530,120
Total deductions	484,551	6,864,538
Net increase (decrease) in fiduciary net position	1,063,672	(2,910,089)
Net Position -- beginning of the year	(1,231,787)	2,797,091
Net Position -- end of the year	\$ (168,115)	\$ (112,998)

The accompanying notes are an integral part of these financial statements.

Notes to the Basic Financial Statements

City of Ukiah, California

Notes to the Basic Financial Statements Index

June 30, 2021

The notes to the financial statements include a summary of significant accounting policies and other notes considered essential to fully disclose and fairly present the transactions and financial position of the City as follows:

Note 1 - Summary of Significant Accounting Policies	36
Note 2 - Stewardship, Compliance, and Accountability	46
Note 3 - Cash and Investments	47
Note 4 - Accounts Receivable	51
Note 5 – Notes and Loans Receivable	52
Note 6 - Capital Assets	53
Note 7 - Long-Term Liabilities	55
Note 8 – Landfill Closure and Post Closure Costs	60
Note 9 - Interfund Transactions and Interfund Borrowing	60
Note 10 - Risk Management	62
Note 11 - Public Employee Retirement Plan	64
Note 12 – Related Organizations	76
Note 13 - Commitments and Contingencies	77
Note 14 – Successor Agency Trust, Former Ukiah Redevelopment Agency	78
Note 15 – New Pronouncements	81
Note 16 – Service Contracts	82

Notes to the Basic Financial Statements

Note 1 - Summary of Significant Accounting Policies

The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applied to government agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the City are described below:

A. Defining the reporting entity

The City of Ukiah was incorporated March 8, 1876 under the laws of the State of California. Ukiah operates under a Council-Manager form of government. The City Manager serves as the chief executive for day-to-day operations and long-term planning, including executing the policies and directives of the City Council. Department heads report directly to the City Manager and serve at his or her pleasure. The City provides a range of municipal services to its citizens including public safety (fire and police), public works; planning and building regulation; recreation and parks; airport, golf; and water, sewer, and electric utilities.

The Redevelopment Agency of the City of Ukiah (the Agency) was established by the City as a separate legal entity in accordance with state law. The purpose of the Agency was to encourage new investment and reinvestment within legally designated redevelopment areas in partnership with property owners. The Agency was dissolved on February 1, 2012 by the State Legislature and California Governor, Jerry Brown.

B. Government-wide and Fund Financial Statement

The government-wide financial statements report information on all the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grant and contributors that are restricted to meeting the operational or capital requirements of a function. Taxes, and other items not properly included among program revenues are reported instead as general revenues.

The accounts of the City are organized based on funds. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue, and expenditures or expenses, as appropriate. Government resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

In the fund financial statement in the report, the various funds are grouped into generic funds within three broad fund types. They are as follows:

Notes to the Basic Financial Statements

Note 1 - Summary of Significant Accounting Policies (Continued)

The City reports four major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund.

The *Streets Capital Improvements* fund accounts for resources and activities related to streets and rights-of-way improvements, funded primarily with resources derived from Measure Y, a half-cent district transaction and use tax.

The *Pension Debt Service* fund is used to account for the accumulation of financial resources to meet the City's lease revenue bonds. The reserve accumulated is to be used to ensure the City has resources to meet debt service in future periods.

The *HOME Program Income* fund is used to account for activities related to the City's federal HOME program activities and is considered part of the City's overall housing trust fund.

The City reports the following major proprietary funds:

The *Landfill Fund* accounts for the activities of the City's solid waste landfill operations.

The *Electric Fund* accounts for the activities of the City's electric generation and distribution operations.

The *Water Fund* accounts for the activities of the City's water treatment and distribution operations.

The *Sewer Fund* accounts for the activities of the City's sewage collection and treatment operations.

Additionally, the City reports the following fund types:

Internal Service Funds - account for garage (vehicle maintenance), stores (purchasing), public safety dispatch, utility billing, workers' compensation and liability insurance services provided to other departments or agencies of the City, or to other governments, on a cost reimbursement basis.

Private-Purpose Trust Funds - account for resources legally held in trust for use by other organizations. All resources of the fund, including any earnings on the invested resources, may be used to support the organization's or department's activities. There is no requirement that any portion of these resources be preserved as capital.

Custodial Funds - used by the City to report resources held by the City in a custodial capacity for the Ukiah Valley Sanitation District, Ukiah Waste Solutions, and Russian River Watershed. These funds are used to record receipt, temporary investment and remittance of fiduciary resources to individuals, private organizations or other governments.

Notes to the Basic Financial Statements

Note 1 - Summary of Significant Accounting Policies (Continued)

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's proprietary fund functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Principal operating revenues of the City's electric, water, wastewater, golf and street lighting funds and the City's internal service funds are charges to customers for sales and services. Principal operating revenues of the City's airport, disposal site and conference center funds include charges to customers for sales and services and rental fees. The parking district fund's principal operating revenues include the sale of parking permits to customers and parking fines. The City also recognizes as operating revenue tap fees intended to recover the cost of connecting new customers to the City's utilities. Operating expenses for the enterprise funds and internal service funds include cost of power purchases, fuels and lubricants, operations, maintenance, utilities, insurance premiums and deductibles, general and administration, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

1. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type; and,
2. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund are at least 5 percent of the corresponding total for all governmental funds combined.

The City reports the following major funds:

- General Fund
- Streets Capital Projects
- Pension Stabilization
- HOME Program Income
- Landfill
- Electric
- Water
- Sewer

C. Basis of Accounting and Measurement focus

Basis of accounting refers to when revenue and expenditures (or expenses) are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurements made, regardless of the measurement focus applied.

Notes to the Basic Financial Statements

Note 1 - Summary of Significant Accounting Policies (Continued)

Measurement focus is the determination of (1) which assets and which liabilities are included on a government's balance sheet and where they are reported, and (2) whether an operating statement presents information on the flow of financial resources (revenues and expenditures) or information on the flow of economic resources (revenues and expenses).

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenue is recorded when earned and expenses are recorded when liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are received. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

In the fund financial statements, all governmental funds are accounted for using the modified accrual basis of accounting. Revenue is recognized when they become both measurable and available to finance the expenditures of the current period (susceptible to accrual). For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current period. Major revenue sources susceptible to accrual include substantially all property taxes, taxpayer-assessed taxes (such as sales and use, utility users, business license, transient occupancy, franchise fees and gas taxes), interest, special assessments levied, state and federal grants and charges for current services. Revenue from licenses, permits, fines and forfeits are recorded as received. Expenditures are recorded when the related fund liability is incurred.

Fiduciary fund revenue and expenditures (as appropriate) are recognized on the basis consistent with the fund's accounting measurement objective.

All governmental funds are accounted for using a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of "available spendable resources" during a period.

The government-wide financial statements, as well as the proprietary funds financial statements, are accounted for on a flow of economic resources measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Proprietary fund operating statements present increases (revenues) in net total assets.

D. Use of Estimates

Financial statement preparation, in conformity with accounting principles generally accepted in the United States of America, requires the use of estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Notes to the Basic Financial Statements

Note 1 - Summary of Significant Accounting Policies (Continued)

E. Cash and Investments

For purposes of the statement of cash flows the City's cash and cash equivalents are cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The City pools cash and investments from all funds for the purpose of increasing income through investment activities. Highly liquid money market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Market value is used as fair value for those securities for which market quotations are readily available.

F. Receivable and Payables

Balances representing lending/borrowing transactions between funds outstanding at the end of the fiscal year are reported as either "due to/due from other funds" (amounts due within one year), "advances to/from other funds" (non-current portions of interfund lending/borrowing transactions), or "loans to/from other funds" (long-term lending/borrowing transactions as evidenced by loan agreements). Advances and loans to other funds are offset by a fund balance reserve in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

Property, sales, use, and utility user taxes related to the current fiscal year are accrued as revenue and accounts receivable and considered available if received within 60 days of year end. Federal and state grants are considered receivable and accrued as revenue when reimbursable costs are incurred under the accrual basis of accounting in the government-wide statement of net position. The amount recognized as revenue under the modified accrual basis of accounting is limited to the amount that is deemed measurable and available. The City considers these taxes available if they are received during the period when settlement of prior fiscal year accounts payable and payroll charges normally occurs.

Grants, entitlements or shared revenue is recorded as receivables and revenue in the general, special revenue and capital project funds when they are received or susceptible to accrual. Notes receivables represent individual loans, secured by property liens in favor of the City and the Redevelopment Successor Agency, made through various sources, including the Community Development Block Grant (CDBG) and federal HOME housing programs. When repaid, these amounts are designated for purposes allowed under the reuse guidelines.

G. Allowance for Doubtful Accounts

Management has elected to record bad debts using the allowance method.

H. Prepaid Items and Inventory

The City utilizes the consumption method for recoding inventories and prepaid items in governmental funds. All inventories are valued at cost using the first-in/first-out (FIFO) method. An annual charge is made to various City funds to assist in the financing of warehouse operations in addition to being billed as inventory is issued. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Notes to the Basic Financial Statements

Note 1 - Summary of Significant Accounting Policies (Continued)

I. Capital Assets**Government-Wide Statements**

Public domain (infrastructure) capital assets include roads, bridges, curbs and gutters, streets, sidewalks, drainage systems, and lighting systems. The accounting treatment of property, plant and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements. Prior to July 1, 2003, governmental funds' infrastructure assets were not capitalized, since then these assets have been valued at estimated historical cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The City capitalizes assets with an original cost greater than \$10,000 and with a useful lifespan longer than two years. No depreciation is recorded in the year of acquisition or in the year of disposition.

The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	30 – 60 years
Roadway improvements	50 years
Sidewalks, curbs and gutters	50 years
Storm drain pipes/structures	50 years
Traffic signal devices	5 – 40 years
Landscaping	30 years
Signage	25 years
Leasehold improvements	5 years
Machinery and equipment	5 – 20 years
Vehicles	5 – 10 years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

J. Compensated Absences

Compensated absences represent the vested portion of accumulated vacation and sick leave. In governmental funds, the cost of vacation and sick leave benefits is recognized when payments are made to employees. Upon separation, 100 of accrued vacation and accrued comp time is paid and in proprietary funds, a long-term liability for such benefits has been recorded.

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense) until then. The City currently has one item that qualifies for reporting in this category, the result of the City's implementation of GASB Statement No. 68, Accounting and Financial Reporting for Pensions. See Note 11 – Public Employee Retirement Plan for more information.

Notes to the Basic Financial Statements

Note 1 - Summary of Significant Accounting Policies (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item, which arises only under the modified accrual basis of accounting, and another, which is a result of the City's implementation of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, which qualify for reporting in this category. Under the modified accrual basis of accounting, the item, unavailable revenue, is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, special assessments, grant receivables, and other miscellaneous receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

L. Net Position Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the statement of net position, a flow assumption must be made about the order in which the resources are applied.

It is the City's policy to consider restricted net position to have been depleted before unrestricted net position.

M. Long-term Liabilities

In both the governmental-wide financial statements and proprietary fund financial statements, long-term debt and other long-term liabilities are reported as liabilities in the applicable statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bond.

In the fund financial statements, governmental fund types recognized bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources.

N. Equity Classification**Government-Wide Statements**

Equity is classified as net position and is displayed in three components:

Net investment in capital assets – consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – consists of net position with constraints placed on the use by external groups such as creditors, grantors, contributors, or by laws or regulations of other governments or law through constitutional provisions or enabling legislation.

Unrestricted net position – all other net position that do not meet the definition of “restricted” or “net investment in capital assets debt.”

Notes to the Basic Financial Statements

Note 1 - Summary of Significant Accounting Policies (Continued)

Fund Financial Statements

Governmental fund equity is classified as fund balance. Fund balance is classified as nonspendable, restricted, committed, assigned or unassigned. Proprietary fund equity is classified the same as in the government-wide statements. The classifications for governmental funds are defined as follows for the City:

Nonspendable Fund Balance –

- Assets that will never convert to cash (prepaid items, inventory).
- Assets that will not convert to cash soon enough to affect the current period (long-term notes or loans receivable). These are not in spendable form.
- Resources that must be maintained intact pursuant to legal or contractual requirements (the principal of an endowment).

Restricted Fund Balance –

- Resources that are subject to externally enforceable legal restrictions imposed by parties altogether outside the government (Creditors, Grantors, Contributors and Other Governments).
- Resources that are subject to limitations imposed by law through constitutional provisions or enabling legislation (Gas Tax).

Committed Fund Balance –

- Self-imposed limitations set in place prior to the end of the period. (Encumbrances, economic contingencies and uncertainties).
- Limitation at the highest level of decision-making (Council) that requires formal action at the same level to remove, done typically through resolution during the budget process.

Assigned Fund Balance –

- Amounts in excess of nonspendable, restricted, and committed fund balance in funds other than the General Fund are reported as assigned fund balance and are done so by the City Council.

Unassigned Fund Balance –

- Residual net resources
- Total fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance (surplus).
- Excess of nonspendable, restricted, and committed fund balance over total fund balance (deficit).

The General Fund is the only fund that reports a positive unassigned fund balance. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Notes to the Basic Financial Statements

Note 1 - Summary of Significant Accounting Policies (Continued)

An additional safeguard to the City's fiscal sustainability lies in the General Fund's strategic reserve. The Council created this reserve in FY 2013 at 25 percent of operating expenditures for the year. The reserve is to be used to ensure adequate resources are available to manage cash flow and economic uncertainties, minimizing the impact to our employees and the Ukiah citizenry to the greatest extent possible.

O. Property Taxes

Property taxes in the State of California are administered for all local agencies at the county level and consist of secured, unsecured and utility tax rolls. The following is a summary of major policies and practices relating to property taxes:

Property Valuations are established by the Mendocino County Assessor for the secured and unsecured property tax rolls; the utility property tax roll is valued by the State Board of Equalization. Under the provision of Article XIII-A of the State Constitution (Proposition 13, adopted by the voters on June 6, 1978), properties are assessed at 100 percent of full value. From this base assessment, subsequent annual increases in valuation are limited to a maximum of two percent. However, an increase to full value is allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations and is subject to annual reappraisal.

Tax Levies are limited to one percent of full assessed value which results in a tax rate of one percent assessed valuation under the provisions of Proposition 13. Tax rates for voter-approved indebtedness are excluded from this limitation.

Tax Levy Dates are attached annually on January 1, preceding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and unsecured personal property as it exists at that time. Liens against real estate, as well as the tax on personal property are not relieved by subsequent renewal or change in ownership.

Tax Collections are the responsibility of the Mendocino County Treasurer-Tax Collector. Taxes and assessments on secured and utility rolls, which constitute a lien against the property, may be paid in two installments.

The First is due on November 1 of the fiscal year and is delinquent if not paid by December 10;
The second is due on March 1 of the fiscal year and is delinquent if not paid by April 10.

Unsecured personal property taxes do not constitute a lien against property unless the taxes become delinquent. Payments must be made in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed by the county for late payments. The City has elected to receive the City's portion of the property taxes from the county under the county Teeter Bill program. Under this program, the City receives 100 percent of the City's share of the levied property taxes in periodic payments with the county assuming the responsibility for the delinquencies.

Property Tax Administration Fees – the state of California FY 90-91 Budget Act authorized counties to collect an administrative fee for collection and distribution of property taxes.

Notes to the Basic Financial Statements

Note 1 - Summary of Significant Accounting Policies (Continued)

Tax Levy Apportionments – due to the nature of the City-wide maximum levy, it is not possible to identify general-purpose tax rates for specific entities. Under State legislation adopted subsequent to the passage of Proposition 13, apportionments to local agencies are made by the county's auditor-controller based primarily on the ratio that each agency represented of the total City-wide levy for the three fiscal years prior to fiscal year 1979.

P. Interfund Transfers

Resources are reallocated between funds by reporting them as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

Q. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Ukiah can be found in the following notes and with the City's pension administrator, CalPERS. California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

R. New or Closed Funds

The City opened the following new funds in this reporting year:

- CASP Certification
- American Rescue

Notes to the Basic Financial Statements

Note 2 - Stewardship, Compliance, and Accountability

The following major and non-major funds had deficit fund balances as of June 30, 2021,

Deficit Fund Equity

Major and Non-major Governmental Funds

Fund Name	Deficit Amount	Discussion/Explanation
Streets Capital Improvement Fund	\$ (555,389)	Deficit amount is the result of capital projected funded by a specific general revenue source (Measure Y) and will be eliminated with revenues received in 2021.
ARRC	(38,365)	Deficit amount is the result of prior capital projects and operational deficiencies. The deficit is being eliminated with future revenues generated by ARRC operations.
Downtown Business Improvement	(16,417)	Deficit amount is the result of an advanced payment to the Ukiah Main Street Program and will be eliminated with revenues in 2022.
Winter Special Events	(12,636)	Deficit amount is the result of increased operational costs that current revenues were insufficient to cover. The deficit will be eliminated with revenues in 2022.
Highway User Tax (Gas Tax)	(501,985)	Deficit amount is the result of capital projected funded by a specific revenue sources and will be eliminated when unavailable revenues are recognized as revenues in the future.
Swimming Pool	(135,756)	Deficit amount is the result of capital projected funded by a specific revenue sources and will be eliminated with future revenues dedicated for pool activities.
Rail Trail	(22,086)	Deficit amount is the result of capital projected funded by a specific revenue sources and will be eliminated when unavailable revenues are recognized as revenues in the future.

Notes to the Basic Financial Statements

Note 3 - Cash and Investments

The City follows the practice of pooling cash and investments of all funds except for the restricted funds required to be held by outside custodians, fiscal agents or trustees under the provisions of bond indentures. Cash and investments as of June 30, 2021 are classified in the accompanying financial statements as follows:

Cash and Investments

	Total
Cash equivalents and investments	
Pooled cash and investments, at fair value	
Cash in bank	\$ 17,392,697
Cash in investment portfolio, excluding LAIF	26,430,398
Cash with LAIF	581,805
Total pooled investment balances	27,012,203
Non pooled cash and investments, at fair value	
Petty cash	5,160
Total non pooled cash, at fair value	5,160
Cash with fiscal agent	2,945,257
Total non pooled investments, at fair value	2,945,257
Total cash equivalents and investments	\$ 47,355,317

Investment Portfolio Analysis

		Maturities (in years)						
				In compliance				
				Permitted by				
PAR		% of Portfolio	Policy	with investment	<1	1 to 2	>2	
\$ 10,015,000	US treasury obligations	37.34%	100%	Yes	\$ -	\$ 5,152,396	\$ 4,937,621	\$ 10,090,017
	Federal agency:							
5,380,000	Government sponsored enterprise	20.06%	100%	Yes	-	2,252,804	3,126,702	5,379,506
982,498	Collateral mortgage obligation	3.66%	100%	Yes	231,789	693,638	73,546	998,973
760,000	Municipal obligations	2.83%	100%	Yes	-	110,518	652,704	763,222
445,000	Supra-National agency	1.66%	30%	Yes	-	279,995	164,526	444,521
3,690,000	Corporate notes	13.76%	30%	Yes	254,684	1,308,902	2,167,416	3,731,002
1,645,000	Negotiable certificates of deposit	6.13%	30%	Yes	507,228	1,162,378	-	1,669,606
3,312,749	Asset-backed securities	12.35%	20%	Yes	28,727	282,310	3,030,021	3,341,058
581,805	Local agency investment fund	2.17%	\$65M	Yes	581,805	-	-	581,805
12,493	Money market	0.05%	20%	Yes	12,493	-	-	12,493
\$ 26,824,545	Total pooled investments	100.00%			\$ 1,616,726	\$ 11,242,941	\$ 14,152,536	\$ 27,012,203
2,866,806	Money market	97.34%	20%	Yes	2,866,806	-	-	2,866,806
78,451	County of Mendocino treasury	2.66%	100%	Yes	78,451	-	-	78,451
	Total non-pooled investments	100.00%			\$ 2,945,257	\$ -	\$ -	\$ 2,945,257

Notes to the Basic Financial Statements

Note 3 - Cash and Investments (continued)

Collateral and Categorization Requirements

At the fiscal year end, the City's carrying amount of demand deposits was \$17,392,697 and the bank account balance was \$16,981,402. The difference of \$411,295 represented outstanding checks and deposits in transit. All deposits not insured by Federal Depository Insurance Corporation (FDIC) would be covered by collateralized securities in accordance with California Government Code Section 53600-53609.

Investment Policy

The table below identifies the investment types that are authorized under provisions of the City's investment policy adopted August 16, 2005 (subsequently updated July 5, 2017), and in accordance with Section 53601 of the California Government Code. The table also identifies certain provisions of the investment policy that address interest rate risk, credit risk, and concentration of credit risk. The City's investment policy also limits the weighted average of the City's investment portfolio to 2.5 years and except for obligations of the U.S. government and its agencies, no more than 10 percent of the portfolio may be invested in the securities of any single issuer.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
City of Ukiah Bonds	5 Years	None	10%
U.S. treasury obligations	5 Years	Unlimited	None
State of California obligations	5 Years	None	10%
Non-California state obligations	5 Years	None	10%
Local agency obligations	5 Years	None	10%
Federal agency or government sponsored enterprise obligations	5 Years	None	10%
Bankers' acceptances	180 Days	40%	5%
U.S. Commercial paper (highest rating)	270 Days	25%	5%
Negotiable certificates of deposit	5 Years	30%	5%
Repurchase agreements (1)	365 Days	None	10%
Reverse repurchase agreements (2)	92 Days	20%	10%
Medium-term notes-corporate or depository institutions (3)	5 Years	30%	5%
Money market funds (highest rating)	n/a	20%	10%
Local Agency Investment Fund (LAIF)	N/A	\$65m	\$65m
Time deposits	5 Years	25%	10%
Mortgage-backed and Asset-backed Securities (rated "AA" or better)	5 Years	20%	10%

- (1) Market value of collateral shall be valued at 102 percent and monitored daily.
 (2) Requires prior City Council approval.
 (3) Five years or less.

Notes to the Basic Financial Statements

Note 3 - Cash and Investments (continued)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City of Ukiah manages its exposure to interest rate risk is by investing in the State of California's Local Agency Investment Fund (LAIF), whose underlying securities have staggered maturities and are generally due on demand, which provides cash flow and liquidity needed for operations.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by nationally recognized statistical rating organization. The City's investment policy limits credit risk by requiring compliance with the California Government Code for investment of public funds, as described in detail above.

Concentration of Credit Risk

Except for securities of the U.S. Government and its agencies, the investment policy of the City limits the amount that can be invested in any one issuer to no more than 10 percent of the total portfolio. As of June 30, 2021, holdings in any one issuer did not exceed 5 percent of the total portfolio.

Custodial Credit Risk

The credit risk for deposits is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California government code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits:

The California government code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must be equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits.

At June 30, 2021, the City had \$16,369,739 in financial institutions that were not covered by the FDIC but were covered by collateralized securities of the financial institutions where the deposits were maintained. The credit risk for *investments* is the risk that, in the event of the failure of counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of another party. The California government code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities using mutual funds or government investment pools (such as LAIF).

Notes to the Basic Financial Statements

Note 3 - Cash and Investments (continued)

Credit Risk Schedule

Investment Type	Total Investment	Minimum Legal Rating	Rating as of Fiscal Year End			
			AAA	AA+ to A-	BBB+	Unrated
US Treasury obligations	\$ 10,090,017	N/A	\$ -	\$ 10,090,017	\$ -	\$ -
Federal agency/GSE	5,379,506	N/A	-	5,379,506	-	-
Federal agency/CMO	998,973	N/A	-	998,973	-	-
Municipal obligations	763,222	N/A	49,817	567,426	-	145,979
Supra-National agency	444,521	N/A	444,521	-	-	-
Corporate notes	3,731,002	N/A	-	3,175,884	555,118	-
Negotiable certificates of deposit	1,669,606	N/A	-	1,669,606	-	-
Asset-backed securities	3,341,058	N/A	2,668,504	-	-	672,554
LAIF	581,805	N/A	581,805	-	-	-
Money market	12,493	N/A	12,493	-	-	-
County of Mendocino treasury	78,451	N/A	78,451	-	-	-
Held by fiscal agent:						
Money market	2,866,806	N/A	2,866,806	-	-	-
Total	\$ 29,957,460		\$ 6,702,397	\$ 21,881,412	\$ 555,118	\$ 818,533

Fair Value

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are other than quoted process included in Level 1 and are valued using a matrix pricing model using either directly or indirectly observable inputs; Level 3 inputs are significant unobservable inputs.

Fair Value Schedule

Investment Type	Total Investment	Investments Not Measured at Fair Value	Level	
			1	2
US Treasury obligations	\$ 10,090,017	\$ -	\$ -	\$ 10,090,017
Federal agency/GSE	5,379,506	-	-	5,379,506
Federal agency/CMO	998,973	-	-	998,973
Municipal obligations	763,222	-	-	763,222
Supra-National agency	444,521	-	-	444,521
Corporate notes	3,731,002	-	-	3,731,002
Negotiable certificates of deposit	1,669,606	-	-	1,669,606
Asset-backed securities	3,341,058	-	-	3,341,058
LAIF	581,805	581,805	-	-
Money market	12,493	12,493	-	-
County of Mendocino treasury	78,451	78,451	-	-
Held by fiscal agent:				
Money market	2,866,806	2,866,806	-	-
Total	\$ 29,957,460	\$ 3,539,555	\$ -	\$ 26,417,905

Notes to the Basic Financial Statements

Note 3 - Cash and Investments (continued)

Participation in an External Investment Pool

The City is a voluntary participant in the California Local Agency Investment Fund (LAIF), which is regulated by California Government Code Section under the oversight of the Local Investment Advisory Board (Board). The Board consists of five members as designated by state statute and is chaired by the State Treasurer who is responsible for the day to day administration of LAIF. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis, which is different from the fair value of the City's position in the LAIF pool. The State Treasurer determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available. As of June 30, 2021, the City's investment in LAIF was \$581,805. The total amount invested by all public agencies at that date was \$37.07 billion. LAIF is part of the California Pooled Money Investment Account (PMIA), which at June 30, 2021 has a balance of \$193.3 billion. Financial Statements of LAIF and PMIA may be obtained from the California Treasurer's web site at www.treasurer.ca.gov.

Note 4 - Accounts Receivable

Accounts receivable consisted of the following at June 30, 2021:

	Receivables	Allowance	Net
Governmental activities			
Interest	\$ 5,791	\$ -	\$ 5,791
Taxes	2,898,954	-	2,898,954
Grants and subventions	1,332,050	-	1,332,050
Accounts receivable:			
Customers	2,016,168	-	2,016,168
Total Governmental activities	6,252,963	-	6,252,963
Business-type activities			
Interest	7,682	-	7,682
Grants and subventions	659,279	-	659,279
Accounts receivable:			
Customers	7,128,572	114,620	7,013,952
Total Business-type activities	7,795,533	114,620	7,680,913
Total receivables	\$ 14,048,496	\$ 114,620	\$ 13,933,876

Concentration of Receivables

Other governments	35.1%
Individuals/businesses	64.9%

Amounts do not indicate a significant concentration (greater than 25 percent of the total receivable balance) with any single individual, business or agency.

Notes to the Basic Financial Statements

Note 5 – Notes and Loans Receivable

Through the City's various housing rehabilitation funds, first-time homebuyer's funds, and business/economic development loan funds, the City has loaned funds to qualifying individuals and businesses. Interest rates vary depending on the terms of the loan. Interest accrues on the loans that bear interest.

Loans and notes receivable for the year ended June 30, 2021, consisted of the following:

Loans and Notes Receivable

	Beginning 7/1/2020	Additions	Deletions	Ending 6/30/2021
Major governmental funds:				
General fund	\$ 4,045,093	\$ 5,056	\$ 1,925,052	\$ 2,125,097
Nonmajor governmental funds:				
Special revenue funds:				
LMIHF Housing Asset Fund	1,476,183	7,291	-	1,483,474
CDBG Program Income	416,209	-	194,626	221,583
Home Program Income	3,215,794	5,019,500	75,496	8,159,798
Total governmental funds	9,153,279	5,031,847	2,195,174	11,989,952
Enterprise funds:				
Golf Fund	12,000		6,500	5,500
Total enterprise funds	12,000	-	6,500	5,500
Total loans/notes receivable	\$ 9,165,279	\$ 5,031,847	\$ 2,201,674	\$ 11,995,452

This area intentionally left blank.

Notes to the Basic Financial Statements

Note 6 - Capital Assets

Governmental capital asset activity for the year ended June 30, 2021, was as follows:

Capital Assets - Governmental

	Balance July 1, 2020	Additions	Deletions	Transfers	Balance June 30, 2021
Governmental activities:					
Nondepreciable assets:					
Land	\$ 2,705,812	\$ 1,386,818	\$ -	\$ -	\$ 4,092,630
Construction in progress	1,122,971	5,909,767	(61,317)	-	6,971,422
Total nondepreciable assets	3,828,783	7,296,586	(61,317)	-	11,064,052
Depreciable assets:					
Buildings and improvements	21,860,720	2,094	-	-	21,862,814
Machinery, equipment, and vehicles	11,642,531	241,883	(1,838,922)	-	10,045,491
Infrastructure and network	55,602,715	-	-	-	55,602,715
Total depreciable assets	89,105,966	243,976	(1,838,922)	-	87,511,020
Total	92,934,749	7,540,562	(1,900,239)	-	98,575,072
Accumulated depreciation:					
Buildings and improvements	(7,118,904)	(730,664)	-	-	(7,849,568)
Machinery, equipment, and vehicles	(7,880,849)	(477,952)	1,838,922	-	(6,519,879)
Infrastructure and network	(24,859,024)	(942,379)	-	-	(25,801,403)
Total accumulated depreciation	(39,858,777)	(2,150,995)	1,838,922	-	(40,170,850)
Net depreciable assets	49,247,189	(1,907,019)	-	-	47,340,170
Total governmental capital assets, net	\$ 53,075,972	\$ 5,389,567	\$ (61,317)	\$ -	\$ 58,404,222

Allocation of Depreciation Expense**Governmental Activities:**

General government	\$ 309,047
Public works	1,177,218
Public safety	170,970
Recreation and culture	123,590
Parks, buildings, and grounds	370,170
Total Depreciation Expense	\$ 2,150,995

Notes to the Basic Financial Statements

Note 6 – Capital Assets (Continued)

Business-type capital asset activity for the year ended June 30, 2021, was as follows:

Capital Assets - Business-type

	Balance July 1, 2020	Additions	Deletions	Transfers	Balance June 30, 2021
Business-type activities:					
Nondepreciable assets:					
Land	\$ 6,932,722	\$ 110,005	\$ -	\$ -	\$ 7,042,727
Capacity rights	90,000	90,000	-	-	180,000
Construction in progress	7,884,420	5,664,018	(136)	(5,077,642)	8,470,658
Total nondepreciable assets	14,907,142	5,864,023	(136)	(5,077,642)	15,693,385
Depreciable assets:					
Buildings and improvements	63,440,511	24,469	(181,752)	-	63,283,228
Machinery, equipment, and vehicles	14,898,769	198,886	(1,535,269)	-	13,562,385
Infrastructure and network	157,263,611	3,362,621	-	5,077,642	165,703,874
Total depreciable assets	235,602,891	3,585,976	(1,717,021)	5,077,642	242,549,490
Total	250,510,033	9,449,998	(1,717,157)	-	258,242,874
Accumulated depreciation:					
Buildings and improvements	(32,740,943)	(1,382,039)	181,752	-	(33,941,230)
Machinery, equipment, and vehicles	(8,883,231)	(699,398)	1,535,269	-	(8,047,360)
Infrastructure and network	(34,957,618)	(3,246,890)	-	-	(38,204,508)
Total accumulated depreciation	(76,581,792)	(5,328,327)	1,717,021	-	(80,193,098)
Net depreciable assets	\$ 159,021,099	\$ (1,742,351)	\$ -	\$ 5,077,642	\$ 162,356,391
Total business-type capital assets, net	\$ 173,928,241	\$ 4,121,671	\$ (136)	\$ -	\$ 178,049,776

Allocation of Depreciation Expense**Business-type Activities:**

Water	\$ 1,099,917
Sewer	2,163,461
Recycled Water	568,287
Electric	1,308,285
Landfill	13,271
Parking	2,424
Airport	109,725
Street lighting	2,943
Conference Center	45,889
Golf	2,236
Ambulance	11,889
Total Depreciation Expense	\$ 5,328,327

Notes to the Basic Financial Statements

Note 7 - Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2021.

Long-term Obligations

	Beginning Balance July 1, 2020	Additions	Reductions	Ending Balance June 30, 2021	Due within One Year
Governmental Activities					
2017 fire engine lease (direct borrowing)	\$ 869,798	\$ -	\$ 106,402	\$ 763,396	\$ 109,586
2017 computer equipment lease (direct borrowing)	116,418	-	58,138	58,280	58,280
2017 I-Bank financing lease (direct borrowing)	3,837,218	-	85,442	3,751,776	88,261
2020 fire brush truck equipment lease (direct borrowing)	227,606	-	20,390	207,216	20,884
2020 fire self-contained breathing apparatus equipment lease (direct borrowing)	-	343,763	15,306	328,457	31,167
Series 2020A Community Facilities Lease Revenue Bonds	-	2,530,000	150,000	2,380,000	90,000
2020A unamortized premium	-	351,130	-	351,130	17,557
Series 2020B CalPERS Taxable Lease Revenue Bonds	-	32,426,592	-	32,426,592	458,361
Claims payable	573,944	-	143,486	430,458	143,486
Net pension liability	36,143,162	2,013,584	-	38,156,746	-
Compensated absences	993,354	1,091,526	1,012,288	1,072,592	107,259
Total	\$ 42,761,500	\$ 38,756,595	\$ 1,591,452	\$ 79,926,642	\$ 1,124,841
Business-Type Activities					
2017 CalTrans Aeronautics Loan - Airport (direct borrowing)	\$ 169,999	\$ -	\$ 10,364	\$ 159,635	\$ 10,655
2016 Water Revenue Refunding Bonds	9,160,000	-	540,000	8,620,000	565,000
2016 unamortized premium	1,383,428	-	25,153	1,358,275	25,153
Lawsuit settlement liability	3,000,000	-	1,000,000	2,000,000	1,000,000
Landfill closure and post-closure	19,063,628	233,965	-	19,297,593	-
2017 SWRCB recycled water loan (direct borrowing)	16,778,411	1,460,327	-	18,238,738	525,558
Series 2020 Wastewater Refunding Bonds	25,010,000	-	1,390,000	23,620,000	1,436,000
Series 2020B CalPERS Taxable Lease Revenue Bonds	-	17,448,408	-	17,448,408	246,639
Claims payable	148,749	-	49,583	99,166	49,583
Net pension liability	17,210,447	1,685,183	-	18,895,630	-
Compensated absences	525,516	572,778	535,451	562,843	56,280
Total	\$ 92,450,178	\$ 21,400,661	\$ 3,550,551	\$ 110,300,288	\$ 3,914,869

The general fund is primarily responsible for liquidating the net pension liability and compensated absences of governmental activities.

Governmental Activities

2017 Fire Engine Lease (direct borrowing)

In October 2017, the City entered a capital lease with Umpqua Bank for the purchase of two Type-1 fire engines totaling \$1,125,731. Principal and interest payments are due semi-annually on May 1 and November 1 of each year with an interest rate of 2.45 percent. Lease payments are made by the General Fund. The total combined amount of accumulated depreciation on both fire engines is \$296,419.

Notes to the Basic Financial Statements

Note 7 – Long-Term Liabilities (Continued)

2017 Computer Equipment Lease (direct borrowing)

In July 2017, the City entered into a capital lease with IBM Credit LLC for the purchase of computer equipment and software totaling \$285,663. Principal is paid annually on September 1 and interest payments are due monthly with interest rates ranging from 2.15 percent to 2.37 percent. Lease payments are made primarily by the Information Technology internal service fund. The total combined amount of accumulated depreciation on this computer equipment is \$171,156.

2017 I-Bank Financing Lease (direct borrowing)

In August 2017, the City entered into an agreement for \$4,000,000 with the California Infrastructure and Economic Development Bank (I-Bank) to finance roadway and other right-of-way improvements related to the Redwood Business Park. Principal is paid annually commencing on August 1, 2018, and interest payments are made semi-annually on August 1 and February 1 at an interest rate of 3.30 percent. Lease payments are made primarily by the General Fund. The total combined amount of accumulated depreciation on the roadway improvements is \$240,000.

2020 Fire Brush Truck Lease (direct borrowing)

In February 2020, the City entered a capital lease with Umpqua Bank for the purchase of one Skeeter fire brush truck totaling \$227,606. Principal and interest payments are due semi-annually on March 1 and September 1 of each year with an interest rate of 2.8 percent. Lease payments are made by the General Fund. The total combined amount of accumulated depreciation on this truck is \$11,380.

2020 Self-Contained Breathing Apparatus Lease (direct borrowing)

In November 2020, the City entered an equipment lease with Umpqua Bank for the purchase of one self-contained breathing apparatus system totaling \$343,762.85. Principal and interest payments are due on June 1 and December 1 of each year with an interest rate of 2.39 percent. Lease payments are made by both the General Fund and the Ukiah Valley Fire District at an even 50 percent split.

Series 2020A Lease Revenue Bonds (Community Facilities Improvement Project)

Dated December 1, 2020 the original amount of the obligation was \$2,530,000 and is secured with a pledge consisting primarily of base rental payments to be made by the City as rental for certain City-owned property. The obligation principal is payable in annual installments beginning April 1, 2021 ranging from \$150,000 to \$175,000 through year 2040. Interest is payable semi-annually on April 1 and October 1 of each year, commencing April 1, 2021, with an interest rate ranging from 3.00 percent to 4.00 percent. The Series 2020A Lease Revenue Bonds were issued to reimburse the City for the cost to purchase the Bank of America building, and to pay the costs associated with renovating the new customer service center and roof replacement project for the museum.

Series 2020B Taxable Lease Revenue Bonds (CalPERS Prepayment Project)

Dated December 1, 2020 the original amount of the obligation was \$49,875,000 and is secured with a pledge consisting primarily of base rental payments to be made by the City as rental for certain City-owned property. This obligation is shared with business-type funds, with the governmental fund's share being 65 percent. The obligation principal is payable in annual installments beginning April 1, 2022 ranging from \$705,000 to \$3,015,000 through year 2049. Interest is payable semi-annually on April 1 and October 1 of each year, commencing October 1, 2021, with an interest rate ranging from 1.37 percent to 3.706 percent. The Series 2020B Taxable Lease Revenue Bonds were issued to refinance a portion of the UAL of the City's Miscellaneous, Safety Fire, and Safety Police pension plans with CalPERS.

Notes to the Basic Financial Statements

Note 7 – Long-Term Liabilities (Continued)

The annual debt service of these obligations to maturity are as follows:

Debt Service Schedule
Governmental

Year Ending June 30,	Governmental Activities							
	Capital Lease, Fire Engines (2017)		IBM Credit Capital Lease		I-Bank Financing Lease (2017)		Capital Lease, Fire Brush Truck (2020)	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 109,586	\$ 18,374	\$ 58,280	\$ 1,282	\$ 88,261	\$ 133,607	\$ 20,884	\$ 4,860
2023	112,338	15,622	-	-	91,173	130,383	21,389	4,355
2024	115,159	12,800	-	-	94,182	127,050	21,907	3,837
2025	118,051	9,908	-	-	97,290	123,609	22,437	3,307
2026	121,016	6,943	-	-	100,501	120,053	22,980	2,764
2027-2031	187,246	4,693	-	-	554,495	542,690	97,619	5,358
2032-2036	-	-	-	-	652,230	434,456	-	-
2037-2041	-	-	-	-	767,188	307,151	-	-
2042-2046	-	-	-	-	902,411	157,403	-	-
2047-2051	-	-	-	-	404,045	15,271	-	-
Total	\$ 763,396	\$ 68,340	\$ 58,280	\$ 1,282	\$ 3,751,776	\$ 2,091,673	\$ 207,216	\$ 24,481
Due within one year	\$ 109,586	\$ 18,374	\$ 58,280	\$ 1,282	\$ 88,261	\$ 133,607	\$ 20,884	\$ 4,860
Due after one year	653,811	49,967	-	-	3,663,515	1,958,066	186,332	19,621
Total	\$ 763,396	\$ 68,340	\$ 58,280	\$ 1,282	\$ 3,751,776	\$ 2,091,673	\$ 207,216	\$ 24,481

Year Ending June 30,	Equipment Lease, Self-Contained Breathing Apparatus (2020)		Series 2020A Community Facilities Lease Revenue Bonds		Series 2020B CalPERS Taxable Lease Revenue Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 31,167	\$ 7,715	\$ 90,000	\$ 92,450	458,361	1,519,425	\$ 856,538	\$ 1,777,713
2023	31,921	6,961	90,000	89,750	793,192	1,172,585	1,140,013	1,419,655
2024	32,694	6,188	95,000	87,050	841,954	1,160,124	1,200,896	1,397,049
2025	33,485	5,397	95,000	84,200	864,709	1,144,952	1,230,972	1,371,373
2026	34,295	4,587	100,000	80,400	897,217	1,127,640	1,276,009	1,342,387
2027-2031	164,895	10,075	570,000	338,000	4,970,452	5,259,024	6,544,707	6,159,839
2032-2036	-	-	685,000	215,800	6,124,481	4,382,705	7,461,711	5,032,961
2037-2041	-	-	655,000	66,800	7,701,112	3,063,221	9,123,300	3,437,172
2042-2046	-	-	-	-	7,853,899	1,345,067	8,756,310	1,502,470
2047-2051	-	-	-	-	1,921,215	139,690	2,325,260	154,961
Total	\$ 328,457	\$ 40,923	\$ 2,380,000	\$ 1,054,450	\$ 32,426,592	\$ 20,314,431	\$ 39,915,717	\$ 23,595,581
Due within one year	\$ 31,167	\$ 7,715	\$ 90,000	\$ 92,450	\$ 458,361	\$ 1,519,425	\$ 856,538	\$ 1,777,713
Due after one year	297,290	33,208	2,290,000	962,000	31,968,231	18,795,007	\$ 39,059,179	\$ 21,817,868
Total	\$ 328,457	\$ 40,923	\$ 2,380,000	\$ 1,054,450	\$ 32,426,592	\$ 31,245,415	\$ 39,915,717	\$ 23,595,581

Notes to the Basic Financial Statements

Note 7 – Long-Term Liabilities (Continued)

Business-Type Activities

2017 Caltrans Aeronautics Loan – Airport (direct borrowing)

Loan issued to the City for the design, purchase, and installation of a 12,000-gallon service aviation gas fuel tank at the Ukiah Municipal Airport. Annual principal and interest payments are made at an annual interest rate of 2.33 percent, are due February each year. Revenues generated by airport operations secure payments.

2016 Water Revenue Refunding Bonds

Dated March 1, 2016 the original amount of the obligation was \$11,155,000 and is secured with a pledge of net revenues from the City's Water system. The obligation principal is payable in annual installments beginning September 1, 2016 ranging from \$475,000 to \$740,000 through September 1, 2035. Interest payments commence September 1, 2016 and are payable semiannually on September 1st and March 1st and pay interest ranging from 2.00 percent to 3.125 percent. The bonds contain a provision that, in an event of default, outstanding amounts may become immediately due. The 2016 Water Revenue Refunding Bonds were issued to refund the 2005 ABAG Bonds (Water Treatment Plant Installment Loan) and the SWRCB Water Treatment Loan. The two debt obligations were used to acquire and construct capital improvements to the City's water treatment plant.

Series 2020 Wastewater Revenue Refunding Obligations (2020 Wastewater Refunding Project)

Dated February 24, 2020 the original amount of the obligation was \$25,010,000 and is secured with a pledge of net revenues from the City's wastewater system. Proceeds were used to refund the ABAG 2006 Water & Wastewater Revenue Bonds, Series A. The obligation principal and interest payments at an annual interest rate of 2.42% are payable in annual installments beginning March 1, 2022 ranging from \$1,998,772 to \$1,999,719 through March 1, 2035. The bonds contain a provision that, in an event of default, outstanding amounts may become immediately due.

Lawsuit Settlement Liability

In October 2018 the City entered into a settlement agreement as part of the ongoing lawsuit with the Ukiah Valley Sanitation District. As part of the settlement agreement, the City agreed to pay \$4,984,310 to the District over a 5-year period. The first payment of \$984,310 was made in October 2018, with annual installments of \$1,000,000 to be made each year for year four years beginning in October 2020.

2017 SWRCB Recycled Water Loan (direct borrowing)

In July 2017, the City entered into an agreement with the California State Water Resource Control Board (SWRCB) to finance the development and construction of a recycled water system. Construction was completed in September 2019. The loan balance as of June 30, 2021 was \$16,778,411. Subsequent to fiscal year end June 30, 2021, the last drawdown was made in September 2020. The final total amount funded by the loan, including accrued interest, is \$18,224,756. Annual principal and interest payments will be made for a thirty-year term beginning in July 2022 at an interest rate of 1.00 percent. The loan will be repaid with revenues from the Water Enterprise Fund.

Notes to the Basic Financial Statements

Note 7 – Long-Term Liabilities (Continued)

Series 2020B Taxable Lease Revenue Bonds (CalPERS Prepayment Project)

Dated December 1, 2020 the original amount of the obligation was \$49,875,000 and is secured with a pledge consisting primarily of base rental payments to be made by the City as rental for certain City-owned property. This obligation is shared with governmental funds, with the business-type fund's share being 35 percent. The obligation principal is payable in annual installments beginning April 1, 2022 ranging from \$705,000 to \$3,015,000 through year 2049. Interest is payable semi-annually on April 1 and October 1 of each year, commencing October 1, 2021, with an interest rate ranging from 1.37 percent to 3.706 percent. The Series 2020B Taxable Lease Revenue Bonds were issued to refinance a portion of the UAL of the City's Miscellaneous, Safety Fire, and Safety Police pension plans with CalPERS.

The annual debt service of these obligations to maturity are as follows:

Debt Service Schedule

Business-type	Business-type Activities							
	2017 CalTrans Aeronautics Loan - Airport		2016 Water Revenue Refunding Bonds		Lawsuit settlement liability		2017 SWRCB Recycled Water Loan	
Year Ending June 30,	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 10,655	\$ 3,719	\$ 565,000	\$ 355,219	\$ 1,000,000	\$ 60,000	\$ 525,558	181,109
2023	10,903	3,471	415,000	335,618	1,000,000	30,000	529,536	177,132
2024	11,157	3,217	435,000	316,444	-	-	534,831	171,836
2025	11,417	2,957	460,000	294,069	-	-	540,180	166,488
2026	11,683	2,691	480,000	270,569	-	-	545,581	161,086
2027-2031	62,629	9,243	2,795,000	957,218	-	-	2,810,843	722,495
2032-2036	41,191	1,936	3,470,000	280,891	-	-	2,954,224	579,114
2037-2041	-	-	-	-	-	-	3,104,920	428,419
2042-2046	-	-	-	-	-	-	3,263,302	270,037
2047-2051	-	-	-	-	-	-	3,429,763	103,575
Total	\$ 159,635	\$ 27,234	\$ 8,620,000	\$ 2,810,028	\$ 2,000,000	\$ 90,000	18,238,738	2,961,292
Due within one year	\$ 10,655	\$ 3,719	\$ 565,000	\$ 355,219	\$ 1,000,000	\$ 60,000	\$ 525,558	\$ 181,109
Due after one year	148,980	23,515	8,055,000	2,454,809	1,000,000	30,000	17,713,180	2,780,182
Total	\$ 159,635	\$ 27,234	\$ 8,620,000	\$ 2,810,028	\$ 2,000,000	\$ 90,000	18,238,738	2,961,292

Year Ending June 30,	Series 2020 Wastewater Refunding Bonds		Series 2020B CalPERS Taxable Lease Revenue Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 1,436,000	\$ 562,965	\$ 246,639	\$ 817,586	\$ 3,783,852	\$ 1,980,599
2023	1,471,000	528,008	426,808	630,955	\$ 3,853,247	\$ 1,705,184
2024	1,507,000	492,192	453,046	624,250	\$ 2,941,035	\$ 1,607,940
2025	1,543,000	455,505	465,291	616,086	\$ 3,019,887	\$ 1,535,106
2026	1,581,000	417,934	482,783	606,771	\$ 3,101,047	\$ 1,459,051
2027-2031	8,503,000	1,493,116	2,674,548	2,829,825	\$ 16,846,020	\$ 6,011,897
2032-2036	7,579,000	418,478	3,295,519	2,358,288	\$ 17,339,934	\$ 3,638,706
2037-2041	-	-	4,143,888	1,648,287	\$ 7,248,807	\$ 2,076,706
2042-2046	-	-	4,226,101	723,767	\$ 7,489,402	\$ 993,803
2047-2051	-	-	1,033,785	75,165	\$ 4,463,548	\$ 178,741
Total	\$ 23,620,000	\$ 4,368,198	\$ 17,448,408	\$ 10,930,982	\$ 70,086,781	\$ 21,187,733
Due within one year	\$ 1,436,000	\$ 562,965	\$ 246,639	\$ 817,586	\$ 3,783,852	\$ 1,980,599
Due after one year	22,184,000	3,805,233	17,201,769	10,113,395	66,302,929	19,207,135
Total	\$ 23,620,000	\$ 4,368,198	\$ 17,448,408	\$ 10,930,982	\$ 70,086,781	\$ 21,187,733

Notes to the Basic Financial Statements

Note 8 – Landfill Closure and Post Closure Costs

State and federal laws and regulations require that the City place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and post closure care costs that will be incurred near or after the landfill no longer accepts waste. The recognition of these landfill closure and post closure care costs is based on the amount of landfill used during the year. The estimated liability for landfill closure and post closure care costs has a balance of \$19,297,593 (including \$1,001,863 for corrective action liability) as of June 30, 2021, which is based on 100.0 percent usage (filled) of the landfill.

This estimated total current cost of the landfill closure and post closure care is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of June 30, 2021, as determined by the last engineering study performed. However, the actual cost of closure and post closure care may change due to inflation, changes in technology, or changes in landfill laws and regulations.

The City is required by state and federal laws and regulations to make annual contributions to finance closure and post closure care. The City follows these requirements, and at June 30, 2021, held \$9,759,265 in cash and receivables designated for these purposes, \$9,650,782 of which within its pooled investments. The City has made a pledge of future service revenues for anticipated remaining expected costs, future inflation costs, and any additional costs that might arise from changes in post closure requirements (due to changes in technology or more rigorous environmental regulations, for example).

Note 9 - Interfund Transactions and Interfund Borrowing

With City Council approval through the budget process, resources may be transferred from one City fund to another. One of the primary purposes of transfers is to provide a subsidy from one fund to another. Transfers may also be used to provide resources from one fund to another for significant capital projects or to accumulate resources for debt service. Transfers between funds during the fiscal year 2021 were as follows:

Transfers Out	Transfers In						Total
	General Fund	Streets Capital Improvement	Non-major Governmental Funds	Non-major Enterprise Funds	Landfill	Water	
General fund	\$ -	\$ 3,662,605	\$ -	\$ 25,328	\$ -	\$ -	\$ 3,687,933
Streets capital improvement	-	-	478,156	-	-	-	478,156
Non-major governmental funds	129,001	-	-	-	419,635	-	548,636
Electric enterprise	-	-	-	200,000	-	-	200,000
Wastewater enterprise	-	-	-	-	-	273,375	273,375
Total	\$ 129,001	\$ 3,662,605	\$ 478,156	\$ 225,328	\$ 419,635	\$ 273,375	\$ 5,188,100

Significant transfers included \$3.6 million from the general fund to the Streets Capital Improvement fund representing Measure Y proceeds committed by the City Council dedicated to specific capital projects and \$419 thousand from the Transfer Station Fund to the Landfill Fund for capital improvements. The remaining transfer of funds represent one-time transfers related to special projects. Pursuant to the City's debt management policy, interfund loans are recorded for the purposes of financing operations, grant activities, or capital projects on a temporary basis.

Notes to the Basic Financial Statements

Note 9 - Interfund Transactions and Interfund Borrowing (Continued)

Amounts recorded as due to/from are for the purposes of providing temporary cash flow to funds, most notably between operating periods. Examples of this include cash provided by the General Fund to a grant fund to financing expenditure driven grant activities. When the grantor reimburses the City for those activities, the interfund borrowing is reversed, i.e. the General Fund is paid back. This type of transaction is approved and executed by the Finance Director when needed per the City's debt management policy.

Amounts recorded as advances from/to are longer-term interfund borrowing for the purposes of providing cash flow for activities with operational conditions requiring a longer repayment period. Such borrowing is approved by the City Council per policy.

Interfund Borrowing and Internal Balances

Borrowing Fund (Due To)		Lending Fund (Due From)	
Fund Name	Amount	Fund Name	Amount
Gas Tax	\$ 145,000	General Fund	\$ 145,000
Riverside Park	66,500	General Fund	66,500
Conference Center	27,500	General Fund	27,500
Winter Special Events	12,657	General Fund	12,657
1998 STIP Augmentation	3,765	General Fund	3,765
Downtown Business Improvement	2,838	General Fund	2,838
Airport	420,000	General Fund	420,000
	<u>678,260</u>		<u>678,260</u>

Borrowing Fund (Advances From)		Lending Fund (Advances To)	
Fund Name	Amount	Fund Name	Amount
Golf Fund	930,200	General Fund	930,200
Water Fund	716,578	Golf Fund	716,578
Building Maintenance	640,000	General Fund	640,000
Building Maintenance	545,045	Utility Billing	545,045
Street Lighting	186,270	Electric Fund	186,270
Rail Trail	146,661	General Fund	146,661
Swimming Pool	136,349	General Fund	136,349
Conference Center	56,595	General Fund	56,595
Parking District	54,136	General Fund	54,136
ARRC	49,601	General Fund	49,601
	<u>3,461,435</u>		<u>3,461,435</u>
	<u>\$ 4,139,695</u>		<u>\$ 4,139,695</u>

Notes to the Basic Financial Statements

Note 10 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City participates. The City is a member of the Redwood Empire Municipal Insurance Fund (REMIF), a public entity pool comprised of fifteen northern California charter and associate member cities. REMIF is organized under a Joint Powers Agreement pursuant to the California Government Code. The purpose of REMIF is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage. The City pays an annual premium to REMIF for its workers' compensation, general liability and property coverage.

The City of Ukiah participates in the following three REMIF programs:

General Liability Insurance

Annual premiums are paid by the member cities and are adjusted retrospectively to cover costs. The City of Ukiah self-insures for the first \$25,000 of each loss and pays 100 percent of all losses incurred under \$25,000. The City does not share or pay for losses of other cities under \$5,000, depending on the entity's deductible amount. Participating cities then share in the next \$5,000 to \$750,000 per loss occurrence. Specific coverage includes comprehensive and general automotive liability, personal injury, contractual liability, professional liability, and certain other coverage. REMIF is a member of the California Joint Powers Risk Management Authority, which provides REMIF with an additional \$39,250,000 liability insurance coverage over and above REMIF retention level of \$750,000.

Worker's Compensation

Periodic deposits are paid by member cities and are adjusted retrospectively to cover costs. The City of Ukiah is self-insured for the first \$10,000 of each loss and pays 100 percent of all losses incurred under \$10,000. The City does not share or pay for losses of other cities under \$5,000.

Property Insurance

The City participates in REMIF's property insurance program. The annual deposits paid by participating member cities are based upon deductibility levels and are not subject to retroactive adjustments. The City of Ukiah has a deductible level of \$500,000 for high risk flood zones and \$100,000 for all wildfire and property related claims, and a coverage limit of \$400,000,000 declared value.

Separate internal service funds are maintained by the City for the City's deductibles and allocated share of pooled costs noted above. The total cash and investments held in these funds at June 30, 2021, was \$383,075.

On March 22, 2018, the REMIF Board approved assessment for the following programs to be collected beginning in the 2018/2019 fiscal year:

- Workers' Compensation - \$6 million to be collected over 6 years.
- Liability program - \$2.5 million to be collected over 5 years.

Of those amounts the City of Ukiah was liable for \$860,916 and \$247,915 to be paid over 6 and 5 years, for the Workers' Compensation and Liability program, respectively for a total of \$1,108,831.

Notes to the Basic Financial Statements

Note 10 - Risk Management (Continued)

Changes in the Internal Service Funds claims liabilities amounts in fiscal year 2021 and 2020 were as follows:

	2021	2020
Balance, beginning of the fiscal year	\$ 722,693	\$ 915,762
Claims and adjustments	-	-
Claims payments	(193,069)	(193,069)
Balance, end of the fiscal year	\$ 529,624	\$ 722,693

The remaining balance of \$529,624 as of June 30, 2021 is detailed in Note 7.

In the past three years, no claims for general liability or workers' compensation have exceeded the City's purchased insurance coverage.

In accordance with the REMIF governing documents, REMIF Board has the authority to levy a cash assessment for any pooled coverage program on the Participating member. REMIF's overall equity balance was \$3.1 million as of June 30, 2020.

Risks Management Coverage		
Amount	Coverage Provider	Payment Source
General Liability Claims:		
\$0-25,000	Self-insured Retention	City funds
25,001-40,000,000	California Joint Powers Risk Management Authority	Shared risk pool
Workers Compensation Claims:		
\$0-10,000	Self-insured Retention	City funds
10,001-750,000 (Non-Safety)	Commercial Re-insurance	Shared risk pool
1,000,000 (Safety)		
1,000,001-20,000,000	Commercial Reinsurance	Shared risk pool
Property Liability Claims:		
Claims other than High Risk Flood Claims:		
\$0-100,000	Deductible	City funds
100,001-100,000,000	REMIF Coverage of Declared Value	Shared risk pool
1,000,000-400,000,000	California Joint Powers Risk Management Authority	Shared risk pool
High Risk Flood Claims:		
\$0-500,000	Deductible	City funds
500,001-100,000,000	California Joint Powers Risk Management Authority	Shared risk pool

Notes to the Basic Financial Statements

Note 10 - Risk Management (Continued)

The following is a summary of the most recent audited financial statements of REMIF as of and for the fiscal year ended June 30, 2020:

<u>REMIF Equity</u>	
Total assets	\$ 34,311,556
Total deferred outflows of resources	659,939
Total liabilities	31,672,831
To deferred inflow of resources	185,787
Members' equity	<u>\$ 3,112,877</u>
Net operating revenues	\$ 29,710,466
Total operating expenses	28,800,927
Operating income (loss)	<u>\$ 909,539</u>

REMIF issues a separate Annual Comprehensive financial report, which for June 30, 2021 was not available at the time of publication of the City's Annual Comprehensive report. Copies of that report may be obtained from REMIF at Post Office Box 885, Sonoma, California 95476.

Note 11 - Public Employee Retirement Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (the Plan), administered by the California Public Employees' Retirement System (CalPERS). The Plan's benefit provisions are established by statute. The Plan is included as a pension trust fund in the CalPERS Annual Comprehensive Financial Report, which is available online at www.calpers.ca.gov.

The Plan consists of a miscellaneous pool and a safety pool (referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively, including those of the City of Ukiah. The City of Ukiah does not have any rate plans in the miscellaneous risk pool. The City of Ukiah's employer rate plans in the safety risk pool include the Safety Fire plan (Fire), the Safety Police plan (Police), the PEPRA Safety Fire plan (PEPRA Safety Fire) and the PEPRA Safety Police plan (PEPRA Police).

Benefits Provided

The Plan provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Classic members and PEPRA Safety members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. PEPRA Miscellaneous members with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The death benefit is the Basic Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

Notes to the Basic Financial Statements

Note 11 – Public Employee Retirement Plan (Continued)

General Information about the Pension Plans - Safety

The Plans' provisions and benefits in effect at June 30, 2021, are summarized as follows:

Employer Rate Plans in the Safety Risk Pool

Employer rate plan	Fire	Police	PEPRA Fire	PEPRA Police
	Prior to January	Prior to January	On or after	On or after
Hire Date	01, 2013	01, 2013	January 01, 2013	January 01, 2013
Benefit formula	3.0% @ 55	3.0% @ 50	2.7% @ 57	2.7% @ 57
Benefit vesting schedule	5 years of service	5 years of service	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life	Monthly for life	Monthly for life
Retirement age	50	50	50	50
Monthly benefits, as of % of eligible compensation	2.4% to 3.0%	3.0%	2.0% to 2.7%	2.0% to 2.7%
Required employee contribution rates	8.987%	8.99%	13.75%	13.75%
Required employer contribution rates	23.558%	25.54%	13.884%	13.884%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the CalPERS actuary and shall be effective on the July 1 following notice of a change in the rate. Contribution rates for the employer rate plans are determined through the CalPERS' annual actuarial valuation process. Each employer rate plan's actuarially determined rate is based on the estimated amount necessary to pay the employer rate plan's allocated share of the cost of benefits earned by employees during the year, and any unfunded accrued liability. The City of Ukiah is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The City of Ukiah's contributions to the risk pools in the Plan for the year ended June 30, 2021, were as follows:

	Contributions
Miscellaneous Risk Pool	\$ -
Safety Risk Pool	15,338,474
Total contributions	<u>\$15,338,474</u>

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2021, City of Ukiah reported net pension liabilities for its proportionate shares of the net pension liability of each risk pool as follows:

Notes to the Basic Financial Statements

	Proportionate Share of Net Pension Liability
Miscellaneous Risk Pool	\$ -
Safety Risk Pool	\$19,556,573
Total net pension liability	<u>\$19,556,573</u>

* The proportionate share of the total NPL to each of the enterprise and internal service funds is not being allocated because it is deemed to have an immaterial effect on the financial statements.

The City of Ukiah's net pension liability for each risk pool is measured as the proportionate share of each risk pool's net pension liability. GASB 68 indicates that to the extent different contribution rates are assessed based on separate relationships that constitute the collective net pension liability, the determination of the employer's proportionate share of the collective net pension liability should be made in a manner that reflects those relationships. The allocation method used by CalPERS to determine each employer's proportionate share reflects those relationships through the employer rate plans they sponsor within the respective risk pools. An actuarial measurement of the employer's rate plan liability and asset-related information are used where available, and proportional allocations of individual employer rate plan amounts as of the valuation date are used where not available.

The City of Ukiah's proportionate share percentage of the net pension liability for each risk pool as of June 30, 2020, measurement date, was calculated as follows:

Each risk pool's total pension liability was computed at the measurement date, June 30, 2020, by applying standard actuarial roll-forward methods to the total pension liability amounts as of the valuation date. The fiduciary net position for each risk pool at the measurement date was determined by CalPERS' Financial Office. The net pension liability for each risk pool at June 30, 2020, was computed by subtracting the respective risk pool's fiduciary net position from its total pension liability.

The individual employer risk pool's proportionate share percentage of the total pension liability and fiduciary net position as of June 30, 2020, was calculated by applying City of Ukiah's proportionate share percentage as of the valuation date (described above) to the respective risk pool's total pension liability and fiduciary net position as of June 30, 2020, to obtain the total pension liability and fiduciary net position as of June 30, 2020. The fiduciary net position was then subtracted from total pension liability to obtain the net pension liability as of the measurement date.

The City of Ukiah's proportionate share percentage of the net pension liability for each risk pool as of June 30, 2019, and June 30, 2020, was as follows:

	Safety Risk Pool
Proportion at measurement date – June 30, 2019	0.290879%
Proportion at measurement date – June 30, 2020	<u>0.293539%</u>
	<u>0.002660%</u>

Notes to the Basic Financial Statements

Note 11 – Public Employee Retirement Plan (Continued)

For the year ended June 30, 2021, the City of Ukiah recognized pension expense of \$3,551,524. At June 30, 2021, the City of Ukiah reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$1,440,569	-
Changes of Assumptions	-	(62,099)
Net Difference between Projected and Actual Earnings on Pension Plan Investments	381,042	-
Adjustment due to Differences in Proportions	183,386	(10,509)
Differences between Actual and Required Contributions	-	(355,064)
Contributions after Measurement Date	15,338,474	-
Total	\$17,343,471	(\$427,672)

Amounts other than contributions subsequent to the measurement date reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Date June 30:	Deferred Outflows/(Inflows) of Resources
2021	\$361,035
2022	593,503
2023	428,032
2024	194,755
2025	-
Total	\$1,577,325

Notes to the Basic Financial Statements

Note 11 – Public Employee Retirement Plan (Continued)

Actuarial Assumptions

The total pension liabilities in the June 30, 2019 actuarial valuations were determined using the following actuarial assumptions:

	Safety
Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	2.75%
Projected Salary Increase ⁽¹⁾	Varies by Age & Length of Service
Investment Rate of Return ⁽²⁾	7.00%
Mortality Rate Table ⁽³⁾	Derived Using CalPERS' Membership Data for all Funds

⁽¹⁾ Depending on age, service and type of employment

⁽²⁾ Net of Pension Plan Investment and Administrative Expenses; includes Inflation

⁽³⁾ The mortality table used was developed based on CalPERS-specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the April 2014 experience study report (based on CalPERS demographic data from 1997 to 2011) available online at <https://www.calpers.ca.gov/docs/forms-publications/calpers-experience-study-2014.pdf>.

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, CalPERS stress tested employer rate plans within the Plan that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested employer rate plans run out of assets. Therefore, the current 7.15% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The stress test results are presented in a detailed report, GASB Statements 67 and 68 Crossover Testing Report for Measurement Date June 30, 2020 based on June 30, 2019 Valuations, that can be obtained from the CalPERS website.

According to Paragraph 30 of GASB 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. For the CalPERS Plan, the 7.00% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.15%. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

Notes to the Basic Financial Statements

Note 11 – Public Employee Retirement Plan (Continued)

In the December 2016 and April 2017 meetings, the Board voted to lower the funding discount rates used for the PERF. In making its decision, the Board reviewed recommendations from CalPERS team members, external pension and investment consultants, and input from employer and employee stakeholder groups. A lowered funding discount rate for the PERF will be phased in over a three-year period beginning July 1, 2018 for public agencies and school districts.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS considered both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the Plan's asset classes, expected compound (geometric) returns were calculated over the short-term (first 11 years) and the long-term (60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for the Plan. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1-10^(a)	Real Return Years 11+^(b)
Global Equity	50.0%	4.8%	5.98%
Fixed Income	28.0	1.0	2.62
Inflation Assets	0.0	0.77	1.81
Private Equity	8.0	6.3	7.23
Real Assets	13.0	3.75	4.93
Liquidity	1.0	0.0	(0.92)

(a) An expected inflation of 2.0% used for this period.

(b) An expected inflation of 2.92% used for this period.

Notes to the Basic Financial Statements

Note 11 – Public Employee Retirement Plan (Continued)

Sensitivity of the City of Ukiah's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City of Ukiah's proportionate share of the net pension liability of each risk pool as of the measurement date, calculated using the discount rate, as well as what the City of Ukiah's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	Discount Rate -1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate +1% (8.15%)
City of Ukiah's proportionate share of the Safety Risk Pool's net pension liability	\$28,817,906	\$19,556,573	\$11,956,773

General Information about the Pension Plans - Miscellaneous

Plan Descriptions – All qualified permanent and probationary employees are eligible to participate in the City's separate Miscellaneous Plan, an agent multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plan are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided – The Plan is an agent multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding purposes but not accounting purposes), and membership information are listed in the plan's June 30, 2019 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the actuarial valuation report. This report is a publicly available valuation report that can be obtained at CalPERS' website under Forms and Publications.

The Plan's provisions and benefits in effect at June 30, 2021, are summarized as follows:

Notes to the Basic Financial Statements

Note 11 – Public Employee Retirement Plan (Continued)

Employees Covered – At June 30, 2021, the following employees were covered by the benefit terms for the Plan:

Benefits Provided	Miscellaneous	
	Prior to January 31, 2013	On or after January 1, 2013
Hire Date		
Benefit formula	2.7% @ 55	2% @ 62
Benefit vesting schedule	5 years service	
Retirement age	55	62
Monthly benefits as a % of eligible compensation	Depending on years of service	
Retired employee contribution rates	8.00%	7.00%
Required employer contribution rates	12.859%	6.750%

Employees Covered by Plan

Inactive employees of beneficiaries currently receiving benefits	190
Inactive employees entitled to but not yet receiving benefits	141
Active employees	149

Contributions – Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any Employer-Paid Member Contributions or situations where members are paying a portion of the employer contribution.

Net Pension Liability

The City's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2020, using an annual actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Notes to the Basic Financial Statements

Note 11 – Public Employee Retirement Plan (Continued)

Actuarial Assumptions

	Miscellaneous
Valuation date	6/30/2019
Measurement	6/30/2020
Actuarial cost method	Entry-age normal
Discount rate	7.15%
Inflation	2.50%
Projected salary increase	Varies by age and length of service
Mortality (1)	Derived from CalPERS membership data for all funds

(1) The mortality table used was developed based on CalPERS specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

Actuarial Assumptions – The total pension liabilities in the June 30, 2020 actuarial valuations were determined using the following actuarial assumptions:

Discount Rate – The discount rate used to measure the total pension liability is 7.15 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long Term Expected Rate of Return – The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

This area intentionally left blank.

Notes to the Basic Financial Statements

Note 11 – Public Employee Retirement Plan (Continued)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class are as followed:

Asset Class ⁽¹⁾	Assumed Asset Allocation	Real Return Years 1-10⁽²⁾	Real Return Years 11+⁽³⁾
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0	1.00	2.62
Inflation Assets	-	0.77	1.81
Private Equity	8.0	6.30	7.23
Real Assets	13.0	3.75	4.93
Liquidity	1.0	-	(0.92)

(1) In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(2) An expected inflation of 2.0% used for this period.

(3) An expected inflation of 2.92% used for this period.

This area intentionally left blank.

Notes to the Basic Financial Statements

Note 11 – Public Employee Retirement Plan (Continued)

Changes in Net Pension Liability

The changes in the Net Pension Liability for the Miscellaneous Plan recognized over the measurement period.

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a)-(b)
Balance at June 30, 2019	\$ 95,042,257	\$ 59,846,891	\$ 35,195,366
Beginning of Year Adjustment	-	-	-
Adjusted Balance at June 30, 2019	\$ 95,042,257	\$ 59,846,891	\$ 35,195,366
Changes Recognized for the Measurement Period:			
Service Cost	1,935,834		1,935,834
Interest on Total Pension Liability	6,746,742		6,746,742
Changes of Benefit Terms	-		-
Changes of Assumptions	-		-
Differences Between Expected and Actual Experience	783,147		783,147
Net Plan to Plan Resource Movement	-	-	-
Contribution - Employer	-	3,591,800	(3,591,800)
Contribution - Employees	-	852,263	(852,263)
Net Investment Income	-	2,998,613	(2,998,613)
Benefits Payments, Including Refunds of Employee Contributions	(4,866,568)	(4,866,568)	-
Administrative Expense	-	(84,369)	84,369
Other Miscellaneous Income (Expense)	-	-	-
Net Changes During 2019-20	4,599,155	2,491,739	2,107,416
Balance at June 30, 2020	\$ 99,641,412	\$ 62,338,630	\$ 37,302,782

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

	Discount Rate -1%	Discount Rate	Discount Rate +1%
	6.15%	7.15%	8.15%
Plan's Net Pension Liability/(Asset)	\$ 50,026,879	\$ 37,302,782	\$ 26,728,057

Pension Plan Fiduciary Net Position – Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Notes to the Basic Financial Statements

Note 11 – Public Employee Retirement Plan (Continued)

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2021, the City recognized pension expense for the Miscellaneous Plan of \$5,103,809. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources for the Miscellaneous Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 34,602,386	\$ -
Changes of assumptions	-	(17,558)
Difference between actual and expected experience	1,283,571	
Net differences between projected and actual earnings on plan investments	456,795	
Total	\$ 36,342,752	\$ (17,558)

\$34,602,386 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Periods Ended June 30:	Deferred Outflows/(Inflows) of Resources
2021	\$ 658,246
2022	459,356
2023	354,671
2024	250,535
2025	-
Therefore	-

Payable to the Pension Plan

At June 30, 2021, the City reported a payable of \$ -0- for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2021.

Total pension expense for both plans was \$3,551,524 for Safety and \$5,103,809 for Misc.

Notes to the Basic Financial Statements

Note 12 – Related Organizations

The City is a member of various joint powers authorities that provide goods or services to the City and other authority members. Under the criteria established by GASB-14, the City does not have enough authority, influence or accountability over these entities to incorporate them in this annual report. Additionally, the City has determined that it has no ongoing financial interest or responsibility for any of these organizations as defined by GASB-14. The names and general functions of these joint powers are as follows:

Northern California Power Agency (NCPA)

NCPA has 14 members including municipal electric utilities, a port authority, an irrigation district, a public utility district, a transportation district; and one associate member entity. The NCPA is generally empowered to purchase, generate, transmit, distribute, and sell electrical energy. Members participate in the projects of the Agency on an elective basis. A Commission comprised of one representative for each member governs the NCPA.

The City is currently involved in several hydroelectric, geothermal and other energy related projects as a member of this agreement. The NCPA is financed by contributions from member cities, government grants and debt. The City is committed to provide substantial additional financial support for its portion of the actions and projects of the NCPA. During the year ended June 30, 2021, the City paid \$8,917,121 to the NCPA for power supplied by the agency.

The NCPA holds certain funds under a separate member custodial agreement - the general operating reserve. The purpose of the reserve is to allow members to fund all, or a portion, of the contingent liabilities that the NCPA faces at any given time, while providing the individual member with the flexibility to draw upon their part of the reserve, as each member individually deems appropriate. At June 30, 2021, the City's balance held in the reserve was \$7,749,546, of which \$251,126 is restricted for NCPA OPS/Security accounts. Due to the nature of the reserve held by NCPA, the reserve is recorded as an asset in the Electric Fund as Investment in NCPA reserve.

Mendocino Transit Authority

This Agency consists of four Mendocino County cities and the County of Mendocino. The Agency was created to apply for and receive Transportation Development Act, Urban Mass Transportation Act, and other funds as a public transportation operator and to provide public transportation services within Mendocino County. Its activities are primarily financed from fare box revenue and federal and state government grants. A Board of Directors comprised of one member from each city and three members that are appointed by the Mendocino County Board of Supervisors governs the Authority.

Redwood Empire Financing Authority (REFA)

This is an agreement between seven Northern California cities. The Authority is authorized to acquire, through lease purchase, installment sale agreements, or otherwise such property necessary or convenient for the operation of the member cities. A Commission comprised of one member appointed by each member city administers the Authority. As explained previously, the City has entered into various financing arrangements with REFA.

Notes to the Basic Financial Statements

Note 12 – Related Organizations (continued)

Redwood Empire Municipal Insurance Fund (REMIF)

A group of Northern California cities participate in this agreement to provide themselves with various levels of liability, property and worker's compensation insurance. A Commission comprised of one member appointed by each member city administers the Authority. As explained previously, the City provides for its general and workers' compensation insurance needs through REMIF. Annual premiums paid to the Authority were \$2,482,861. During the year, the City received no distribution from REMIF's liability insurance program.

Transmission Agency of Northern California (TANC)

Members include ten cities, one electric co-op, two irrigation districts, and two public utility districts. The Agency was created to provide electric transmission or other facilities, including real property and rights of way, for the use of its members. A Commission comprised of one representative appointed by each member governs the Agency. The City has authorized its participation in the project up to one percent (1 percent) of the total.

Mendocino Solid Waste Management Authority (MSWMA)

This Authority consists of three Mendocino County cities and the County of Mendocino. The Agency was created for the purpose of: (a) siting, licensing, developing, constructing, maintaining, and operating disposal sites and sanitary landfills and (b) preparing and implementing a solid waste management plan. A Commission comprised of one member from each city and two members that are appointed by the Mendocino County Board of Supervisors governs the Authority.

Note 13 - Commitments and Contingencies

Grants and Allocations

The City receives funding from several federal, state and local grant programs, principally Community Development Block Grants (CDBG). These programs are subject to financial and compliance review by grantors. Expenditures, if any, which may be disallowed by the granting agencies, cannot be determined at this time. The City does not expect the undeterminable amounts of disallowed expenditures, if any, to materially affect the financial statements. Receipt of these federal, state and local grant revenues is not assured in the future.

Construction commitments. The government has active construction projects as of June 30, 2021. The projects include street reconstruction and rehabilitation, airport and utility infrastructure improvements. At year end the government's significant commitments with contractors were as follows:

Construction Commitments

Project	Spent to Date	Remaining Commitment
Downtown Streetscape & Road Diet	\$ 5,600,925	\$ 2,137,862
Downtown Streetscape & Road Diet - Utilities	\$ 4,757,364	\$ 544,894
Council Chambers and Conference Rooms A/V Upgrade	\$ 309,270.72	\$ 5,228
Museum Roof Replacement Project	\$ 391,589	\$ 49,517
State Street Undergrounding Project	\$ 1,051,522.72	\$ 83,329
Replacement of 100k Gallon PZ2S Water Tank	\$ 705,315.98	\$ 235,003
Pedestrian Improvement Project	\$ -	\$ 46,468
Gobbi/Waugh Transportation Improvements Project	\$ 57,538	\$ 395,567
Electric Service Center - Site Work	\$ 107,942	\$ 2,794,984
Hydro-Electric SCADA Upgrade	\$ 66,642	\$ 287,160

Notes to the Basic Financial Statements

Note 13 – Commitments and Contingencies (continued)

Encumbrances and related appropriation lapse at the end of the year but are re-appropriated and become part of the subsequent year's budget because performance under the executory contract is expected in the next year.

Encumbrances. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the number of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

Encumbrances	
Fund(s)	Encumbrances
General fund	\$ 1,279,842
Streets Capital Improvements	1,407,329
Nonmajor governmental funds	2,166,875
Internal service funds	610,218
Landfill	195,603
Electric	3,511,931
Water	2,247,354
Wastewater	855,401
Nonmajor enterprise funds	234,847
Total	\$ 12,509,402

Note 14 – Successor Agency Trust, Former Ukiah Redevelopment Agency

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 ("the Bill") that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Ukiah that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government. On January 9, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City resolution number 2012-04

Notes to the Basic Financial Statements

Note 14 – Successor Agency Trust, Former Ukiah Redevelopment Agency (continued)

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

Enforceable Obligations - Bonds

The following is a summary of changes in long-term liabilities for the year ended June 30, 2021:

Redevelopment Successor Private Purpose Trust Debt Service Activity

	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021	Due Within One Year
Trust Activities:					
Series 2019A Tax Allocation Bonds	1,259,154	-	304,584	954,570	308,386
Series 2019B Taxable Tax Allocation Bonds	4,236,617	-	327,718	3,908,899	345,535
Total trust fund debt	<u>\$ 5,495,771</u>	<u>\$ -</u>	<u>\$ 632,302</u>	<u>\$ 4,863,469</u>	<u>\$ 653,921</u>

Series 2019A Tax Allocation Bonds

On December 12, 2019, the Successor Agency issued \$1,259,154 in tax allocation bonds to refund the outstanding Series 2007 Tax Allocation Bonds. The bond series is comprised of \$1,259,154 in serial bonds maturing December 1, 2023. The serial bonds require annual principal payments ranging from \$304,584 to \$326,621. The interest rate is 2.160%.

Series 2019B Taxable Tax Allocation Bonds

On December 12, 2019, the Successor Agency issued \$4,236,617 in taxable tax allocation bonds to refund the outstanding Series 2011A and 2011B Tax Allocation Bonds. The bond series is comprised of \$4,236,617 in serial bonds maturing on December 1, 2028. The serial bonds require annual principal payments ranging from \$327,718 to \$748,446. The interest rate is 2.960%.

Notes to the Basic Financial Statements

Note 14 – Successor Agency Trust, Former Ukiah Redevelopment Agency
(continued)

Future debt service for Fiduciary Activities at June 30, 2021, is as follows:

Debt Service Schedule**Redevelopment Successor Agency**

Year Ending June 30,	Series 2019A Tax Allocation Bonds		Series 2019B Taxable Tax Allocation Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 308,386	\$ 17,287	\$ 345,535	\$ 110,588	\$ 653,921	\$ 127,875
2023	319,563	10,506	354,103	100,234	673,666	110,740
2024	326,621	3,529	374,509	89,451	701,130	92,980
2025	-	-	717,252	73,293	717,252	73,293
2026	-	-	748,446	51,601	748,446	51,601
2027-2031	-	-	1,369,054	56,304	1,369,054	56,304
Total	\$ 954,570	\$ 31,322	\$ 3,908,899	\$ 481,471	\$ 4,863,469	\$ 512,793
Due within one year	\$ 308,386	\$ 17,287	\$ 345,535	\$ 110,588	\$ 653,921	\$ 127,875
Due after one year	646,184	14,035	3,563,364	370,883	4,209,548	384,918
Total	\$ 954,570	\$ 31,322	\$ 3,908,899	\$ 481,471	\$ 4,863,469	\$ 512,793

This area intentionally left blank.

Notes to the Basic Financial Statements**Note 15 – New Pronouncements**

The Governmental Accounting Standards Board has issued the following Statements, which may affect the City's financial reporting requirements in the future:

GASB 87 – Leases: This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

GASB 91 – Conduit Debt Obligations: The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

This area intentionally left blank.

Notes to the Basic Financial Statements

Note 16 – Service Contracts

The City has entered into several agreements to provide services to the citizens of the City and surrounding areas. The general purpose and description of these contract agreements are as follows:

Joint Venture for Valley-Wide Fire Protection Services

The City has entered into an agreement with the Ukiah Valley Fire District (“UVFD”) to provide firefighting, emergency medical response and hazardous material response services within the corporate limits of the City. For the year ended June 30, 2021, the City paid \$387,757 under the terms of the agreement.

Under the terms of the agreement, entered July 1, 2018, the City provides fulltime and temporary fire personnel and use of City fire engines, rolling stock and related equipment to the UVFD, as well as making City facilities available to the UVFD. Fire personnel will remain employees of the City, and the City will continue to own all the equipment and facilities affected by the agreement. The City will be responsible for day-to-day management and administration. The City will share in the cost for the employment of the Fire Chief, as well as certain fixed and reimbursable costs.

Golf Course Maintenance and Operations

The City has entered into a leasing agreement with Tayman Park Golf Group, Inc. (“Lessee”) to operate, manage, repair and maintain the City’s municipal golf course. The lease includes the 18-hole golf course, clubhouse, and shared usage of City equipment. The Lessee is responsible to provide all services, maintenance, and administration –including setting user fees – for the normal operation of the course. The initial term of the agreement is ten years commencing July 1, 2012, with an option for two (2) additional five (5) year extensions, and cancellable by either party in the event of default. The Lessee must pay to the City rent based on a percentage of gross revenues from course operations and concessions and reimburse the City for personnel and equipment provided by the City. In addition, the Lessee annually must contribute \$40,000 to a Capital Improvement Project for the benefit of the golf course.

For the year ended June 30, 2021, the City received \$38,500 in rents. The City reports activities of the golf course as a nonmajor enterprise fund. The cost and carrying amount of assets lease under this agreement were as follows:

Service Agreement - Tayman Park Golf Group, Inc.
Schedule of Asset Carrying Costs

	Cost	Accumulated Depreciation	Carrying Value
Asset			
Land	\$ 965,284	\$ -	\$ 965,284
Land improvements	323,221	307,253	15,968
Infrastructure	340,353	178,259	162,093
Buildings	115,992	94,332	21,660
Total Assets	\$ 1,744,849	\$ 579,844	\$ 1,165,006

Notes to the Basic Financial Statements**Note 16 – Service Contracts (continued)****Solid Waste Collection and Ukiah Transfer Station Agreement**

The City has granted Ukiah Waste Solutions a franchise for mandatory residential and optional commercial garbage collection and disposal. The City has also contracted with Ukiah Waste Solutions to provide a citywide recycling program. The City acts as billing and collecting agent for the residential accounts of Ukiah Waste Solutions. Amounts held by the City on behalf of the corporation are accounted for in the Custodial funds.

Participation Agreement with Ukiah Valley Sanitation District

The City has contracted with the Ukiah Valley Sanitation District to provide processing of the District's wastewater. In addition, the City provides other direct maintenance services for the District. District assets held by the City are accounted for in the Custodial funds.

Required Supplementary Information (RSI)

Required Supplementary Information (RSI)

City of Ukiah, California

Schedules of Contributions and Proportionate Share of Net Pension Liability, Agent Multiple Employer (Miscellaneous), Last Ten Years

Schedule of Changes in Net Pension Liability for the Measurement Periods Ended June 30,

Measurement Period	2020	2019	2018	2017	2016	2015	2014
TOTAL PENSION LIABILITY:							
Service Cost	\$1,935,834	\$1,842,840	\$1,808,418	\$1,823,230	\$1,572,047	\$1,612,003	\$1,788,902
Interest on Total Pension Liability	6,746,742	6,435,947	6,053,276	5,794,263	5,696,580	5,564,428	5,416,497
Changes of Benefit Terms	0	0	0	0	56,535	0	0
Changes of Assumptions	0	0	(544,277)	4,693,759	0	(1,318,850)	0
Difference Between Expected and Actual Experience	783,147	2,023,144	845,262	(1,456,928)	(1,392,062)	(1,280,133)	0
Benefit Payments, Including Refunds of Employee Contributions	(4,866,568)	(4,656,678)	(4,443,388)	(4,133,617)	(3,981,386)	(4,205,497)	(3,795,124)
Net Change in Total Pension Liability	\$4,599,155	\$5,645,253	\$3,719,291	\$6,720,707	\$1,951,714	\$371,951	\$3,410,275
Total Pension Liability – Beginning	95,042,257	89,397,004	85,677,713	78,957,006	77,005,292	76,633,341	73,223,066
Total Pension Liability – Ending (a)	\$99,641,412	\$95,042,257	\$89,397,004	\$85,677,713	\$78,957,006	\$77,005,292	\$76,633,341
PLAN FIDUCIARY NET POSITION							
Contributions – Employer	\$3,591,800	\$3,241,493	\$2,941,163	\$2,652,462	\$2,391,847	\$2,156,759	\$2,193,059
Contributions – Employee	852,263	774,314	727,232	659,895	648,121	634,373	779,732
Net Investment Income	2,998,613	3,744,146	4,534,314	5,421,492	246,475	1,106,699	7,445,055
Benefit Payments, Including Refunds of Employee Contributions	(4,866,568)	(4,656,678)	(4,443,388)	(4,133,617)	(3,981,386)	(4,205,497)	(3,795,124)
Net Plan to Plan Resource Movement	0	0	(132)	0	0	0	0
Administrative Expense	(84,369)	(40,522)	(83,002)	(71,957)	(30,145)	(55,697)	0
Other Miscellaneous Income/(Expense) ¹	0	132	(157,623)	0	0	0	0
Net Change in Fiduciary Net Position	\$2,491,739	\$3,062,885	\$3,518,564	\$4,528,275	(\$725,088)	(\$363,363)	\$6,622,722
Plan Fiduciary Net Position – Beginning ²	\$59,846,891	\$56,784,006	\$53,265,442	\$48,737,167	\$49,462,255	\$49,825,618	\$43,202,896
Plan Fiduciary Net Position – Ending (b)	62,338,630	59,846,891	56,784,006	53,265,442	48,737,167	49,462,255	49,825,618
Plan Net Pension Liability/(Asset) – (a)-(b)	\$37,302,782	\$35,195,366	\$32,612,998	\$32,412,271	\$30,219,839	\$27,543,037	\$26,807,723
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.56%	62.97%	63.52%	62.17%	61.73%	64.23%	65.02%
Covered Payroll ³	\$10,045,842	\$9,257,248	\$8,821,982	\$8,412,838	\$7,949,673	\$8,008,361	\$8,340,257
Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll	371.33%	380.19%	369.68%	385.27%	380.14%	343.93%	321.43%

¹ During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

² Includes any beginning of year adjustment.

³ Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-20; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

⁴ Fiscal Year 2015 was the first year of implementation; therefore, only 7 years are shown.

Required Supplementary Information (RSI)Schedule of Plan Contributions for the fiscal years ended June 30¹,

Employer Fiscal Year End	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 3,746,155	\$ 3,591,800	\$ 3,241,493	\$ 2,941,163	\$ 2,652,462	\$ 2,391,847	\$ 2,156,759	\$ 2,193,059
Contributions in Relation to the Actuarially Determined Contribution ²	(34,602,386)	(3,591,800)	(3,241,493)	(2,941,163)	(2,652,462)	(2,391,847)	(2,156,759)	(2,193,059)
Contribution Deficiency (Excess)	\$ (30,856,231)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll ³	\$ 9,257,248	\$ 10,045,842	\$ 9,257,248	\$ 8,821,982	\$ 8,412,838	\$ 7,949,673	\$ 8,008,361	\$ 8,340,257
Contributions as Percentage of Covered Payroll	373.79%	35.75%	35.02%	33.34%	31.53%	30.09%	26.93%	26.29%

¹ As prescribed in GASB 68, paragraph 46, the information presented in the Schedule of Plan Contributions should also be presented as of the employer's most recent fiscal year-end. The employer is responsible for determining this information as prescribed by the standard as this data is not available to CalPERS.

² Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

³ Includes one year's payroll growth using 2.75 percent payroll assumption for fiscal year ended June 30, 2018-20; 3.00 percent payroll assumption for fiscal years ended June 30, 2014-17. Covered payroll for 2021 derived from actuarial valuation report for required contributions for FY 2021, valuation dated 6/30/19.

⁴ Fiscal Year 2015 was the first year of implementation, therefore only 7 years are shown.

Required Supplementary Information (RSI)

City of Ukiah, California

Schedules of Contributions and Proportionate Share of Net Pension Liability, Cost Sharing Plan (Safety), Last Ten Years

Schedule of Changes in Net Pension Liability and Related Ratios for the Measurement Periods Ended June 30,

Safety Plan	Measurement Date June 30, 2014	Measurement Date June 30, 2015	Measurement Date June 30, 2016	Measurement Date June 30, 2017	Measurement Date June 30, 2018	Measurement Date June 30, 2019	Measurement Date June 30, 2020
Plan's Proportion of the PERF C Net Pension Liability/(Asset)	0.185181%	0.180597%	0.176726%	0.173294%	0.177461%	0.177205%	0.179741%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$11,522,849	\$12,396,052	\$15,292,260	\$17,185,970	\$17,100,610	\$18,158,244	\$19,556,573
Plan's Covered Payroll	\$3,330,571	\$3,844,242	\$3,434,144	\$3,366,699	\$3,928,981	\$4,038,688	\$4,323,583
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	345.97%	322.46%	445.30%	510.47%	435.24%	449.61%	452.32%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	79.27%	75.31%	71.08%	70.49%	72.29%	72.67%	71.32%

Notes to Schedule:

1. Changes of benefit terms – There were no changes to benefit terms that applied to all members of the Public Agency Pool. However, individual employers in the Plan may have provided a benefit improvement to their employees by granting Two Years Additional Service Credit to members retiring during a specified time period (a.k.a. Golden Handshakes). Employers that have done so may need to report this information as a separate liability in their financial statement as CalPERS considers such amounts to be separately financed employer-specific liabilities. These employers should consult with their auditors.
2. Changes in assumptions – No changes to assumptions from year prior.
3. Fiscal Year 2015 was the first year of implementation, therefore only 6 years are shown.

Required Supplementary Information (RSI)

City of Ukiah, California

Schedules of Contributions and Proportionate Share of Net Pension Liability, Cost Sharing Plan (Safety), Last Ten Years (cont)

Schedule of Plan Contributions for the fiscal years ended June 30,

Safety Plan	CalPERS Fiscal Year 2014-15	CalPERS Fiscal Year 2015-16	CalPERS Fiscal Year 2016-17	CalPERS Fiscal Year 2017-18	CalPERS Fiscal Year 2018-19	CalPERS Fiscal Year 2019-20	CalPERS Fiscal Year 2020-21
Actuarially Determined Contributions	\$1,309,930	\$1,520,825	\$1,575,086	\$1,763,563	\$1,950,142	\$2,177,282	\$345,379
Actual Contributions During the Measurement Period	(\$1,309,930)	(\$1,520,825)	(\$1,575,086)	(\$1,763,563)	(\$1,950,142)	(\$2,177,282)	(\$15,338,474)
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0	\$0	\$0	(\$14,993,095)
Covered Payroll	\$3,844,242	\$3,434,144	\$4,135,089	\$4,088,030	\$3,928,981	\$4,163,203	\$4,263,870
Contributions as a Percentage of Covered Payroll	34.08%	44.29%	38.09%	43.14%	49.63%	52.30%	8.10%

Notes to Schedule:

Contribution Valuation Date:

June 30, 2012 June 30, 2013 June 30, 2014 June 30, 2015 June 30, 2016 June 30, 2017 June 30, 2018

* Fiscal Year 2015 was the first year of implementation, therefore only 7 years are shown.

Required Supplementary Information (RSI)

City of Ukiah, California
 General Fund Budgetary Comparison Schedule
 Schedule of Revenues, Expenditures, and Changes in Fund Balances
 Budget and Actual

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property tax	\$ 3,099,480	\$ 3,099,480	\$ 3,408,846	\$ 309,366
Sales tax	10,697,430	14,334,111	15,535,021	1,200,910
Transient occupancy	870,000	1,200,000	1,362,134	162,134
Business license tax	343,200	343,200	484,533	141,333
Other taxes	300	300	1,136	836
Franchise fees	1,625,675	1,625,675	1,815,271	189,596
Charges for service	2,070,369	2,070,369	2,434,204	363,835
Licenses and permits	325,282	325,282	276,752	(48,530)
Grants contributions and donations	659,200	3,063,518	1,226,237	(1,837,281)
Use of money and property	168,322	168,322	52,427	(115,895)
Intergovernmental	41,011	42,681	77,668	34,987
Fines penalties and forfeitures	35,000	35,000	25,933	(9,067)
Interest, rent, and concessions	-	40,000	-	(40,000)
Miscellaneous	272,000	288,270	138,952	(149,318)
Total revenues	20,207,269	26,636,208	26,839,114	202,906
EXPENDITURES				
Current:				
General government	(235,895)	(227,042)	60,132	(287,174)
Public safety	11,906,160	12,125,672	12,701,313	(575,641)
Housing and community development	968,815	1,142,970	1,044,627	98,343
Public works	1,246,454	1,639,473	1,487,609	151,864
Parks, buildings, and grounds	1,152,993	1,156,049	1,189,386	(33,337)
Recreation and culture	1,584,385	1,582,533	2,435,717	(853,184)
Economic development and redevelopment	99,923	99,923	256,392	(156,469)
Total current	16,722,835	17,519,578	19,175,176	(1,655,598)
Debt service:				
Interest	92,976	92,976	90,242	2,734
Principal	58,100	58,100	56,392	1,708
Capital lease principal	127,170	127,170	127,291	(121)
Capital lease interest	26,534	26,534	26,949	(415)
Total debt service	304,780	304,780	300,874	3,906
Capital outlay:				
Public safety	-	117,268	65,051	52,217
Public works	-	2,507,486	1,812,859	694,627
Parks, buildings, and grounds	242,000	242,000	-	242,000
Recreation and culture	440,000	90,000	-	90,000
Total capital outlay	682,000	2,956,754	1,877,910	1,078,844
Total expenditures	17,709,615	20,781,112	21,353,960	(572,848)
Excess (deficiency) of revenues over expenditures	2,497,654	5,855,096	5,485,154	(369,942)
OTHER FINANCING SOURCES (USES)				
Transfers in	129,000	129,000	129,001	1
Transfers out	(2,626,653)	(3,401,579)	(3,687,933)	(286,354)
Total other financing sources (uses)	(2,497,653)	(3,272,579)	(3,558,932)	(286,353)
Net change in fund balances	1	2,582,517	1,926,222	(656,295)
Fund balances - beginning	9,303,307	9,303,307	9,303,307	-
Fund balances - ending	\$ 9,303,308	\$ 11,885,824	\$ 11,229,529	\$ (656,295)

Required Supplementary Information (RSI)

City of Ukiah, California

HOME Program Income Budgetary Comparison Schedule

Schedule of Revenues, Expenditures, and Changes in Fund Balances, Special Revenue Fund

Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Grants contributions and donations	\$ 500,000	\$ 500,000	\$ -	\$ (500,000)
Use of money and property	-	-	147,587	147,587
Intergovernmental	-	-	4,783,983	4,783,983
Interest, rent, and concessions	-	-	28,216	28,216
Total revenues	500,000	500,000	4,959,786	4,459,786
EXPENDITURES				
Current:				
Housing and community development	845,000	5,862,750	218,723	5,644,027
Total current	845,000	5,862,750	218,723	5,644,027
Total expenditures	845,000	5,862,750	218,723	5,644,027
Excess (deficiency) of revenues over expenditures	(345,000)	(5,362,750)	4,741,063	10,103,813
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(345,000)	(5,362,750)	4,741,063	10,103,813
Fund balances - beginning	2,772,141	2,772,141	2,772,141	-
Fund balances - ending	\$ 2,427,141	\$ (2,590,609)	\$ 7,513,204	\$ 10,103,813

Required Supplementary Information (RSI)

City of Ukiah, California
Notes to Required Supplemental Information
June 30, 2021

Budgetary DataGeneral Budget Policies

The City Council approves the annual budget submitted by the City Manager prior to the beginning of the new fiscal year. Public hearings are conducted prior to its adoption by Council. Supplemental appropriations, where required during the period, are also approved by the Council. There were several supplemental appropriations required during the year. At fiscal year-end, all operating budget appropriations lapse.

Expenditures are monitored at the fund level for all funds with a legally adopted budget. These levels are considered the legal level of control.

Department heads are authorized to transfer budgeted amounts within their departments, within the same fund, with the approval of the City Manager. Transfers of appropriations between departments may be made only by authority of the City Manager. Transfers of appropriations between funds may be made only by authority of the City Council. Formal budgetary integration is employed as a management control device during the fiscal year for all governmental funds.

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds except for certain special revenue and capital projects funds, which adopt project-length budgets.

Encumbrances

Encumbrances are estimations of costs related to unperformed contracts for goods and services. These commitments are recorded for budgetary control purposes in the General, Special Revenue and similar governmental funds. Encumbrances outstanding at year-end are reported as a committed fund balance. They represent the estimated amount of the expenditure ultimately to result if unperformed contracts in process at year-end are completed. They do not constitute expenditures or estimated liabilities.

Supplementary Information

Combining and Individual Fund Financial Statements and Schedules

Streets Capital Improvement Budgetary Comparison Schedule
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Grants contributions and donations	\$ -	\$ 77,022	\$ -	\$ (77,022)
Use of money and property	-	-	3,592	3,592
Total revenues	-	77,022	3,592	(73,430)
EXPENDITURES				
Current:				
Public works	199,541	206,916	172,212	34,704
Total current	199,541	206,916	172,212	34,704
Capital outlay:				
Public works	3,245,000	5,668,474	2,786,043	2,882,431
Total capital outlay	3,245,000	5,668,474	2,786,043	2,882,431
Total expenditures	3,444,541	5,875,390	2,958,255	2,917,135
Excess (deficiency) of revenues over expenditures	(3,444,541)	(5,798,368)	(2,954,663)	2,843,705
OTHER FINANCING SOURCES (USES)				
Transfers in	2,995,887	2,995,887	3,106,818	110,931
Total other financing sources (uses)	2,995,887	2,995,887	3,106,818	110,931
Net change in fund balances	(448,654)	(2,802,481)	152,155	2,954,636
Fund balances - beginning	(980,770)	(980,770)	(980,770)	-
Fund balances - ending	\$ (1,429,424)	\$ (3,783,251)	\$ (828,615)	\$ 2,954,636

Pension Debt Service Budgetary Comparison Schedule
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Use of money and property	\$ -	\$ -	\$ (9,588)	\$ (9,588)
Total revenues	-	-	(9,588)	(9,588)
EXPENDITURES				
Current:				
General government	-	-	26,142,003	(26,142,003)
Total current	-	-	26,142,003	(26,142,003)
Debt service:				
Issuance expense	-	-	280,533	(280,533)
Total debt service	-	-	280,533	(280,533)
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	-	-	26,422,536	(26,422,536)
Excess (deficiency) of revenues over expenditures	-	-	(26,432,124)	(26,432,124)
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	29,927,851	29,927,851
Total other financing sources (uses)	-	-	29,927,851	29,927,851
Net change in fund balances	-	-	3,495,727	3,495,727
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ 3,495,727	\$ 3,495,727

Nonmajor Governmental Funds

SPECIAL REVENUE FUNDS

Special Revenue Fund	The Special Revenue Fund is used to account for reserve amounts being accumulated for special programs, projects and activities.
City Prop 172	Used to account for revenues received from allocation of Prop 172 monies for public safety.
Museum Grant Fund	The Museum Grant Fund is used to account for resources received for the Grace Hudson Museum provided by grantors or other third-party entities.
ARRC General Operating Fund	The ARRC General Operating Fund is used to account for resources and operating expenditures in support of the Alex Rorabaugh Center.
Downtown Business Improvement	The Downtown Business Improvement Fund is used to account for resources accumulated for improvements to the downtown business district, funded by business license fees and transferred to the Ukiah Main Street Program as the administrative agency.
LMIHF Housing Asset Fund	The Low- and Moderate-Income Housing Asset Fund is used to account for resources associated with program income received from low- and moderate-income housing assets. It contains restricted monies that are the proceeds of properties purchased by the Ukiah Redevelopment Agency (Agency) with affordable housing set-aside funds and were transferred to the City of Ukiah, as the Housing Successor to the former Agency, pursuant to Health and Safety Code Section 34176(a).
Winter Special Events	The Winter Special Events Fund is used to account for resources and expenditures associated with winter events, such as the ice rink.
Advanced Planning	Fund to account for special or highly technical planning activities, such as updates or revisions to the general plan or any of its elements.
Gas Tax Fund	The Gas Tax (HUTA) Fund is used to account for resources received from highway user taxes (HUTA) and special street funding from the state.
Signalization Fund	The Signalization Fund is used to account for resources and activities associated with traffic signalization in the City of Ukiah pursuant to Government Code Section 66000 et. seq.

1998 STIP Augmentation	Fund to account for street and right-of-way improvements with special conditions.
SB 325 Reimbursement Fund	The SB 325 Reimbursement Fund is used to account for resources accumulated for improvements to streets and rights-of-way.
S.T.P.	The Surface Transportation Program Fund is used to account for resources accumulated for street and traffic safety improvements, funded by the Mendocino Council of Governments.
Trans-Traffic Congest Relief	The Trans-Traffic Congest Relief fund is used to account for resources accumulated for improvements to address traffic congestion in the City of Ukiah.
CDBG Program Income	The Community Development Block Grant (CDBG) Fund is used to account for resources accumulated and held resulting from current and prior Community Development Block Grant activities.
CASP Certification and Training	This fund is to account for resources accumulated and used to train City team members on CASP requirements.
Asset Seizure Fund	The Asset Seizure fund is used to account for resources accumulated from adjudicated asset seizures in which the City participated.
Sup.Law Enforce.Svc.Fd(SLESF)	The Supplemental Law Enforcement Services Fund (SLESF) Fund is used to account for special resources for police, provided by funding through a State of California COPS Grant program.
Community-Based Transitional Housing Program (CBTHP)	Fund to account for activities funded by resources from the Community-Based Transitional Housing Program.
Asset Forfeiture 11470.2 H&S	The Asset Forfeiture 11470.2 H&S Fund is used to account for resources accumulated from adjudicated asset seizures in which the City participated.
Special Revenue Police	The AB 109 Special Revenue Police Fund is used to account for resources available for police activities derived from state subventions.
American Rescue	This fund is to account for the receipt and use of federal funds appropriated to the City by the federal government under the American Rescue Act of 2021.
Transfer Station Fund	The Transfer Station Fund is used to account for resources accumulated from the activities of the City's solid waste transfer station.

CAPITAL PROJECT FUNDS

Equipment Reserve Fund	The Equipment Reserve Fund is used to account for resources accumulated for significant governmental capital acquisitions related to vehicles and equipment.
Special Projects Reserve	The Special Projects Reserve Fund is used to account for resources accumulated for governmental special projects.
Park Development Fees Fund	The Park Development Fees Fund is used to account for resources being collected for the development or enhancement of parklands in the City of Ukiah.
Anton Stadium Fund	The Anton Stadium Fund is used to account for resources accumulated for improvements to the stadium.
Observatory Park Fund	The Observatory Park Fund is used to account for resources accumulated for improvements to the park.
Playground & Park Amenities	The Playground & Park Amenities Fund is used to account for resources accumulated for improvements to City playgrounds and other similar park amenities.
Swimming Pool Fund	The Swimming Pool Fund is used to account for resources accumulated for improvements to the City-owned pool.
Riverside Park Fund	The Riverside Park Fund is used to account for resources accumulated for improvements to the park.
Skate Park Fund	The Skate Park Fund is used to account for resources accumulated for improvements to the park.
Softball Complex Fund	The Softball Complex Fund is used to account for resources accumulated for improvements to the complex.
Rail Trail Fund	To account for activities related to and resources supporting the City's Rail Trail project.

PERMANENT FUNDS

Riparian Corridor Enhancement

Permanent funds are those in which the principal resources accounted for in the fund cannot be spent; rather, the proceeds of earnings on those principal amounts may be used to support activities and programs of the City. This fund accounts for resources and activities related to mitigating development impacts to riparian areas near the Redwood Business Park.

This Page Intentionally Left Blank

City of Ukiah, California
Combining Balance Sheet – Special Revenue
Nonmajor Governmental Funds
June 30, 2021

	Special Revenue	Prop 172	Museum Grant	ARRC	Downtown Business Improvement	LMIHF Housing Asset
ASSETS						
Cash and investments	\$ 14,373	\$ 94,500	\$ 284	\$ 14,572	\$ 27	\$ 1,880,164
Restricted cash and investments	-	-	-	-	-	8,971
Accounts receivable	-	25,213	-	-	-	-
Notes receivable	-	-	-	-	-	1,483,474
Interest receivable	7	24	-	1	-	474
Grants and subventions receivable	-	-	-	-	-	-
Land held for resale	-	-	-	-	-	2,435,114
Total assets	<u>\$ 14,380</u>	<u>\$ 119,737</u>	<u>\$ 284</u>	<u>\$ 14,573</u>	<u>\$ 27</u>	<u>\$ 5,808,197</u>
LIABILITIES						
Accounts payable	\$ -	\$ 5,140	\$ -	\$ 2,654	\$ 13,606	\$ -
Accrued payroll liabilities	-	-	-	683	-	-
Due to other funds	-	-	-	-	2,838	-
Advance from other funds	-	-	-	49,601	-	-
Total liabilities	<u>-</u>	<u>5,140</u>	<u>-</u>	<u>52,938</u>	<u>16,444</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues - grants and subventions	-	-	-	-	-	83,683
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>83,683</u>
Total liabilities and deferred inflows of resources	<u>-</u>	<u>5,140</u>	<u>-</u>	<u>52,938</u>	<u>16,444</u>	<u>83,683</u>
FUND BALANCES (DEFICITS)						
Restricted:						
CDBG activities	-	-	-	-	-	-
Certifications and training	-	-	-	-	-	-
Federal stimulus	-	-	-	-	-	-
Housing activities	-	-	-	-	-	5,724,514
Project reserve	14,380	-	284	-	-	-
Public safety	-	114,597	-	-	-	-
Streets and rights-of-way	-	-	-	-	-	-
Committed:						
Planning activities	-	-	-	-	-	-
Solid waste management	-	-	-	-	-	-
Unassigned	-	-	-	(38,365)	(16,417)	-
Total fund balances (deficits)	<u>\$ 14,380</u>	<u>\$ 114,597</u>	<u>\$ 284</u>	<u>\$ (38,365)</u>	<u>\$ (16,417)</u>	<u>\$ 5,724,514</u>
Total liabilities and fund balances (deficits)	<u>\$ 14,380</u>	<u>\$ 119,737</u>	<u>\$ 284</u>	<u>\$ 14,573</u>	<u>\$ 27</u>	<u>\$ 5,808,197</u>

City of Ukiah, California
Combining Balance Sheet – Special Revenue (cont)
Nonmajor Governmental Funds
June 30, 2021

	Winter Special Events	Advanced Planning	Highway User Tax (Gas Tax)	Signalization	1998 STIP Augmentation	SB325 Reimbursement
ASSETS						
Cash and investments	\$ 21	\$ 311,754	\$ 7,828	\$ 381,209	\$ 1	\$ 102,949
Restricted cash and investments	-	-	-	-	-	-
Accounts receivable	-	-	54,305	-	-	-
Notes receivable	-	-	-	-	-	-
Interest receivable	-	43	-	96	8	29
Grants and subventions receivable	-	116,055	-	-	3,779	-
Land held for resale	-	-	-	-	-	-
Total assets	\$ 21	\$ 427,852	\$ 62,133	\$ 381,305	\$ 3,788	\$ 102,978
LIABILITIES						
Accounts payable	\$ -	\$ 15,156	\$ 419,118	\$ -	\$ -	\$ -
Accrued payroll liabilities	-	-	-	-	-	-
Due to other funds	12,657	-	145,000	-	3,765	-
Advance from other funds	-	-	-	-	-	-
Total liabilities	12,657	15,156	564,118	-	3,765	-
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues - grants and subventions	-	116,055	-	-	-	-
Total deferred inflow of resources	-	116,055	-	-	-	-
Total liabilities and deferred inflows of resources	12,657	131,211	564,118	-	3,765	-
FUND BALANCES (DEFICITS)						
Restricted:						
CDBG activities	-	-	-	-	-	-
Certifications and training	-	-	-	-	-	-
Federal stimulus	-	-	-	-	-	-
Housing activities	-	-	-	-	-	-
Project reserve	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Streets and rights-of-way	-	-	-	381,305	-	102,978
Committed:						
Planning activities	-	296,641	-	-	-	-
Solid waste management	-	-	-	-	-	-
Unassigned	(12,636)	-	(501,985)	-	23	-
Total fund balances (deficits)	\$ (12,636)	\$ 296,641	\$ (501,985)	\$ 381,305	\$ 23	\$ 102,978
Total liabilities and fund balances (deficits)	\$ 21	\$ 427,852	\$ 62,133	\$ 381,305	\$ 3,788	\$ 102,978

City of Ukiah, California
Combining Balance Sheet – Special Revenue (cont)
Nonmajor Governmental Funds
June 30, 2021

	S.T.P.	Trans-Traffic Congest Relief	CDBG Program Income	CASP Certification and Training	Asset Seizure	Sup.Law Enforce.Svc.Fd(Slesf)
ASSETS						
Cash and investments	\$ 189,771	\$ -	\$ 239,426	\$ 50,357	\$ 107,557	\$ 179,301
Restricted cash and investments	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	4,201
Notes receivable	-	-	221,583	-	-	-
Interest receivable	37	47	62	14	26	39
Grants and subventions receivable	29,254	-	-	-	-	-
Land held for resale	-	-	-	-	-	-
Total assets	<u>\$ 219,062</u>	<u>\$ 47</u>	<u>\$ 461,071</u>	<u>\$ 50,371</u>	<u>\$ 107,583</u>	<u>\$ 183,541</u>
LIABILITIES						
Accounts payable	\$ 19,933	\$ -	\$ -	\$ -	\$ 12,863	\$ -
Accrued payroll liabilities	-	-	-	-	-	4,767
Due to other funds	-	-	-	-	-	-
Advance from other funds	-	-	-	-	-	-
Total liabilities	<u>19,933</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,863</u>	<u>4,767</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues - grants and subventions	29,254	-	-	-	-	-
Total deferred inflow of resources	<u>29,254</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>49,187</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,863</u>	<u>4,767</u>
FUND BALANCES (DEFICITS)						
Restricted:						
CDBG activities	-	-	461,071	-	-	-
Certifications and training	-	-	-	50,371	-	-
Federal stimulus	-	-	-	-	-	-
Housing activities	-	-	-	-	-	-
Project reserve	-	-	-	-	-	-
Public safety	-	-	-	-	94,720	178,774
Streets and rights-of-way	169,875	-	-	-	-	-
Committed:						
Planning activities	-	-	-	-	-	-
Solid waste management	-	-	-	-	-	-
Unassigned	-	47	-	-	-	-
Total fund balances (deficits)	<u>\$ 169,875</u>	<u>\$ 47</u>	<u>\$ 461,071</u>	<u>\$ 50,371</u>	<u>\$ 94,720</u>	<u>\$ 178,774</u>
Total liabilities and fund balances (deficits)	<u>\$ 219,062</u>	<u>\$ 47</u>	<u>\$ 461,071</u>	<u>\$ 50,371</u>	<u>\$ 107,583</u>	<u>\$ 183,541</u>

City of Ukiah, California
Combining Balance Sheet – Special Revenue (cont)
Nonmajor Governmental Funds
June 30, 2021

	Community-Based Transitional Housing	Asset Forfeiture 11470.2 H&S F	Special Revenue - Police	American Rescue Fund	Transfer Station	Total Nonmajor Special revenue funds
ASSETS						
Cash and investments	\$ 473,093	\$ 62,653	\$ 2,580	\$ -	\$ 914	\$ 4,113,334
Restricted cash and investments	-	-	-	-	-	8,971
Accounts receivable	-	-	-	-	75,767	159,486
Notes receivable	-	-	-	-	-	1,705,057
Interest receivable	113	18	35	468	108	1,649
Grants and subventions receivable	-	-	-	-	-	149,088
Land held for resale	-	-	-	-	-	2,435,114
Total assets	<u>\$ 473,206</u>	<u>\$ 62,671</u>	<u>\$ 2,615</u>	<u>\$ 468</u>	<u>\$ 76,789</u>	<u>\$ 8,572,699</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 488,470
Accrued payroll liabilities	6,333	-	-	-	-	11,783
Due to other funds	-	-	-	-	-	164,260
Advance from other funds	-	-	-	-	-	49,601
Total liabilities	<u>6,333</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>714,114</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues - grants and subventions	-	-	-	-	-	228,992
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>228,992</u>
Total liabilities and deferred inflows of resources	<u>6,333</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>943,106</u>
FUND BALANCES (DEFICITS)						
Restricted:						
CDBG activities	-	-	-	-	-	461,071
Certifications and training	-	-	-	-	-	50,371
Federal stimulus	-	-	-	468	-	468
Housing activities	-	-	-	-	-	5,724,514
Project reserve	-	-	-	-	-	14,664
Public safety	466,873	62,671	2,615	-	-	920,250
Streets and rights-of-way	-	-	-	-	-	654,158
Committed:						
Planning activities	-	-	-	-	-	296,641
Solid waste management	-	-	-	-	76,789	76,789
Unassigned	-	-	-	-	-	(569,333)
Total fund balances (deficits)	<u>\$ 466,873</u>	<u>\$ 62,671</u>	<u>\$ 2,615</u>	<u>\$ 468</u>	<u>\$ 76,789</u>	<u>\$ 7,629,593</u>
Total liabilities and fund balances (deficits)	<u>\$ 473,206</u>	<u>\$ 62,671</u>	<u>\$ 2,615</u>	<u>\$ 468</u>	<u>\$ 76,789</u>	<u>\$ 8,572,699</u>

City of Ukiah, California
Combining Balance Sheet – Capital Project
Nonmajor Governmental Funds
June 30, 2021

	Equipment Reserve	Special Projects Reserve	Park Development Fees	Anton Stadium	Observatory Park	Playground & Park Amenities
ASSETS						
Cash and investments	\$ 380,464	\$ 889,021	\$ 30,724	\$ 11,503	\$ 2,473	\$ 2,687
Accounts receivable	-	-	11,468	-	-	-
Interest receivable	105	-	12	3	1	1
Grants and subventions receivable	-	-	-	-	-	-
Total assets	<u>\$ 380,569</u>	<u>\$ 889,021</u>	<u>\$ 42,204</u>	<u>\$ 11,506</u>	<u>\$ 2,474</u>	<u>\$ 2,688</u>
LIABILITIES						
Accounts payable	\$ -	\$ 404	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
Advance from other funds	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>404</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues - grants and subventions	-	-	-	-	-	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>-</u>	<u>404</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)						
Committed:						
Park development	-	-	42,204	-	-	-
Assigned:						
Capital projects	-	-	-	11,506	2,474	2,688
Equipment reserve	380,569	-	-	-	-	-
Park Development	-	-	-	-	-	-
Project reserve	-	888,617	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances (deficits)	<u>\$ 380,569</u>	<u>\$ 888,617</u>	<u>\$ 42,204</u>	<u>\$ 11,506</u>	<u>\$ 2,474</u>	<u>\$ 2,688</u>
Total liabilities and fund balances (deficits)	<u>\$ 380,569</u>	<u>\$ 889,021</u>	<u>\$ 42,204</u>	<u>\$ 11,506</u>	<u>\$ 2,474</u>	<u>\$ 2,688</u>

City of Ukiah, California

Combining Balance Sheet – Capital Project (cont)
Nonmajor Governmental Funds
June 30, 2021

	Swimming Pool	Riverside Park	Skate Park	Softball Complex	Rail Trail	Total Nonmajor Capital projects funds
ASSETS						
Cash and investments	\$ 593	\$ 558	\$ 11,903	\$ 6,844	\$ 124,543	\$ 1,461,313
Accounts receivable	-	-	-	-	-	11,468
Interest receivable	-	-	3	2	32	159
Grants and subventions receivable	-	86,481	-	-	-	86,481
Total assets	<u>\$ 593</u>	<u>\$ 87,039</u>	<u>\$ 11,906</u>	<u>\$ 6,846</u>	<u>\$ 124,575</u>	<u>\$ 1,559,421</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 404
Due to other funds	-	66,500	-	-	-	66,500
Advance from other funds	136,349	-	-	-	146,661	283,010
Total liabilities	<u>136,349</u>	<u>66,500</u>	<u>-</u>	<u>-</u>	<u>146,661</u>	<u>349,914</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues - grants and subventions	-	14,506	-	-	-	14,506
Total deferred inflow of resources	<u>-</u>	<u>14,506</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,506</u>
Total liabilities and deferred inflows of resources	<u>136,349</u>	<u>81,006</u>	<u>-</u>	<u>-</u>	<u>146,661</u>	<u>364,420</u>
FUND BALANCES (DEFICITS)						
Committed:						
Park development	-	-	-	-	-	42,204
Assigned:						
Capital projects	-	-	11,906	6,846	-	35,420
Equipment reserve	-	-	-	-	-	380,569
Park Development	-	6,033	-	-	-	6,033
Project reserve	-	-	-	-	-	888,617
Unassigned	(135,756)	-	-	-	(22,086)	(157,842)
Total fund balances (deficits)	<u>\$ (135,756)</u>	<u>\$ 6,033</u>	<u>\$ 11,906</u>	<u>\$ 6,846</u>	<u>\$ (22,086)</u>	<u>\$ 1,195,001</u>
Total liabilities and fund balances (deficits)	<u>\$ 593</u>	<u>\$ 87,039</u>	<u>\$ 11,906</u>	<u>\$ 6,846</u>	<u>\$ 124,575</u>	<u>\$ 1,559,421</u>

City of Ukiah, California
Combining Balance Sheet – Permanent
Nonmajor Governmental Funds
June 30, 2021

	Riparian Corridor Enhancement
ASSETS	
Cash and investments	\$ 145,997
Interest receivable	39
Total assets	<u>\$ 146,036</u>
LIABILITIES	
Total liabilities	<u>-</u>
DEFERRED INFLOWS OF RESOURCES	
Total deferred inflow of resources	<u>-</u>
Total liabilities and deferred inflows of resources	<u>-</u>
FUND BALANCES (DEFICITS)	
Nonspendable:	
Riparian corridor management	137,576
Restricted:	
Riparian corridor management	8,460
Total fund balances (deficits)	<u>\$ 146,036</u>
Total liabilities and fund balances (deficits)	<u>\$ 146,036</u>

City of Ukiah, California
Combining Balance Sheet – Summary
Nonmajor Governmental Funds
June 30, 2021

	Special revenue funds	Capital projects funds	Permanent funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 4,113,334	\$ 1,461,313	\$ 145,997	\$ 5,720,644
Restricted cash and investments	8,971	-	-	8,971
Accounts receivable	159,486	11,468	-	170,954
Notes receivable	1,705,057	-	-	1,705,057
Interest receivable	1,649	159	39	1,847
Grants and subventions receivable	149,088	86,481	-	235,569
Land held for resale	2,435,114	-	-	2,435,114
Total assets	<u>\$ 8,572,699</u>	<u>\$ 1,559,421</u>	<u>\$ 146,036</u>	<u>\$ 10,278,156</u>
LIABILITIES				
Accounts payable	\$ 488,470	\$ 404	\$ -	\$ 488,874
Accrued payroll liabilities	11,783	-	-	11,783
Due to other funds	164,260	66,500	-	230,760
Advance from other funds	49,601	283,010	-	332,611
Total liabilities	<u>714,114</u>	<u>349,914</u>	<u>-</u>	<u>1,064,028</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - grants and subventions	228,992	14,506	-	243,498
Total deferred inflow of resources	<u>228,992</u>	<u>14,506</u>	<u>-</u>	<u>243,498</u>
Total liabilities and deferred inflows of resources	<u>943,106</u>	<u>364,420</u>	<u>-</u>	<u>1,307,526</u>
FUND BALANCES (DEFICITS)				
Nonspendable:				
Riparian corridor management	-	-	137,576	137,576
Restricted:				
CDBG activities	461,071	-	-	461,071
Certifications and training	50,371	-	-	50,371
Federal stimulus	468	-	-	468
Housing activities	5,724,514	-	-	5,724,514
Project reserve	14,664	-	-	14,664
Public safety	920,250	-	-	920,250
Riparian corridor management	-	-	8,460	8,460
Streets and rights-of-way	654,158	-	-	654,158
Committed:				
Park development	-	42,204	-	42,204
Planning activities	296,641	-	-	296,641
Solid waste management	76,789	-	-	76,789
Assigned:				
Capital projects	-	35,420	-	35,420
Equipment reserve	-	380,569	-	380,569
Park Development	-	6,033	-	6,033
Project reserve	-	888,617	-	888,617
Unassigned	(569,333)	(157,842)	-	(727,175)
Total fund balances (deficits)	<u>\$ 7,629,593</u>	<u>\$ 1,195,001</u>	<u>\$ 146,036</u>	<u>\$ 8,970,630</u>
Total liabilities and fund balances (deficits)	<u>\$ 8,572,699</u>	<u>\$ 1,559,421</u>	<u>\$ 146,036</u>	<u>\$ 10,278,156</u>

City of Ukiah, California
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Special Revenue
Nonmajor Governmental Funds
Year Ended June 30, 2021

	Special Revenue	Prop 172	Museum Grant	ARRC	Downtown Business Improvement	LMIHF Housing Asset
REVENUES						
Property tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Business license tax	-	-	-	-	25,270	-
Charges for service	-	-	-	-	-	-
Use of money and property	79	200	264	49,571	7	54,338
Intergovernmental	-	102,051	-	-	-	-
Miscellaneous	-	-	-	20,004	-	-
Total revenues	79	102,251	264	69,575	25,277	54,338
EXPENDITURES						
Current:						
Public safety	-	385,346	-	-	-	-
Housing and community development	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Recreation and culture	-	-	-	61,750	-	-
Economic development and redevelopment	-	-	-	-	33,869	-
Debt service:						
Interest	-	2,340	-	-	-	-
Capital outlay:						
Public safety	-	14,300	-	-	-	-
Public works	-	-	-	-	-	-
Total expenditures	-	401,986	-	61,750	33,869	-
Excess (deficiency) of revenues over expenditures	79	(299,735)	264	7,825	(8,592)	54,338
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Debt proceeds	-	343,763	-	-	-	-
Total other financing sources (uses)	-	343,763	-	-	-	-
Net change in fund balances	79	44,028	264	7,825	(8,592)	54,338
Fund balances - beginning	14,301	70,569	20	(46,190)	(7,825)	5,670,176
Fund balances - ending	\$ 14,380	\$ 114,597	\$ 284	\$ (38,365)	\$ (16,417)	\$ 5,724,514

City of Ukiah, California
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Special Revenue (cont)
Nonmajor Governmental Funds (cont)
Year Ended June 30, 2021

	Winter Special Events	Advanced Planning	Highway User Tax (Gas Tax)	Signalization	1998 STIP Augmentation	SB325 Reimbursement
REVENUES						
Property tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Business license tax	-	-	-	-	-	-
Charges for service	-	59,466	-	-	-	-
Use of money and property	-	1,687	224	2,005	47	704
Intergovernmental	-	-	663,357	-	-	35,000
Miscellaneous	-	-	-	-	-	-
Total revenues	-	61,153	663,581	2,005	47	35,704
EXPENDITURES						
Current:						
Public safety	-	-	-	-	-	-
Housing and community development	-	4,092	-	-	-	-
Public works	-	-	64,075	-	-	11,469
Recreation and culture	-	-	-	-	-	-
Economic development and redevelopment	-	-	-	-	-	-
Debt service:						
Interest	-	-	-	-	-	-
Capital outlay:						
Public safety	-	-	-	-	-	-
Public works	-	-	1,052,735	-	-	-
Total expenditures	-	4,092	1,116,810	-	-	11,469
Excess (deficiency) of revenues over expenditures	-	57,061	(453,229)	2,005	47	24,235
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(4,000)	-	-	-
Debt proceeds	-	-	-	-	-	-
Total other financing sources (uses)	-	-	(4,000)	-	-	-
Net change in fund balances	-	57,061	(457,229)	2,005	47	24,235
Fund balances - beginning	(12,636)	239,580	(44,756)	379,300	(24)	78,743
Fund balances - ending	\$ (12,636)	\$ 296,641	\$ (501,985)	\$ 381,305	\$ 23	\$ 102,978

City of Ukiah, California

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Special Revenue (cont)

Nonmajor Governmental Funds (cont)

Year Ended June 30, 2021

	S.T.P.	Trans-Traffic Congest Relief	CDBG Program Income	CASP Certification and Training	Asset Seizure	Sup.Law Enforce.Svc.Fd(Slesf)
REVENUES						
Property tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Business license tax	-	-	-	-	-	-
Charges for service	-	-	-	-	-	-
Use of money and property	1,308	550	151,180	(353)	433	415
Intergovernmental	32,063	-	-	50,724	45,099	121,309
Miscellaneous	-	-	-	-	-	-
Total revenues	<u>33,371</u>	<u>550</u>	<u>151,180</u>	<u>50,371</u>	<u>45,532</u>	<u>121,724</u>
EXPENDITURES						
Current:						
Public safety	-	-	-	-	49,329	123,905
Housing and community development	-	-	192,351	-	-	-
Public works	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-
Economic development and redevelopment	-	-	-	-	-	-
Debt service:						
Interest	-	-	-	-	-	-
Capital outlay:						
Public safety	-	-	-	-	-	-
Public works	80,352	-	-	-	-	-
Total expenditures	<u>80,352</u>	<u>-</u>	<u>192,351</u>	<u>-</u>	<u>49,329</u>	<u>123,905</u>
Excess (deficiency) of revenues over expenditures	<u>(46,981)</u>	<u>550</u>	<u>(41,171)</u>	<u>50,371</u>	<u>(3,797)</u>	<u>(2,181)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	478,156	-	-	-	-
Transfers out	-	-	-	-	-	-
Debt proceeds	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>478,156</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(46,981)	478,706	(41,171)	50,371	(3,797)	(2,181)
Fund balances - beginning	216,856	(478,659)	502,242	-	98,517	180,955
Fund balances - ending	<u>\$ 169,875</u>	<u>\$ 47</u>	<u>\$ 461,071</u>	<u>\$ 50,371</u>	<u>\$ 94,720</u>	<u>\$ 178,774</u>

City of Ukiah, California

City of Ukiah, California

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Special Revenue (cont)
Nonmajor Governmental Funds (cont)
Year Ended June 30, 2021

	Community-Based Transitional Housing	Asset Forfeiture 11470.2 H&S F	Special Revenue - Police	American Rescue Fund	Transfer Station	Total Nonmajor Special revenue funds
REVENUES						
Property tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Business license tax	-	-	-	-	-	25,270
Charges for service	-	-	-	-	-	59,466
Use of money and property	4,119	394	(328)	468	461,404	728,716
Intergovernmental	-	-	125,000	-	-	1,174,603
Miscellaneous	-	-	-	-	-	20,004
Total revenues	4,119	394	124,672	468	461,404	2,008,059
EXPENDITURES						
Current:						
Public safety	221,293	5,241	-	-	-	785,114
Housing and community development	341	-	-	-	-	196,784
Public works	-	-	-	-	299	75,843
Recreation and culture	-	-	-	-	-	61,750
Economic development and redevelopment	-	-	-	-	-	33,869
Debt service:						
Interest	-	-	-	-	-	2,340
Capital outlay:						
Public safety	-	-	-	-	-	14,300
Public works	-	-	-	-	-	1,133,087
Total expenditures	221,634	5,241	-	-	299	2,303,087
Excess (deficiency) of revenues over expenditures	(217,515)	(4,847)	124,672	468	461,105	(295,028)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	478,156
Transfers out	-	-	(125,000)	-	(419,635)	(548,635)
Debt proceeds	-	-	-	-	-	343,763
Total other financing sources (uses)	-	-	(125,000)	-	(419,635)	273,284
Net change in fund balances	(217,515)	(4,847)	(328)	468	41,470	(21,744)
Fund balances - beginning	684,388	67,518	2,943	-	35,319	7,651,337
Fund balances - ending	\$ 466,873	\$ 62,671	\$ 2,615	\$ 468	\$ 76,789	\$ 7,629,593

City of Ukiah, California
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Capital Project
Nonmajor Governmental Funds
Year Ended June 30, 2021

	Equipment Reserve	Special Projects Reserve	Park Development Fees	Anton Stadium	Observatory Park	Playground & Park Amenities
REVENUES						
Property tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for service	-	-	11,468	-	-	-
Grants contributions and donations	-	-	-	-	-	-
Use of money and property	2,228	-	169	74	14	15
Interest, rent, and concessions	-	-	-	-	-	-
Total revenues	2,228	-	11,637	74	14	15
EXPENDITURES						
Current:						
General government	2,483	-	-	-	-	-
Recreation and culture	-	19,906	-	-	-	-
Capital outlay:						
Recreation and culture	-	-	-	2,092	-	-
Total expenditures	2,483	19,906	-	2,092	-	-
Excess (deficiency) of revenues over expenditures	(255)	(19,906)	11,637	(2,018)	14	15
OTHER FINANCING SOURCES (USES)						
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	(255)	(19,906)	11,637	(2,018)	14	15
Fund balances - beginning	380,824	908,523	30,567	13,524	2,460	2,673
Fund balances - ending	\$ 380,569	\$ 888,617	\$ 42,204	\$ 11,506	\$ 2,474	\$ 2,688

City of Ukiah, California

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Capital Project (cont)

Nonmajor Governmental Funds (cont)

Year Ended June 30, 2021

	Swimming Pool	Riverside Park	Skate Park	Softball Complex	Rail Trail	Total Nonmajor Capital projects funds
REVENUES						
Property tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for service	-	-	-	-	-	11,468
Grants contributions and donations	-	71,975	-	-	299,015	370,990
Use of money and property	3	4	64	37	-	2,608
Interest, rent, and concessions	-	-	-	-	(372)	(372)
Total revenues	3	71,979	64	37	298,643	384,694
EXPENDITURES						
Current:						
General government	-	-	-	-	-	2,483
Recreation and culture	-	-	-	-	-	19,906
Capital outlay:						
Recreation and culture	-	61,210	-	-	-	63,302
Total expenditures	-	61,210	-	-	-	85,691
Excess (deficiency) of revenues over expenditures	3	10,769	64	37	298,643	299,003
OTHER FINANCING SOURCES (USES)						
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	3	10,769	64	37	298,643	299,003
Fund balances - beginning	(135,759)	(4,736)	11,842	6,809	(320,729)	895,998
Fund balances - ending	<u>\$ (135,756)</u>	<u>\$ 6,033</u>	<u>\$ 11,906</u>	<u>\$ 6,846</u>	<u>\$ (22,086)</u>	<u>\$ 1,195,001</u>

Continued

City of Ukiah, California

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Permanent

Nonmajor Governmental Funds

Year Ended June 30, 2021

	Riparian Corridor Enhancement
REVENUES	
Use of money and property	\$ 790
Total revenues	<u>790</u>
EXPENDITURES	
Current:	
Parks, buildings, and grounds	880
Debt service:	
Capital outlay:	
Total expenditures	<u>880</u>
Excess (deficiency) of revenues over expenditures	<u>(90)</u>
OTHER FINANCING SOURCES (USES)	
Total other financing sources (uses)	<u>-</u>
Net change in fund balances	(90)
Fund balances - beginning	146,126
Fund balances - ending	<u>\$ 146,036</u>

City of Ukiah, California
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Summary
Nonmajor Governmental Funds (cont)
Year Ended June 30, 2021

	Special revenue funds	Capital projects funds	Permanent funds	Total Nonmajor Governmental Funds
REVENUES				
Business license tax	\$ 25,270	\$ -	\$ -	\$ 25,270
Charges for service	59,466	11,468	-	70,934
Grants contributions and donations	-	370,990	-	370,990
Use of money and property	728,716	2,608	790	732,114
Intergovernmental	1,174,603	-	-	1,174,603
Interest, rent, and concessions	-	(372)	-	(372)
Miscellaneous	20,004	-	-	20,004
Total revenues	2,008,059	384,694	790	2,393,543
EXPENDITURES				
Current:				
General government	-	2,483	-	2,483
Public safety	785,114	-	-	785,114
Housing and community development	196,784	-	-	196,784
Public works	75,843	-	-	75,843
Parks, buildings, and grounds	-	-	880	880
Recreation and culture	61,750	19,906	-	81,656
Economic development and redevelopment	33,869	-	-	33,869
Debt service:				
Interest	2,340	-	-	2,340
Capital outlay:				
Public safety	14,300	-	-	14,300
Public works	1,133,087	-	-	1,133,087
Recreation and culture	-	63,302	-	63,302
Total expenditures	2,303,087	85,691	880	2,389,658
Excess (deficiency) of revenues over expenditures	(295,028)	299,003	(90)	3,885
OTHER FINANCING SOURCES (USES)				
Transfers in	478,156	-	-	478,156
Transfers out	(548,635)	-	-	(548,635)
Debt proceeds	343,763	-	-	343,763
Total other financing sources (uses)	273,284	-	-	273,284
Net change in fund balances	(21,744)	299,003	(90)	277,169
Fund balances - beginning	7,651,337	895,998	146,126	8,693,461
Fund balances - ending	\$ 7,629,593	\$ 1,195,001	\$ 146,036	\$ 8,970,630

Governmental Fund Budget Comparisons

City of Ukiah, California
 Special Revenue Fund
 Schedule of Revenue, Expenditures, and Change in Fund Balances
 Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Use of money and property	\$ -	\$ -	\$ 79	\$ 79
Total revenues	-	-	79	79
EXPENDITURES				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	79	79
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	79	79
Fund balances - beginning	14,301	14,301	14,301	-
Fund balances - ending	\$ 14,301	\$ 14,301	\$ 14,380	\$ 79

City of Ukiah, California
Prop 172
Schedule of Revenue, Expenditures, and Change in Fund Balances
Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Use of money and property	\$ 1,000	\$ 1,000	\$ 200	\$ (800)
Intergovernmental	55,756	55,756	102,051	46,295
Total revenues	56,756	56,756	102,251	45,495
EXPENDITURES				
Current:				
Public safety	40,990	40,990	385,346	(344,356)
Total current	40,990	40,990	385,346	(344,356)
Debt service:				
Interest	-	-	2,340	(2,340)
Total debt service	-	-	2,340	(2,340)
Capital outlay:				
Public safety	15,750	15,750	14,300	1,450
Total capital outlay	15,750	15,750	14,300	1,450
Total expenditures	56,740	56,740	401,986	(345,246)
Excess (deficiency) of revenues over expenditures	16	16	(299,735)	(299,751)
OTHER FINANCING SOURCES (USES)				
Debt proceeds	-	-	343,763	343,763
Total other financing sources (uses)	-	-	343,763	343,763
Net change in fund balances	16	16	44,028	44,012
Fund balances - beginning	70,569	70,569	70,569	-
Fund balances - ending	\$ 70,585	\$ 70,585	\$ 114,597	\$ 44,012

City of Ukiah, California
Museum Grant Fund
Schedule of Revenue, Expenditures, and Change in Fund Balances
Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Use of money and property	\$ -	\$ -	\$ 264	\$ 264
Total revenues	-	-	264	264
EXPENDITURES				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	264	264
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	264	264
Fund balances - beginning	20	20	20	-
Fund balances - ending	\$ 20	\$ 20	\$ 284	\$ 264

City of Ukiah, California
ARRC
Schedule of Revenue, Expenditures, and Change in Fund Balances
Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Use of money and property	\$ 62,000	\$ 62,000	\$ 49,571	\$ (12,429)
Miscellaneous	12,000	20,000	20,004	4
Total revenues	74,000	82,000	69,575	(12,425)
EXPENDITURES				
Current:				
Recreation and culture	96,891	106,891	61,750	45,141
Total current	96,891	106,891	61,750	45,141
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	96,891	106,891	61,750	45,141
Excess (deficiency) of revenues over expenditures	(22,891)	(24,891)	7,825	32,716
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(22,891)	(24,891)	7,825	32,716
Fund balances - beginning	(46,190)	(46,190)	(46,190)	-
Fund balances - ending	\$ (69,081)	\$ (71,081)	\$ (38,365)	\$ 32,716

City of Ukiah, California
Downtown Business Improvement
Schedule of Revenue, Expenditures, and Change in Fund Balances
Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Business license tax	\$ 20,864	\$ 20,864	\$ 25,270	\$ 4,406
Use of money and property	-	-	7	7
Total revenues	20,864	20,864	25,277	4,413
EXPENDITURES				
Current:				
Economic development and redevelopment	3,282	3,282	33,869	(30,587)
Total current	3,282	3,282	33,869	(30,587)
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	3,282	3,282	33,869	(30,587)
Excess (deficiency) of revenues over expenditures	17,582	17,582	(8,592)	(26,174)
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	17,582	17,582	(8,592)	(26,174)
Fund balances - beginning	(7,825)	(7,825)	(7,825)	-
Fund balances - ending	\$ 9,757	\$ 9,757	\$ (16,417)	\$ (26,174)

City of Ukiah, California
 Low-Mod Income Housing Fund (LMIHF)
 Schedule of Revenue, Expenditures, and Change in Fund Balances
 Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Use of money and property	\$ 98,586	\$ 98,586	\$ 54,338	\$ (44,248)
Total revenues	98,586	98,586	54,338	(44,248)
EXPENDITURES				
Current:				
Housing and community development	531,000	531,000	-	531,000
Total current	531,000	531,000	-	531,000
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	531,000	531,000	-	531,000
Excess (deficiency) of revenues over expenditures	(432,414)	(432,414)	54,338	486,752
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(432,414)	(432,414)	54,338	486,752
Fund balances - beginning	5,670,176	5,670,176	5,670,176	-
Fund balances - ending	\$ 5,237,762	\$ 5,237,762	\$ 5,724,514	\$ 486,752

City of Ukiah, California
 Winter Special Events
 Schedule of Revenue, Expenditures, and Change in Fund Balances
 Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Total revenues	-	-	-	-
EXPENDITURES				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances - beginning	\$ (12,636)	\$ (12,636)	\$ (12,636)	\$ -
Fund balances - ending	\$ (12,636)	\$ (12,636)	\$ (12,636)	\$ -

City of Ukiah, California
Advanced Planning
Schedule of Revenue, Expenditures, and Change in Fund Balances
Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for service	\$ -	\$ -	\$ 59,466	\$ 59,466
Use of money and property	2,727	2,727	1,687	(1,040)
Intergovernmental	-	40,000	-	(40,000)
Total revenues	2,727	42,727	61,153	18,426
EXPENDITURES				
Current:				
Housing and community development	1,175	438,133	4,092	434,041
Total current	1,175	438,133	4,092	434,041
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	1,175	438,133	4,092	434,041
Excess (deficiency) of revenues over expenditures	1,552	(395,406)	57,061	452,467
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	1,552	(395,406)	57,061	452,467
Fund balances - beginning	239,580	239,580	239,580	-
Fund balances - ending	\$ 241,132	\$ (155,826)	\$ 296,641	\$ 452,467

City of Ukiah, California
Highway User Tax (Gas Tax)
Schedule of Revenue, Expenditures, and Change in Fund Balances
Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Use of money and property	\$ -	\$ -	\$ 224	\$ 224
Intergovernmental	674,368	674,368	663,357	(11,011)
Total revenues	674,368	674,368	663,581	(10,787)
EXPENDITURES				
Current:				
Public works	69,181	59,581	64,075	(4,494)
Total current	69,181	59,581	64,075	(4,494)
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Public works	-	1,452,000	1,052,735	399,265
Total capital outlay	-	1,452,000	1,052,735	399,265
Total expenditures	69,181	1,511,581	1,116,810	394,771
Excess (deficiency) of revenues over expenditures	605,187	(837,213)	(453,229)	383,984
OTHER FINANCING SOURCES (USES)				
Transfers out	(4,000)	(4,000)	(4,000)	-
Total other financing sources (uses)	(4,000)	(4,000)	(4,000)	-
Net change in fund balances	601,187	(841,213)	(457,229)	383,984
Fund balances - beginning	(44,756)	(44,756)	(44,756)	-
Fund balances - ending	\$ 556,431	\$ (885,969)	\$ (501,985)	\$ 383,984

City of Ukiah, California
Signalization
Schedule of Revenue, Expenditures, and Change in Fund Balances
Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Use of money and property	\$ -	\$ -	\$ 2,005	\$ 2,005
Total revenues	-	-	2,005	2,005
EXPENDITURES				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	2,005	2,005
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	2,005	2,005
Fund balances - beginning	379,300	379,300	379,300	-
Fund balances - ending	\$ 379,300	\$ 379,300	\$ 381,305	\$ 2,005

City of Ukiah, California
 1998 STIP Augmentation
 Schedule of Revenue, Expenditures, and Change in Fund Balances
 Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Use of money and property	\$ -	\$ -	\$ 47	\$ 47
Total revenues	-	-	47	47
EXPENDITURES				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	47	47
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	47	47
Fund balances - beginning	(24)	(24)	(24)	-
Fund balances - ending	\$ (24)	\$ (24)	\$ 23	\$ 47

City of Ukiah, California
 SB 325 Reimbursement
 Schedule of Revenue, Expenditures, and Change in Fund Balances
 Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Use of money and property	\$ -	\$ -	\$ 704	\$ 704
Intergovernmental	40,000	40,000	35,000	(5,000)
Total revenues	40,000	40,000	35,704	(4,296)
EXPENDITURES				
Current:				
Public works	46,121	50,864	11,469	39,395
Total current	46,121	50,864	11,469	39,395
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	46,121	50,864	11,469	39,395
Excess (deficiency) of revenues over expenditures	(6,121)	(10,864)	24,235	35,099
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(6,121)	(10,864)	24,235	35,099
Fund balances - beginning	78,743	78,743	78,743	-
Fund balances - ending	\$ 72,622	\$ 67,879	\$ 102,978	\$ 35,099

City of Ukiah, California

S.T.P.

Schedule of Revenue, Expenditures, and Change in Fund Balances

Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Use of money and property	\$ -	\$ -	\$ 1,308	\$ 1,308
Intergovernmental	-	388,489	32,063	(356,426)
Total revenues	-	388,489	33,371	(355,118)
EXPENDITURES				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Public works	-	498,116	80,352	417,764
Total capital outlay	-	498,116	80,352	417,764
Total expenditures	-	498,116	80,352	417,764
Excess (deficiency) of revenues over expenditures	-	(109,627)	(46,981)	62,646
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	(109,627)	(46,981)	62,646
Fund balances - beginning	216,856	216,856	216,856	-
Fund balances - ending	\$ 216,856	\$ 107,229	\$ 169,875	\$ 62,646

City of Ukiah, California
Trans-Traffic Congestion Relief
Schedule of Revenue, Expenditures, and Change in Fund Balances
Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Use of money and property	\$ -	\$ -	\$ 550	\$ 550
Intergovernmental	16,000	16,000	-	(16,000)
Total revenues	16,000	16,000	550	(15,450)
EXPENDITURES				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	16,000	16,000	550	(15,450)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	478,156	478,156
Total other financing sources (uses)	-	-	478,156	478,156
Net change in fund balances	16,000	16,000	478,706	462,706
Fund balances - beginning	(478,659)	(478,659)	(478,659)	-
Fund balances - ending	\$ (462,659)	\$ (462,659)	\$ 47	\$ 462,706

City of Ukiah, California
 CDBG Program Income
 Schedule of Revenue, Expenditures, and Change in Fund Balances
 Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Use of money and property	\$ -	\$ -	\$ 151,180	\$ 151,180
Total revenues	-	-	151,180	151,180
EXPENDITURES				
Current:				
Housing and community development	50,000	50,000	192,351	(142,351)
Economic development and redevelopment	-	13,500	-	13,500
Total current	50,000	63,500	192,351	(128,851)
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	50,000	63,500	192,351	(128,851)
Excess (deficiency) of revenues over expenditures	(50,000)	(63,500)	(41,171)	22,329
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(50,000)	(63,500)	(41,171)	22,329
Fund balances - beginning	502,242	502,242	502,242	-
Fund balances - ending	\$ 452,242	\$ 438,742	\$ 461,071	\$ 22,329

City of Ukiah, California
 CASP Certification and Training
 Schedule of Revenue, Expenditures, and Change in Fund Balances
 Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Use of money and property	\$ -	\$ -	\$ (353)	\$ (353)
Intergovernmental	-	-	50,724	50,724
Total revenues	-	-	50,371	50,371
EXPENDITURES				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	50,371	50,371
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	50,371	50,371
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ 50,371	\$ 50,371

City of Ukiah, California
 Asset Seizure
 Schedule of Revenue, Expenditures, and Change in Fund Balances
 Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Use of money and property	\$ 1,832	\$ 1,832	\$ 433	\$ (1,399)
Intergovernmental	35,000	35,000	45,099	10,099
Total revenues	36,832	36,832	45,532	8,700
EXPENDITURES				
Current:				
Public safety	79,000	85,856	49,329	36,527
Total current	79,000	85,856	49,329	36,527
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	79,000	85,856	49,329	36,527
Excess (deficiency) of revenues over expenditures	(42,168)	(49,024)	(3,797)	45,227
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(42,168)	(49,024)	(3,797)	45,227
Fund balances - beginning	98,517	98,517	98,517	-
Fund balances - ending	\$ 56,349	\$ 49,493	\$ 94,720	\$ 45,227

City of Ukiah, California
 Sup. Law Enforcement Svc. (SLESF)
 Schedule of Revenue, Expenditures, and Change in Fund Balances
 Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Use of money and property	\$ -	\$ -	\$ 415	\$ 415
Intergovernmental	140,454	140,454	121,309	(19,145)
Total revenues	140,454	140,454	121,724	(18,730)
EXPENDITURES				
Current:				
Public safety	126,557	126,557	123,905	2,652
Total current	126,557	126,557	123,905	2,652
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	126,557	126,557	123,905	2,652
Excess (deficiency) of revenues over expenditures	13,897	13,897	(2,181)	(16,078)
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	13,897	13,897	(2,181)	(16,078)
Fund balances - beginning	180,955	180,955	180,955	-
Fund balances - ending	\$ 194,852	\$ 194,852	\$ 178,774	\$ (16,078)

City of Ukiah, California
Community-Based Transitional Housing
Schedule of Revenue, Expenditures, and Change in Fund Balances
Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Use of money and property	\$ 7,206	\$ 7,206	\$ 4,119	\$ (3,087)
Total revenues	7,206	7,206	4,119	(3,087)
EXPENDITURES				
Current:				
Public safety	244,939	244,939	221,293	23,646
Housing and community development	-	-	341	(341)
Total current	244,939	244,939	221,634	23,305
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	244,939	244,939	221,634	23,305
Excess (deficiency) of revenues over expenditures	(237,733)	(237,733)	(217,515)	20,218
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(237,733)	(237,733)	(217,515)	20,218
Fund balances - beginning	684,388	684,388	684,388	-
Fund balances - ending	\$ 446,655	\$ 446,655	\$ 466,873	\$ 20,218

City of Ukiah, California
 Asset Forfeiture 11470.2 H&S
 Schedule of Revenue, Expenditures, and Change in Fund Balances
 Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Use of money and property	\$ 900	\$ 900	\$ 394	\$ (506)
Intergovernmental	31,250	31,250	-	(31,250)
Total revenues	32,150	32,150	394	(31,756)
EXPENDITURES				
Current:				
Public safety	40,000	40,000	5,241	34,759
Total current	40,000	40,000	5,241	34,759
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	40,000	40,000	5,241	34,759
Excess (deficiency) of revenues over expenditures	(7,850)	(7,850)	(4,847)	3,003
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(7,850)	(7,850)	(4,847)	3,003
Fund balances - beginning	67,518	67,518	67,518	-
Fund balances - ending	\$ 59,668	\$ 59,668	\$ 62,671	\$ 3,003

City of Ukiah, California
Special Revenue - Police
Schedule of Revenue, Expenditures, and Change in Fund Balances
Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Use of money and property	\$ -	\$ -	\$ (328)	\$ (328)
Intergovernmental	125,000	125,000	125,000	-
Total revenues	125,000	125,000	124,672	(328)
EXPENDITURES				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	125,000	125,000	124,672	(328)
OTHER FINANCING SOURCES (USES)				
Transfers out	(125,000)	(125,000)	(125,000)	-
Total other financing sources (uses)	(125,000)	(125,000)	(125,000)	-
Net change in fund balances	-	-	(328)	(328)
Fund balances - beginning	2,943	2,943	2,943	-
Fund balances - ending	\$ 2,943	\$ 2,943	\$ 2,615	\$ (328)

City of Ukiah, California
American Rescue Fund
Schedule of Revenue, Expenditures, and Change in Fund Balances
Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Use of money and property	\$ -	\$ -	\$ 468	\$ 468
Total revenues	-	-	468	468
EXPENDITURES				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	468	468
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(156,419)	-	156,419
Total other financing sources (uses)	-	(156,419)	-	156,419
Net change in fund balances	-	(156,419)	468	156,887
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ (156,419)	\$ 468	\$ 156,887

City of Ukiah, California
Transfer Station
Schedule of Revenue, Expenditures, and Change in Fund Balances
Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Use of money and property	\$ 415,000	\$ 415,000	\$ 461,404	\$ 46,404
Total revenues	415,000	415,000	461,404	46,404
EXPENDITURES				
Current:				
Public works	-	299	299	-
Total current	-	299	299	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	-	299	299	-
Excess (deficiency) of revenues over expenditures	415,000	414,701	461,105	46,404
OTHER FINANCING SOURCES (USES)				
Transfers out	(385,000)	(385,000)	(419,635)	(34,635)
Total other financing sources (uses)	(385,000)	(385,000)	(419,635)	(34,635)
Net change in fund balances	30,000	29,701	41,470	11,769
Fund balances - beginning	35,319	35,319	35,319	-
Fund balances - ending	\$ 65,319	\$ 65,020	\$ 76,789	\$ 11,769

City of Ukiah, California
Equipment Reserve
Schedule of Revenue, Expenditures, and Change in Fund Balances
Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Use of money and property	\$ 5,221	\$ 5,221	\$ 2,228	\$ (2,993)
Total revenues	5,221	5,221	2,228	(2,993)
EXPENDITURES				
Current:				
General government	2,249	2,249	2,483	(234)
Total current	2,249	2,249	2,483	(234)
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	2,249	2,249	2,483	(234)
Excess (deficiency) of revenues over expenditures	2,972	2,972	(255)	(3,227)
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	2,972	2,972	(255)	(3,227)
Fund balances - beginning	380,824	380,824	380,824	-
Fund balances - ending	\$ 383,796	\$ 383,796	\$ 380,569	\$ (3,227)

City of Ukiah, California
Special Projects Reserve
Schedule of Revenue, Expenditures, and Change in Fund Balances
Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Total revenues	-	-	-	-
EXPENDITURES				
Current:				
Recreation and culture	\$ -	\$ -	\$ 19,906	\$ (19,906)
Total current	-	-	19,906	(19,906)
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	-	-	19,906	(19,906)
Excess (deficiency) of revenues over expenditures	-	-	(19,906)	(19,906)
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	(19,906)	(19,906)
Fund balances - beginning	908,523	908,523	908,523	-
Fund balances - ending	\$ 908,523	\$ 908,523	\$ 888,617	\$ (19,906)

City of Ukiah, California
 Park Development Fees
 Schedule of Revenue, Expenditures, and Change in Fund Balances
 Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for service	\$ -	\$ -	\$ 11,468	\$ 11,468
Use of money and property	-	-	169	169
Total revenues	-	-	11,637	11,637
EXPENDITURES				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	11,637	11,637
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	11,637	11,637
Fund balances - beginning	30,567	30,567	30,567	-
Fund balances - ending	\$ 30,567	\$ 30,567	\$ 42,204	\$ 11,637

City of Ukiah, California
Anton Stadium
Schedule of Revenue, Expenditures, and Change in Fund Balances
Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Use of money and property	\$ -	\$ -	\$ 74	\$ 74
Total revenues	-	-	74	74
EXPENDITURES				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Recreation and culture	-	2,092	2,092	-
Total capital outlay	-	2,092	2,092	-
Total expenditures	-	2,092	2,092	-
Excess (deficiency) of revenues over expenditures	-	(2,092)	(2,018)	74
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	(2,092)	(2,018)	74
Fund balances - beginning	13,524	13,524	13,524	-
Fund balances - ending	\$ 13,524	\$ 11,432	\$ 11,506	\$ 74

City of Ukiah, California
 Observatory Park
 Schedule of Revenue, Expenditures, and Change in Fund Balances
 Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Use of money and property	\$ -	\$ -	\$ 14	\$ 14
Total revenues	-	-	14	14
EXPENDITURES				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	14	14
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	14	14
Fund balances - beginning	2,460	2,460	2,460	-
Fund balances - ending	\$ 2,460	\$ 2,460	\$ 2,474	\$ 14

City of Ukiah, California
 Playground & Park Amenities
 Schedule of Revenue, Expenditures, and Change in Fund Balances
 Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Use of money and property	\$ -	\$ -	\$ 15	\$ 15
Total revenues	-	-	15	15
EXPENDITURES				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	15	15
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	15	15
Fund balances - beginning	2,673	2,673	2,673	-
Fund balances - ending	\$ 2,673	\$ 2,673	\$ 2,688	\$ 15

City of Ukiah, California
Swimming Pool
Schedule of Revenue, Expenditures, and Change in Fund Balances
Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Use of money and property	\$ -	\$ -	\$ 3	\$ 3
Total revenues	-	-	3	3
EXPENDITURES				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	3	3
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	3	3
Fund balances - beginning	(135,759)	(135,759)	(135,759)	-
Fund balances - ending	\$ (135,759)	\$ (135,759)	\$ (135,756)	\$ 3

City of Ukiah, California
Riverside Park
Schedule of Revenue, Expenditures, and Change in Fund Balances
Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Grants contributions and donations	\$ 1,038,614	\$ 1,038,614	\$ 71,975	\$ (966,639)
Use of money and property	-	-	4	4
Total revenues	1,038,614	1,038,614	71,979	(966,635)
EXPENDITURES				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Recreation and culture	832,005	1,029,852	61,210	968,642
Total capital outlay	832,005	1,029,852	61,210	968,642
Total expenditures	832,005	1,029,852	61,210	968,642
Excess (deficiency) of revenues over expenditures	206,609	8,762	10,769	2,007
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	206,609	8,762	10,769	2,007
Fund balances - beginning	(4,736)	(4,736)	(4,736)	-
Fund balances - ending	\$ 201,873	\$ 4,026	\$ 6,033	\$ 2,007

City of Ukiah, California
 Skate Park
 Schedule of Revenue, Expenditures, and Change in Fund Balances
 Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Use of money and property	\$ -	\$ -	\$ 64	\$ 64
Total revenues	-	-	64	64
EXPENDITURES				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	64	64
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	64	64
Fund balances - beginning	11,842	11,842	11,842	-
Fund balances - ending	\$ 11,842	\$ 11,842	\$ 11,906	\$ 64

City of Ukiah, California
 Softball Complex
 Schedule of Revenue, Expenditures, and Change in Fund Balances
 Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Use of money and property	\$ -	\$ -	\$ 37	\$ 37
Total revenues	-	-	37	37
EXPENDITURES				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	37	37
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	37	37
Fund balances - beginning	6,809	6,809	6,809	-
Fund balances - ending	\$ 6,809	\$ 6,809	\$ 6,846	\$ 37

City of Ukiah, California
 Rail Trail
 Schedule of Revenue, Expenditures, and Change in Fund Balances
 Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Grants contributions and donations	\$ -	\$ -	\$ 299,015	\$ 299,015
Interest, rent, and concessions	-	-	(372)	(372)
Total revenues	-	-	298,643	298,643
EXPENDITURES				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Public works	-	10,331	-	10,331
Total capital outlay	-	10,331	-	10,331
Total expenditures	-	10,331	-	10,331
Excess (deficiency) of revenues over expenditures	-	(10,331)	298,643	308,974
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	(10,331)	298,643	308,974
Fund balances - beginning	(320,729)	(320,729)	(320,729)	-
Fund balances - ending	\$ (320,729)	\$ (331,060)	\$ (22,086)	\$ 308,974

City of Ukiah, California
Riparian Corridor Enhancement
Schedule of Revenue, Expenditures, and Change in Fund Balances
Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Use of money and property	\$ 1,850	\$ 1,850	\$ 790	\$ (1,060)
Total revenues	1,850	1,850	790	(1,060)
EXPENDITURES				
Current:				
Parks, buildings, and grounds	797	797	880	(83)
Total current	797	797	880	(83)
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	797	797	880	(83)
Excess (deficiency) of revenues over expenditures	1,053	1,053	(90)	(1,143)
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	1,053	1,053	(90)	(1,143)
Fund balances - beginning	146,126	146,126	146,126	-
Fund balances - ending	\$ 147,179	\$ 147,179	\$ 146,036	\$ (1,143)

Combining Nonmajor Enterprise funds

Parking District #1	The Parking District #1 Fund is used to account for the operating activities of the City's parking district.
Ambulance Services	The Ambulance Services fund is used to account for resources and activities of the Ukiah Valley Fire Authority in providing ambulatory services.
Golf	The Golf Fund is issued to account for activities related to the City's municipal golf course, which is managed by a contracted, private vendor.
Conference Center	The Conference Center Fund is used to account for activities of the Ukiah Valley Conference Center.
Airport	The Airport Fund is the primary fund used to account for the operating activities of the City's municipal airport.
Street Lighting	The Street Lighting Fund is used to account for resources accumulated for street light operation, maintenance and capital planning.

City of Ukiah, California
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2021

	Parking District	Ambulance Services	Golf	Conference Center	Airport	Street Lighting	Total Nonmajor Enterprise funds
ASSETS							
Current assets:							
Cash and investments	\$ 2,746	\$ 70,862	\$ 74,362	\$ 464	\$ 4,134	\$ 5,440	\$ 158,008
Accounts receivable	25,191	-	500	9,565	6,198	20,946	62,400
Interest receivable	1	16	13	-	(121)	-	(91)
Grants and subventions receivable	-	-	-	-	659,279	-	659,279
Total current assets	27,938	70,878	74,875	10,029	669,490	26,386	879,596
Noncurrent assets:							
Notes receivable	-	-	5,500	-	-	-	5,500
Advances to other funds	-	-	716,578	-	-	-	716,578
Land	183,871	-	965,284	372,750	271,957	-	1,793,862
Construction in progress	-	-	-	-	464,163	364,598	828,761
Infrastructure and network	77,682	-	340,353	-	6,301,252	117,736	6,837,023
Buildings and improvements	-	-	439,213	2,294,473	1,651,825	-	4,385,511
Machinery equipment and vehicles	42,876	91,529	-	-	627,608	-	762,013
Less accumulated depreciation	(58,276)	(11,887)	(579,844)	(1,261,959)	(2,651,060)	(17,236)	(4,580,262)
Total noncurrent assets	246,153	79,642	1,887,084	1,405,264	6,665,745	465,098	10,748,986
Total assets	274,091	150,520	1,961,959	1,415,293	7,335,235	491,484	11,628,582
DEFERRED OUTFLOWS OF RESOURCES							
Deferred outflow of resources related to pension	-	-	72,546	391,750	1,230,384	-	1,694,680
Total deferred outflows of resources	-	-	72,546	391,750	1,230,384	-	1,694,680
Total assets and deferred outflows of resources	\$ 274,091	\$ 150,520	\$ 2,034,505	\$ 1,807,043	\$ 8,565,619	\$ 491,484	\$ 13,323,262
LIABILITIES							
Current liabilities:							
Accounts payable	8,295	15,237	60,115	5,703	103,299	162,566	355,215
Accrued payroll liabilities	-	-	1,012	5,163	19,949	-	26,124
Due to other funds	-	-	-	27,500	420,000	-	447,500
Deposits payable	-	-	-	2,162	3,562	-	5,724
Interest payable	-	-	-	-	1,395	-	1,395
Compensated absences - current	-	-	202	980	2,797	-	3,979
Long-term obligations - current	-	-	1,070	538	28,679	-	30,287
Total current liabilities	8,295	15,237	62,399	42,046	579,681	162,566	870,224
Noncurrent liabilities:							
Advance from other funds	54,136	-	930,200	56,595	-	186,270	1,227,201
Installment obligations	-	-	74,595	37,534	1,406,042	-	1,518,171
Net pension liability	-	-	74,463	402,098	1,262,886	-	1,739,447
Compensated absences	-	-	1,819	8,829	25,173	-	35,821
Total noncurrent liabilities	54,136	-	1,081,077	505,056	2,694,101	186,270	4,520,640
Total liabilities	62,431	15,237	1,143,476	547,102	3,273,782	348,836	5,390,864
DEFERRED INFLOWS OF RESOURCES							
Deferred inflow of resources related to pension	-	-	35	189	594	-	818
Total deferred inflows of resources	-	-	35	189	594	-	818
Total liabilities and deferred inflows of resources	62,431	15,237	1,143,511	547,291	3,274,376	348,836	5,391,682
NET POSITION							
Net investment in capital assets	246,153	79,642	1,165,006	1,405,264	6,506,110	465,098	9,867,273
Restricted for:							
Unrestricted	(34,493)	55,641	(274,012)	(145,512)	(1,214,867)	(322,450)	(1,935,693)
Total net position	\$ 211,660	\$ 135,283	\$ 890,994	\$ 1,259,752	\$ 5,291,243	\$ 142,648	\$ 7,931,580

City of Ukiah, California
Combining Statement of Revenues, expenses, and Changes in Net Position
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2021

	Parking District	Ambulance Services	Golf	Conference Center	Airport	Street Lighting	Total Enterprise funds
OPERATING REVENUES							
Charges for service	\$ 34,214	\$ 79,891	\$ -	\$ 6,053	\$ 26,781	\$ 183,278	\$ 330,217
Licenses and permits	26,748	-	-	-	-	-	26,748
Fines penalties and forfeitures	39,717	-	-	-	-	-	39,717
Facility rental	-	-	38,500	203,947	384,546	-	626,993
Fuel sales	-	-	-	-	975,786	-	975,786
Miscellaneous	-	-	-	-	3,082	-	3,082
Total operating revenues	100,679	79,891	38,500	210,000	1,390,195	183,278	2,002,543
OPERATING EXPENSES							
General and administrative	24,020	5,818	26,081	57,961	188,525	26,216	328,621
Maintenance and operations	110,234	37,680	115,049	(441,712)	1,015,960	155,910	993,121
Fuel	-	-	-	-	522,388	-	522,388
Depreciation	2,424	11,888	2,236	45,889	109,724	2,943	175,104
Total operating expenses	136,678	55,386	143,366	(337,862)	1,836,597	185,069	2,019,234
Operating income (loss)	(35,999)	24,505	(104,866)	547,862	(446,402)	(1,791)	(16,691)
NONOPERATING REVENUES (EXPENSES)							
Property tax	16,714	-	-	-	-	-	16,714
Intergovernmental	-	-	136,766	2,201	-	-	138,967
Interest, rent, and concessions	(213)	(197)	116,131	-	1,625	392	117,738
Interest expense and fiscal charges	-	-	-	-	(3,830)	-	(3,830)
Total nonoperating revenues (expenses)	16,501	(197)	252,897	2,201	(2,205)	392	269,589
Income (loss) before contributions and transfers	(19,498)	24,308	148,031	550,063	(448,607)	(1,399)	252,898
Capital contributions	-	-	-	-	556,033	-	556,033
Transfers in	-	-	25,328	-	-	200,000	225,328
Change in net position	(19,498)	24,308	173,359	550,063	107,426	198,601	1,034,259
Total net position - beginning	231,158	110,975	717,635	709,689	5,183,817	(55,953)	6,897,321
Total net position - ending	\$ 211,660	\$ 135,283	\$ 890,994	\$ 1,259,752	\$ 5,291,243	\$ 142,648	\$ 7,931,580

City of Ukiah, California
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended June 30, 2021

	Parking District	Ambulance Services	Golf	Conference Center	Airport	Street Lighting	Total
CASH FLOWS FROM OPERATING ACTIVITIES							
Cash receipts from customers	\$ 88,443	\$ 79,891	\$ 44,500	\$ 200,894	\$ 1,395,687	\$ 187,108	\$ 1,996,523
Payments to employees	-	-	(98,043)	(167,324)	(1,687,442)	-	(1,952,809)
Payments to suppliers	(106,510)	(22,619)	(80,300)	(43,049)	(3,158,848)	(17,795)	(3,429,121)
Payments for interfund services used	(24,020)	(5,818)	(26,081)	(57,961)	(188,525)	(26,216)	(328,621)
Net cash provided (used) by operating activities	(42,087)	51,454	(159,924)	(67,440)	(3,639,128)	143,097	(3,714,028)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Principal payments received on loans receivable	-	-	6,500	-	-	-	6,500
Cash received (paid) to other funds	20,446	-	115,803	27,500	420,000	200,000	783,749
Property taxes received	16,714	-	-	-	-	-	16,714
Grants and contributions	-	-	-	2,201	-	-	2,201
Proceeds from pension bonds	-	-	75,665	38,072	1,275,087	-	1,388,824
Net cash provided (used) by noncapital financing activities	37,160	-	197,968	67,773	1,695,087	200,000	2,197,988
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Capital grants and contributions	-	-	136,766	-	2,357,952	-	2,494,718
Interest paid	-	-	-	-	(3,962)	-	(3,962)
Principal paid on capital and related debt	-	-	-	-	(10,410)	-	(10,410)
Acquisition and construction of capital assets	-	(1,090)	(186,561)	-	(679,723)	(364,597)	(1,231,971)
Net cash provided (used) by capital and related financing activities	-	(1,090)	(49,795)	-	1,663,857	(364,597)	1,248,375
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest received	(212)	(207)	(57)	(1)	2,075	417	2,015
Net cash provided (used) by investing activities	(212)	(207)	(57)	(1)	2,075	417	2,015
Net increase (decrease) in cash and cash equivalents	(5,139)	50,157	(11,808)	332	(278,109)	(21,083)	(265,650)
Balances - beginning of year	7,885	20,705	86,170	132	282,243	26,523	423,658
Balances - end of the year	\$ 2,746	\$ 70,862	\$ 74,362	\$ 464	\$ 4,134	\$ 5,440	\$ 158,008
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
Operating Income	\$ (35,999)	\$ 24,505	\$ (104,866)	\$ 547,862	\$ (446,402)	\$ (1,791)	\$ (16,691)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation	2,424	11,888	2,236	45,889	109,724	2,943	175,104
Changes in assets and liabilities:							
Decrease (increase) in accounts receivable	(12,236)	-	6,000	(9,105)	5,492	3,830	(6,019)
Decrease (increase) in deferred outflows	-	-	(63,614)	(278,850)	(1,077,469)	-	(1,419,933)
Increase (decrease) in accounts payable	3,724	15,061	(11,990)	(2,106)	(2,450,487)	138,115	(2,307,683)
Increase (decrease) in accrued salaries and benefits	-	-	(846)	(4,302)	(1,753)	-	(6,901)
Increase (decrease) in compensated absences	-	-	(662)	(2,113)	(2,862)	-	(5,637)
Increase (decrease) in deferred inflows	-	-	(887)	(11,466)	(15,191)	-	(27,544)
Increase (decrease) in net pension liability	-	-	14,705	(353,249)	239,820	-	(98,724)
Net cash provided (used) by operating activities	\$ (42,087)	\$ 51,454	\$ (159,924)	\$ (67,440)	\$ (3,639,128)	\$ 143,097	\$ (3,714,028)

Combining Internal Service Funds

City Administrative Services	City Administrative Services fund is used to account for all general administrative services provided to the City, including City Council, City Manager's Office (City Manager, City Clerk, Emergency Management, Economic Development, etc), Finance (Accounting and Budget), Human Resources, City Attorney, and Treasury management.
Worker's Comp	The Worker's Compensation Fund is used to account for premiums paid for worker's compensation benefits as required by the State of California.
Liability	The Liability Fund is used to account for resources needed to meet liability insurance premiums and to allocate those costs to all City functions through its Cost Allocation Plan.
Garage	The Garage Fund is used to account for shared resources used to operate the City's central garage and corporation yard and to allocate those costs to all City functions through its Cost Allocation Plan.
Purchasing	The Purchasing Fund is used to account for shared resources used to maintain and implement the City's central procurement system and to allocate those costs to all City functions through its Cost Allocation Plan.
Billing and Collection	The Billing and Collection Fund is used to account for shared resources used to provide billing and collection service to City functions and other governmental entities and to allocate those costs accordingly through its Cost Allocation Plan.
Public Safety Dispatch	The Public Safety Dispatch Fund is used to account for shared resources used to provide public safety dispatch services to City departments and other governmental entities and to allocate those costs accordingly through its Cost Allocation Plan.
Building & Maintenance	The Building & Maintenance Fund is used to account for shared resources used to provide central building and grounds maintenance services to City departments and to allocate those costs accordingly through its Cost Allocation Plan.
Information Technology (IT)	The IT Fund is used to account for shared resources used to provide information technology services to City departments and to allocate those costs accordingly through its Cost Allocation Plan.

City of Ukiah, California
Combining Statement of Net Position
Internal Service Funds
June 30, 2021

	City Administrative Services	Worker's Comp	Liability	Garage	Purchasing	Billing And Collection	Public Safety Dispatch	Building & Maintenance	Information Technology	Total Nonmajor Internal service funds
ASSETS										
Current assets:										
Cash and investments	\$ 255,243	\$ 764,943	\$ 728,076	\$ 62,858	\$ 61,210	\$ 110,090	\$ 126,963	\$ 1,215	\$ 97,992	\$ 2,208,590
Restricted cash and investments	-	-	-	-	-	-	-	2,850,000	-	2,850,000
Accounts receivable	63,743	67,660	-	7,364	132	-	-	9,086	926	148,911
Total current assets	318,986	832,603	728,076	70,222	61,342	110,090	126,963	2,860,301	98,918	5,207,501
Noncurrent assets:										
Advances to other funds	-	-	-	-	-	545,045	-	-	-	545,045
Land	-	-	-	-	-	-	-	762,562	-	762,562
Construction in progress	-	-	-	-	-	-	-	676,013	-	676,013
Buildings and improvements	-	-	-	327,113	-	-	-	189,483	-	516,596
Machinery equipment and vehicles	-	-	-	203,051	4,769	136,669	242,007	67,705	482,172	1,136,373
Less accumulated depreciation	-	-	-	(281,810)	(4,769)	(136,669)	(228,710)	(13,410)	(192,266)	(857,634)
Total noncurrent assets	-	-	-	248,354	-	545,045	13,297	1,682,353	289,906	2,778,955
Total assets	318,986	832,603	728,076	318,576	61,342	655,135	140,260	4,542,654	388,824	7,986,456
DEFERRED OUTFLOWS OF RESOURCES										
Total deferred outflows of resources	-	-	-	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	\$ 318,986	\$ 832,603	\$ 728,076	\$ 318,576	\$ 61,342	\$ 655,135	\$ 140,260	\$ 4,542,654	\$ 388,824	\$ 7,986,456
LIABILITIES										
Current liabilities:										
Accounts payable	147,390	-	6,151	9,513	1,529	42,160	8,117	91,629	44,340	350,829
Accrued payroll liabilities	118,847	106,765	32,729	14,395	22,231	74,139	12,836	16,942	44,817	443,701
Interest payable	-	-	-	-	-	-	-	21,828	1,058	22,886
Compensated absences - current	-	-	-	3,743	3,831	4,743	6,563	2,551	2,026	23,457
Long-term obligations - current	-	143,486	49,583	-	-	-	-	90,000	58,280	341,349
Total current liabilities	266,237	250,251	88,463	27,651	27,591	121,042	27,516	222,950	150,521	1,182,222
Noncurrent liabilities:										
Claims payable	-	286,972	49,583	-	-	-	-	-	-	336,555
Advance from other funds	-	-	-	-	-	-	-	1,185,045	-	1,185,045
Compensated absences	-	-	-	33,692	34,487	42,689	59,073	22,965	18,232	211,138
Due in more than one year	-	-	-	-	-	-	-	2,641,128	-	2,641,128
Total noncurrent liabilities	-	286,972	49,583	33,692	34,487	42,689	59,073	3,849,138	18,232	4,373,866
Total liabilities	266,237	537,223	138,046	61,343	62,078	163,731	86,589	4,072,088	168,753	5,556,088
DEFERRED INFLOWS OF RESOURCES										
Total deferred inflows of resources	-	-	-	-	-	-	-	-	-	-
Total liabilities and deferred inflows of resources	266,237	537,223	138,046	61,343	62,078	163,731	86,589	4,072,088	168,753	5,556,088
NET POSITION										
Net investment in capital assets	-	-	-	248,354	-	-	13,297	1,682,353	289,906	2,233,910
Unrestricted	52,749	295,380	590,030	8,879	(736)	491,404	40,374	(1,211,787)	(69,835)	196,458
Total net position	\$ 52,749	\$ 295,380	\$ 590,030	\$ 257,233	\$ (736)	\$ 491,404	\$ 53,671	\$ 470,566	\$ 220,071	\$ 2,430,368

City of Ukiah, California
Combining Statement of Revenues, expenses, and Changes in Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2021

	City Administrative Services	Worker's Comp	Liability	Garage	Purchasing	Billing And Collection	Public Safety Dispatch	Building & Maintenance	Information Technology	Total Internal service funds
OPERATING REVENUES										
Charges for service	\$ 4,701,015	\$ 1,355,508	\$ 1,119,095	\$ 534,781	\$ 617,963	\$ 1,152,309	\$ 1,458,574	\$ 977,095	\$ 1,655,099	\$ 13,571,439
Miscellaneous	-	-	-	145	-	-	-	-	-	145
Total operating revenues	<u>4,701,015</u>	<u>1,355,508</u>	<u>1,119,095</u>	<u>534,926</u>	<u>617,963</u>	<u>1,152,309</u>	<u>1,458,574</u>	<u>977,095</u>	<u>1,655,099</u>	<u>13,571,584</u>
OPERATING EXPENSES										
General and administrative	737,746	14,957	92,115	112,915	88,992	278,279	199,885	176,673	163,958	1,865,520
Maintenance and operations	3,975,215	1,367,078	1,124,189	416,307	522,290	1,139,103	1,265,933	654,158	1,286,502	11,750,775
Depreciation	-	-	-	29,109	-	-	-	8,871	71,893	109,873
Total operating expenses	<u>4,712,961</u>	<u>1,382,035</u>	<u>1,216,304</u>	<u>558,331</u>	<u>611,282</u>	<u>1,417,382</u>	<u>1,465,818</u>	<u>839,702</u>	<u>1,522,353</u>	<u>13,726,168</u>
Operating income (loss)	<u>(11,946)</u>	<u>(26,527)</u>	<u>(97,209)</u>	<u>(23,405)</u>	<u>6,681</u>	<u>(265,073)</u>	<u>(7,244)</u>	<u>137,393</u>	<u>132,746</u>	<u>(154,584)</u>
NONOPERATING REVENUES (EXPENSES)										
Intergovernmental	63,743	-	-	-	132	-	-	9,086	-	72,961
Interest, rent, and concessions	952	1,464	689	182	79	2,674	504	250	115	6,909
Interest expense and fiscal charges	-	-	-	-	-	-	-	(80,964)	(959)	(81,923)
Total nonoperating revenues (expenses)	<u>64,695</u>	<u>1,464</u>	<u>689</u>	<u>182</u>	<u>211</u>	<u>2,674</u>	<u>504</u>	<u>(71,628)</u>	<u>(844)</u>	<u>(2,053)</u>
Income (loss) before contributions and transfers	<u>52,749</u>	<u>(25,063)</u>	<u>(96,520)</u>	<u>(23,223)</u>	<u>6,892</u>	<u>(262,399)</u>	<u>(6,740)</u>	<u>65,765</u>	<u>131,902</u>	<u>(156,637)</u>
Change in net position	<u>52,749</u>	<u>(25,063)</u>	<u>(96,520)</u>	<u>(23,223)</u>	<u>6,892</u>	<u>(262,399)</u>	<u>(6,740)</u>	<u>65,765</u>	<u>131,902</u>	<u>(156,637)</u>
Total net position - beginning	-	320,443	686,550	280,456	(7,628)	753,803	60,411	404,801	88,169	2,587,005
Total net position - ending	<u>\$ 52,749</u>	<u>\$ 295,380</u>	<u>\$ 590,030</u>	<u>\$ 257,233</u>	<u>\$ (736)</u>	<u>\$ 491,404</u>	<u>\$ 53,671</u>	<u>\$ 470,566</u>	<u>\$ 220,071</u>	<u>\$ 2,430,368</u>

City of Ukiah, California
Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2021

	Administrative Services	Worker's Comp	Liability	Garage	Purchasing	Billing And Collection	Public Safety Dispatch	Building & Maintenance	Information Technology	Total
CASH FLOWS FROM OPERATING ACTIVITIES										
Cash receipts from customers	\$ (63,743)	\$ (67,661)	\$ -	\$ 35,964	\$ (132)	\$ 1,145	\$ 267,971	\$ (9,086)	\$ -	\$ 164,458
Receipts from interfund services provided	-	1,355,508	1,119,095	506,386	617,963	1,151,164	1,190,603	977,095	1,655,099	8,572,913
Payments to employees	(2,712,330)	60,157	-	(332,918)	(499,142)	(774,214)	(1,221,218)	(401,141)	(683,339)	(6,564,145)
Payments to suppliers	(1,024,211)	(1,481,830)	(1,160,299)	(76,516)	(28,011)	(313,096)	(66,797)	(222,103)	(567,975)	(4,940,838)
Payments for interfund services used	3,963,269	(14,957)	(92,115)	(112,915)	(88,992)	(278,279)	(199,885)	(176,673)	(163,958)	2,835,495
Other operating cash receipts (payments)	-	-	-	-	-	-	-	-	1,370	1,370
Net cash provided (used) by operating activities	162,985	(148,783)	(133,319)	20,001	1,686	(213,280)	(29,326)	168,092	241,197	69,253
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES										
Cash received (paid) to other funds	-	642,886	745,000	-	-	-	-	640,000	-	2,027,886
Grants and contributions	63,743	-	-	-	132	-	-	9,086	-	72,961
Net cash provided (used) by noncapital financing activities	63,743	642,886	745,000	-	132	-	-	649,086	-	2,100,847
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES										
Proceeds from capital loans	-	-	-	-	-	-	-	2,881,128	-	2,881,128
Interest paid	-	-	-	-	-	-	-	(59,136)	(4,121)	(63,257)
Principal paid on capital and related debt	-	-	-	-	-	-	-	(150,000)	(57,025)	(207,025)
Acquisition and construction of capital assets	-	-	-	-	-	-	(13,296)	(638,204)	(122,710)	(774,210)
Net cash provided (used) by capital and related financing activities	-	-	-	-	-	-	(13,296)	2,033,788	(183,856)	1,836,636
CASH FLOWS FROM INVESTING ACTIVITIES										
Interest received	952	3,148	1,011	253	79	4,038	734	249	222	10,686
Net cash provided (used) by investing activities	952	3,148	1,011	253	79	4,038	734	249	222	10,686
Net increase (decrease) in cash and cash equivalents	227,680	497,251	612,692	20,254	1,897	(209,242)	(41,888)	2,851,215	57,563	4,017,422
Balances - beginning of year	27,563	267,692	115,384	42,604	59,313	319,332	168,851	-	40,429	1,041,168
Balances - end of the year	\$ 255,243	\$ 764,943	\$ 728,076	\$ 62,858	\$ 61,210	\$ 110,090	\$ 126,963	\$ 2,851,215	\$ 97,992	\$ 5,058,590
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:										
Operating Income	\$ (11,946)	\$ (26,527)	\$ (97,209)	\$ (23,405)	\$ 6,681	\$ (265,073)	\$ (7,244)	\$ 137,393	\$ 132,746	\$ (154,584)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:										
Depreciation	-	-	-	29,109	-	-	-	8,871	71,893	109,873
Changes in assets and liabilities:										
Decrease (increase) in accounts receivable	(63,743)	(67,661)	-	7,425	(132)	-	-	(9,086)	1,370	(131,827)
Increase (decrease) in accounts payable	147,390	28,734	13,473	6,402	(1,329)	18,850	5,179	34,183	21,229	274,111
Increase (decrease) in accrued salaries and benefits	91,284	60,157	-	(724)	1,630	34,788	(37,802)	(560)	19,577	168,350
Increase (decrease) in compensated absences	-	-	-	1,194	(5,164)	(1,845)	10,541	(2,709)	(5,618)	(3,601)
Increase (decrease) in claims payable	-	(143,486)	(49,583)	-	-	-	-	-	-	(193,069)
Net cash provided (used) by operating activities	\$ 162,985	\$ (148,783)	\$ (133,319)	\$ 20,001	\$ 1,686	\$ (213,280)	\$ (29,326)	\$ 168,092	\$ 241,197	\$ 69,253

Combining Fiduciary Funds

CUSTODIAL FUNDS

Special Deposit Custodial Fund

Resources held for outside parties that are not available for spending by the City.

General Services Clearing (Accounts Receivable) Fund

Resources held on a limited basis act as a clearing fund for utility billing collections.

Garbage Billing and Collection Fund

Resources held resulting from billing and collections of mandatory residential solid waste collection.

Russian River Watershed Association

Resources held on behalf of the Russian River Watershed Association, of which the City is a member and acts as its general fiscal agent.

Ukiah Valley Fire Protection District

The Ukiah Valley Fire District Fund is used to account for the activities of the Ukiah Valley Fire District. The City provides accounting, budget management, and other fiscal and administrative services to the District.

Ukiah Valley Sanitation District

Resources held for the benefit of the Ukiah Valley Sanitation District resulting from collections from sewer billing and payments to the City for share of operating and debt service costs.

City of Ukiah, California
Combining Fiduciary Net Position
Custodial Funds
June 30, 2021

	Special Deposit Trust	General Service (Accts Recv)	Garbage Billing & Coll.	Russian River Watershed Assoc	Ukiah Valley Fire District	Ukiah Valley Sanitation District	Total Custodial funds
ASSETS							
Cash and investments	\$ 1,115,217	\$ 23,799	\$ 474,189	\$ 270,770	\$ -	\$ 16,767	\$ 1,900,742
Accounts receivable	3,753	170	267,028	-	50,435	-	321,386
Interest receivable	-	-	-	53	154	-	207
Total Cash	1,118,970	23,969	741,217	270,823	50,589	16,767	2,222,335
Total assets	1,118,970	23,969	741,217	270,823	50,589	16,767	2,222,335
LIABILITIES							
Accounts payable	\$ 15,888	\$ 1,148	\$ 43,907	\$ 202,308	\$ 53,267	\$ -	\$ 316,518
Accrued payroll liabilities	-	-	-	-	69,244	-	69,244
Deposits payable	1,042,249	-	-	-	-	-	1,042,249
Due to other agencies	-	-	194,635	-	126,357	-	320,992
Intergovernmental payable	34,904	-	-	-	-	-	34,904
Due to City of Ukiah	25,929	22,821	502,675	-	-	-	551,425
Total liabilities	1,118,970	23,969	741,217	202,308	248,868	-	2,335,332
DEFERRED INFLOWS OF RESOURCES							
Total deferred inflows of resources	-	-	-	-	-	-	-
Total liabilities and deferred inflows of resources	1,118,970	23,969	741,217	202,308	248,868	-	2,335,332
NET POSITION							
Held for benefit of:							
Individuals, Organizations and Other Governments	-	-	-	68,515	(198,279)	16,767	(112,997)
Total net position	\$ -	\$ -	\$ -	\$ 68,515	\$ (198,279)	\$ 16,767	\$ (112,997)

City of Ukiah, California
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Fiscal Year Ended June 30, 2021

	Special Deposit Trust	General Service (Accts Recv)	Garbage Billing & Coll.	Russian River Watershed Assoc	Ukiah Valley Fire District	Ukiah Valley Sanitation District	Total Custodial funds
ADDITIONS							
Contributions:							
Grants contributions and donations	\$ -	\$ -	\$ -	\$ -	\$ 395,189	\$ -	\$ 395,189
Taxes and assessments collected for other governments	-	-	-	-	1,169,487	-	1,169,487
Service charges collected for other governments	-	-	-	-	278,558	25,742	304,300
Service charges collected for other agencies	-	-	1,471,242	-	-	-	1,471,242
Intergovernmental	-	-	-	-	60,390	-	60,390
Miscellaneous	-	-	-	-	6,892	-	6,892
Members	-	-	-	537,958	-	-	537,958
Total contributions	-	-	1,471,242	537,958	1,910,516	25,742	3,945,458
Investment earnings:							
Interest, rent, and concessions	-	208	482	1,156	(386)	7,532	8,992
Total investment earnings	-	208	482	1,156	(386)	7,532	8,992
Net investment earnings	-	208	482	1,156	(386)	7,532	8,992
Revenues							
Total revenues	-	-	-	-	-	-	-
Total additions	-	208	1,471,724	539,114	1,910,130	33,274	3,954,450
DEDUCTIONS							
General and administrative	-	208	-	-	312,121	-	312,329
Maintenance and operations	-	-	6,211	-	81,059	17,585	104,855
Interest expense and fiscal charges	-	-	-	-	75,212	-	75,212
Distributions to other governments	-	-	-	697,593	-	2,476,061	3,173,654
Payments to other agencies for service charges collected	-	-	668,368	-	-	-	668,368
Payments to City for services provided	-	-	797,145	-	1,732,975	-	2,530,120
Total deductions	-	208	1,471,724	697,593	2,201,367	2,493,646	6,864,538
Net increase (decrease) in fiduciary net position	-	-	-	(158,479)	(291,237)	(2,460,372)	(2,910,088)
Net Position -- beginning of the year	-	-	-	226,994	92,958	2,477,139	2,797,091
Net Position -- end of the year	\$ -	\$ -	\$ -	\$ 68,515	\$ (198,279)	\$ 16,767	\$ (112,997)

Statistical Section

Statistical Section Index

This part of the City of Ukiah's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, footnotes, and required supplementary information says about the City's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Net Position by Component	164
Changes in Net Position.....	165
Fund Balances, Governmental Funds.....	167
Changes in Fund Balances, Governmental Funds	168

Revenue Capacity

These schedules contain information to help the reader assess the City's ability to generate revenues. Property taxes, sales and use taxes, charges for services, licenses, permits and fees and intergovernmental revenue are the City's most significant revenue sources.

Tax Revenues by Source, Governmental Funds	169
Property Tax Rates	170
Electric Utility Rates	171
Wastewater Utility Rates	172
Water Utility Rates.....	173
Top Ten Electric Usage Customers	174

Debt Capacity

These schedules contain information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Ratio of Outstanding Debt by Type	175
Ratio of General Bonded Outstanding Debt.....	176

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Demographic and Economic Statistics.....	180
Principal Employers.....	181

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Full-time and Part-time City Employees by Function	182
--	-----

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive financial reports for the relevant year. Information was available beginning with the year ended June 30, 2004 for the financial trend schedules.

Financial Trends

City of Ukiah, California
 Net Position by Component
 Last Ten Fiscal Years
 Fiscal Year Ended June 30, 2021
 (Accrual basis of accounting)

For Fiscal Year Ended June 30	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	\$ 26,649,167	\$ 27,304,019	\$ 27,139,213	\$ 27,624,813	\$ 29,088,528	\$ 33,668,910	\$ 38,289,548	\$ 42,321,290	\$ 47,339,972	\$ 50,915,097
Restricted	3,086,157	3,025,432	6,021,075	12,931,066	12,263,161	11,698,264	12,610,721	12,610,721	10,544,419	15,484,736
Unrestricted	17,420,652	15,461,713	12,110,479	(20,291,488)	(20,646,894)	(17,337,366)	(21,409,323)	(18,876,394)	(19,796,054)	(18,505,530)
Total governmental net position	\$ 47,155,976	\$ 45,791,164	\$ 45,270,767	\$ 20,264,391	\$ 20,704,795	\$ 28,029,808	\$ 29,490,946	\$ 36,055,617	\$ 38,088,337	\$ 47,894,303
Business-type activities										
Net investment in capital assets	\$ 48,101,086	\$ 44,514,348	\$ 46,693,900	\$ 50,088,246	\$ 54,756,782	\$ 46,328,983	\$ 70,965,675	\$ 86,114,096	\$ 119,060,268	\$ 126,053,127
Restricted	4,128,472	2,027,529	2,072,014	2,072,225	2,427,020	-	81,993	123,367	99,829	251,126
Unrestricted	28,366,417	32,460,639	31,604,793	26,648,008	24,215,129	31,286,562	19,917,540	16,454,313	2,219,045	(7,298,061)
Total business-type net position	\$ 80,595,975	\$ 79,002,516	\$ 80,370,707	\$ 78,808,479	\$ 81,398,931	\$ 77,615,545	\$ 90,965,208	\$ 102,691,776	\$ 121,379,142	\$ 119,006,192
Primary governmental										
Net investment in capital assets	\$ 74,750,253	\$ 71,818,367	\$ 73,833,113	\$ 77,713,059	\$ 83,845,310	\$ 79,997,893	\$ 109,255,223	\$ 128,435,386	\$ 166,400,240	\$ 176,968,224
Restricted	7,214,629	5,052,961	8,093,089	15,003,291	14,690,181	11,698,264	12,692,714	12,734,088	10,644,248	15,735,862
Unrestricted	45,787,069	47,922,352	43,715,272	6,356,520	3,568,235	13,949,197	(1,491,783)	(2,422,081)	(17,577,009)	(25,803,591)
Total primary governmental net position	\$ 127,751,951	\$ 124,793,680	\$ 125,641,474	\$ 99,072,870	\$ 102,103,726	\$ 105,645,354	\$ 120,456,154	\$ 138,747,393	\$ 159,467,479	\$ 166,900,495

Source: Audited Financial Statements – Statement of Net Position

City of Ukiah, California
Changes in Net Position
Last Ten Fiscal Years
Fiscal Year Ended June 30, 2021
(Accrual basis of accounting)

	Fiscal Year									
For Fiscal Year Ended June 30	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
General government	\$ 2,570,568	\$ 2,956,583	\$ 3,715,968	\$ 772,771	\$ 142,792	\$ 141,713	\$ 1,856,104	\$ 2,655,969	\$ 99,829	\$ 838,727
Public safety	9,827,504	10,514,943	9,867,900	10,563,479	11,081,325	8,887,246	11,794,779	12,167,151	12,812,411	13,659,736
Housing and community development	1,223,579	1,254,265	832,020	348,477	891,644	171,523	1,039,784	2,128,714	2,833,311	1,460,134
Public works	2,206,556	2,109,273	2,290,261	2,847,800	2,555,524	296,934	4,018,082	3,467,503	4,752,062	3,426,376
Parks and recreation	2,262,816	2,481,572	2,540,689	2,829,367	2,757,551	39,796	3,306,839	3,861,576	3,973,413	4,201,399
Economic development and redevelopment	-	-	-	-	-	-	273,570	299,397	403,808	290,261
Interest on long-term debt	420,132	-	-	-	-	-	59,477	176,067	165,210	992,902
Total governmental activities expenses	\$ 18,511,155	\$ 19,316,636	\$ 19,246,838	\$ 17,361,894	\$ 17,428,836	\$ 9,537,212	22,348,635	24,756,377	25,040,044	24,869,535
Business-type activities:										
Airport	-	-	-	-	-	-	1,532,905	1,360,631	1,528,285	1,857,261
Conference Center	-	-	-	-	-	-	369,045	500,305	503,445	(336,910)
Electric	13,980,276	14,483,083	14,554,884	16,140,229	15,779,225	17,408,177	15,830,736	17,373,419	18,854,227	19,695,234
Golf	-	-	-	-	-	-	223,341	213,949	251,078	144,680
Landfill	-	-	-	-	-	-	667,140	2,114,576	4,165,711	969,800
Parking District	-	-	-	-	-	-	153,620	128,643	171,705	137,930
Street Lighting	-	-	-	-	-	-	395,694	43,349	147,861	186,765
Wastewater	8,243,340	8,637,591	8,118,315	8,229,553	8,620,824	10,092,436	10,116,164	10,979,067	11,580,850	9,659,518
Water	3,414,760	3,651,349	3,717,064	3,783,257	3,930,252	5,187,510	4,659,530	4,111,529	6,196,274	8,179,199
Disposal site	340,324	413,657	573,478	5,950,554	388,553	565,819	-	-	-	-
Nonmajor activities	2,980,963	2,648,970	2,196,295	2,287,340	2,029,634	2,816,055	-	-	11,089	55,894
Total business-type activities expenses	28,959,663	29,834,650	29,160,036	36,390,933	30,748,488	36,069,997	33,948,175	36,825,468	43,410,525	40,549,371
Total primary government expenses	\$ 47,470,818	\$ 49,151,286	\$ 48,406,874	\$ 53,752,827	\$ 48,177,324	\$ 45,607,209	\$ 56,296,810	\$ 61,581,845	\$ 68,450,569	\$ 65,418,906
Program revenues										
Governmental activities:										
Charges for services										
General government	\$ 1,630,601	\$ 1,005,296	\$ 1,255,815	\$ 288,049	\$ 258,262	\$ 333,458	366,171	111,355	234,487	\$ 78,607
Public safety	1,080,981	1,224,421	851,328	221,156	284,562	362,711	567,592	505,451	301,503	326,986
Housing and community development	211,904	456,294	197,003	-	-	-	454,920	783,575	390,121	573,410
Public works	554,639	368,895	682,559	215,615	339,403	-	28,773	92,923	435,190	542,554
Parks and recreation	716,363	1,072,615	749,548	756,906	716,575	791,257	782,091	786,161	788,687	1,715,541
Economic development and redevelopment	-	-	-	-	-	-	256,554	259,897	7,289	250,000
Operating grants and contributions	1,062,183	1,237,955	1,097,599	1,471,799	2,283,777	1,233,883	3,007,794	2,044,901	4,431,684	7,890,530
Capital grants and contributions	3,098,450	250,992	483,992	889,024	859,772	1,325,091	618,546	1,574,928	76,898	771,125
Total governmental activities program revenues	8,355,121	5,616,468	5,317,844	3,842,549	4,742,351	4,046,400	6,082,441	6,159,191	6,665,859	12,148,753
Business-type activities:										
Charges for services										
Airport	-	-	-	-	-	-	1,326,141	1,541,327	1,234,045	1,390,195
Conference Center	-	-	-	-	-	-	367,504	369,245	274,794	210,000
Electric	16,157,282	15,140,175	14,993,910	15,243,471	15,076,565	15,971,210	15,875,141	16,193,492	15,581,664	18,141,046
Golf	-	-	-	-	-	-	133,370	36,669	40,000	38,500
Landfill	-	-	-	-	-	-	630,477	646,611	703,549	716,223
Parking District	-	-	-	-	-	-	134,689	120,121	114,068	100,679
Street Lighting	-	-	-	-	-	-	191,388	188,814	188,873	183,278
Wastewater	9,786,375	6,213,481	8,832,757	9,264,399	9,667,659	7,493,383	8,093,392	8,002,895	7,851,031	7,935,941
Water	4,935,691	5,813,699	6,006,675	5,579,127	5,446,778	5,785,553	6,486,959	6,502,379	6,909,764	7,228,258
Disposal site	127,228	129,321	132,287	217,999	132,106	362,018	-	-	-	-
Nonmajor activities	2,905,410	2,467,226	1,965,547	2,053,819	1,806,110	1,723,513	-	-	14,441	79,891
Operating grants and contributions	10,660	40,717	57,271	-	-	210,298	534,619	819,586	2,830,622	759,696
Capital grants and contributions	-	-	-	25,175	10,384	2,640,396	2,592,224	12,524,559	24,876,967	556,033
Total business-type activities program revenues	33,922,646	29,804,619	31,988,447	32,383,990	32,139,602	34,186,371	36,365,904	46,945,698	60,619,818	37,339,740
Total primary government program revenues	\$ 42,277,767	\$ 35,421,087	\$ 37,306,291	\$ 36,226,539	\$ 36,881,953	\$ 38,232,771	\$ 42,448,345	\$ 53,104,889	\$ 67,285,677	\$ 49,488,493
Net (Expense) Revenue										
Government activities	\$ (10,156,034)	\$ (13,700,168)	\$ (13,928,994)	\$ (13,519,345)	\$ (12,686,485)	\$ (5,490,812)	\$ (16,266,194)	\$ (18,597,186)	\$ (18,374,185)	\$ (12,720,782)
Business-type activities	4,962,983	(30,031)	2,828,411	(4,006,943)	1,391,114	(1,883,626)	2,417,729	10,120,230	17,209,293	(3,209,631)
Total primary government net expense	\$ (5,193,051)	\$ (13,730,199)	\$ (11,100,583)	\$ (17,526,288)	\$ (11,295,371)	\$ (7,374,438)	\$ (13,848,465)	\$ (8,476,956)	\$ (1,164,892)	\$ (15,930,413)

City of Ukiah, California
Changes in Net Position (continued)
Last Ten Fiscal Years
Fiscal Year Ended June 30, 2021
(Accrual basis of accounting)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
For Fiscal Year Ended June 30										
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property tax	\$ 3,182,981	\$ 1,484,934	\$ 1,251,189	\$ 3,729,370	\$ 3,531,272	\$ 1,470,323	2,890,291	2,984,192	3,139,960	3,408,846
Sales tax	6,518,506	6,901,284	7,134,537	5,976,938	6,740,622	9,805,225	10,745,095	11,974,379	13,313,206	15,535,021
Licenses, permits and franchises	-	-	-	-	-	-	1,653,146	1,781,141	1,742,671	1,815,271
Transient occupancy	775,547	828,000	959,570	1,061,823	1,229,814	1,302,336	1,406,417	1,496,473	1,365,477	1,367,852
Business license	-	-	-	-	-	-	380,797	303,604	411,997	560,527
Other taxes	917,930	929,173	916,007	2,281,810	1,939,984	2,450,254	249	462	888	1,136
Use of money and property	-	-	-	-	-	-	708,389	850,711	696,930	266,006
Vehicle in-lieu taxes	1,238,660	1,229,156	1,237,181	-	-	-	-	-	-	-
Interest and investment earnings	175,318	91,117	93,521	501,217	323,373	404,235	-	-	-	-
Other revenue	-	-	-	-	-	-	306,746	181,676	246,319	17,052
Transfers	1,065,910	871,692	1,816,592	-	(473,539)	(639,819)	(363,796)	(410,782)	(510,543)	(444,963)
Total governmental activities	13,874,852	12,335,356	13,408,597	13,551,158	13,291,526	14,792,554	17,727,334	19,161,856	20,406,905	22,526,748
Business-type activities:										
Property tax	-	-	-	-	-	-	16,949	17,121	16,815	16,714
Interest and investment earnings	441,974	200,899	356,372	321,824	672,730	468,003	-	-	-	-
Use of money and property	-	-	-	-	-	-	247,347	1,166,919	950,715	352,781
Other revenue	-	-	-	-	-	-	-	11,513	-	22,223
Transfers	(1,065,910)	(584,482)	(1,816,592)	-	473,539	639,819	363,796	410,782	510,543	444,963
Total business-type activities	(623,936)	(383,583)	(1,460,220)	321,824	1,146,269	1,107,822	628,092	1,606,335	1,478,073	836,681
Total primary government	\$ 13,250,916	\$ 11,951,773	\$ 11,948,377	\$ 13,872,982	\$ 14,437,795	\$ 15,900,376	\$ 18,355,426	\$ 20,768,191	\$ 21,884,978	\$ 23,363,429
Extraordinary items										
Government activities	\$ (5,277,260)	-	-	-	-	-	-	-	-	-
Business-type activities	-	-	-	-	-	-	-	-	-	-
Total Extraordinary Items	\$ (5,277,260)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special items										
Government activities	-	-	-	-	-	-	-	6,000,000	-	-
Business-type activities	-	-	-	-	-	(4,984,310)	-	-	-	-
Total Special Items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,984,310)	\$ -	\$ 6,000,000	\$ -	\$ -
Accounting Change - Accumulative Effect										
Government activities	-	-	-	-	-	-	-	-	-	-
Business-type activities	-	(1,179,845)	-	-	-	-	-	-	-	-
Total Accounting Change - Accumulative Effect	\$ -	\$ (1,179,845)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Change in Net Position										
Government activities	\$ (1,558,442)	\$ (1,364,812)	\$ (520,397)	\$ 31,813	\$ 605,041	\$ 9,301,742	\$ 1,461,140	\$ 6,564,670	\$ 2,032,720	\$ 9,805,966
Business-type activities	4,339,047	(1,593,459)	1,368,191	(3,685,119)	2,537,383	(5,760,114)	3,045,821	11,726,565	18,687,366	(2,372,950)
Total primary government	\$ 2,780,605	\$ (2,958,271)	\$ 847,794	\$ (3,653,306)	\$ 3,142,424	\$ 3,541,628	\$ 4,506,961	\$ 18,291,235	\$ 20,720,086	\$ 7,433,016

Source - Audited Financial Statements - Statement of Activities

City of Ukiah, California
Fund Balances, Governmental Funds
Last Ten Fiscal Years
Fiscal Year Ended June 30, 2021
(Modified accrual basis of accounting)

For Fiscal Year Ended June 30	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	\$ 559,134	\$ 619,044	\$ 619,044	\$ 645,728	\$ 911,343	\$ 951,167	\$ 1,793,247	\$ 5,514,226	\$ 6,673,912	\$ 4,902,823
Restricted	-	-	-	-	-	-	4,000,000	-	-	-
Committed	-	183,956	203,105	-	-	-	-	-	194,655	-
Assigned	4,851,110	89,859	-	-	185,443	4,371,069	-	-	-	186,134
Unassigned	1,454,665	4,381,047	4,233,953	4,878,803	4,116,215	-	(1,623,326)	3,321,778	2,434,740	6,140,572
Total general fund	<u>\$ 6,864,909</u>	<u>\$ 5,273,906</u>	<u>\$ 5,056,102</u>	<u>\$ 5,524,531</u>	<u>\$ 5,213,001</u>	<u>\$ 5,322,236</u>	<u>\$ 4,169,921</u>	<u>\$ 8,836,004</u>	<u>\$ 9,303,307</u>	<u>\$ 11,229,529</u>
All other governmental funds										
Nonspendable	-	-	-	-	-	-	137,576	-	137,576	137,576
Restricted	5,867,124	4,486,098	4,805,526	12,931,066	12,276,877	11,698,264	126,110,721	11,765,026	10,747,218	15,347,160
Committed	1,235,785	713,402	3,569,505	-	-	-	12,610,721	685,933	305,466	415,634
Assigned	3,460,240	5,832,173	2,514,649	4,395,621	3,358,684	2,952,598	1,516,753	1,430,426	1,326,655	4,806,366
Unassigned	-	(894,993)	(736,226)	(232,412)	(442,572)	(1,044,381)	(1,919,041)	(2,801,435)	(1,955,567)	(1,282,564)
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved	-	-	-	-	-	-	-	-	-	-
Total other governmental funds	<u>10,563,149</u>	<u>10,136,680</u>	<u>10,153,454</u>	<u>17,094,275</u>	<u>15,192,989</u>	<u>13,606,481</u>	<u>138,456,730</u>	<u>11,079,950</u>	<u>10,561,348</u>	<u>19,424,172</u>

Source: Audited Financial Statements - Balance Sheet-Governmental funds

City of Ukiah, California
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
Fiscal Year Ended June 30, 2021
(Modified accrual basis of accounting)

Function	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
REVENUES										
Property tax	\$ 3,182,981	\$ 1,484,934	\$ 1,251,189	\$ 3,729,370	\$ 3,531,272	\$ 1,470,323	\$ 2,890,291	\$ 2,984,192	\$ 3,139,960	\$ 3,408,846
Sales tax	6,465,410	6,977,233	7,104,666	5,976,938	6,824,737	9,805,225	10,745,095	11,974,379	13,313,206	15,535,021
Franchise fees	-	-	-	-	-	-	1,653,146	1,781,141	1,742,671	1,815,271
Transient occupancy	775,547	828,000	925,191	1,061,823	1,229,814	1,302,336	1,406,417	1,496,473	1,365,477	1,362,134
Business license tax	-	-	-	-	-	-	380,797	303,604	411,997	509,803
Other taxes	917,930	929,173	950,386	2,047,734	1,917,323	391,473	249	462	888	1,136
Charges for service	1,146,590	1,580,632	1,013,534	1,032,957	755,074	1,487,426	1,780,430	2,036,077	1,340,123	2,505,138
Licenses and permits	434,492	272,070	292,688	186,012	341,642	1,792,595	299,101	211,113	259,533	276,752
Grants contributions and donations	-	-	-	-	-	-	274,995	938,308	3,164,054	1,693,511
Intergovernmental	4,756,038	2,964,207	3,270,042	3,048,401	2,911,624	1,945,803	2,524,311	1,153,488	2,686,013	6,036,254
Fines penalties and forfeitures	270,468	319,189	256,776	58,692	78,589	73,835	73,639	33,588	29,716	25,933
Facility rental	-	-	-	-	-	-	589,952	607,020	-	-
Interest, rent, and concessions	1,083,685	224,129	340,887	497,681	336,173	415,979	99,543	243,994	-	27,844
Use of money and property	-	-	-	-	-	-	36,656	-	1,072,805	922,810
Miscellaneous	375,103	243,654	493,158	232,651	411,052	187,999	654,186	436,361	388,629	158,956
Total revenues	\$ 19,408,244	\$ 15,823,221	\$ 15,898,517	\$ 17,872,259	\$ 18,337,300	\$ 18,872,994	\$ 23,408,808	\$ 24,200,200	\$ 28,915,072	\$ 34,279,409
EXPENDITURES										
Current:										
General government	1,861,192	2,117,303	2,773,585	852,079	542,434	549,540	270,429	168,024	284,410	28,429,045
Public safety	8,996,781	9,831,860	9,297,118	10,229,049	11,096,768	11,592,123	11,703,851	12,111,558	12,569,718	13,486,427
Housing and community development	1,151,384	1,205,464	785,349	327,921	870,450	1,261,361	1,039,784	2,107,427	1,385,401	1,460,134
Public works	1,508,698	1,411,445	1,612,266	2,337,389	2,173,214	1,192,369	1,679,304	1,646,459	1,706,516	1,732,451
Parks, buildings, and grounds	-	-	-	-	-	-	-	26	856	1,190,266
Parks and recreation	2,048,294	2,327,464	2,304,893	2,692,906	2,616,856	2,873,224	3,183,278	3,439,596	3,449,222	2,517,373
Economic development and redevelopment	-	-	-	-	-	-	273,570	299,397	403,808	290,261
Debt service:										
Interest	559,797	-	-	-	-	-	-	142,679	139,753	139,070
Issuance expense	-	-	-	-	-	-	4,019	-	-	554,846
Principal	265,000	-	-	-	-	-	40,000	80,070	82,712	85,442
Capital lease principal	-	-	-	-	-	16,243	49,967	101,727	104,282	127,291
Capital lease interest	-	-	-	-	-	-	14,055	26,232	23,678	26,949
Capital outlay	2,481,671	1,545,538	1,159,928	1,739,147	2,612,218	2,147,966	12,217,670	6,373,804	8,560,345	5,776,201
Total expenditures	18,872,817	18,439,074	17,933,139	18,178,491	19,911,940	19,632,826	30,475,927	26,496,999	28,710,701	55,815,756
Excess (deficiency) of revenues over expenditures	535,427	(2,615,853)	(2,034,622)	(306,232)	(1,574,640)	(759,832)	(7,067,119)	(2,296,799)	204,371	(21,536,347)
OTHER FINANCING SOURCES (USES)										
Bond issue and Debt proceeds	-	-	-	-	-	-	5,125,731	-	284,685	32,770,354
Discount on bonds issued	-	-	-	-	-	-	-	-	-	-
Transfers in	1,072,410	2,680,654	2,076,641	1,349,208	940,063	1,010,534	1,613,884	7,813,522	5,079,682	4,269,762
Transfers out	(6,500)	(2,082,273)	(243,049)	(1,378,578)	(1,413,602)	(1,727,975)	(1,963,679)	(8,238,303)	(5,620,041)	(4,714,724)
Total other financing sources (uses)	1,065,910	598,381	1,833,592	(29,370)	(473,539)	(717,441)	4,775,936	(424,781)	(255,674)	32,325,392
SPECIAL ITEM										
Reinstatement of Successor Agency loan	-	-	-	-	-	-	-	6,000,000	-	-
Extraordinary items & Prior Period Adj.	(12,331,505)	-	-	7,744,852	-	-	-	-	-	-
Total special items	(12,331,505)	-	-	7,744,852	-	-	-	6,000,000	-	-
Net change in fund balances	(10,730,168)	(2,017,472)	(201,030)	7,409,250	(2,048,179)	(1,477,273)	(2,291,183)	3,278,420	(51,303)	10,789,045
Debt service as a percentage of noncapital expenditures										
	5.30%	0.00%	0.00%	0.00%	0.00%	0.09%	0.60%	1.67%	1.61%	1.90%

Source: Audited Financial Statements - Statement of Revenues, Expenditures and Changes in Fund Balances

Prior Period adjustment of is the result of moving long-term receivables and Land Held for Resale from deferred inflows-available revenues to restricted fund balance.

Revenue Capacity

City of Ukiah, California
Tax Revenues by Source, Governmental Funds
Last Ten Fiscal Years

Fiscal Year	Type of Tax					Total
	Property	Sales & Use	Occupancy	Franchise	Other	
2012	3,182,981	6,465,410	775,547	567,486	350,444	11,341,868
2013	1,484,934	6,977,233	828,000	569,892	359,281	10,219,340
2014	1,251,189	7,104,666	925,191	591,767	358,618	10,231,431
2015	3,729,370	5,976,938	1,061,823	1,643,559	404,175	12,815,871
2016	3,531,272	6,824,737	1,229,814	1,514,798	402,524	13,503,146
2017	2,703,312	8,489,734	1,302,336	1,551,794	473,976	14,521,155
2018	2,838,902	10,853,469	1,406,417	1,653,146	434,464	17,186,403
2019	2,984,192	11,974,379	1,496,473	1,781,141	304,066	18,540,251
2020	3,156,775	13,313,206	1,365,477	1,742,671	412,885	19,991,014
2021	3,425,560	15,535,021	1,367,852	1,815,271	561,663	22,705,367
Change 2020-2021	8.5%	16.7%	0.2%	4.2%	36.0%	13.6%

Source: Audited Financial Statements - Statement of Revenues, Expenditures and Changes in Fund Balances

1. The change in FY2015 included moving the Motor Vehicle License fee from Sales & Use to Property.
2. The change in FY2015 included moving the Motor Vehicle License fee from Sales & Use to Property.
3. Includes the Electric Utility Franchise Fee which was previously included as a Transfer to General Fund.
4. Reduction over prior year due to the elimination of the Triple Flip portion of the Property Tax.
5. In 2018 Property Transfer Tax was included in 'Other' Taxes. In 2019 we recategorized it as Property Tax.

City of Ukiah, California
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

Property Tax Schedules are not readily available from the County and are not presented here.

City of Ukiah, California
Electric Utility Rates
Last Ten Fiscal Years

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Residential, single phase										
Per meter per month, per KWH	\$ 0.12040	\$ 0.12040	\$ 0.12040	\$ 0.12040	\$ 0.12040	\$ 0.12040	\$ 0.12790	\$ 0.13180	\$ 0.13580	\$ 0.13580
Minimum monthly billing	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00
General service:										
Base charge:										
Single phase	\$ 8.40	\$ 8.40	\$ 8.40	\$ 8.40	\$ 8.40	\$ 8.92	\$ 9.19	\$ 9.47	\$ 9.76	\$ 9.76
Polyphase	\$ 9.80	\$ 9.80	\$ 9.80	\$ 9.80	\$ 9.80	\$ 9.99	\$ 10.29	\$ 10.60	\$ 10.92	\$ 10.92
X-ray machine	\$ 21.00	\$ 21.00	\$ 21.00	\$ 21.00	\$ 21.00	\$ 22.28	\$ 22.95	\$ 23.64	\$ 24.35	\$ 24.35
Minimum charge:										
second meter	\$ 8.40	\$ 8.40	\$ 8.40	\$ 8.40	\$ 8.40	\$ 8.92	\$ 9.19	\$ 9.47	\$ 9.76	\$ 9.76
Energy use charge, per										
meter, per month, per KWH										
Summer	\$ 0.16568	\$ 0.16568	\$ 0.16568	\$ 0.16568	\$ 0.16568	\$ 0.17578	\$ 0.18106	\$ 0.18650	\$ 0.19210	\$ 0.19210
Winter	\$ 0.12294	\$ 0.12294	\$ 0.12294	\$ 0.12294	\$ 0.12294	\$ 0.13043	\$ 0.13435	\$ 0.13839	\$ 0.14255	\$ 0.14255
General Service with Demand:										
Base rate, per meter, per month	\$ 70.60	\$ 70.60	\$ 70.60	\$ 70.60	\$ 70.60	\$ 74.91	\$ 77.16	\$ 79.48	\$ 81.87	\$ 81.87
Demand charge per KWH										
Summer	\$ 0.10966	\$ 0.10966	\$ 0.10966	\$ 0.10966	\$ 0.10966	\$ 0.11634	\$ 0.11984	\$ 0.12344	\$ 0.12715	\$ 0.12715
Winter	\$ 0.08829	\$ 0.08829	\$ 0.08829	\$ 0.08829	\$ 0.08829	\$ 0.09367	\$ 0.09367	\$ 0.09939	\$ 0.10238	\$ 0.10238
General large Industrial Service:										
Base charge, per meter, per month	\$ 70.60	\$ 70.60	\$ 70.60	\$ 70.60	\$ 70.60	\$ 74.91	\$ 77.16	\$ 79.48	\$ 81.87	\$ 81.87
Demand charge per kwh of										
maximum demand:										
Winter	\$ 4.05	\$ 4.05	\$ 4.05	\$ 4.05	\$ 4.05	\$ 4.31	\$ 4.44	\$ 4.58	\$ 4.72	\$ 4.72
Summer	\$ 6.45	\$ 6.45	\$ 6.45	\$ 6.45	\$ 6.45	\$ 6.85	\$ 7.06	\$ 7.28	\$ 7.50	\$ 7.50

City of Ukiah, California
Wastewater Utility Rates
Last Ten Fiscal Years

	Fiscal Year									
Wastewater System Rates- City (1)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Residential										
Fixed Minimum Charge- Per Dwelling Unit	\$ 50.44	\$ 58.40	\$ 60.39	\$ 62.44	\$ 62.44	\$ 62.44	\$ 62.44	\$ 62.44	\$ 62.44	\$ 49.35
Consumption Rate (\$/hcf (2))	\$ 1.98	\$ 2.29	\$ 2.37	\$ 2.45	\$ 2.45	\$ 2.45	\$ 2.45	\$ 2.45	\$ 2.45	\$ 3.57
Commercial										
Commercial Low Strength (\$/hcf)	\$ 7.91	\$ 9.16	\$ 9.47	\$ 9.79	\$ 9.79	\$ 9.79	\$ 9.79	\$ 9.79	\$ 9.79	\$ 3.57
Commercial Moderate Strength (\$/hcf)	\$ 8.46	\$ 9.79	\$ 10.12	\$ 10.47	\$ 10.47	\$ 10.47	\$ 10.47	\$ 10.47	\$ 10.47	\$ 3.89
Commercial Medium Strength (\$/hcf)	\$ 14.96	\$ 17.32	\$ 17.91	\$ 18.52	\$ 18.52	\$ 18.52	\$ 18.52	\$ 18.52	\$ 18.52	\$ 7.77
Commercial High Strength (\$/hcf)	\$ 19.26	\$ 22.31	\$ 23.07	\$ 23.85	\$ 23.85	\$ 23.85	\$ 23.85	\$ 23.85	\$ 23.85	\$ 10.32

(1) The rates beginning in 2009-10 were approved pursuant to Resolution No. 2010-28 by City Council on July 21, 2010.

(2) Each unit equals 748 gallons or 100 cubic feet (hcf).

Wastewater System Rates- District (1)

Residential										
Fixed Minimum Charge- Per Dwelling Unit	\$ 53.47	\$ 53.47	\$ 53.47	\$ 53.47	\$ 53.47	\$ 53.47	\$ 53.47	\$ 53.47	\$ 53.47	N/A
Consumption Rate (\$/hcf (2))	\$ 3.40	\$ 4.45	\$ 5.50	\$ 6.60	\$ 6.60	\$ 6.60	\$ 6.60	\$ 6.60	\$ 6.60	N/A
Commercial										
Commercial Low Strength (\$/hcf)	\$ 7.91	\$ 8.46	\$ 9.06	\$ 9.69	\$ 9.69	\$ 9.69	\$ 9.69	\$ 9.69	\$ 9.69	N/A
Commercial Moderate Strength (\$/hcf)	\$ 8.46	\$ 9.05	\$ 9.68	\$ 10.36	\$ 10.36	\$ 10.36	\$ 10.36	\$ 10.36	\$ 10.36	N/A
Commercial Medium Strength (\$/hcf)	\$ 14.96	\$ 16.00	\$ 17.12	\$ 18.32	\$ 18.32	\$ 18.32	\$ 18.32	\$ 18.32	\$ 18.32	N/A
Commercial High Strength (\$/hcf)	\$ 19.26	\$ 20.61	\$ 22.05	\$ 23.60	\$ 23.60	\$ 23.60	\$ 23.60	\$ 23.60	\$ 23.60	N/A
Special (3)										

(1) The rates beginning in 2010-2011 were approved pursuant to Ordinance No. 36 approved by the District on June 30, 2011.

(2) Each unit equals 748 gallons or 100 cubic feet (hcf).

(3) Determined on a case-by-case basis.

Source: Utility Billing Department Rate Schedules

City of Ukiah, California
Water Utility Rates
Last Ten Years

	Fiscal Year									
Water System Rates (1)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Consumption Rate (\$/unit (2))										
Single Family Residential	\$ 2.21	\$ 2.41	\$ 2.65	\$ 2.73	\$ 2.86	\$ 2.95	\$ 3.04	\$ 3.13	\$ 3.22	\$ 3.26
All Other Customers	\$ 2.21	\$ 2.41	\$ 2.65	\$ 2.73	\$ 2.86	\$ 2.95	\$ 3.04	\$ 3.13	\$ 3.22	\$ 3.26
Minimum base charge by Meter Size/ Class:										
3/4" Meter	\$ 26.11	\$ 28.46	\$ 31.31	\$ 32.25	\$ 33.63	\$ 34.64	\$ 35.68	\$ 36.75	\$ 37.85	\$ 39.88
1" Meter	\$ 44.38	\$ 48.37	\$ 53.21	\$ 54.81	\$ 54.00	\$ 55.62	\$ 57.29	\$ 59.01	\$ 60.78	\$ 63.87
1 1/2" Meter	\$ 86.15	\$ 93.91	\$ 103.30	\$ 106.40	\$ 104.47	\$ 107.60	\$ 110.83	\$ 114.15	\$ 117.57	\$ 123.31
2" Meter	\$ 138.37	\$ 150.82	\$ 165.90	\$ 170.88	\$ 165.27	\$ 170.23	\$ 175.34	\$ 180.60	\$ 186.02	\$ 194.92
3" Meter	\$ 261.07	\$ 284.57	\$ 313.02	\$ 322.41	\$ 307.24	\$ 316.46	\$ 325.95	\$ 335.73	\$ 345.80	\$ 362.14
4" Meter	\$ 436.00	\$ 475.24	\$ 522.76	\$ 538.45	\$ 510.02	\$ 525.32	\$ 541.08	\$ 557.31	\$ 574.03	\$ 600.97
6" Meter	\$ 869.38	\$ 947.62	\$ 1,042.38	\$ 1,073.66	\$ 1,073.66	\$ 1,047.00	\$ 1,078.41	\$ 1,110.76	\$ 1,144.08	\$ 1,197.51
Fire Service 2" & under	\$ 27.67	\$ 30.16	\$ 33.18	\$ 34.18	\$ 36.07	\$ 37.15	\$ 38.26	\$ 39.41	\$ 40.59	\$ 40.59
Fire Service 3"	\$ 52.21	\$ 56.91	\$ 62.60	\$ 64.48	\$ 64.84	\$ 66.79	\$ 68.79	\$ 70.85	\$ 72.98	\$ 72.98
Fire Service 4"	\$ 87.20	\$ 95.05	\$ 104.55	\$ 107.69	\$ 105.93	\$ 109.11	\$ 112.38	\$ 115.75	\$ 119.22	\$ 119.22
Fire Service 6"	\$ 173.87	\$ 189.52	\$ 208.47	\$ 214.72	\$ 208.56	\$ 214.82	\$ 221.26	\$ 227.90	\$ 234.74	\$ 234.74
Fire Service 8"	\$ 214.72	\$ 214.72	\$ 214.72	\$ 214.72	\$ 331.77	\$ 341.72	\$ 351.97	\$ 362.53	\$ 373.41	\$ 373.41

(1) The rates beginning in 2009-10 were approved pursuant to Resolution No. 2010-27 by City Council on July 21, 2010.

(2) Each unit equals 748 gallons.

Source: Utility Billing Department Rate Schedules

City of Ukiah, California
 Top Ten Electric Usage Customers
 Current
 Fiscal Year Ended June 30, 2021

	2021	
<u>Rate Payers</u>	<u>Electric Usage</u>	
City of Ukiah	\$ 904,055	5.62%
Costco	309,638	1.92%
County of Medocino	609,301	3.78%
Maverick Enterprises	290,780	1.81%
Safeway Stores	266,714	1.66%
Save Mart Supermarkets (Lucky's)	194,224	1.21%
Save Mart Supermarkets (Food Maxx)	196,829	1.22%
Ukiah Unified School District	362,708	2.25%
Ukiah Valley Medical Center	844,815	5.25%
Wal-Mart	<u>189,534</u>	<u>1.18%</u>
	<u>\$ 4,168,598</u>	<u>26%</u>

Source: Utility Billing Module

Debt Capacity

City of Ukiah, California
Ratio of Outstanding Debt by Type
Per Capita and Per Capita Income Data
Last Ten Fiscal Years

Fiscal Year	Estimated Population	Countywide Per Capita Income	Estimated Ukiah Personal Income	Governmental Type Activities			Business Type Activities						Total Primary Government	Debt Per Capita	Percentage of Personal Income
				Redevelopment Bonds	Capital Leases	Lease Revenue Bonds	Electric Revenue Bonds	Installment Agreements	State Loans	Direct Borrowing Loans	Lease Revenue Bonds	Landfill Obligations			
2012	15,960	35,110	\$560,355,600	\$12,700,000	\$ -	\$ -	\$10,005,000	\$83,055,000	\$ 3,100,437	\$ -	\$ -	\$ 8,595,222	\$21,295,222	\$ 1,334	3.80%
2013	16,065	36,791	\$591,047,415	\$11,845,000	\$ -	\$ -	\$ 8,595,000	\$81,010,000	\$ 2,593,306	\$ -	\$ -	\$ 8,928,942	\$20,773,942	\$ 1,293	3.51%
2014	16,185	38,307	\$619,998,795	\$10,935,000	\$ -	\$ -	\$ 7,095,000	\$78,895,000	\$ 2,070,256	\$ -	\$ -	\$ 9,062,877	\$19,997,877	\$ 1,236	3.23%
2015	16,073	39,545	\$635,606,785	\$ 9,970,000	\$ -	\$ -	\$ 5,485,000	\$76,695,000	\$ 1,530,670	\$ -	\$ -	\$14,700,370	\$24,670,370	\$ 1,535	3.88%
2016	16,186	43,845	\$709,675,170	\$ 8,950,000	\$ -	\$ -	\$ 3,775,000	\$74,075,000	\$ -	\$ -	\$ -	\$14,700,370	\$23,650,370	\$ 1,461	3.33%
2017	16,314	45,436	\$741,242,904	\$ 7,865,000	\$ -	\$ -	\$ 1,950,000	\$71,590,000	\$ -	\$ 199,883	\$ -	\$14,700,370	\$22,565,370	\$ 1,383	3.04%
2018	16,226	47,611	\$772,536,086	\$ 7,350,000	\$ 5,301,504	\$ -	\$ -	\$69,010,000	\$ -	\$ 190,121	\$ -	\$14,700,370	\$27,351,874	\$ 1,686	3.54%
2019	16,296	50,150	\$817,244,400	\$ 6,800,000	\$ 5,065,067	\$ -	\$ -	\$66,330,000	\$ -	\$15,384,763	\$ -	\$16,236,314	\$28,101,381	\$ 1,724	3.44%
2020	16,061	52,976	\$850,847,536	\$ 5,495,771	\$ 5,051,040	\$ -	\$ -	\$34,170,000	\$ -	\$16,948,410	\$ -	\$19,063,628	\$29,610,439	\$ 1,844	3.48%
2021	15,526	54,795	\$850,747,170	\$ 4,863,469	\$ 5,109,125	\$34,806,592	\$ -	\$32,240,000	\$ -	\$18,398,373	\$17,448,408	\$19,297,593	\$64,076,779	\$ 4,127	7.53%

Source: Estimated Population-from the State of California Department of Finance.

Countywide Per Capita Income - Bureau of Economic Analysis CA1 Personal Income Summary: Personal Income, Population, Per Capita Personal Income

Redevelopment Bonds, Capital Leases, Electric Revenue Bonds, Installment Agreements, State Loans, Direct Borrowing Loans & Landfill Obligations - Notes to Financial Statements-Long Term Debt

Notes: Information on Outstanding Debt updated from prior presentations to include Capital Leases and Direct Borrowing Loans
Total Primary Government Debt reflects Redevelopment Bonds, Capital Leases and Landfill Obligations

City of Ukiah, California
Ratio of General Bonded Outstanding Debt
Last Ten Fiscal Years

Fiscal Year	Estimated Population	Countywide Per Capita Income	Actual Taxable Value of Property	General Debt Outstanding				Debt Per Capita	Percentage of Actual Taxable Value of Property
				Redevelopment Bonds	Capital Leases	Lease Revenue Bonds	Total Primary Government		
2012	15,960	\$ 35,110	\$ 1,169,395,369	\$12,700,000	\$ -	\$ -	\$ 12,700,000	\$ 796	1.09%
2013	16,065	\$ 36,791	\$ 1,171,599,083	\$11,845,000	\$ -	\$ -	\$ 11,845,000	\$ 737	1.01%
2014	16,185	\$ 38,307	\$ 1,195,466,105	\$10,935,000	\$ -	\$ -	\$ 10,935,000	\$ 676	0.91%
2015	16,073	\$ 39,545	\$ 1,224,746,468	\$ 9,970,000	\$ -	\$ -	\$ 9,970,000	\$ 620	0.81%
2016	16,186	\$ 43,845	\$ 1,267,903,229	\$ 8,950,000	\$ -	\$ -	\$ 8,950,000	\$ 553	0.71%
2017	16,314	\$ 45,436	\$ 1,304,711,495	\$ 7,865,000	\$ -	\$ -	\$ 7,865,000	\$ 482	0.60%
2018	16,226	\$ 47,611	\$ 1,364,333,801	\$ 7,350,000	\$ 5,301,504	\$ -	\$ 12,651,504	\$ 780	0.93%
2019	16,296	\$ 50,150	\$ 1,424,497,607	\$ 6,800,000	\$ 5,065,067	\$ -	\$ 11,865,067	\$ 728	0.83%
2020	16,061	\$ 52,976	\$ 1,491,766,585	\$ 5,495,771	\$ 5,051,040	\$ -	\$ 10,546,811	\$ 657	0.71%
2021	15,526	\$ 54,795	\$ 1,611,033,296	\$ 4,863,469	\$ 5,109,125	\$ 34,806,592	\$ 44,779,186	\$ 2,884	2.78%

Source: Estimated Population-from the State of California Department of Finance
Countywide Per Capita Income- Bureau of Economic Analysis CA1 Personal Income Summary: Personal Income, Population,
Per Capita Personal Income
Redevelopment Bonds & Capital Leases - Notes to Financial Statements-Long Term Debt
County of Mendocino Assessed Valuations by District

NOTE: AV Information show Secured Only

City of Ukiah, California
 Computation of Direct and Overlapping Debt
 June 30, 2021

Jurisdiction	Debt Outstanding	Estimated Percentage Applicable to City (1)	Estimated Share of Direct and Overlapping Debt
2020-21 Assessed Valuation (City of Ukiah):			\$ 1,611,033,296
2020-21 Assessed Valuation (Successor Agency to the Ukiah RDA):			992,789,219
2020-21 Incremental Assessed Valuation (Successor Agency to the Ukiah RDA):			736,582,222
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>		<u>% Applicable⁽¹⁾</u>	<u>Debt 6/30/2021</u>
City of Ukiah		100.00%	\$ -
Ukiah Unified School District		34.01%	21,711,065.46
Mendocino-Lake Community College District		13.61%	7,694,652.23
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 29,405,717.69
<u>OVERLAPPING GENERAL FUND DEBT:</u>			
City of Ukiah - Capital Lease Obligations		100.00%	\$ 5,109,125.00
City of Ukiah - Lease Revenue Bonds, Series 2020A		100.00%	2,380,000.00
City of Ukiah - Taxable Lease Revenue Bonds, Series 2020B		100.00%	32,426,592.00
Mendocino County General Fund Obligations		12.84%	1,875,424.56
Mendocino County Pension Obligation Bonds		12.84%	5,055,741.74
TOTAL OVERLAPPING GENERAL FUND DEBT			\$ 46,846,883.30
OVERLAPPING TAX INCREMENT DEBT(SUCCESSOR AGENCY)		100.00%	\$ 4,863,469.00
Total Direct Debt			\$ 39,915,717.00
Total Overlapping Debt			41,200,352.99
Total Combined Debt			<u>\$ 81,116,069.99</u>
<u>Ratios to 2020-21 Assessed Valuation:</u>			
Total Direct Debt	2.48%		
Total Overlapping Tax and Assessment Debt	1.83%		
Total Overlapping Debt	2.56%		
Total Combined Debt	5.04%		
<u>Ratios to 2020-21 Redevelopment Successor Agency Incremental Assessed Valuation:</u>			
Total Overlapping Tax Increment Debt	0.66%		

⁽¹⁾ The percentage of overlapping debt applicable to the City is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping entities' assessed value that is within the boundaries of the City, divided by the entities' total taxable assessed value.

⁽²⁾ Excludes tax and revenue anticipation notes, enterprise revenue and mortgage revenue obligations.

The above Pledged-Revenue Coverage data is provided for interested parties. The specific Pledged-Revenue Coverage requirements for outstanding enterprise debt are detailed in the covenants for each outstanding enterprise debt. Investors in the City's enterprise debt obligations are encouraged to review the annual Continuing Disclosure Reports required under SEC Rule 15c2-12, as posted to the Municipal Securities Rulemaking Board Electronic Municipal Market Access website, to obtain the annual Continuing Disclosure report for Pledged-Revenue Coverage Ratio information in alignment with specific debt covenants.

City of Ukiah, California
 Legal Debt Margin Information
 Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Assessed Valuation</u>	<u>Ratio Applied as % of Assessed Value</u>	<u>Legal Debt Limit Margin</u>	<u>Total Debt Subject to Limit</u>	<u>Debt Subject to Limit as % of Debt Limit</u>
2012	\$ 1,169,395,369	15.00%	175,409,305	-	0.00%
2013	\$ 1,171,599,083	15.00%	175,739,862	-	0.00%
2014	\$ 1,195,466,105	15.00%	179,319,916	-	0.00%
2015	\$ 1,224,746,468	15.00%	183,711,970	-	0.00%
2016	\$ 1,267,903,229	15.00%	190,185,484	-	0.00%
2017	\$ 1,304,711,495	15.00%	195,706,724	-	0.00%
2018	\$ 1,364,333,801	15.00%	204,650,070	-	0.00%
2019	\$ 1,424,497,607	15.00%	213,674,641	-	0.00%
2020	\$ 1,491,766,585	15.00%	223,764,988	-	0.00%
2021	\$ 1,611,033,296	15.00%	241,654,994	-	0.00%

Legal Debt Limit Margin Calculation for 2020-2021

Assessed value	<u>\$ 1,611,033,296</u>
Debt limit is 15% of assessed value	\$ 241,654,994
Less: Debt applicable to limitation	\$ -
Total bonded debt	<u>\$ -</u>
Legal debt margin	<u><u>\$ 241,654,994</u></u>

In accordance with state law the City may not incur general obligation bonded indebtedness in excess of 15% of total assessed valuation, with such debt being payable from the proceeds of taxes levied upon taxable properties
 Source: County of Mendocino Assessed Valuations by District

City of Ukiah, California
Pledged Net Revenue Debt Coverage
Last Ten Fiscal Years

Fiscal Year	Wastewater System Debts (2)				2016 Water System Installment (3)			
	Pledged System	Debt Service		Coverage	Pledged System	Debt Service		Coverage
	Net Revenues (1)	Principal	Interest		Net Revenues	Principal	Interest	
2011	3,577,709	1,956,772	3,369,632	0.67	-	-	-	-
2012	6,903,915	2,027,475	3,267,419	1.30	-	-	-	-
2013	6,685,684	2,098,499	3,189,995	1.26	-	-	-	-
2014	8,978,102	2,169,854	3,109,840	1.70	-	-	-	-
2015	7,260,306	2,263,252	3,038,640	1.37	-	-	-	-
2016	5,855,558	2,343,252	2,940,898	1.11	2,563,208	-	340,258	7.53
2017 (4)	5,134,107	2,010,000	2,851,300	1.06	3,195,187	475,000	448,769	3.46
2018 (4)	5,789,893	2,090,000	2,770,900	1.19	3,009,652	490,000	436,669	3.25
2019 (4)	5,186,991	2,180,000	2,687,300	1.07	4,304,968	500,000	419,319	4.68
2020	4,816,620	1,185,600	1,915,615	1.55	2,351,327	530,000	398,719	2.53
2021	7,302,095	1,390,000	608,722	3.65	7,162,979	540,000	377,319	7.81

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

1. Includes Ukiah Valley Sanitation District payments for Waste Water services and portion of Debt Service, including a portion of such payments identified as capital contributions and maintenance and operations expense
2. 2020 Wastewater Refunding Bonds. Paid off prior wastewater system debts.
3. 2016 Water System Installment Agreement refunding. Paid off prior water system debts.
4. Pledged System Net Revenues for the Fiscal Years Ended June 30, 2017 through June 30, 2019 have been restated to align with Coverage computations presented in debt documentation.

Demographic and Economic information

City of Ukiah, California
 Demographic and Economic Statistics
 Last Ten Fiscal Years

Fiscal Year	Estimated Population	Countywide Per Capita Income	Estimated City Ukiah Income	Assessed Valuation	Unemployment Rate
2011	16,109	\$ 33,353	\$ 537,283,477	\$ 1,180,790,444	14.30%
2012	15,960	\$ 35,110	\$ 560,355,600	\$ 1,169,395,369	13.40%
2013	16,065	\$ 36,791	\$ 591,047,415	\$ 1,171,599,083	11.30%
2014	16,185	\$ 38,307	\$ 619,998,795	\$ 1,195,466,105	9.60%
2015	16,073	\$ 39,545	\$ 635,606,785	\$ 1,224,746,468	8.00%
2016	16,186	\$ 43,845	\$ 709,675,170	\$ 1,267,903,229	6.90%
2017	16,314	\$ 45,436	\$ 741,242,904	\$ 1,304,711,495	6.30%
2018	16,226	\$ 47,611	\$ 772,536,086	\$ 1,364,333,801	5.30%
2019	16,296	\$ 50,150	\$ 817,244,400	\$ 1,424,497,607	5.20%
2020	16,061	\$ 52,976	\$ 850,847,536	\$ 1,491,766,585	8.00%
2021	15,526	\$ 54,795	\$ 850,747,170	\$ 1,542,790,339	10.20%

Source: Estimated Population-State of California Department of Finance

Countywide Per Capita Income- Bureau of Economic Analysis CA1 Personal Income Summary: Personal Income, Population Per Capita Personal Income

Assessed Valuations-County of Mendocino-Assessed Valuations by District

Unemployment Rate-State of California Employment Development Department Labor Market Division Labor Force Data for Cities and Census Designated Places

City of Ukiah, California
Principal Employers

2021 Employers	Industry	Employee Size Class
Adventist Health Ukiah Valley	Hospitals	500-999
City of Ukiah	City Services	100-249
Costco Wholesale	Wholesale Clubs	100-249
County of Mendocino	Government Offices-County	1000-1250
Dharma Realm Buddhist Assn	Associations	100-249
Mendocino Community Health	Clinics	250-499
Mendocino County Office of Education	Boards of Education	100-249
Pacific Coast Farm Credit	Loans-Agricultural	100-249
Sawmill	Sawmills & Planing Mills-General (mfrs)	100-249
Ukiah Valley Medical Center	Hospitals	500-999
Walmart	Department Stores	100-249

Source: <https://www.labormarketinfo.edd.ca.gov/majorer/countymajorer.asp?CountyCode=000045>

Operating Information

City of Ukiah, California
Full-time and Part-time City Employees by Function
Last Ten Calendar Years

Function	Full-Time Equivalent Personnel as of June 30									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government ⁽¹⁾	20.7	23.2	23.1	24.0	21.5	27.5	32.9	36.5	37.6	40.2
Police ⁽²⁾	39.5	38.5	43.0	48.0	49.0	49.0	52.7	53.0	46.8	49.8
Fire	18.5	15.5	11.0	11.0	11.0	11.0	13.2	20.5	19.8	29.8
Planning & Building	4.3	4.0	5.5	6.0	6.0	6.0	5.4	5.8	5.2	7.7
Public Works, Water, Sewer & Wastewater Treatment	41.6	38.9	38.3	39.0	41.5	42.5	44.2	43.5	41.3	43.1
Electric	17.4	18.2	16.2	17.0	17.0	18.0	21.6	21.3	18.8	22.0
Airport	2.0	2.0	2.0	2.0	2.0	2.0	4.2	4.2	4.3	4.2
Parks & Recreation	17.9	18.7	17.9	17.0	20.0	19.0	33.5	35.5	31.4	34.3
Total: ⁽³⁾	<u>162.0</u>	<u>159.0</u>	<u>157.0</u>	<u>164.0</u>	<u>168.0</u>	<u>175.0</u>	<u>207.6</u>	<u>220.3</u>	<u>205.1</u>	<u>231.1</u>

(1) includes City Administration, Finance, Human Resources, Administrative Support and Information Services Functions

(2) Includes dispatch that supports both police and fire.

(3) The City's method of counting FTE changed for FY2018 - FY2020.

Source: City of Ukiah Budget-Authorized Full-Time Personnel (FTE) FY21/22

**Independent Auditor's Report on Internal Control over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards**

City Council
City of Ukiah
Ukiah, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City of Ukiah (City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 30, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies

in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2021-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Ukiah's Responses to Findings

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Van Lant & Fankhaed, LLP

December 30, 2021

CITY OF UKIAH
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2021

2021-001 Building Permits

Condition:

The City's building permit system is a module of Munis, the general ledger accounting system used. Payments for building permits are collected by the cashiers by crediting the permit application in Munis. However, the permit technicians can issue permits with a balance due, with no independent reconciliation performed between the permits issued and the revenues collected and posted to the general ledger.

Criteria:

In a strong internal control environment, permits issued should be reconciled with the revenues collected and recorded in the general ledger on a periodic basis to ensure all permits issued have a corresponding cash receipt.

Cause of Condition:

The City does not reconcile the building permits issued to the revenues collected and recorded in the general ledger.

Potential Effect of Condition:

Building permits could be issued without a corresponding cash receipt being recorded in the City's general ledger and deposits in the City's bank account.

Recommendation:

We recommend the City implement procedures to generate reports from the building permit module, and periodically (daily, weekly, monthly) have someone independent of the permit issuance and collection functions review and reconcile the amounts from these reports to the revenues posted in the City's general ledger.

Management's Response:

The Finance Department plans to continue working with the Community Development Department to complete the refinement to this internal control and implement the recommendation as appropriate.

**INDEPENDENT ACCOUNTANT'S REPORT ON AGREED-UPON PROCEDURES
APPLIED TO APPROPRIATIONS LIMIT WORKSHEETS**

City Council
City of Ukiah
Ukiah, California

We have performed procedures enumerated below to be the accompanying Appropriations Limit worksheet of the City of Ukiah, for the year ended June 30, 2021. These procedures, which were agreed to by the City of Ukiah and the League of California Cities (as presented in the publication entitled *Agreed-upon Procedures Applied to the Appropriations Limitation Prescribed by Article XIII B of the California Constitution*), were performed solely to assist the City in meeting the requirements of Section 1.5 of Article XIII B of the California Constitution. The City's management is responsible for the Appropriations Limit worksheet. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and our findings were as follows:

1. We obtained the completed worksheets and compared the limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by resolution of the City Council. We also compared the population and inflation options included in the aforementioned documents to those that were selected by a recorded vote of the City Council.

Finding: The population and inflation options used by the City as the annual adjustment factors were the annual adjustment factors applicable for the limit calculation for the fiscal year ended June 30, 2020. The change in per capital personal income factor should have been 3.73% instead of 3.85%. The population change factor should have been 0.20% instead of -0.10%. As a result, the City adopted an appropriations limit \$84,656 less than allowable by using the amounts indicated above.

2. For the accompanying Appropriations Limit worksheet, we added last year's limit to total adjustments and agreed the resulting amount to this year's limit.

Finding: No exceptions were noted as a result of our procedures.

3. We agreed the current year information presented in the accompanying Appropriations Limit worksheet to the other documents referenced in #1 above.

Finding: No exceptions were noted as a result of our procedures except the City used a population growth factor and per capita personal income factor of -0.10% and 3.85% instead of 0.20% and 3.73%.

4. We agreed the prior year appropriations limit presented in the accompanying Appropriations Limit worksheet to the prior year appropriations limit adopted by the City Council during the prior year.

Finding: No exceptions were noted as a result of our procedures.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on the accompanying Appropriations Limit worksheet. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. No procedures have been performed with respect to the determination of the appropriations limit for the base year, as defined by the League publication entitled *Article XIII B of the California Constitution*.

This report is intended solely for the use of the City Council and management of the City of Ukiah and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Van Lant & Fankhauser, LLP

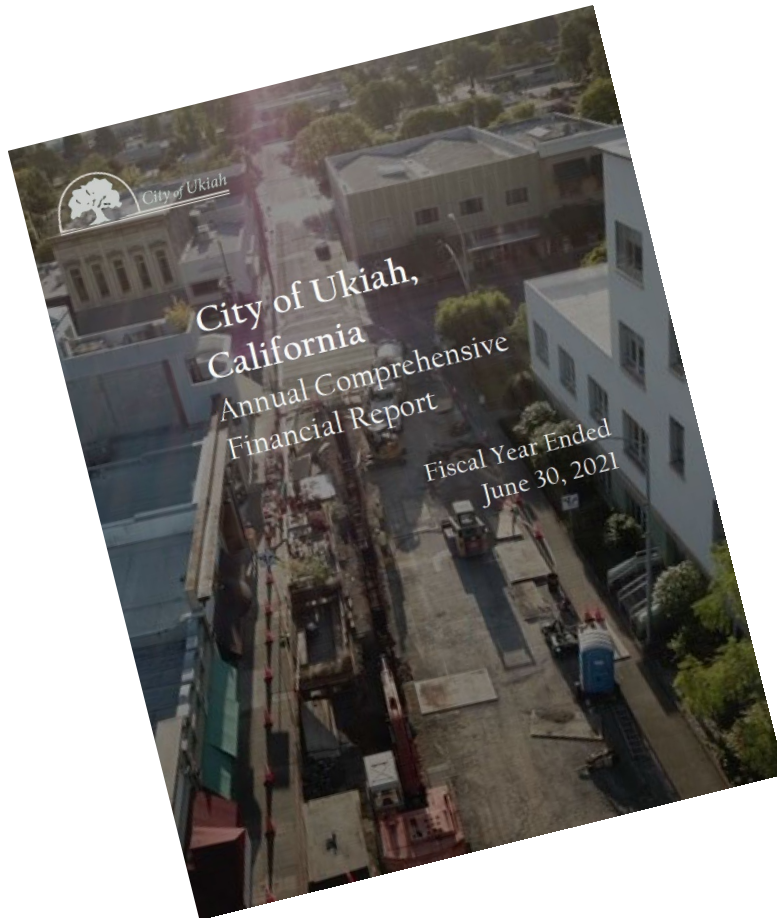
December 30, 2021

CITY OF UKIAH
APPROPRIATIONS LIMIT COMPUTATION
 2020 – 2021

	<u>2020 - 2021</u>
Change in Per Capita Personal Income	3.85%
Population Change	
County Population Growth	-0.10%
A. Change in Per Capita Personal Income Converted to a Ratio	1.0385
B. Population Growth Converted to a Ratio	0.999
Calculation of Growth Factor (A x B)	1.03746
2019 - 2020 Appropriations Limit	<u>\$ 44,251,056</u>
2020 - 2021 Appropriations Limit (44,251,056 x 1.03746)	<u>\$ 45,908,767</u>

END OF DOCUMENT

YEAR-END FINANCIAL AND AUDIT REPORTS



City of Ukiah Year Ended June 30, 2021

Presented by Daniel Buffalo, MPA, CPA, CGMA | Finance Director

January 19, 2022

AGENDA

1. Annual Comprehensive Financial Report (ACFR)
 1. (Formerly CAFR)
2. What is it?
3. How to read
4. Key takeaways
2. Highlights for the year ended June 30, 2021
3. Audit Reports

PRINCIPAL TEAM MEMBERS

1. Daniel Buffalo, MPA, CPA, CGMA | Finance Director
2. Ginny Feth-Michel, CPA | Assistant Finance Director
3. Mary Horger | Financial Services Manager – Procurement, Capital, and Special Projects
4. Olga Keough, CPA | Controller
5. Sarah Brown | Financial Services Manager - Disbursements

QUICK VOCAB LESSON

- **ACFR** Annual Comprehensive Financial Report
- **GAAP** Generally Accepted Accounting Principles
- **GASB** Governmental Accounting Standards Board
- **Measurement Focus** Period of time considered.
 - Economic resources
 - Current financial resources
- **Accounting basis** The manner in which transactions and balances are recorded and reported.
 - Cash
 - Accrual (business-like)
 - Modified accrual (fund accounting)



GOVERNMENT ACCOUNTING 101

How is governmental accounting different than private-sector accounting?

Private Sector

- To account for the bottom line, the benefit of the owner(s)

Governmental

- No owner
- Myriad of interests, considerations, and stakeholders
- Many transactions are different than in the private sector
e.g. taxes

WHAT IS A FUND?

- A series of self-balancing accounts used to track the flow of resources for a specific or general purpose.
- In other words, think of a fund as a subsidiary of a larger organization.

WHAT DOES A FUND LOOK LIKE?

Balance Sheet:

- Assets
- Deferred outflows of resources
- Liabilities
- Deferred inflows of resources
- Fund balance/net position

Changes to fund balance/net position:

- Revenues
- Expenditures (expenses)
- Other financing sources (uses)
 - Transfers
 - Other items not considered revenues or expenditures

WHAT IS FUND BALANCE AND NET POSITION?

- Fund balance:
 - Assets + Deferred outflows – liabilities - deferred inflows
 - Concerned only with current financial resources measurement focus
 - Use only for governmental funds, i.e., general fund, special revenue funds, etc.
 - Components:
 - Nonspendable (resources unavailable in the near future)
 - Restricted (limited use by an outside party)
 - Committed (limited use by the highest level of authority, e.g. ordinance)
 - Assigned (limited use by some level of authority, i.e. council or management)
 - Ex: reserves
 - Unassigned (no limitation and specific use, really only applicable to the general fund)
- Net position:
 - Same concept as fund balance, however...
 - Is used in context of economic resources measurement focus (full accrual accounting)
 - Used for City-wide reporting, proprietary funds (e.g., enterprise and internal service funds), and some fiduciary funds (e.g. RDA Successor Agency)
 - We use “working capital” to approximate fund balance
 - Working capital = current assets – current liabilities

WHAT IS THE DIFFERENCE BETWEEN A BUDGET AND AUDITED FINANCIAL REPORTS?

Budget

- Where you're going

Audited Financial reports

- Where you've been
- And a qualified CPA is attesting to that

WHY DO GOVERNMENTS HAVE BUDGETS?

For a variety of reasons:

- ✓ A legal document
- ✓ A planning tool
- ✓ A control mechanism
- ✓ A policy document
 - Expression of intent
 - Communication
- ✓ A spending plan
- ✓ An allocation of resources
- ✓ A performance standard

From an accounting perspective: to account for “non-exchange” transactions.



THE ACFR

(FORMERLY CAFR)

Annual Comprehensive Financial Report

ACFR

WHAT IS IT?

- Management's communication to Council and community on the financial activities and condition of the City for the period
 - One-year period ended June 30, 2021
- Audited financial statements, schedules, and other financial information
 - Audited by independent Certified Public Accountant, licensed by the State of California
 - Knowledgeable in governmental accounting and reporting
- Written to specific standards (GAAP), promulgated by GASB

ACFR

WHAT IS IT? (CONT)

- Often referred to as the “Audit” or “Audit Report”
 - This is a misnomer.
 - The auditor’s reports are found within the ACFR and are an integral part of it
 - Pg 1 (30 of pdf), “Independent Auditor’s Report”
 - Pg 183 (212 of pdf), Report on internal control
 - Pg 186 (215 of pdf), Appropriations Limit (Gann Limit) confirmation
 - The document is the responsibility of management and then audited
- Audited financials required by City policy and state law.

ACFR

HOW TO READ IT

- Table of contents and bookmarks
- Three main sections:
 1. Introductory
 2. Financial
 3. Statistical
 4. Other auditor reports
 - i. Internal control, compliance, and other matters
 - ii. Appropriations (Gann) limit

ACFR

HOW TO READ IT (CONT)

- Introductory
 1. Letter of transmittal
 2. Org chart
 3. City officials
 4. GFOA Excellence in Financial Report Award (2020)

ACFR

HOW TO READ IT (CONT)

- Financial

1. Auditor's report (audit opinion)
2. MD&A (Management's Discussion and Analysis)
3. Basic financials:

- I. **City-wide** (full accrual, economic resources measurement focus):

Fund financials:

- i. *Governmental funds* (modified accrual, current financial resources measurement focus):
- ii. *Proprietary funds* (full accrual, economic resources measurement focus):
 - i. Enterprise funds
 - ii. Internal service funds
- iii. *Fiduciary funds*

E.g., UVSD funds, Redevelopment Successor Agency Funds

- II. **Notes (pg 35 of document, 64 of pdf)**

- III. **RSI (Required Supplemental Information)**

- I. *Budget-to-actual for general fund*

- IV. **Optional Supplementary Information**

- I. *Budget-to-actual information for other governmental funds*

ACFR

HOW TO READ IT (CONT)

- Statistical
 1. Historical information
 1. Fund balance
 2. Net position
 2. Debt information
 3. Economic data and demographic information
 4. Operating indicators

Helps provide context to the reader for the whole document

ACFR

KEY TAKEAWAYS

- It's comprehensive...really comprehensive
- Meant for consumption by all but really tailored to those who know how to read it
- City received an “unmodified” opinion
 - i.e. statements are presented fairly (in all material respects) without exception
 - A “clean” audit
- Findings related to internal control, pg 183 (212 of pdf)



HIGHLIGHTS

HIGHLIGHTS

CITY-WIDE

- **Reported Funds (66)**
 - **Governmental (39)**
 - General, special revenue, capital, debt service, permanent
 - **Proprietary (20)**
 - Enterprise (10) – Water, sewer, electric, parking, street lighting, airport, conference center, golf, ambulance services
 - Internal service (10) – City Administrative Services, Garage, Dispatch, Purchasing, Billing (UB and general), workers' comp, liability (risk management), building maintenance, IT
 - **Fiduciary (7)**
 - Custodial (6) – UVSD, UVFD, Special Deposit, Garbage Billing, Russian River Watershed, general services (clearing fund for utility billing)
 - Private Purpose trust (1) – Redevelopment Successor Agency

HIGHLIGHTS

CITY-WIDE (CONT)

- Cash
 - \$55.2 million
 - \$ 46.6 million for City use
 - \$35.9 mil held in City treasury
 - \$2.9 mil held with fiscal agents
 - \$7.8 mil held with NCPA
 - \$8.6 million in fiduciary

Net position:

- \$177.0 million in capital, net of related debt
- \$15.7 million restricted
- -\$25.8 million unrestricted

GASB 68

GASB 68: “Accounting and Financial Reporting for Pensions”

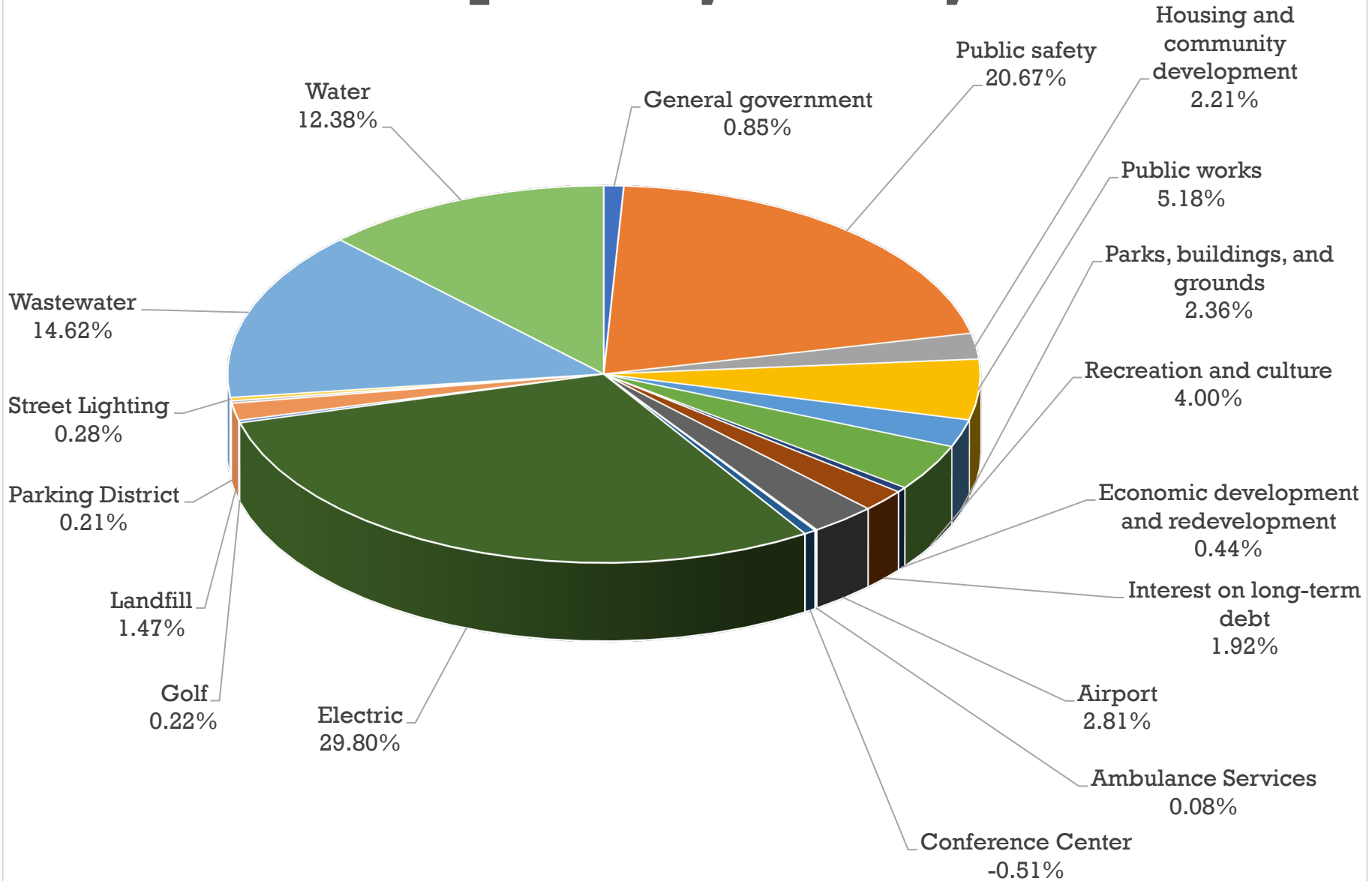
- Net pension liability
 - \$57.1 million
 - \$37.5 million (misc)
 - \$19.6 million (safety)
 - By activity:
 - Governmental:
 - \$18.6 million (misc)
 - \$19.6 million (safety)
 - Water: \$4.1 million (misc)
 - Sewer: \$4.8 million (misc)
 - Electric: \$7.4 million (misc)
 - Other enterprise: \$2.6 million

GASB 68 (CONT)

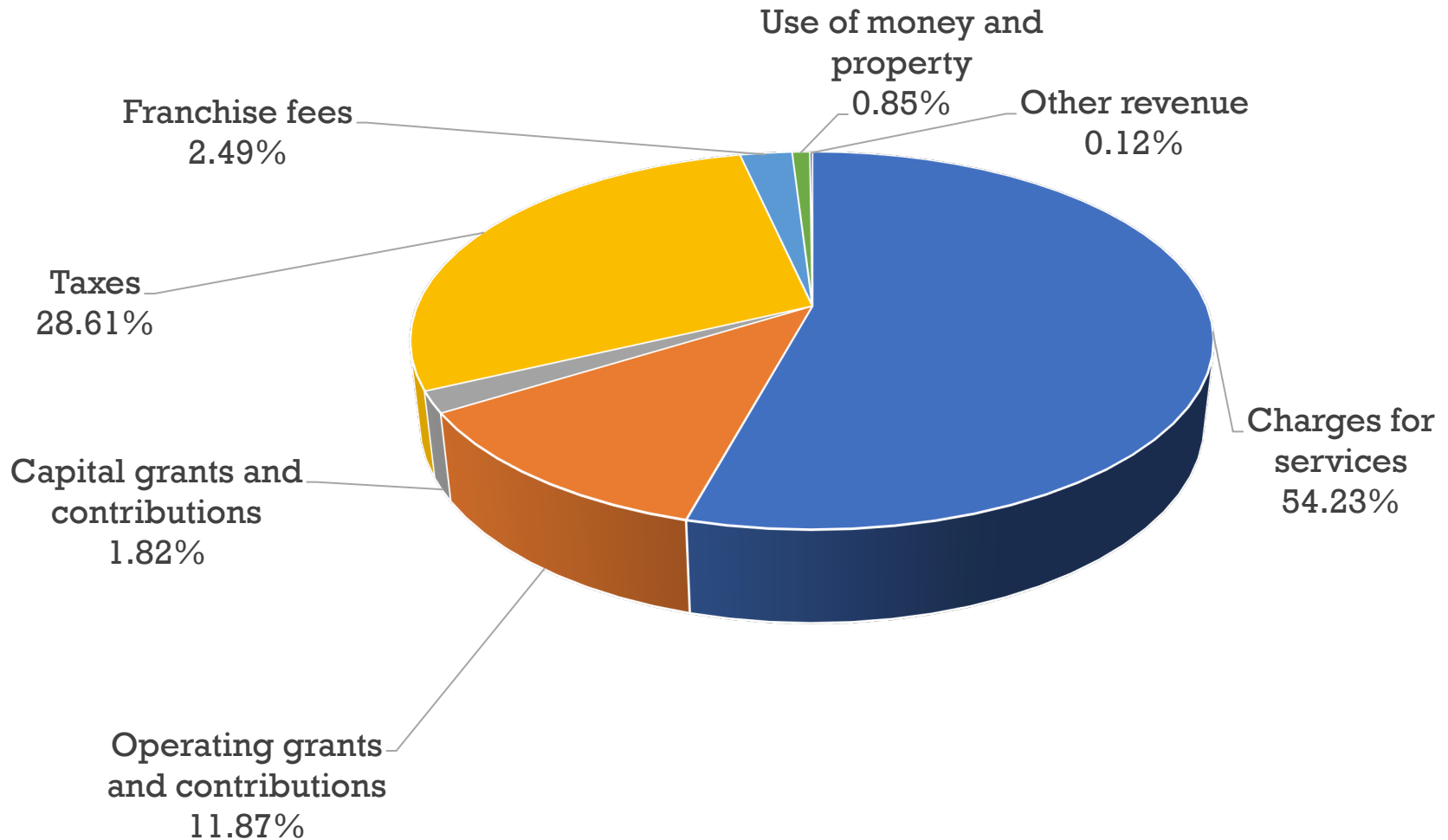
Pension UAL Financing, 2020

- **Payment to PERS: \$45.8 mil**
- **Earnings on payment/reduction in UAL: \$12 mil**
- **Remaining UAL left with PERS before earnings/reduction: \$12 mil**
- **New UAL with PERS: \$0 (possibly super funded)**
 - **Note: this is still an estimate. Additional plan detail from PERS forthcoming.**

Expense by Activity



Revenue by Source



FIN



AGENDA SUMMARY REPORT

SUBJECT: Receive Updates; Discussion and Appointments Regarding 2022 Council Assignments; and Consideration of Disbandment and Modification to City Council Committees and Ad Hocs.

DEPARTMENT: City Clerk

PREPARED BY: Kristine Lawler, City Clerk

PRESENTER: Mayor Brown and City Manager Sangiacomo

ATTACHMENTS:

1. Draft 2022 City Council Special Assignments

Summary: City Council members will provide reports and updates on their committee and ad hoc assignments.

Each year following the rotation of the mayor position, the incoming mayor leads a review of assignments. The Council will also consider modifications, additions and elimination of committee and ad hocs.

Background: City of Ukiah Councilmembers take an active role in various commissions and committees that are part of city, county, regional, and statewide governance and interests. Each year, the incoming mayor leads a discussion and makes annual appointments for members assigned to the various groups. The assignments are broken out into four categories as follows:

County / Regional (On-going; Principal Representative + Alternate) - The City takes part in decision making by these groups and is represented by an appointed member, who has a designated alternate. These assignments typically require attendance at a monthly (or other interval) meeting.

County / Regional (On-going; One + Staff Alternate) - The City takes part in discussions, may be a member of the Board, or have ex officio status (observer). City staff is active with these groups and serves as an alternate or single representative for the City. These groups typically have monthly meetings.

Local / County / Regional Liaisons (On-Going; One or Two Council and/or Staff) - This group varies; some meetings are regularly scheduled and others are arranged occasionally as needed. This group includes appointments that may, from time to time, include a Board seat for a City Council member.

Ad Hoc Committees (Limited Time; Two Council + Principal Staff Support) - The City Council may establish and appoint ad hoc committees at any time throughout the year. Ad Hoc committees are for specific issues and do not carry over year to year unless that specific issue remains under discussion.

***Note: Although the Council Ad Hoc Committees are a part of the Council Special Assignment List, they are officially appointed by the Council at various meetings, and are subject to Council approval for any changes.

Discussion: Attachment #1 is a draft of the 2022 Council Special Assignment List and Ad Hoc Committees inclusive of recommended changes (delineated by line/strikethrough edits) offered by the Mayor in consultation with the City Manager. The Mayor will lead a discussion with Council regarding Council assignments and make any appointments or reassignments per that discussion. In addition, the Council will consider modifications, additions and disbandment of ad hocs. Staff recommends directing the City Clerk to

attach the finalized copy of the 2022 City Council Special Assignments List to the January 19, 2022, Minutes for recordation.

Recommended Action: 1) Receive report(s); 2) Discuss the Mayor's recommended assignments, making any possible appointments or re-assignments; 3) Consider the possible continuation, disbandment, and addition of City Council Ad Hoc and/or committees; and 4) Direct the City Clerk to finalize and attach the 2022 Council Assignments and Ad Hoc Committee List to the January 19, 2022, Minutes.

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: Mayor Brown and City Manager Sangiacomo

Approved: 
Sage Sangiacomo, City Manager

COUNTY/REGIONAL OnGoing One + Alternate	MTG DATE/TIME	MEETING LOCATION		MAILING ADDRESS/CONTACT	COMMITTEE FUNCTION	ASSIGNED TO	PRINCIPAL STAFF SUPPORT
Disaster Council	Shall meet a minimum of once a year at a time and place designated upon call of the chair	Place designated upon call of the chair or, if she/he is unavailable or unable to call such meeting, the first vice chair and then the City Manager or her/his designee.		Office of Emergency Management 300 Seminary Ave. Ukiah, CA 95482 467-5765 - Tami Bartolomei	Develop any necessary emergency and mutual aid plans, agreements, ordinances, resolutions, rules, and regulations.	Orozco Duenas- Alternate	Tami Bartolomei, Office of Emergency Management Coordinator; 467-5765 tbartolomei@cityofukiah.com
Greater Ukiah Business & Tourism Alliance	3rd Tuesday of month, 11:30 a.m.	200 S School St. Ukiah, CA 95482		200 S School St. Ukiah, CA 95482	Promotes tourism and works to strengthen and promote the historic downtown and businesses within the greater Ukiah area	Duenas Rodin - Alternate	Shannon Riley, Deputy City Manager; 467-5793 sriley@cityofukiah.com
Mendocino Council of Governments (MCOG)	1st Monday of month, 1:30 p.m.	Board of Supervisors Chambers 501 Low Gap Road Ukiah, CA		Executive Director 367 N. State Street, Ste. 206 Ukiah, CA 95482 463-1859	Plan and allocate State funding, transportation, infrastructure and project County wide	Brown Rodin- Alternate	Tim Eriksen, Public Works Director/City Engineer; 463-6280 teriksen@cityofukiah.com
Mendocino County Inland Water and Power Commission (IWPC)	2nd Thursday of month, 6:00 p.m.	Civic Center 300 Seminary Avenue conference room 5		IWPC Staff P.O. Box 1247 Ukiah, CA 95482 391-7574 - Candace Horsley	Develops coordination for water resources and current water rights: Potter Valley project - Eel River Diversion	Orozco Brown- Alternate	Sean White, Director of Water Resources; 463-5712 swhite@cityofukiah.com
Mendocino Solid Waste Management Authority (MSWMA)	3rd Thursday of every other month (varies), 10:00 a.m.	Willits Council Chambers		Solid Waste Director 3200 Taylor Drive Ukiah, CA 95482 468-9710	County-wide Solid Waste JPA	Brown Duenas- Alternate	Tim Eriksen, Public Works Director/City Engineer; 463-6280 teriksen@cityofukiah.com
Mendocino Transit Authority (MTA) Board of Directors	Last Wednesday of month, 1:30 p.m.	Alternating locations - Ukiah Conference Center or Fort Bragg, or Point Arena		Executive Director 241 Plant Road Ukiah, CA 95482 462-1422	County-wide bus transportation issues and funding	Duenas Orozco - Alternate	Tim Eriksen, Public Works Director/City Engineer; 463-6280 teriksen@cityofukiah.com
North Coast Opportunities (NCO)	4th Wednesday of month, 2 p.m.	Alternating locations - Ukiah and Lakeport		Ross Walker, Governing Board Chair North Coast Opportunities 413 North State Street Ukiah, CA 95482	Assist low income and disadvantaged people to become self reliant	Bartolomei (appointed 12/19/18)	Tami Bartolomei, Community Services Administrator; 467-5765 tbartolomei@cityofukiah.com
North Coast Rail Authority (NCRA)	2nd Wednesday of month, 10:30 a.m.	Various Locations - announced		419 Talmage Road, Suite M Ukiah, CA 95482 463-3280	Provides a unified and revitalized rail infrastructure meeting the freight and passenger needs of the region	Shannon Riley, Deputy City Manager	Shannon Riley, Deputy City Manager; 467-5793 sriley@cityofukiah.com
Russian River Watershed Association (RRWA)	4th Thursday of month, 9:00 a.m. (only 5 times a year)	Windsor Town Hall		Russian River Watershed Association Attn: Daria Isupov 425 South Main St., Sebastopol, CA 95472 508-3670	Consider issues related to Russian river - plans projects and funding requests	Rodin Brown- Alternate	Tim Eriksen, Public Works Director/City Engineer; 463-6280 teriksen@cityofukiah.com
Ukiah Valley Basin Groundwater Sustainability Agency (GSA)	2nd Thursday of month, 1:30 p.m.	Board of Supervisors Chambers; 501 Low Gap Road Ukiah, CA		County Executive Office Nicole French 501 Low Gap Rd., Rm. 1010 Ukiah, CA 95482 463-4441	GSA serves as the Groundwater Sustainability Agency in the Ukiah Valley basin	Crane Duenas- Alternate	Sean White, Director of Water Resources; 463-5712 swhite@cityofukiah.com
COUNTY/REGIONAL One + Staff Alternate	MTG DATE/TIME	MEETING	LOCATION	MAILING ADDRESS/CONTACT	COMMITTEE FUNCTION	ASSIGNED TO	PRINCIPAL STAFF SUPPORT
Economic Development & Financing Corporation (EDFC)	2nd Thursday of month, 2:00 p.m.	Primarily 631 S. Orchard Street (location varies)		Executive Director 631 South Orchard Avenue Ukiah, CA 95482 467-5953	Multi-agency co-op for economic development and business loan program	Riley (appointed 12/19/18)	Shannon Riley, Deputy City Manager; 467-5793 sriley@cityofukiah.com
Sun House Guild ex officio	2nd Tuesday of month, 4:30 p.m.	Sun House 431 S. Main St. Ukiah, CA		431 S. Main Street Ukiah, CA 95482 467-2836	Support and expand Grace Hudson Museum	Orozco Neil Davis- Alternate	David Burton, Museum Director; 467-2836 dburton@cityofukiah.com
Continued - COUNTY/REGIONAL One + Staff Alternate	MTG DATE/TIME	MEETING	LOCATION	MAILING ADDRESS/CONTACT	COMMITTEE FUNCTION	ASSIGNED TO	PRINCIPAL STAFF SUPPORT
Mendocino Youth Project JPA Board of Directors	3rd Wednesday of month, 7:45 a.m.	776 S. State Street Conference Room		Mendocino Co. Youth Project 776 S. State Street, Ste. 107 Ukiah, CA 95482 707-463-4915	Targets all youth with a focus on drug and alcohol prevention, healthy alternatives and empowering youth to make healthy choices	Cedric Crook, Patrol Lieutenant	Cedric Crook, Patrol Lieutenant Nob; 463-6771; ccrook@cityofukiah.com
Northern California Power Agency (NCPA) - Commission	4th Thursday of month, 9:00 a.m. (see NCPA calendar)	Roseville, CA and other locations		651 Commerce Drive Roseville, CA 95678 916-781-4202	Pool of State and local power utilities developing and operating power generation, providing scheduling and related energy services and providing regulatory and legislative support.	Crane - Commissioner Grandi Sauers - Alternate and Commissioner in absence of Commissioner Crane	Mel-Grandi Cindi Sauers - Electric Utility Director; 463-6295 463-6286 mgrandi-csauers@cityofukiah.com
Northern California Power Agency (NCPA) – Lodi Energy Center (LEC) Appointment	2nd Monday of month, 10:00 AM	Lodi, CA and other locations		651 Commerce Drive Roseville, CA 95678 916-781-4299	Committee oversees the operation, maintenance and expenditures of the LEC 300 MW generating project.	Sauers – Project Participate Appointee	Cindy Sauers, Electric Utility Director, 463-6286, csauers@cityofukiah.com

2022 CITY COUNCIL SPECIAL ASSIGNMENTS

LOCAL/COUNTY/REGIONAL/LIANS OnGoing One or Two Council and/or Staff	MTG DATE/TIME	LOCATION	MAILING ADDRESS/CONTACT	COMMITTEE FUNCTION	ASSIGNED TO	PRINCIPAL STAFF SUPPORT
League of California Cities Redwood Empire Legislative Committee	Prior to Division Meetings, meets 3x in person and then via conference call	Various locations that are announced	Redwood Empire League President; Public Affairs Program Manager (916) 658-8243	Elected city officials and professional city staff attend division meetings throughout the year to share what they are doing and advocate for their interests in Sacramento	Rodin Orozco-Alternate	Sage Sangiacomo , City Manager; 463-6221 ssangiacomo@cityofukiah.com
City Selection Committee	Called as required by the Clerk of the Board	BOS Conference Room 501 Low Gap Rd. Rm. 1090 Ukiah, CA	C/O: BOS 501 Low Gap Rd., Rm 1090 Ukiah, CA 95482 463-4441	Makes appointments to LAFCO and Airport Land Use Commission	Mayor	Kristine Lawler , City Clerk; 463-6217 klawler@cityofukiah.com
Investment Oversight Committee	Varies	Civic Center 300 Seminary Ave. Ukiah, CA 95482	Civic Center 300 Seminary Ave. Ukiah, CA 95482	Reviews City investments, policies, and strategies	Crane Orozco, Alternate Alan Carter, Treasurer	Dan Buffalo , Director of Finance; 463-6220 dbuffalo@cityofukiah.com
Library Advisory Board	3rd Wednesdays of alternate months; 1:00 p.m.	Various Mendocino County Libraries	Ukiah County Library 463-4491	Review library policy and activities	Supervisor Mulheren	Kristine Lawler , City Clerk; 463-6217; klawler@cityofukiah.com
Ukiah Players Theater Board of Directors	3rd Tuesday of month, 6:00 p.m	1041 Low Gap Rd Ukiah, CA 95482 462-1210	1041 Low Gap Rd Ukiah, CA 95482 462-1210	To oversee the activities, organization and purpose of the Ukiah Players Theater	Greg Owen , Airport Manager (appointed 12/19/18)	Kristine Lawler , City Clerk; 463-6217 klawler@cityofukiah.com
Ukiah Unified School District (UUSD) Committee	Quarterly	511 S. Orchard, Ste. D Ukiah, CA 95482	511 S. Orchard Ukiah, CA 95482	Information exchange with UUSD Board Chair, Mayor, Superintendent, and City Manager	Mayor, City Manager and Police Chief	Sage Sangiacomo , City Manager; 463-6221 ssangiacomo@cityofukiah.com
Russian River Flood Control District (RRFCD) Liaison	1st Monday of month, 5:30 p.m.	151 Laws Ave., Suite D Ukiah, CA	151 Laws Ave., Ukiah, CA 95482; rrfc@pacific.net; 462-5278	Proactively manage the water resources of the upper Russian River for the benefit of the people and environment of Mendocino County	White/Orozco	Sean White , Director of Water Resources; 463-5712 swhite@cityofukiah.com
Mendocino County Local Area Formation Commission (LAFCO)	1st Monday of month, 9:00 a.m.	Board of Supervisors Chambers	Executive Director 200 S. School Street, Ste. 2 Ukiah, CA 95482 463-4470	Required by legislation - planning spheres of influence, annexation, service areas, and special districts	(positions not active) Crane Rodin	Craig Schlatter , Director of Community Development; 463-6219; cscchlatter@cityofukiah.com
Mendocino County Airport Land Use Commission	As needed	BOS Conference Room 501 Low Gap Rd., Rm. 1090, Ukiah, CA	Mendocino County Executive Office 501 Low Gap Rd. Rm. 1010 Ukiah, CA 95482	To formulate a land use compatibility plan, provide for the orderly growth of the airport and the surrounding area, and safeguard the general welfare of the inhabitants within the vicinity	Owen/Schlatter	Greg Owen , Airport Manager; 467-2855; gowen@cityofukiah.com Craig Schlatter , Director of Community Development; 463-6219; cscchlatter@cityofukiah.com
Mendocino County 1st District Liaison	Monthly; TBD	Civic Center Annex conference room #5 411 West Clay St. Ukiah, CA 95482	Civic Center 300 Seminary Ave. Ukiah, CA 95482	To coordinate activities and policy development with the City's 1st District Supervisor	Brown Crane- Alternate	Sage Sangiacomo , City Manager; 463-6221; ssangiacomo@cityofukiah.com
Mendocino County 2nd District Liaison	1st Wednesdays of month, 8:00 a.m.	Civic Center Annex conference room #5 411 West Clay St. Ukiah, CA 95482	Civic Center 300 Seminary Ave. Ukiah, CA 95482	To coordinate activities and policy development with the County's 2nd District Supervisor	Brown	Shannon Riley , Deputy City Manager; 467-5793 sriley@cityofukiah.com
LOCAL/COUNTY/REGIONAL/LIANS OnGoing One or Two Council and/or Staff	MTG DATE/TIME	LOCATION	MAILING ADDRESS/CONTACT	COMMITTEE FUNCTION	ASSIGNED TO	PRINCIPAL STAFF SUPPORT
Fire Executive Committee	2nd Wednesdays of month, 3:45 p.m.	Ukiah Valley Conference Center, 200 S. School Street Ukiah, CA	Stephanie Abba Civic Center 300 Seminary Ave. Ukiah, CA 95482 sabba@cityofukiah.com	Per the recently adopted agreement between the City of Ukiah and the Ukiah Valley Fire Protection District	Orozco/Brown	Doug Hutchison , Fire Chief; 463-6263; dhutchison@cityofukiah.com
STANDING COMMITTEES	MTG DATE/TIME	LOCATION	MAILING ADDRESS/CONTACT	COMMITTEE FUNCTION	ASSIGNED TO	PRINCIPAL STAFF SUPPORT
Equity and Diversity	TBD	Virtual Meeting Room (link to be created)	Civic Center 300 Seminary Ave. Ukiah, CA 95482	Improve diversity and equity in the City's workforce and municipal services	Orozco/Duenas	Traci Boyl , City Manager's Office Management Analyst; 467-5720 tboyl@cityofukiah.com

2022 AD HOC COMMITTEES		
COMMITTEE	ASSIGNED TO	PRINCIPAL STAFF SUPPORT
Electric Grid Operational Improvements	Crane/Orozco	Mel Grandi Cindy Sauers , Electric Utility Director; 463-629586 mgrandi csauers @cityofukiah.com
Trench Cut Policy Development	Crane/Brown	Tim Eriksen , Public Works Director/City Engineer; 463-6280 teriksen @cityofukiah.com
Budget Development Best Practices and Financial Policy For FY 21/22 Budget	Crane/Brown	Dan Buffalo, Director of Finance; 463-6220 dbuffalo@cityofukiah.com Sheri Mannion, Human Resource Director/Risk Manager; 463-6272, smannion@cityofukiah.com
Budget Development Best Practices and Financial Policy For FY 22/23 Budget	Crane/Brown	Dan Buffalo , Director of Finance; 463-6220 dbuffalo @cityofukiah.com Sheri Mannion , Human Resource Director/Risk Manager; 463-6272, smannion @cityofukiah.com
Advance Planning & Policy for Sphere of Influence (SOI), Municipal Service Review (MSR), Annexation, Tax Sharing, Detachment, and Out of Area Service Agreements	Crane/Rodin	Sage Sangiacomo , City Manager 463-6221 ssangiacomo @cityofukiah.com Shannon Riley , Deputy City Manager 467-5793 sriley @cityofukiah.com Craig Schlatter , Community Development Director 463-6219 cschlatter @cityofukiah.com Sean White , Director of Water Resources; 463-5712 swhite @cityofukiah.com Tim Eriksen , Public Works Director/City Engineer; 463-6280 teriksen @cityofukiah.com Mel Grandi Cindy Sauers , Electric Utility Director; 463-629586 mgrandi csauers @cityofukiah.com Dan Buffalo , Director of Finance; 463-6220 dbuffalo @cityofukiah.com
2021 Electric Rate Study	Crane/Duenas	Mel Grandi Cindy Sauers , Electric Utility Director; 463-629586 mgrandi csauers @cityofukiah.com
Housing Element and Implementation Review	Rodin/Orozco	Craig Schlatter , Community Development Director 463-6219 cschlatter @cityofukiah.com
Planning Commissioner Appointment Process	Crane/Rodin	Craig Schlatter, Community Development Director 463-6219 cschlatter@cityofukiah.com Darcy Vaughn, Assistant City Attorney 462-6846 dvaughn@cityofukiah.onmicrosoft.com
UVSD/ City Relations <i>Ad hoc committee to address specific issues with the Ukiah Valley Sanitation District, including discussion of overall sewer system service delivery policies, operating policy revisions, potential revisions to the current Operating Agreement, and cost sharing</i>	Crane/Brown	Dan Buffalo , Director of Finance; 463-6220 dbuffalo @cityofukiah.com Sean White , Water Resources Director 463-5712 swhite @cityofukiah.com
Upper Russian River Water Agency/City Relations	Crane/Brown	Sean White , Director of Water Resources; 463-5712 swhite @cityofukiah.com
Orr Street Bridge Corridor	Rodin/Duenas	Tim Eriksen , Public Works Director/City Engineer; 463-6280 teriksen @cityofukiah.com
Complete Streets	Rodin/Crane	Tim Eriksen , Public Works Director/City Engineer; 463-6280 teriksen @cityofukiah.com Shannon Riley , Deputy City Manager 467-5793 sriley @cityofukiah.com Neil Davis , Community Services Director 467-5764 ndavis @cityofukiah.com