



City Council Regular Meeting
AGENDA

Civic Center Council Chamber ♦ 300 Seminary Avenue ♦ Ukiah, CA 95482
March 7, 2018 - 6:00 PM

1 ROLL CALL

2 PLEDGE OF ALLEGIANCE

3 PROCLAMATIONS/INTRODUCTIONS/PRESENTATIONS

- 3.a. [Proclamation of the Ukiah City Council Recognizing March as Women's History Month](#)
Recommended Action: Issue a Proclamation of the Ukiah City Council recognizing March as Women's History Month.
[Attachment 1 - 2018 Women's History Proclamation](#)
[Attachment 2 - 35th Annual Women's History Gala Celebration Flyer](#)
- 3.b. [Introduction of New Employee – Jordan Beebe, IT Specialist I, Finance Department – Information Technology Division](#)
Recommended Action: The City Council will welcome new team member Jordan Beebe to the City of Ukiah.
[None](#)
- 3.c. [Presentation of GFOA's Distinguished Budget Presentation Award to the City of Ukiah](#)
Recommended Action: Mayor Doble to present to staff and Council GFOA's Distinguished Budget Award for the City's fiscal year 2017-18 budget document.
[None](#)
- 3.d. [Status Report, Discussion and Possible Action Regarding the Ukiah Valley Sanitation District's Litigation Against the City of Ukiah Related to the Operation of the Sanitary Sewer System](#)
Recommended Action: Receive status report. If desired, discuss and provide direction to Staff and/or consider any action(s) related to the matter.
[Attachment 1 - UVSD Litigation Update Box Files location](#)

4 PETITIONS AND COMMUNICATIONS

5 APPROVAL OF MINUTES

- 5.a. [Approval of the February 21, 2018, Regular Meeting Minutes](#)
Recommended Action: Approve the Minutes of February 21, 2018, a Regular Meeting, as submitted.
[Attachment 1 - Minutes of February 21, 2018](#)

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. [Request Approval of Budget Amendment for Granicus Portable Encoder, Camera and Accessories](#)
Recommended Action: Approve budget amendment for Granicus Portable Encoder, Camera and Accessories.
[Attachment 1 - Granicus Invoice](#)
[Attachment 2 - PO 45192-01](#)
[Attachment 3 - PO 45212-01](#)
- 7.b. [Notification of Purchase for Replacement and Installation of Batteries for APC Battery Back-ups from Schneider Electric in the Amount of \\$19,866](#)
Recommended Action: Notification of purchase for replacement and installation of batteries for APC Battery Back-ups from Schneider Electric in the amount of \$19,866.
[Attachment 1 - PO 45084 - Schneider](#)
- 7.c. [Consideration of Award of Purchase to SHI International Corp. for the Annual Software Renewal for the City of Ukiah's Checkpoint Perimeter Firewall in the Amount of \\$32,657](#)
Recommended Action: Approve the award of purchase to SHI International Corp. for the annual software renewal for the City of Ukiah's Checkpoint Perimeter Firewall in the amount of \$32,657.
[Attachment 1 - SHI Quote - 14867723](#)
- 7.d. [Approval of Notice of Completion for the Wastewater Treatment Plant Barscreen Installation, Specification No. 17-06 and Notification of Contract Exceedance in the Amount of \\$10,064.49; and Approval of Corresponding Budget Amendment](#)
Recommended Action: Approval of Notice of Completion for the Wastewater Treatment Plant Barscreen Installation, Specification No. 17-06 and Notification of Contract Exceedance in the Amount of \$10,064.49; and approval of corresponding budget amendment.
[Attachment 1 - Notice of Completion-Specification 17-06](#)

- 7.e. Notification of Acquisition of Professional Services from GHD, Inc. for Implementation Assistance and for Use of ProCore Construction Management Software for the Transportation Improvements for Redwood Business Park and Talmage Road Interchange Projects, Specification Nos. 17-09 and 17-07 in the Amount of \$17,218
Recommended Action: Receive Report
Attachment 1 - GHD Procore Proposal
- 7.f. Approval of Acquisition of Professional Services from Carollo Engineers for Implementation Assistance and for Use of ProCore Construction Management Software for the Recycled Water Project, Phases 1-3, Specification No. 17-08 in the Amount of \$35,233
Recommended Action: Approval of Acquisition of Professional Services from Carollo Engineers for implementation assistance and for use of ProCore Construction Management Software for the Recycled Water Project, Phases 1-3, Specification No 17-08 in the amount of \$35,233.
Attachment 1 - Procore Quote
- 7.g. Authorize the City Manager to Negotiate and Execute an Easement Agreement with the North Coast Railroad Authority for the Construction of the Recycled Water System and Approval of Payment of Corresponding Fee
Recommended Action: Authorize the City Manager to negotiate and execute an easement agreement with the North Coast Railroad Authority for the construction of the Recycled Water System and approval of payment of corresponding fee.
Attachment 1 - NCRA 10 Yr License Final 03022018
- 7.h. Approve Professional Services Contract Amendment with Crawford & Associates for On-Call Planning Services in amount not to exceed \$30,000.
Recommended Action: Approve the professional services contract amendment with Crawford & Associates in an amount not to exceed \$30,000.
Attachment 1 - COU No. 1718-128 - Crawford - Planning Svcs

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)

12 UNFINISHED BUSINESS

- 12.a. Discussion and Direction Regarding Proposed Adult Use Cannabis Retail Ordinance
Recommended Action: Staff asks that the City Council discuss and provide policy direction on a draft proposed Adult Use Cannabis Retail Ordinance.

13 **NEW BUSINESS**

- 13.a. Consideration of Adoption of Resolution Supporting Approval of Agricultural Conservation Easement Grant Funding from the California Department of Conservation Sustainable Agricultural Lands Conservation Program to the Mendocino Land Trust for One Property within the City's Sphere of Influence
Recommended Action: Adopt resolution supporting approval of Agricultural Conservation Easement Grant Funding from the California Department of Conservation Sustainable Agricultural Lands Conservation Program to the Mendocino Land Trust for one property within the City's Sphere of Influence.
Attachment 1 - MLT Email Request for Resolution of Support
Attachment 2 - MLT SALCP Application Lovers Lane
Attachment 3 - Resolution of Support
- 13.b. Consider Approval of a Resolution Authorizing the Water Resources Department to Pay for Certain Uses of Real Property Comprising of the Ukiah Valley Golf Course Enterprise within the Community Services Department for the Storage and Distribution of Potable and Recycle Water, and Consider Authorizing the City Manager to Negotiate and Execute a Third Addendum to the Tayman Park Golf Group Lease; and Approve Corresponding Budget Amendments
Recommended Action: Adopt the proposed resolution and approve the third addendum to the Tayman Park Golf Group Lease Agreement, and all corresponding budget amendments.
Attachment 1 - proposed resolution
Attachment 2 - COU No. 1617112 Addendum 3
- 13.c. Report of a Regional Government Services Contract and Approve and Authorize Changes to Personnel Allocations in Finance Department and Corresponding Budget Amendment
Recommended Action: Receive a report of pending contract entered into with Regional Government Services (RGS) on a time and expense basis due to payroll staffing needs; approve the reduction of an unfilled, half-time Customer Service Representative (CSR) position and the addition a full-time Financial Services Specialist (FSS) position; and approve the corresponding budget amendment.
Attachment 1 - Ukiah-RGS Agreeent (Payroll Consulting) 2018-02-12.pdf
- 13.d. Receive updates on City Council Committee and Ad Hoc Assignments
Recommended Action: Receive report(s).
Attachment 1 - 2018 City Council Special Assignments & Ad Hocs

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

- 14.a. 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
Recommended Action: Confer in Closed Session

14.b. Conference with Legal Counsel – Existing Litigation
(Government Code Section 54956.9(d)(1))

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

Recommended Action: Confer in Closed Session

14.c. Conference with Real Property Negotiators
(Cal. Gov't Code Section 54956.8)

Property: 341 Norgard Lane, Ukiah, CA 95482 (APN's 184-080-27,28; 184-090-01,07; 184-100-04; 180-090-05-00; 180-120-04-44; 180-120-05-00; 180-120-06-00; 184-080-01-00; 184-080-25-00; 184-080-26-00; 180-110-03-00; 180-100-03-00)

Negotiators: Sage Sangiacomo, City Manager; Sean White, Water Resources Director;

Negotiating Parties: City of Ukiah and Tim Norgard;

Under Negotiation: Price & Terms of Payment

Recommended Action: Confer in Closed Session

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



AGENDA SUMMARY REPORT

SUBJECT: Proclamation of the Ukiah City Council Recognizing March as Women's History Month

DEPARTMENT: Clerk/Admin

PREPARED BY: Ashley Cocco

ATTACHMENTS:

[Attachment 1 - 2018 Women's History Proclamation](#)

[Attachment 2 - 35th Annual Women's History Gala Celebration Flyer](#)

Summary: Council to issue a proclamation recognizing March as Women's History Month.

Background: The City celebrates and honors women and their contribution to our community annually during the month of March. In March of 1983, the first Women's History Gala Celebration in Mendocino County was held at the Anderson Valley High School. Thereafter, each year it has been held in the City of Ukiah with the March 4th Celebration marking its 35th anniversary.

Discussion: At the March 7, 2018, Regular Meeting, the City Council will issue a Proclamation (Attachment 1) recognizing March as Women's History Month. Additionally, the public is invited to attend the 35th Annual Women's History Gala Celebration on March 4th at 12:00 p.m. at the Saturday Afternoon Clubhouse, 107 S. Oak Street, Ukiah (Attachment 2). Please note the Gala will be taking place the Sunday prior to the March 7, 2018 City Council Meeting. Women honored who embody this year's theme, "Nevertheless she persisted: Honoring Women Who Fight All Forms of Discrimination" are Ronita French, Josefina Duenas and Angela

RECOMMENDED ACTION: Issue a Proclamation of the Ukiah City Council recognizing March as Women's History Month.

BUDGET AMENDMENT REQUIRED: No

CURRENT BUDGET AMOUNT: N/A

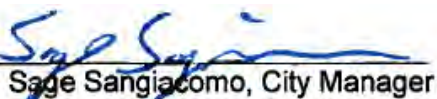
PROPOSED BUDGET AMOUNT: N/A

FINANCING SOURCE: N/A

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH: Maureen Mulheren, Vice Mayor; Val Muchowski; Helen Sizemore

Approved:


Sage Sangiacomo, City Manager

DeWitt. The program is dedicated to Dorothy Sugawara and Lillian Vogel. Highlights of the Gala include speaker San Francisco Supervisor Malia Cohen; inspiration by Sarah Lingren; musical entertainment by Breath and the Inland Valley Women's Chorus; and MC Paloma Patterson.

PROCLAMATION

MARCH: WOMEN'S HISTORY MONTH *35th ANNUAL WOMEN'S HISTORY GALA CELEBRATION*

WHEREAS, in March 1983 the first Women's History Gala Celebration in Mendocino County was held at the Anderson Valley High School. Thereafter, each year it has been held in the City of Ukiah with the March 4th Celebration marking its 35th anniversary; and

WHEREAS, the Mendocino Women's Political Coalition presents the 35th Annual Women's History Gala Celebration with American Association of University Women - Ukiah, Ukiah Saturday Afternoon Club, Comfort Inn, Cloud Forrest Institute and other community volunteers and organizations; and

WHEREAS, the aforementioned women's organizations continue to work to increase and acknowledge the roles of women at all levels of community and public service, and to become knowledgeable about issues that affect their equality and to foster networks that extend and expand the creative, social, and political strength of women; and

WHEREAS, promoting and celebrating the equality and achievements of all women continues to be at the core of this 2018 celebration of women's history, and the tradition of the annual Women's History Gala Celebration is to recognize and honor particular women who exemplify each year's designated theme for contributions in their communities through their fields of work; and

WHEREAS, on Sunday, March 4, 2018, the public was invited to attend the 35th Annual Women's History Gala Celebration at 12:00 p.m., at the Saturday Afternoon Clubhouse. Women honored who embody this year's theme, "Nevertheless she persisted: Honoring Women Who Fight All Forms of Discrimination" are Ronita French, Josefina Duenas and Angela DeWitt. The program was dedicated to Dorothy Sugawara and Lillian Vogel. Highlights of the Gala featured speaker San Francisco Supervisor Malia Cohen; inspiration by Sarah Lingren; musical entertainment by Breath and the Inland Valley Women's Chorus; and MC Paloma Patterson.

THEREFORE, I, Maureen Mulheren, Vice Mayor on behalf of Mayor Kevin Doble and my fellow Ukiah City Councilmembers: Stephen G. Scalmanini, Doug Crane, and Jim O. Brown do hereby join other communities in the nation in proclaiming the month of March to be Women's History Month and to recognize and celebrate the 35th Anniversary of the Women's History Gala Celebration that took place March 4, 2018.

Signed and sealed, this 7th day of March, in the year Two Thousand Eighteen.

Maureen Mulheren, Vice Mayor

MENDOCINO'S 35TH ANNUAL WOMEN'S HISTORY CELEBRATION



**MALIA COHEN - CANDIDATE
FOR BOARD OF EQUALIZATION**



**SARAH LINDGREN-
AKANA - TSURAI
ANCESTRAL SOCIETY**



BREATH



**INLAND VALLEY
WOMEN'S CHORUS**



**ANGELA DEWITT
HONOREE**



**JOSEFINA DUENAS
HONOREE**



**RONITA FRENCH
HONOREE**

**MARCH 4, 2018
SUNDAY
DOORS OPEN AT 12:00 PM
SATURDAY AFTERNOON CLUBHOUSE
107 S. OAK STREET, UKIAH CA
PRESENTATIONS, PERFORMANCES
APPETIZERS, DESSERTS,
AND NEW EXPERIENCES**

**TICKETS
\$10 DONATION
EVERYONE
WELCOME**

SPONSORED BY THE FOLLOWING:

MENDOCINO WOMEN'S POLITICAL COALITION, AMERICAN ASSOCIATION OF
UNIVERSITY WOMEN - UKIAH, UKIAH SATURDAY AFTERNOON CLUB,
COMFORT INN, CLOUD FORREST INSTITUTE, AND OTHER
COMMUNITY VOLUNTEERS AND ORGANIZATIONS



AGENDA SUMMARY REPORT

SUBJECT: Introduction of New Employee – Jordan Beebe, IT Specialist I, Finance Department – Information Technology Division

DEPARTMENT: Information Technology

PREPARED BY: Scott Shaver

ATTACHMENTS:

None

Summary: The Finance Department is pleased to introduce the new IT Specialist I, Jordan Beebe to the Information Technology Department.

Background: The City of Ukiah's Finance Department is pleased to introduce Jordan Beebe, who has been hired as a Technology Specialist I for the Information Technology Division. Jordan started with the City of Ukiah as a volunteer IT Intern for a period of one year before being promoted to a 32-hour employee. Jordan's value in the IT department was quickly realized. His ability to learn computer configurations, assist in day to day operations and handle help-desk calls enabled senior IT staff the necessary time to address advanced situations. As a result, the workflow configuration of the IT department has become more efficient, allowing senior IT staff to diminish the reliance on contract services by providing advanced support for projects and employees.

Discussion: Jordan has lived in Potter Valley most of his life. He enjoys video games, bacon cheese bread, comic books, creative writing, wrestling and is an avid movie goer. Jordan looks forward to working with the City

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

BUDGET AMENDMENT REQUIRED: No

CURRENT BUDGET AMOUNT: N/A

PROPOSED BUDGET AMOUNT: N/A

FINANCING SOURCE: N/A

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH: N/A

Approved:


Sage Sangiacomo, City Manager

of Ukiah.



AGENDA SUMMARY REPORT

SUBJECT: Presentation of GFOA's Distinguished Budget Presentation Award to the City of Ukiah

DEPARTMENT: Finance

PREPARED BY: Daphine Harris

ATTACHMENTS:

None

Summary: The Government Finance Officers Association's (GFOA) Distinguished Budget Award represents a significant achievement by a government entity. The award is the highest form of recognition in governmental budgeting, reflecting the commitment of City Council and staff to meeting the highest principles of governmental budgeting.

Background: The Distinguished Budget Presentation Awards Program was established in 1984 to encourage and assist state and local governments to prepare budget documents of the very highest quality that reflect both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA's best practices on budgeting and then to recognize individual governments that succeed in achieving that goal. Documents submitted to the Budget Awards Program are reviewed by selected members of the GFOA professional staff and by outside reviewers with experience in public-sector budgeting.

Discussion: In order to receive the budget award, a government entity must satisfy nationally recognized guidelines for effective budget presentation. These guidelines are designed to assess how well an entity's

RECOMMENDED ACTION: Mayor Doble to present to staff and Council GFOA's Distinguished Budget Award for the City's fiscal year 2017-18 budget document.

BUDGET AMENDMENT REQUIRED: No

CURRENT BUDGET AMOUNT: N/A

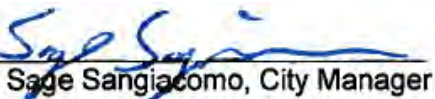
PROPOSED BUDGET AMOUNT: N/A

FINANCING SOURCE: N/A

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH: City Manager's Office

Approved:


Sage Sangiacomo, City Manager

budget serves as 1) a policy document, 2) a financial plan, 3) an operations guide, and 4) a communications device. Budget documents must be rated "proficient" in all four categories, and in the fourteen mandatory criteria within those categories.

The City's 2017-18 adopted budget document presentation received high marks from reviewers in all four categories with particular emphasis on the fourth criteria - it being a strong communications device.

Over 1,600 public agencies in the United States and Canada, ranging from state governments to local special districts, participate in the Budget Awards Program. Recipients, along with their corresponding budget documents, are posted quarterly on GFOA's website.

The Distinguished Budget Award is an accommodation to the City and presented by the Mayor to the Finance Department and entire Budget Team, including Daphne Harris, Management Analyst - Finance; Sheri Mannion, HR/Risk Management Director; Shannon Riley, Deputy City Manager; Kristine Lawler, City Clerk; Maya Simerson, Project and Grant Administrator; Dan Buffalo, Finance Director; Sage Sangiacomo, City Manager; and the Council ad hoc team members, Mayor Kevin Doble and Councilmember Doug Crane.



AGENDA SUMMARY REPORT

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

DEPARTMENT: Administration

PREPARED BY: Sage Sangiacomo

ATTACHMENTS:

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

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

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

Background: Chronological History of Recent Correspondence and Activity:

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

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

BUDGET AMENDMENT REQUIRED: No

CURRENT BUDGET AMOUNT: N/A

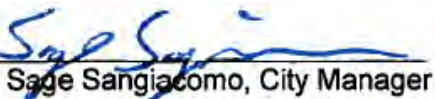
PROPOSED BUDGET AMOUNT: N/A

FINANCING SOURCE: N/A

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH: N/A

Approved:


Sage Sangiacomo, City Manager

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

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

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

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

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

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

considered by the City Council.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Mediation continues, but the litigation activities are escalating as the March 2018 trial date nears. The high cost of litigation could be avoided if the District were to agree to focus on mediation efforts and put a hold on the trial.

The City's Director of Finance gave an updated presentation on the impacts of the District's litigation (UVSD Litigation Update Box File #24).

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

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

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

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

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

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

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

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

and the recycled water project.

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

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

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

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

At the December 6, 2017, City Council meeting, the City staff reported on the then current cost of the litigation (UVSD Litigation Update Box File #26) and efforts to refinance the 2006 Wastewater Bonds. As of the end of November 2017, the Ukiah Valley Sanitation District had spent nearly \$4,691,748 in legal fees, with \$3,883,170 paid directly to the Law Offices of Duncan James. The City's total cost for defense was \$1,102,822. On a cost-per-utility customer account evaluation, this equates to \$1,464 per District customer account and \$281 per City customer account. Staff also reported the three newly elected UVSD Board Members officially took their seats on December 1.

At the December 20, 2017, City Council meeting, the City Attorney reported that he and the City Manager were in ongoing settlement discussions with the District's legal/staff that include a meeting on the 20th and at least another scheduled for the 21st. In addition, City staff and bond consultants delivered a presentation to the District Board on December 19th at their special meeting on efforts to refinance the 2006 Wastewater Bonds. The same presentation (UVSD Litigation Update Box File #27) was provided to the City Council at their December 20th meeting.

At the January 17, 2018, City Council meeting, the City Manager reported that there are active discussions between the City and District's ad hoc related to mediation. However, litigation activities are also ongoing with costs continuing to mount for both the City and District. It is estimated that just a single half day deposition costs ratepayers in excess of \$3000.

At the February 7, 2018, City Council meeting, Staff again reported that there are two tracks of activity that include settlement discussion and litigation. Staff reported that settlement discussions remain active with additional meeting dates planned. Unfortunately, litigation activity is also continuing on a parallel track. The City Attorney reported that the trial date has been moved from June 22 to July 20, 2018.

At the February 21, 2018, City Council meeting, Staff again reported that there are two tracks of activity that include settlement discussions and litigation. Staff reported that settlement discussions remain active and ongoing. However, litigation activity is also continuing on a parallel track.

Discussion: At the March 7, 2018, City Council meeting, Staff will provide the latest status report on the Ukiah Valley Sanitation District's litigation against the City of Ukiah related to the operation of the sanitary sewer system. The Council may elect to discuss the matter further and, if desired, provide direction to Staff and/or consider any related action(s).

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

UVSD Litigation Update Box Files located at:

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



AGENDA SUMMARY REPORT

SUBJECT: Approval of the February 21, 2018, Regular Meeting Minutes

DEPARTMENT: Clerk/Admin

PREPARED BY: Kristine Lawler

ATTACHMENTS:

[Attachment 1 - Minutes of February 21, 2018](#)

Summary: Council will consider approving the Minutes of February 21, 2018, a Regular Meeting (Attachment 1).

Background: N/A

Discussion: N/A

RECOMMENDED ACTION: Approve the Minutes of February 21, 2018, a Regular Meeting, as submitted.

BUDGET AMENDMENT REQUIRED: No

CURRENT BUDGET AMOUNT: N/A

PROPOSED BUDGET AMOUNT: N/A

FINANCING SOURCE: N/A

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH: N/A

Approved: _____


Sage Sangiacomo, City Manager

CITY OF UKIAH
CITY COUNCIL MINUTES
Regular Meeting
CIVIC CENTER COUNCIL CHAMBERS
300 Seminary Avenue
Ukiah, CA 95482
February 21, 2018
6:00 p.m.

1. **ROLL CALL**

2. **PLEDGE OF ALLEGIANCE**

Ukiah City Council met at a Regular Meeting on February 21, 2018, having been legally noticed on February 16, 2018. Mayor Doble called the meeting to order at 6:00 p.m. Roll was taken with the following **Councilmembers Present:** Jim O. Brown, Stephen G. Scalmanini, Douglas F. Crane, Maureen Mulheren, and Kevin Doble. **Staff Present:** Sage Sangiacomo, City Manager; David Rapport, City Attorney; and Kristine Lawler, City Clerk.

MAYOR DOBLE PRESIDING.

The Pledge of Allegiance was led by Councilmember Brown.

3. **PROCLAMATIONS/INTRODUCTIONS/PRESENTATIONS**

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

Presenters: Sage Sangiacomo, City Manager and David Rapport, City Attorney.

Presentation was received.

4. **PETITIONS AND COMMUNICATIONS**

5. **APPROVAL OF MINUTES**

a. **Approval of the February 7, 2018, Regular Meeting Minutes.**

Motion/Second: Crane/Brown to approve Minutes of February 7, 2018, a regular meeting, as submitted. Motion **carried** by the following roll call votes: AYES: Brown, Scalmanini, Crane, Mulheren, and Doble. NOES: None. ABSENT: None. ABSTAIN: None.

6. **RIGHT TO APPEAL DECISION**

7. **CONSENT CALENDAR**

a. Report of Disbursements for the Month of January 2018 – *Finance*.

b. Award Purchase (PO No. 45242) of a New 2018 Terex Commander, Model 505 Digger Derrick Line Truck to Terex Utilities, Inc. in Watertown, South Dakota in the Amount of \$325,967 (EUD) – *Electric Utility*.

c. Request Authorization to Increase Contract (COU No. 1314-213-A2) Funding for Electric Department Related Capital Improvement Project Design and Engineering Services by \$180,000 to Utility Design Services, LLC (EUD) – *Electric Utility*.

- d. Award the Purchase (*PO No. 45248*) of Two Police Vehicles: One (1) Dodge Charger in the amount of \$36,253.15 and One (1) Dodge Durango SSV SUV in the amount of \$32,711.31 to Thurston Chrysler Dodge Jeep Ram for a Total Award Amount of \$68,964.41 – *Police*.
- e. Adopt a Resolution (*2018-06*) Declaring the Council's Intention to Supervise and Regulate the Design, Construction, Operation, Enlargement, Replacement, and Removal of Recycled Water Storage at the Ukiah Wastewater Treatment Plant – *Water Resources*.
- f. Adoption of Resolution (*2018-07*) Removing On-Street Parking at 1346 South State Street – *Public Works*.
- g. Approve Assignment of Contract (*COU No. 1718-182*) with Public Financial Management, Inc. for Financial Advisory Services to PFM Financial Advisors LLC – *Finance*.
- h. Report to City Council Regarding the Contract (*COU No. 1718-167*) for Professional Services with the North Bay Professional Officials Association for Adult Basketball Referees – *Community Services*.
- i. Approval of Agreement (*COU No. 1718-183*) with SMB Environmental for the Mitigation and Monitoring Plan for the Construction of the Recycled Water Project in an Amount not to Exceed \$55,000 to be Billed on a Time and Material Basis – *Water Resources*.

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

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

Public Comment: Charley Vaughn – restroom facilities for homeless, Virginia Reynolds– restroom facilities for homeless, Peter Reynolds – restroom facilities for homeless, and Phil Baldwin – leaf blower petition.

9. **COUNCIL REPORTS**

Presenters: Vice Mayor Mulheren and Councilmember Brown.

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

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

12. **UNFINISHED BUSINESS**

- a. **Discussion and Initial Direction to Staff Regarding Evaluation of Alternatives for Orr Street Bridge.**

Presenter: Tim Eriksen, Public Works Director/City Engineer.

Public Comment: Susan Sher and Ann Kelly, Wagenseller Neighborhood Association; Mike Pallesen, Rural Communities Housing Development Corporation; Neil Davis, Walk and Bike Mendocino; John McCowen (speaking as a private citizen); Andrea Davis, Walk and Bike Mendocino; Susan Knopf; Kathleen Szabo; Linda Sanders (speaking as a private citizen); and Phil Baldwin.

Council Consensus gave the following direction to staff:

- Develop the option for a pedestrian, bike bridge with access for service and emergency vehicles only.
- Look into options and cost for getting a turn-around on the south side.
- Bring back cost scenarios for decking.
- Work with Wagenseller group with design options and budget.

RECESS: 7:55 – 8:01 P.M.

13. NEW BUSINESS

a. Discussion and Possible Introduction by Title Only of an Ordinance Adding Various Sections to the Ukiah City Code to Regulate Shopping Cart Containment and Retrieval.

Presenters: Shannon Riley, Deputy City Manager and Darcy Vaughn, Assistant City Attorney.

Public Comment: Libby Guthrie; Lori Rosenberg; Mark Wedegaertner; John McCowen, 2nd District Supervisor; Don Buchannan; Nancy Redding; and David Redding.

Motion/Second: Mulheren/Brown to introduce the Ordinance by title only, and to amend the ordinance with version 2, excluding the name brand of the sign labelling. Motion **failed** by the following roll call votes: AYES: Brown and Mulheren. NOES: Scalmanini, Crane and Doble. ABSENT: None. ABSTAIN: None.

Council Consensus directs staff to bring back the ordinance with clarification on the plan standards and enforcement policy.

RECESS: 9:16 – 9:22 P.M.

b. Discussion and Possible Action Regarding the Cancellation of the July 4, 2018, City Council Meeting with the Option for the Mayor and/or City Manager to Call for a Special Meeting on an Alternate Date if Time Sensitive Business Arises.

Presenter: Sage Sangiacomo, City Manager.

Motion/Second: Crane/Scalmanini to approve the cancellation of the July 4, 2018, Regular City Council Meeting with the option for the Mayor and/or City Manager to call for a special meeting on an alternate date if time sensitive business arises. Motion **carried** by the following roll call votes: AYES: Brown, Scalmanini, Crane, Mulheren, and Doble. NOES: None. ABSENT: None. ABSTAIN: None.

14. CLOSED SESSION

a. 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*

b. Conference with Legal Counsel – Existing Litigation

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

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

c. Conference with Real Property Negotiators

(Cal. Gov't Code Section 54956.8)

Property: 341 Norgard Lane, Ukiah, CA 95482 (APN's 184-080-27,28; 184-090-01,07; 184-100-04; 180-090-05-00; 180-120-04-44; 180-120-05-00; 180-120-06-00; 184-080-01-00; 184-

080-25-00; 184-080-26-00; 180-110-03-00; 180-100-03-00)

Negotiators: Sage Sangiacomo, City Manager; Sean White, Water Resources Director;

Negotiating Parties: City of Ukiah and Tim Norgard;

Under Negotiation: Price & Terms of Payment

No Closed Session was held.

15. ADJOURNMENT

There being no further business, the meeting adjourned at 9:24 p.m.

Kristine Lawler, City Clerk

DRAFT



AGENDA SUMMARY REPORT

SUBJECT: Request Approval of Budget Amendment for Granicus Portable Encoder, Camera and Accessories

DEPARTMENT: Information Technology

PREPARED BY: Scott Shaver

ATTACHMENTS:

[Attachment 1 - Granicus Invoice](#)

[Attachment 2 - PO 45192-01](#)

[Attachment 3 - PO 45212-01](#)

Summary: Council will consider approval of a budget amendment for the purchase of a Granicus portable encoder, camera and accessories.

Background: On December 7, 2016, Council approved a contract amendment with Granicus to add a portable encoder that provides audio visual recording and Internet broadcasting of off-site meetings. This also included a budget amendment to purchase a camera and associated accessories.

Discussion: The time for Granicus to deliver the portable encoder took much longer than Staff expected and was not received by the City until this past fall. Because the actual receipt of the unit occurred in fiscal year 17/18, instead of fiscal year 16/17 in which the original budget amendment was approved, the necessary funds were not encumbered or transferred to cover for the expenses, requiring an additional budget amendment to be approved by Council for the current fiscal year. Please see Attachment 1 for a copy of the Granicus invoice,

RECOMMENDED ACTION: Approve budget amendment for Granicus Portable Encoder, Camera and Accessories.

BUDGET AMENDMENT REQUIRED: Yes

CURRENT BUDGET AMOUNT: N/A

PROPOSED BUDGET AMOUNT: \$7,600.00 - #20913900.54100 - Granicus Encoder and accessories

FINANCING SOURCE: Fund reserve account #20900000.39046

PREVIOUS CONTRACT/PURCHASE ORDER NO.: COU No. 1516-127-A1

COORDINATED WITH: Mary Horger, Procurement Manager; Kristine Lawler, City Clerk

Approved:


Sage Sangiacomo, City Manager

Attachment 2 for a copy of Purchase Order 45192-00 and Attachment 3 for a copy of Purchase Order 45212-00 for the purchase of the accessories.

As a result, Staff is requesting the approval to transfer \$7,600.00 from fund reserve account #20900000.39046 to IT account #20913900.54100 to cover the cost of the equipment and subsequent accessories.

The portable encoder has been tested by both IT and the City Clerk, and they are pleased with its functionality.



Invoice

Granicus, Inc.

Receivables 720-240-9586

Granicus, Inc.

PO Box 49335

San Jose CA 95161-9335

RECEIVED

MAR 28 2017

CITY OF UKIAH

Invoice #

85799

Date

3/24/2017

Bill To

Ukiah, CA (Cty)
300 Seminary Avenue
Ukiah CA 95482
United States

Ship To

City of Ukiah
Attn: Daphne Harris
300 Seminary Avenue
Ukiah CA 95482
United States

Terms

Net 30

Due Date

4/23/2017

PO

Quantity

0.5 Portable Encoder Hardware (SDI)
0.5 US Shipping Charge B - Large Item
0.5 Portable Encoder Installation Services

Description

Tax

Base Price

Amount

Yes

Yes

6,500.00

125.00

875.00

3,250.00

62.50

437.50

*Please note new remittance address:

Granicus, Inc.

PO Box 49335

San Jose, CA 95161-9335

Switch to electronic invoicing today! Contact
ar@granicus.com

Subtotal

Tax (CA_MENDOCINO CO_UKIAH_EJEQ 8.125%)

Total Invoice Due;

Amount Due

3,750.00

269.14

4,019.14

\$4,019.14

Invoice stated in USD



Purchase Order

Fiscal Year 2018

Page 1 of 1

THIS NUMBER MUST APPEAR ON ALL INVOICES,
PACKAGES AND SHIPPING PAPERS.Purchase
Order #

45192-01

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
RB & H VIDEO
REMITTANCE PROCESSING CENTER
PO BOX 28072
NEW YORK NY 10087-8072S
H
I
P
T
OCITY OF UKIAH - ANNEX
411 W CLAY STREET
UKIAH CA 95482

Vendor Phone Number		Vendor Fax Number		Buyer		Date Ordered	Date Required
				Andrew Anliker		01/23/2018	
Delivery Reference		Freight Method/Terms		Department/Location		Sales Tax Rate	
		NET30		INFORMATION TECHNOLOGY		0.000	
Item#	Description/Part No.	Qty	UOM	Unit Price	Extended Price		
1	ITEM #PESBBSDI25 PEARSTONE STND SERS CABLE/BNC (SDI) - 25'/REG	1.0	EACH	\$19.550	\$19.55		
2	ITEM #KTK4NN K-TEK 4" OF COILED CABLE W/NEUTRIK XLR M/F/REG	1.0	EACH	\$37.240	\$37.24		
3	ITEM #RONTG2 RODE NTG-2 SHOTGUN CONDENSER MICROPHONE/REG	1.0	EACH	\$269.000	\$269.00		
4	ITEM #MA504HD546BK MANFROTTO 504HD HEAD W/546B TRIPOD/BAG SYSTEM/REG	1.0	EACH	\$639.880	\$639.88		
5	ITEM #CAXA35 CANON XA35 HD PROFESSIONAL CAMCRORDER/REG	1.0	EACH	\$2,099.000	\$2,099.00		
6	TAX	171.4	DOLL	\$1.000	\$171.45		
REF REQ E36429 AS PER BID NO.709502660 CHO1 1/31/18 (TA) - CHANGED ACCOUNT NUMBER TO CORRECT ACCOUNT.							

4

By
Purchasing Supervisor

VENDOR COPY

PO Total

\$3,236.12

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.



Purchase Order

Fiscal Year 2018

Page 1 of 1

THIS NUMBER MUST APPEAR ON ALL INVOICES, PACKAGES AND SHIPPING PAPERS.

Purchase Order #

45212-00

Delivery must be made within doors of specified destination.

BILL TO

CITY OF UKIAH
ATTN: ACCOUNTS PAYABLE
300 SEMINARY AVENUE
UKIAH, CA 95482

VENDOR

B & H VIDEO
REMITTANCE PROCESSING CENTER
PO BOX 28072
NEW YORK NY 10087-8072

SHIP TO

CITY OF UKIAH - ANNEX
411 W CLAY STREET
UKIAH CA 95482

Vendor Phone Number		Vendor Fax Number		Buyer		Date Ordered		Date Required	
				Andrew Anliker		02/01/2018			
Delivery Reference			Freight Method/Terms		Department/Location			Sales Tax Rate	
			FOB/NET30		INFORMATION TECHNOLOGY			0.000	
Item#	Description/Part No.				Qty	UOM	Unit Price	Extended Price	
1	ITEM #POPBXA35 PORTA-BRACE SOFT CARRYING CASE W/HARDSHELL CASE/REG				1.0	EACH	\$220.310	\$220.31	
2	ITEM # SAEPSD64GV3G SANDISK EXTREMEPRO SDHC 64GB - 95MB/s CARD/REG				1.0	EACH	\$35.790	\$35.79	
3	ITEM #SAROC SANKEN RUBBER O-RING f/CS-1 (10 PACK)/REG				1.0	EACH	\$19.600	\$19.60	
REF REQ E36444 AS PER BID NO. 721630760									

By

Purchasing Supervisor

VENDOR COPY

PO Total

\$275.70

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: Notification of Purchase for Replacement and Installation of Batteries for APC Battery Back-ups from Schneider Electric in the Amount of \$19,866

DEPARTMENT: Information Technology

PREPARED BY: Scott Shaver

ATTACHMENTS:

[Attachment 1 - PO 45084 - Schneider](#)

Summary: Council to receive notification of purchase from Schneider Electric in the amount of \$19,866.29 for the replacement of end-of-life APC batteries and purchase of additional batteries for server-storage shutdown compliance.

Background: The Civic Center server room utilizes an APC battery backup unit to provide power conditioning and backup power in the event of power failures.

Discussion: For the last few years, Information Technology (IT) has maintained a thirty-minute window of battery backup time to allow IT personnel enough time to shut-down our servers, routers, switches and storage arrays during catastrophic failures. During a failure of our backup generator three years ago during off hours, the thirty-minute window did not provide enough time for notified IT personnel to arrive on-site and perform the necessary shutdown sequence. As a result, all infrastructure lost power and our network domain controllers were at risk.

RECOMMENDED ACTION: Notification of purchase for replacement and installation of batteries for APC Battery Back-ups from Schneider Electric in the amount of \$19,866.

BUDGET AMENDMENT REQUIRED: No

CURRENT BUDGET AMOUNT: \$19,866.29 - 20913900.56120 - Equipment Maintenance and Repair - 2017/18 FY

PROPOSED BUDGET AMOUNT: N/A

FINANCING SOURCE: 20913900.56120 - IT Equipment Maintenance & Repair

PREVIOUS CONTRACT/PURCHASE ORDER NO.: PO 45084-00

COORDINATED WITH: Mary Horger, Procurement Manager

Approved:


Sage Sangiacomo, City Manager

As a result of this failure, IT has purchased additional battery modules and physical frame to expand the up-time to one hour of runtime (see Attachment 1 for a copy of Purchase Order 45084). This allows the proper amount of time for IT personnel to respond on-site during a catastrophic failure and systematically shut-down all servers, routers, switches and storage arrays in their respective order.

In addition, the backup batteries that are utilized have a working life of approximately five years. IT has just recently replaced those batteries and added that replacement to our LifeCycle Replacement Calendar for the appropriate five-year FY budget assignment. This was the opportune time to add the capacity (run-time) batteries to the original replacement group, as all batteries should be within the same refresh cycle to prevent battery failures.



Purchase Order

Fiscal Year 2018

Page 1 of 1

THIS NUMBER MUST APPEAR ON ALL INVOICES, PACKAGES AND SHIPPING PAPERS.

Purchase Order #

45084-00

Delivery must be made within
doors of specified destination.

B
I
L
L
T
O

CITY OF UKIAH
ATTN: ACCOUNTS PAYABLE
300 SEMINARY AVENUE
UKIAH, CA 95482

V
E
N
D
O
R

SCHNEIDER ELECTRIC IT USA INC
132 FAIRGROUNDS RD
WEST KINGSTON RI 02892

S
H
I
P
T
O

CITY OF UKIAH - ANNEX
411 W CLAY STREET
UKIAH CA 95482

Vendor Phone Number		Vendor Fax Number	Buyer			Date Ordered	Date Required
877-272-2722			Andrew Anliker			11/07/2017	
Delivery Reference		Freight Method/Terms		Department/Location			Sales Tax Rate
		FOB/UKIAH/NET 30		INFORMATION TECHNOLOGY			0.000
Item#	Description/Part No.	Qty	UOM	Unit Price	Extended Price		
1	SYMMETRA PX 20kW UPS S/N# PD0802360122 MODULAR BATTERY REPLACEMENT CONSISTING OF: 4 SYBT BATTERIES (TOTAL OF 16 MODULES), LABOR TO INSTALL DURING NORMAL BUSINESS HOURS AND REMOVAL & DISPOSAL OF OLD BATTERIES.	1.0	EACH	\$6,779.000	\$6,779.00		
2	SYMMETRA PX 40kW EXTENDED RUN BATTERY FRAME	1.0	EACH	\$6,523.750	\$6,523.75		
3	SYBT4 BATTERY MODULES (TOTAL OF 8 BATTERIES) WILL EXTEND RUN TIME TO 60 MINUTES	2.0	EACH	\$1,642.500	\$3,285.00		
4	ASSEMBLY SERVICE BY FACTORY TECHNICIAN DURING NORMAL BUSINESS HOURS. WITH ASSEMBLY SERVICES TECHNICIAN WILL INSTALL BATTERIES AND CONNECT NEW CABINET TO EXISTING LINE-UP.	1.0	EACH	\$1,305.000	\$1,305.00		
5	FREIGHT WITH INSIDE DELIVERY	584.3	DOLL	\$1.000	\$584.32		
6	TAX	1389.2	DOLL	\$1.000	\$1,389.22		
REF REQ E36420							
AS PER OPPORTUNITY ID# OP-170321-5985887							
DATED 11-2-2017							
3							

By
Purchasing Supervisor

VENDOR COPY

PO Total

\$19,866.29

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: Consideration of Award of Purchase to SHI International Corp. for the Annual Software Renewal for the City of Ukiah's Checkpoint Perimeter Firewall in the Amount of \$32,657

DEPARTMENT: Information Technology

PREPARED BY: Scott Shaver

ATTACHMENTS:

[Attachment 1 - SHI Quote - 14867723](#)

Summary: Council to consider approving the award of purchase for the annual software renewal with SHI International Corp. (channel partner), in the amount of \$32,657.

Background: The City of Ukiah utilizes a Checkpoint Perimeter Firewall to protect our network from outside threats that can originate from the internet. Equipment and services provided in the agreement include:

- Detects and controls application usage
- Identifies, allows, blocks or limits usage of applications, and features within them, which enables safe Internet use while protecting against threats and malware
- Leverages the world's largest application library with more than 6,600 web 2.0 applications
- Supports advanced identity awareness for stress-free policy enforcement

RECOMMENDED ACTION: Approve the award of purchase to SHI International Corp. for the annual software renewal for the City of Ukiah's Checkpoint Perimeter Firewall in the amount of \$32,657.

BUDGET AMENDMENT REQUIRED: No

CURRENT BUDGET AMOUNT: \$32,657 - Information Technology Fund #20913900.54320 - FY 2017/18

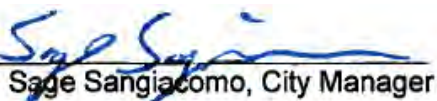
PROPOSED BUDGET AMOUNT: N/A

FINANCING SOURCE: Account #20913900.54320

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH: N/A

Approved:


Sage Sangiacomo, City Manager

- Creates granular policy definitions per user and group
- Integrates seamlessly with Active Directory and protects our environments containing social media and internet applications
- Provides proven gateway security in a single, dedicated appliance
- Provides the benefits of application control and intrusion protection (IPS), as well as extensibility support for additional security capabilities

Discussion: The City has received a quote from SHI International Corp. regarding the software licensing renewal of Check Point Security in the amount of \$32,657 (Attachment 1) . SHI is the channel partner for Checkpoint Technologies. Staff is requesting that City Council approve this purchase. Funds are budgeted and available in the Information Technology fund #20913900.54320.



Pricing Proposal
 Quotation #: 14867723
 Created On: 2/14/2018
 Valid Until: 3/15/2018

City of Ukiah

Andrew Anliker

300 SEMINARY AVENUE
 UKIAH, CA 95482
 United States
 Phone: (707) 463-6229
 Fax:
 Email:

Inside Account Executive

Devone Bennett

290 Davidson Ave,
 Somerset NJ 08873
 Phone: 732-584-8354
 Fax: 732-564-3099
 Email: Devone_Bennett@shi.com

All Prices are in US Dollar (USD)

	Product	Qty	Your Price	Total
1	Check Point Enterprise Standard Support - Technical support - emergency phone consulting - 1 year - 9x5 - response time: 30 min Check Point Software Technologies - Part#: CPES-SS-STANDARD	1	\$11,460.00	\$11,460.00
2	Check Point Compliance Software Blade - Subscription license (1 year) - 5 gateways Check Point Software Technologies - Part#: CPSB-COMP-5-1Y	1	\$3,672.01	\$3,672.01
3	Check Point SmartEvent and SmartReporter bundle for Smart-1 205 Appliance - Subscription license (1 year) Check Point Software Technologies - Part#: CPSB-EVS-SM205-1Y	1	\$1,377.00	\$1,377.00
4	Check Point Next Generation Threat Prevention for 4800 - Subscription license (1 year) Check Point Software Technologies - Part#: CPSB-NGTP-4800-1Y	1	\$9,088.21	\$9,088.21
5	Check Point Next Generation Threat Prevention for 4800 High Availability - Subscription license (1 year) Check Point Software Technologies - Part#: CPSB-NGTP-4800-1Y-HA	1	\$7,059.43	\$7,059.43
			Subtotal	\$32,656.65
			Shipping	\$0.00
			*Tax	\$0.00
			Total	\$32,656.65

*Tax is estimated. Invoice will include the full and final tax due.

Additional Comments

Thank you for choosing SHI International Corp! The pricing offered on this quote proposal is valid through the expiration date set above. To ensure the best level of service, please provide End User Name, Phone Number, Email Address and applicable Contract Number when submitting a Purchase Order.

SHI International Corp. is 100% Minority Owned, Woman Owned Business.
 TAX ID# 22-3009648; DUNS# 61-1429481; CCR# 61-243957G; CAGE 1HTF0

The Products offered under this proposal are subject to the SHI Return Policy posted at www.shi.com/returnpolicy, unless there is an existing agreement between SHI and the Customer.



AGENDA SUMMARY REPORT

SUBJECT: Approval of Notice of Completion for the Wastewater Treatment Plant Barscreen Installation, Specification No. 17-06 and Notification of Contract Exceedance in the Amount of \$10,064.49; and Approval of Corresponding Budget Amendment

DEPARTMENT: Water Resources

PREPARED BY: Jarod Thiele

ATTACHMENTS:

[Attachment 1 - Notice of Completion-Specification 17-06](#)

Summary: Council will consider approval of the Notice of Completion for the Wastewater Treatment Plant Barscreen Installation, Specification No. 17-06 and Notification of Contract Exceedance in the Amount of \$10,064.49; and approval of corresponding budget amendment.

Background: On June 21, 2017, Council awarded a contract to Fort Bragg Electric in the amount of \$122,088 for the installation of a barscreen in the influent pump station at the Waste Water Treatment Plant (WWTP).

Discussion: The work of the contract was completed by the contractor in substantial conformance with the approved plans and specifications on December 15, 2017. The final contract cost, based on actual quantities constructed and the authorized contract change orders approved by the City Engineer, is \$144,360.49. Total change orders for this project were in the amount of \$22,272.49. This amount exceeded the staff's

RECOMMENDED ACTION: Approval of Notice of Completion for the Wastewater Treatment Plant Barscreen Installation, Specification No. 17-06 and Notification of Contract Exceedance in the Amount of \$10,064.49; and approval of corresponding budget amendment.

BUDGET AMENDMENT REQUIRED: Yes

CURRENT BUDGET AMOUNT: \$122,088, Waste Water Operating - 84024425.80230

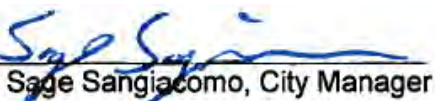
PROPOSED BUDGET AMOUNT: \$22,272.49, Waste Water Operating - 84024425.80230

FINANCING SOURCE: N/A

PREVIOUS CONTRACT/PURCHASE ORDER NO.: COU No. 1617-219

COORDINATED WITH: Sean White, Water Resources Director

Approved:


Sage Sangiacomo, City Manager

administrative approval threshold for change orders (10% - \$12,208) by \$10,064.49 and thus requiring this notification to Council.

Items in the Change Orders included additional fabrication, extended bypass pumping of the influent and electrical troubleshooting. Normal change order authorization was not practical as the work being performed in the influent pump station needed to proceed to avoid flow obstruction.

Final payment of the retention will be made to the contractor after 35 days from the date the Notice of Completion (Attachment 1) is filed with the County Recorder.

Please return to:

CITY OF UKIAH
300 Seminary Avenue
Ukiah, California 95482-5400
(707) 463-6200

No fee pursuant to Government Code 27383

NOTICE OF COMPLETION

NOTICE IS HEREBY GIVEN:

1. That the real property described is owned by the following whose address is: City of Ukiah, a Municipal Corporation, 300 Seminary Avenue, Ukiah, California 95482-5400.
2. That the nature of the title to the Waste Water Treatment Plant Barscreen Installation Project, Specification No. 17-06 of all said owners is that of fee simple.
3. That on the 15th day of December, 2017, the Contract work for this project was actually completed.
4. That the name and address of the Contractor is Fort Bragg Electric, Inc., PO Box 1878, Fort Bragg, CA 95437
5. That the real property herein referred to is situated in the County of Mendocino, State of California, and is described as follows: City-owned property identified as the Waste Water Treatment Plant Influent Pump Station, 300 Plant Road within the City of Ukiah.

I hereby certify under penalty of perjury that the forgoing is true and correct:

City Council Approval

CITY OF UKIAH, a Municipal Corporation

Date

By: _____
Kristine Lawler, City Clerk

Date

State of California

County of Mendocino



AGENDA SUMMARY REPORT

SUBJECT: Notification of Acquisition of Professional Services from GHD, Inc. for Implementation Assistance and for Use of ProCore Construction Management Software for the Transportation Improvements for Redwood Business Park and Talmage Road Interchange Projects, Specification Nos. 17-09 and 17-07 in the Amount of \$17,218

DEPARTMENT: Public Works

PREPARED BY: Jarod Thiele

ATTACHMENTS:

[Attachment 1 - GHD Procore Proposal](#)

Summary: Council will receive a Notification of Acquisition of Professional Services from GHD, Inc. for implementation assistance and for use of ProCore Construction Management Software for the Transportation Improvements for Redwood Business Park and Talmage Road Interchange Projects, Specification Nos 17-09 and 17-07 in the amount of \$17,218.

Background: Over the course of the last three years, the City's contractors engaged in the Installation of Wells 4 and 9, the 2016 Water & Sewer Replacement Project and the North State Street Improvement Project introduced Staff to ProCore Construction Management Software. It is the primary software used by large construction companies to track major elements of construction projects. All plans and specifications, daily inspection reports, change order requests, material submittals, pay requests and daily inspection photos, to name a few, are contained in this software in a "Cloud-Based" Environment that is easy to navigate.

RECOMMENDED ACTION: Receive Report

BUDGET AMENDMENT REQUIRED: No

CURRENT BUDGET AMOUNT: \$7,333,000, Streets - 10024220.80230 PC 13001

PROPOSED BUDGET AMOUNT: N/A

FINANCING SOURCE: N/A

PREVIOUS CONTRACT/PURCHASE ORDER NO.: COU No. 1718-134

COORDINATED WITH: Tim Eriksen, Director of Public Works/City Engineer; Andrew Stricklin, Engineering Analyst; Steven Oropeza, Engineering Technician

Approved:


Sage Sangiacomo, City Manager

Discussion: Having used ProCore successfully for other large infrastructure projects, staff has requested utilization of the software for the Transportation Improvements for Redwood Business Park and the Talmage Interchange Projects.

This software has been very useful for accomplishing Council's direction to rely on internal staff for Project Management and Inspections instead of consultants. All documents are centrally stored on ProCore. This allows staff to access information regarding multiple projects in one location. This has greatly improved our ability to perform efficient Project Management and Daily Inspections by allowing multiple Team Members to see each other's daily inspection reports, daily photos and other project related information.

The City can avoid ProCore license and maintenance fees by utilizing existing licenses through our Contractors. The City is only paying the project fee, which is based on the project cost. The City would have to pay this fee even if it has its own license. After project completion, all data originally stored in ProCore is downloaded for our records.

Staff requested a proposal (Attachment 1) from GHD, Inc. to assist in the implementation of ProCore for use on both projects.

The total cost for implementation and use of the software is \$17,218.



September 28, 2017

Tim Eriksen
Public Works Director / City Engineer
City of Ukiah
300 Seminary Avenue
Ukiah, CA 95482

Re: Proposal for Cloud-Based Construction Management Services: Procore Procurement and Implementation for the Redwood Business Park Transportation Improvements Project and Talmage Road Interchange Project, Ukiah, CA

Dear Mr. Eriksen:

GHD is pleased to provide this proposal for the procurement and implementation of cloud-based construction management software for use on the Redwood Business Park Transportation Improvements project and the Talmage Road Interchange project. This proposal is based on our discussions and your request for the procurement and use of Procore during construction of these projects.

Software Background

Procore is an online cloud-based construction management software package used by the construction and Architect/Engineer (A/E) industries to manage project construction, quality and safety and financials. GHD proposed to enter into an agreement with Procore for the use of the software package on the two referenced projects for the duration of construction or up to one (1) calendar year, whichever occurs first. In working with the Procore staff we have determined that the following Procore modules and functionality will be implemented and available for use in these projects:

Project Management

- Bidding
- Change Events
- Drawings
- Emails
- Meetings
- Photos
- RFIs
- Schedule
- Specifications
- Submittals
- Timecard
- Transmittals

Quality & Safety

- Daily Log
- Incidents
- Inspections
- Observations
- Punch List

Construction Financials

- Budget
- Change Management
- Contract Management
- Cost Management



Professional Services

Task 1 – Construction Management Software

.1.1 Software License and Agreement

GHD will work directly with Procore account management staff to implement an agreement for the use of Procore on the subject projects for a period of up to one (1) calendar year. The agreement includes initial implementation, software support, on-demand training webinars, and additional resources. It will be available for all parties to use during construction, including the City of Ukiah, GHD, Caltrans, Ghilloti Construction Company and subcontractors.

.1.2 Start-up and Support

GHD will work directly with Procore staff to set-up the online software platforms modules (project management, quality and safety and construction financials) for each project. These modules will be used to manage and track construction and documentation. At the end of the projects, the City will receive a CD with all of the files and documentation from construction for the City's permanent record.

Proposed Fee

GHD proposes to complete this scope of services for a time-and-materials fee not to exceed \$17,218 without written authorization from the City per the attached fee estimate (Attachment 1). Services not included in this proposal can be provided on a time-and-materials basis or by a negotiated fee based on GHD's standard fee schedule.

Summary

GHD is committed to continuing to provide the City with the high-quality service and professionalism you have come to expect. We are excited about the start of construction of these very important projects, and look forward to contributing to their success. Should you have any questions, please do not hesitate to contact me.

Sincerely,
GHD Inc.

A handwritten signature in blue ink, appearing to read "Matt Kennedy", is written over the typed name and title.

Matt Kennedy, PE, TE
Project Manager

Attachments:

1. GHD Fee Estimate
2. GHD Standard Fee Schedule



GHD - PROJECT FEE ESTIMATING SHEET

Project Name: Procore Software Procurement

Prepared by: Matt Kennedy

Job Number: General Promo

Client: City of Ukiah

Date: September 28, 2017

		LABOR COSTS									FEE COMPUTATION		
Task / Item	LABOR CATEGORY > RATE >	PD \$235 /Hr	Job Mgr. \$205 /Hr	Civil Eng. \$145 /Hr	2-Person Crew \$315 /Hr	Land Surveyor \$150 /Hr	CAD Designer \$135 /Hr	WP \$110 /Hr	PA \$120 /Hr	TOTAL HOURS	*OTHER DIRECT COSTS	Sub- con- sultant(s)	TOTAL FEE
TASK- 1.0 Construction Management Software													
1.1 Software License & Agreement			1						1	2	\$12	\$14,185	\$14,522
1.2 Start-up and Support			8						8	16	\$96		\$2,696
SUBTOTAL TASK 1.0		0	9	0	0	0	0	0	9	18	\$108	\$14,185	\$17,218
PROJECT TOTALS		0	9	0	0	0	0	0	9	18	\$108	\$14,185	\$17,218

*OTHER DIRECT COSTS include telephone, mileage, printing, photocopies and other miscellaneous direct expenses.



Attachment 2

2017/2018 USA Fee Schedule

Principals: \$217.00 - \$245.00

Associates: \$179.00 - \$226.00

Specialist: \$187.00 - \$226.00

Engineers:

- ◆ Level A \$117.00
- ◆ Level B \$127.00
- ◆ Level C \$139.00 - \$159.00
- ◆ Level D \$165.00 - \$176.00
- ◆ Level E \$183.00 - \$193.00
- ◆ Level F \$213.00 - \$223.00

Geologists/Hydrogeologists:

- ◆ Level A \$117.00
- ◆ Level B \$127.00
- ◆ Level C \$139.00 - \$159.00
- ◆ Level D \$165.00 - \$176.00
- ◆ Level E \$183.00 - \$193.00
- ◆ Level F \$213.00 - \$223.00

Environmental Chemists/Scientists/Planners:

- ◆ Level A \$112.00
- ◆ Level B \$122.00
- ◆ Level C \$133.00 - \$143.00
- ◆ Level D \$154.00 - \$164.00
- ◆ Level E \$181.00 - \$191.00
- ◆ Level F \$213.00 - \$223.00

Industrial Hygienists/Safety Professionals:

- ◆ Level A \$112.00
- ◆ Level B \$122.00
- ◆ Level C \$133.00 - \$148.00
- ◆ Level D \$159.00 - \$169.00
- ◆ Level E \$183.00 - \$193.00
- ◆ Level F \$213.00 - \$223.00

Information Technologists:

- ◆ Level A \$112.00
- ◆ Level B \$122.00
- ◆ Level C \$133.00 - \$143.00
- ◆ Level D \$154.00 - \$164.00
- ◆ Level E \$181.00 - \$191.00
- ◆ Level F \$213.00 - \$223.00

Database Analysts:

- ◆ Level A \$96.00
- ◆ Level B \$106.00
- ◆ Level C \$122.00 - \$142.00
- ◆ Level D \$157.00 - \$177.00
- ◆ Level E \$192.00 - \$202.00
- ◆ Level F \$205.00 - \$222.00

Technicians/Technologists:

- ◆ Level A \$83.00
- ◆ Level B \$101.00
- ◆ Level C \$116.00
- ◆ Level D \$128.00 - \$148.00
- ◆ Level E \$158.00 - \$168.00
- ◆ Level F \$196.00 - \$211.00

Draft/CADD:

- ◆ Level A \$78.00
- ◆ Level B \$88.00
- ◆ Level C \$99.00
- ◆ Level D \$111.00
- ◆ Level E \$121.00
- ◆ Level F \$131.00

Technical Apprentices: \$83.00 - \$93.00

Administrative Support: \$65.00



AGENDA SUMMARY REPORT

SUBJECT: Approval of Acquisition of Professional Services from Carollo Engineers for Implementation Assistance and for Use of ProCore Construction Management Software for the Recycled Water Project, Phases 1-3, Specification No. 17-08 in the Amount of \$35,233

DEPARTMENT: Water Resources

PREPARED BY: Jarod Thiele

ATTACHMENTS:

[Attachment 1 - Procore Quote](#)

Summary: Council will consider Approval of Acquisition of Professional Services from Carollo Engineers for implementation assistance and for use of ProCore Construction Management Software for the Recycled Water Project, Phases 1-3, Specification No. 17-08 in the amount of \$35,233.

Background: Over the course of the last three years, the City's contractors engaged in the Installation of Wells 4 and 9, the 2016 Water & Sewer Replacement Project and the North State Street Improvement Project introduced Staff to ProCore Construction Management Software. It is the primary software used by large construction companies to track major elements of construction projects. All plans and specifications, daily inspection reports, change order requests, material submittals, pay requests and daily inspection photos, to name a few, are contained in this software in a "Cloud-Based" Environment that is easy to navigate.

RECOMMENDED ACTION: Approval of Acquisition of Professional Services from Carollo Engineers for implementation assistance and for use of ProCore Construction Management Software for the Recycled Water Project, Phases 1-3, Specification No 17-08 in the amount of \$35,233.

BUDGET AMENDMENT REQUIRED: No

CURRENT BUDGET AMOUNT: \$25,875,000, Recycled Water Fund - 83024430.80230 PC15062

PROPOSED BUDGET AMOUNT: N/A

FINANCING SOURCE: N/A

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH: Sean White, Water Resources Director; Andrew Stricklin, Engineering Analyst; Steven Oropeza, Engineering Technician

Approved:


Sage Sangiacomo, City Manager

Discussion: Having used ProCore successfully for other large infrastructure projects, staff has requested utilization of the software for the Recycled Water Project, Phases 1-3.

This software has been very useful for accomplishing Council's direction to rely on internal staff for Project Management and Inspections instead of consultants. All documents are centrally stored on ProCore. This allows staff to access information regarding multiple projects in one location. This has greatly improved our ability to perform efficient Project Management and Daily Inspections by allowing multiple Team Members to see each other's daily inspection reports, daily photos and other project related information.

The City can avoid ProCore license and maintenance fees by utilizing existing licenses through our Contractors. The City is only paying the project fee, which is based on the project cost. The City would have to pay this fee even if it has its own license. After project completion, all data originally stored in ProCore is downloaded for our records.

Staff requested a proposal (Attachment 1) from Carollo to assist in the implementation of ProCore for use on this project

The total cost for implementation and use of the software is \$35,233



6309 Carpinteria Avenue
Carpinteria, CA 93013
(866) 477-6267

PROPOSED BY:

Brian Shoemaker
brian.shoemaker@procore.com
+1 (805) 755-4194

ORDER FORM FOR: Carollo Engineers, Inc. - HQ

BILL TO:	SUBSCRIPTION INFORMATION:
Carollo Engineers, Inc. - HQ Duane Heise 2700 Ygnacio Valley Rd Ste 300 Walnut Creek, CA 94598 United States accountspayable@carollo.com	Payment Term: Due Upon Receipt Payment Method: Service Start Date: February 19, 2018 Initial Term (mos): 12 Renewal Term (mos): 12
SHIP TO:	OFFER VALID THROUGH:
Carollo Engineers, Inc. - HQ Ken Sinclair 2700 Ygnacio Valley Rd Ste 300 Walnut Creek, CA 94508 United States ksinclair@carollo.com	February 22, 2018
SPECIAL TERMS:	

Year 1					
PRODUCT	BILLING FREQUENCY	UOM	QUANTITY	PROJECT CAP	PRICE
Construction Financials	Annual	Annual Construction Volume (\$)	22,300,000	3	\$7,456.67
Project Management Essentials	Annual	Annual Construction Volume (\$)	22,300,000	3	\$14,913.13
Quality & Safety	Annual	Annual Construction Volume (\$)	22,300,000	3	\$11,184.79
TOTAL YEAR PRICE					\$33,554.59(USD)

TERMS AND CONDITIONS

All prices quoted and amounts due are in United States Dollars (USD). Prices quoted do not include taxes. By signing this Order Form ("Order Form"), I am authorized to place this order on behalf of the Customer and agree to all payments that are due to Procore.

By signing this Order Form, Customer hereby agrees to all the terms and conditions of this Order Form and the Procore Subscription Terms ("Terms") as outlined at www.procore.com/procore_MSA_V1_2017.pdf. The Product purchased above is further described at https://www.procore.com/downloads/slicks/Procore_ConstructionOS_ProductLine.pdf. The Order Form and Terms constitute the entire agreement between Procore and Customer, superseding any other terms (including, but not limited to, the terms of any Customer purchase order). This Order Form's "Effective Date" is the date of signature by Procore for the purchase of Product(s) listed above. Unless otherwise noted above, the "Service Start Date" will equal the "Effective Date". The "Service End Date" will be 12 months from the Effective Date unless otherwise noted above and will be subject to renewal as provided in the Terms.

ACH/Wire Instructions:

Account Name: Procore Technologies, Inc.
 Receiving Bank: Wells Fargo Bank, N.A.
 Address: 420 Montgomery, San Francisco, CA 94104 USA
 Routing Number: 121000248
 Account Number: 4813998051
 Swift Code: WFBUIUS65

PO #:

Tax Exempt:

Carollo Engineers, Inc. - HQ ("Customer")

Signature:

Name:

Tracey Clinton

Title:

Associate Vice President

Date:

2/15/2018

Procore Technologies, Inc. ("Procore")

Signature:

Name:

Dennis Lyandres

Title:

EVP, Sales

Effective Date:

2/16/2018



Success is at your fingertips.

Included with 1

Product Subscription

- Up to 3 sessions Virtual 1:1 Implementation plus Consultation & Progress Checks
- Up to 5 hours of Custom Forms/Tools/Workflows
- All implementation hours must be used within first 5 weeks

Included with 2

Product Subscriptions

- Up to 4 sessions Virtual 1:1 Implementation plus Consultation & Progress Checks
- Up to 10 hours Custom Forms/Tools/Workflows
- All implementation hours must be used within first 6 weeks

Included with 3+

Product Subscriptions

- Up to 5 sessions Virtual 1:1 Implementation plus Consultation & Progress Checks
- Up to 15 hours Custom Forms/Tools/Workflows
- All implementation hours must be used within first 7 weeks

Ensuring Your Continued Success



SUPPORT SITE

Get unlimited access to Procore's premier knowledge base of "how-to" articles and detailed videos. Our support reps are only a phone call, email, or live chat away.



ON-DEMAND TRAINING WEBINARS

Join Procore's Product Specialists for our Training Webinars. Each session is designed to help you learn Procore's full suite of tools. We'll cover a series of topics and tools during each webinar.



GET PROCORE CERTIFIED

Procore's role-based training courses teach you how to successfully use Procore on any construction project and earn a "Procore Certified" certificate upon completion that you can add to your LinkedIn profile.



BUSINESS REVIEWS

Our Customer Success Team will reach out to your administrators and review your usage, adoption, and any bottlenecks we are seeing in your organization.



NEWSLETTERS

Enjoy our latest eBooks, webinars and blog highlight sent to you via email.



RESOURCES

Our resource library, filled with eBooks, webinars and blogs, is designed to provide thought leadership and best practices to help you and your team learn more about Procore and the construction industry in general.



MONTHLY RECAP OF PRODUCT RELEASES

Each month, the Customer Success Team will email our latest product releases and updates, along with sprint recaps so you can see first hand how the product keeps improving.



IMPACT SERIES

Procore offers hands-on, in-person training at our live event, Impact Series. Whether at our headquarters or in a city near you, these events are great opportunities for your new Procore users to receive role-based training and network with other Procore users.



ON-SITE TRAINING & ADDITIONAL SERVICES

(Available by Request.) Customer Success experts can customize the services offered to meet your specific needs. Specialists can come to your offices for in-person trainings or offer additional remote training and guidance for your staff.

PROCORE

procore.com | 866 477 6267



PROCORE SUBSCRIPTION TERMS

These terms, including any attached exhibits (collectively, "**Terms**") are entered into as of the effective date listed on the Order Form ("**Effective Date**") between PROCORE TECHNOLOGIES, INC., a Delaware corporation, having its principal place of business at 6309 Carpinteria Avenue, Carpinteria, CA 93013 ("**Procure**" or "**Party**") and the customer identified on the Order Form ("**Customer**" or "**Party**"), collectively the "**Parties**."

In consideration of the mutual covenants and conditions contained herein, the Parties agree as follows:

1. **BACKGROUND.** Procure has developed certain construction project management Software (defined below), to which it provides access as part of its Services (defined below). Customer wishes to enter into this Agreement for a subscription to the Services identified on an Order Form. Procure desires to make those Services available to Customer subject to the terms of this Agreement.

2. **DEFINITIONS.** The capitalized terms listed below have the following meanings:

2.1 "**Agreement**" means, collectively, the terms of the Order Form and these Terms.

2.2 "**Authorized User**" means any individual who is authorized by virtue of such individual's relationship to, or permissions from, Customer, to access and use the Services pursuant to Customer's rights under this Agreement.

2.3 "**Construction Volume**" means the aggregate dollar value of the construction work performed, planned, or put in place by Customer for all Customer Projects during a given time period, most often a one-year period.

2.4 "**Customer Content**" means any content created by or on behalf of Customer or an Authorized User in connection with the Services and Customer Projects.

2.5 "**Customer Data**" means the data provided by Customer to Procure regarding Authorized Users, including personally identifiable information.

2.6 "**Customer Project**" means each distinct construction project constrained by a specific scope, budget, and schedule, as specified in a construction project agreement. The Project lifecycle phases for typical construction projects may include initiation, planning, design, demolition, construction, commissioning, and closeout. Procure considers projects in the construction phase to be subject to restriction in number by "project caps" within an Order Form that specify how many simultaneous projects may be managed under the terms of a Procure subscription. The construction phase is considered to commence with the bid and award process, and is considered to be complete upon the project owner's written acknowledgement of substantial completion, or the award of a certificate of occupancy from the local regulatory or governmental authority responsible for determining substantial completion.

2.7 "**Documentation**" means the online screen-share demonstration materials, marketing collateral, and other materials in written or electronic form provided to Customer by Procure in connection with Customer's subscription to the Services.

2.8 "**Enhancements**" means the following: minor modifications, revisions, and corresponding Documentation with respect to the Services, including the addition of enhancements or improved performance made available by Procure to the Services; however, Enhancements do not include the addition of New Features not originally included as part of the Services described on a particular Order Form.

2.9 "**Maintenance Modifications**" means bug fixes, patches, modifications, or revisions to the Services that correct errors therein; however Maintenance Modifications do not include New Features not originally included as part of the Services described on a particular Order Form.



2.10 "New Features" means those significant technological or service features and/or tools that Procure develops over time, which are offered to Customers as additional features for a fee and are distinct from included Enhancements and Maintenance Modifications.

2.11 "Order Form" means the order form document signed by both Parties that is attached to these Terms, on which the Customer is identified, and which specifies certain other agreed-upon terms including Customer's specific subscription information pertaining to the Services.

2.12 "Services" means Procure's distinct services purchased by Customer as specified on the Order Form.

2.13 "Site" means app.procure.com and all associated Procure mobile applications.

2.14 "Software" means Procure's software programs and any associated user interfaces and related technology that Procure uses to provide the Services, and that Procure makes available pursuant to this Agreement, including any Enhancements and Maintenance Modifications thereto.

2.15 "Subscription Fee" means the agreed-upon subscription fee for the Services as stated on the Order Form.

3. PROVISION OF SERVICE/RESPONSIBILITIES.

3.1 Subscription Rights and Access. Procure grants Customer the nonexclusive limited-time subscription and right to use the Services in accordance with this Agreement. Further, Procure agrees that Customer may access and use, and permit each Authorized User to access and use, the Services for its intended purpose, in accordance with the specifications set forth in any Documentation and subject to the terms of this Agreement and the limits on Construction Volume, Projects, and/or other use restrictions specified on each Order Form. Subject to Customer's payment of the fees set forth in the Order Form, Procure shall provide to Customer the necessary passwords, security protocols and policies, and network links or connections to allow Customer and its Authorized Users to access the Services. Procure shall provide the Customer and Authorized Users with (a) support for the Services as outlined in Exhibit A, and (b) access to Enhancements and Maintenance Modifications as they become available. Customer and its Authorized Users are solely responsible for ensuring that they have sufficient and compatible hardware, software, telecommunications equipment, and Internet service necessary for the use of the Site and Services. All other rights not expressly granted in this agreement are reserved by Procure.

3.2 Site Updates. Procure may change, modify, upgrade, or discontinue any aspect or feature of the Site in whole or in part. Such changes, upgrades, modifications, additions, or deletions will be effective immediately upon notice thereof, which may be made by posting such changes to the Site. In the event Procure modifies or discontinues any content or feature of the Site which results in reduction of functionality or degradation of the Site, Procure shall provide comparable functionality. Procure shall, from time to time, develop New Features, which will be offered to Customers for additional fees.

3.3 Limitations. Customer shall not, and shall not authorize or permit any Authorized User to (a) rent, loan, or re-license rights to access and/or use the Services or Software (except as specifically provided herein); (b) copy, modify, disassemble, decompile, or reverse engineer software included as part of the Services; (c) share identification or password codes with persons other than Authorized Users, or permit Customer's account to be accessed by individuals who are not Authorized Users; (d) access, use, or permit a third party to access or use the Services or Software for purposes of competitive analysis, including the development, provision, or use of a competing software or service or for any other purpose that may be to Procure's detriment or commercial disadvantage; or (e) use the Services in any way not expressly provided for in this Agreement. Customer shall be responsible for all activities that occur under Customer's account and for all actions of Customer or its Authorized Users and both Customer and Authorized Users shall use the Services in accordance with the Website Terms of Service. Customer shall notify Procure of any unauthorized use of Customer's passwords or account, or any other breach of security that is known or suspected by Customer. Customer and



its Authorized Users shall abide by all applicable local, state, national, and foreign laws and regulations in connection with their use of the Services. Customer shall be responsible for any breach of this Agreement by its Authorized Users.

3.4 Customer Content. Procure will process Customer Content as instructed by Customer in order to perform the Services. The Parties acknowledge and agree that the Customer is at all times the data controller and Procure is a data processor. Customer represents and warrants that it has all necessary rights in the Customer Content to grant Procure the right to use, and Customer hereby grants Procure a non-exclusive, worldwide, royalty-free and fully paid license to use, the Customer Content as necessary for Procure to provide the Services. All rights in and to the Customer Content not expressly granted to Procure in this Agreement are reserved by Customer. Customer represents and warrants that any Customer Content hosted by Procure as part of the Services will not (a) infringe or violate the rights of any third party; (b) be deceptive, defamatory, obscene, or unlawful; or (c) contain any viruses, worms, or other malicious computer programming codes intended to damage Procure's system or data. Customer acknowledges that any use of the Services by Customer or Authorized Users contrary to or in violation of the representations and warranties of Customer in this section constitutes unauthorized and improper use of the Services. Customer shall have the sole responsibility for the accuracy, quality, integrity, legality, reliability, and appropriateness of all Customer Content. The Parties acknowledge that Procure does not and cannot review all Customer Content and will not be responsible for such content, but that Procure shall have the right to delete, move, or edit any Customer Content that Procure determines violates or might violate this Agreement, or any applicable law or regulation, or is otherwise unacceptable.

3.5 Customer Data. Procure will process Customer Data as instructed by Customer in order to perform the Services. The Parties acknowledge and agree that the Customer is at all times the data controller and Procure is a data processor. Customer represents and warrants that Customer shall only provide to Procure the minimum amount of personally identifiable information for each Authorized User to enable the Authorized User to enjoy the benefit of this Agreement. Customer represents and warrants that Customer is entitled to transfer relevant Customer Data to Procure so that Procure may lawfully use, process, and transfer the Customer Data in accordance with this Agreement on Customer's behalf and Customer shall ensure the same; Customer shall ensure that the relevant third parties, including data subjects, have been informed of, and have given their consent to, such use, processing, and transfer as required by all applicable data protection legislation. Customer acknowledges that Procure is reliant on Customer for direction as to the extent to which Procure is entitled to use and process the Customer Data. Procure shall process the Customer Data only in accordance with the terms of this Agreement and any written instructions given by Customer. Customer acknowledges and agrees that the Customer Data may be transferred or stored in the United States of America in order to carry out the Services and Procure's other obligations under this Agreement. Customer acknowledges and agrees that the Customer Data may be shared with third parties only as necessary to provide the Services. Procure will not be liable for any claim brought by an Authorized User arising from any action or omission by Procure, to the extent that such action or omission resulted from Customer's instructions.

3.6 Customer Acknowledgement. As of the Effective Date, Customer acknowledges and agrees that an authorized representative of Customer has evaluated the features and functionality of the Services in a means satisfactory to Customer and accepts that the Services have been demonstrably shown to have all of the features and functionality that have been represented to Customer. Customer agrees that its purchases hereunder are neither contingent on the delivery of any future functionality or features, nor dependent on any oral or written public comments made by Procure regarding future functionality or features.

3.7 Non-Procure Applications. Procure or third parties may make available third-party products or services ("**Non-Procure Applications**"). Any use by Customer and any exchange of data between Customer and the provider of Non-Procure Applications is solely between Customer and the applicable provider. Procure does not warrant or support Non-Procure Applications or other non-Procure products or services. If Customer installs or enables a Non-Procure Application for use with the Services, Customer hereby grants Procure permission to allow the provider of that Non-Procure Application to access Customer's data and content as required for the interoperation of that Non-Procure Application with the Services. Procure is not responsible for any disclosure, modification, or deletion of any of Customer's data or content resulting from access by a Non-Procure Application. The Services may contain features designed to interoperate with Non-Procure Applications.



To use such features, Customer may be required to obtain access to Non-Procure Applications from their providers, and may be required to grant Procure access to Customer's account(s) on the Non-Procure Applications. If the provider of a Non-Procure Application ceases to make the Non-Procure Application available for interoperability with the corresponding Service features, Procure may cease providing those Service features without entitling Customer to any refund, credit, or other compensation.

3.8 Beta Services. From time to time, Procure may invite Customer to try certain beta services, including pilot, limited release, developer preview, non-production, or evaluation services ("**Beta Services**") at no charge. Customer may accept or decline any such trial. Beta Services will be clearly designated as such by Procure. Beta Services are for evaluation purposes and not for production use, are not considered "Services" under this Agreement, are not supported, and may be subject to additional terms. Unless otherwise stated, any Beta Services trial period will expire upon the earlier of one year from the trial start date or the date that a version of the Beta Services becomes generally available. Procure may discontinue Beta Services at any time and may never make them generally available. Procure will have no liability for, and Customer hereby releases Procure from, any liability or damage arising out of or in connection with any Beta Service.

4. PAYMENT.

4.1 Customer shall pay Procure all Subscription Fees specified on the Order Form upon receipt of invoice unless otherwise stated on the Order Form. Overdue payments will be subject to a late fee of one and one-half percent (1.5%) for each month or fraction thereof that the payment is overdue, or the highest interest rate permitted by applicable law, whichever is lower. In addition to any other remedies available to Procure, Procure shall be entitled to discontinue provision of the Services until all overdue amounts due are paid in full. Except for a material breach by Procure, all payments to Procure are non-refundable and non-cancelable. Specifically, Customer's loss of construction business or Customer's failure to use the Services will not be cause for any refund to Customer from Procure. Customer shall reimburse Procure for Procure's collection costs incurred in attempting to collect any late payments, including reasonable attorneys' fees.

4.2 The Subscription Fees stated on the Order Form are exclusive of any federal, state, or other governmental taxes, duties, fees, excises, or tariffs ("**Taxes**") now or hereafter imposed on the Services. Customer shall be responsible for, and if necessary shall reimburse, Procure for all such Taxes on any amounts payable by Customer hereunder, except for taxes imposed on Procure's net income. If Procure has the legal obligation to pay or collect Taxes for which Customer is responsible under this Section, Procure will add such Taxes to the amount invoiced to Customer.

4.3 Procure may audit Customer's Construction Volume (as specified on the Order Form) to ensure compliance with agreed-upon terms and pricing. Procure will give Customer at least ten (10) days advance notice of any such audit and will conduct the audit during normal business hours in a manner that does not unreasonably interfere with Customer's normal operations. Such audit will be at Procure's expense; however, if any such audit should disclose any underpayment by Customer, Customer shall immediately pay Procure such underpaid amount, together with interest thereon at the rate specified in Section 4.1, and Customer shall also pay Procure for Procure's expenses associated with such audit. Audits are limited to one (1) per year.

5. TERM/TERMINATION.

5.1 Term. This Agreement commences on the Effective Date and will remain in effect for the initial term specified on the Order Form ("**Initial Term**"), unless earlier terminated as provided herein. This Agreement may be renewed by mutual written agreement signed by both parties (each renewal period a "**Renewal Term**"). The Initial Term and any Renewal Terms are collectively referred to as the "Term".



5.2 Termination. Either Party may terminate this Agreement upon: (1) any material breach of this Agreement by the other Party that is not cured within thirty (30) days (or within ten (10) days in case of failure to pay) following written notice thereof; (2) the other Party becoming insolvent or bankrupt, liquidating or being dissolved, or ceasing substantially all of its business; or (3) a breach of section 12.3. Upon expiration or termination of this Agreement or Services authorized in an Order Form, Customer shall immediately discontinue all access and use of the Services. In the event Customer terminates this Agreement for a material and uncured breach by Procure, Procure shall, as Customer's sole and exclusive remedy, refund to Customer any prepaid but unused Subscription Fees calculated on a straight-line prorated basis for the remainder of the then-current Term. In addition to any other remedies available to Procure, Procure may suspend Customer's or any Authorized Users' access to the Services, at Procure's sole option, in the event of any violation of this Agreement. Upon termination of this Agreement, Procure shall follow the data return procedures outlined in Exhibit A.

6. PROPRIETARY RIGHTS.

Procure will retain all worldwide rights in the intellectual property in and on the Site, the look and feel of the Site, and all copyrights in and to its content. The Site is copyrighted, trademarked, or otherwise protected, and owned or licensed by Procure. Nothing in this Agreement grants Customer or any Authorized User an express or implied right to use any Procure intellectual property except as set forth in section 3.1 above. All proprietary rights in the Services, including the Software as well as any aggregate usage statistics, traffic patterns, and other non-personally identifiable data collected by Procure in connection with use of the Services, will be the sole and exclusive property of Procure. Procure retains the royalty-free right to use any suggestions, ideas, feedback, or other recommendations provided by Customer or Authorized Users relating to the Services. Procure may use Customer's name and/or its logo on Procure's website and in its marketing materials to indicate that Customer is a client of Procure. Customer hereby grants Procure the right to contact Customer and Authorized Users in connection with their use of the Services unless otherwise stated on the Order Form.

7. WARRANTIES AND LIABILITY.

7.1 Limited Warranty. Each Party warrants that it has all necessary authority to enter into and perform its obligations under this Agreement. Procure represents and warrants that (1) the Services will perform in accordance with the Documentation under normal circumstances, and (2) the Services provided hereunder will be performed in a professional manner in accordance with prevailing industry Standards. Provided that Customer notifies Procure of any breach of the foregoing warranty during the Term, Procure shall, as Customer's sole and exclusive remedy, provide the support services set forth in Exhibit A to this Agreement. The Services may contain links to sites on the Internet that are owned and operated by third parties. Customer acknowledges and agrees that Procure is not responsible for the availability of, or the content located on or through, any such external site.

7.2 DISCLAIMER. EXCEPT AS SPECIFICALLY PROVIDED IN THIS AGREEMENT, PROCURE DISCLAIMS ALL OTHER WARRANTIES AND CONDITIONS, EXPRESS OR IMPLIED. PROCURE EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTIES, INCLUDING THE WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE AND NON-INFRINGEMENT. PROCURE DOES NOT WARRANT THAT THE OPERATION OF THE SERVICES WILL BE UNINTERRUPTED OR ERROR-FREE.

7.3 LIABILITY. PROCURE WILL NOT BE LIABLE TO CUSTOMER FOR ANY SPECIAL, INDIRECT, EXEMPLARY, PUNITIVE, INCIDENTAL, OR CONSEQUENTIAL DAMAGES OF ANY NATURE. IN ANY EVENT, ASIDE FROM ITS OBLIGATIONS IN SECTION 8, PROCURE'S TOTAL MAXIMUM LIABILITY ARISING OUT OF OR IN ANY WAY CONNECTED TO THIS AGREEMENT WILL NOT EXCEED THE AMOUNT PAID TO PROCURE BY CUSTOMER DURING THE TWELVE MONTH PERIOD IMMEDIATELY PRECEDING SUCH CLAIM. SOME JURISDICTIONS DO NOT ALLOW THE EXCLUSION OF IMPLIED WARRANTIES OR LIMITATION OF LIABILITY FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES, WHICH MEANS THAT SOME OF THE ABOVE LIMITATIONS MAY NOT APPLY. IN THESE JURISDICTIONS, PROCURE'S LIABILITY WILL BE LIMITED TO THE GREATEST EXTENT PERMITTED BY LAW. THE LIMITATIONS SET FORTH IN THIS SECTION 7 WILL SURVIVE AND APPLY EVEN IF ANY LIMITED REMEDY SPECIFIED IN THIS AGREEMENT IS FOUND TO HAVE FAILED OF ITS ESSENTIAL PURPOSE. THE PARTIES ACKNOWLEDGE AND UNDERSTAND THAT THE DISCLAIMERS, EXCLUSIONS, AND LIMITATIONS OF LIABILITY SET FORTH HEREIN FORM AN ESSENTIAL BASIS OF THE AGREEMENT BETWEEN THE PARTIES, THAT THE SAME REFLECT AN ALLOCATION OF RISK BETWEEN THE PARTIES, AND THAT ABSENT THESE DISCLAIMERS, EXCLUSIONS, AND LIMITATIONS OF LIABILITY, THE TERMS AND CONDITIONS OF THIS AGREEMENT WOULD BE SUBSTANTIALLY DIFFERENT.



8. INDEMNITY.

8.1 During the Term, Procure shall defend, indemnify, and hold harmless Customer against any action claiming that the Services infringe any duly issued U.S. patent, copyright, or trademark or misappropriate any trade secret. In addition, if the use of the Services infringes or is enjoined, or Procure believes it is likely to infringe or be enjoined, Procure may, at its sole option: (a) procure for Customer the right to continue use of the Services as furnished; (b) modify the Services to make them non-infringing, provided that they still substantially conform to the applicable Documentation; or (c) if Procure, after using all commercially reasonable efforts, is unable to accomplish the foregoing remedies, terminate this Agreement and refund to Customer any prepaid but unused Subscription Fees calculated on a straight-line prorated basis for the remainder of the then-current Term. The intellectual property indemnity provided herein does not apply to the extent the alleged infringement arises from any use of the Services not in accordance with this Agreement or as specified in the Documentation or any unauthorized modification of the Services. This section states Procure's sole and exclusive liability and Customer's sole remedies for any threatened or actual infringement of proprietary rights.

8.2 During the Term, Customer shall defend, indemnify, and hold harmless Procure and its officers, directors, employees, agents, successors, and assigns from and against any claims, damages, liabilities, judgments, settlements, losses, costs, or expenses of any kind, including reasonable attorneys' fees, arising out of (a) Customer Data, including any processing of Customer Data by Procure in accordance with this Agreement; (b) Customer's misuse of the intellectual property rights of any third party; and (c) any Customer Content that may violate section 3.4 of this Agreement.

9. CONFIDENTIALITY.

Each Party shall, during and after the existence of this Agreement, hold in strictest confidence and will not use for any purpose unrelated to its performance of this Agreement or disclose to any third party, any Confidential Information of the other Party. The term "**Confidential Information**" means all non-public information, whether business or technical in nature, that the other Party designates as being confidential, or which, under the circumstances of disclosure, ought to be treated as confidential. Confidential Information includes, but is not limited to, information concerning business methods, pricing, business plans, new product launches, customer and vendor information, internal policies and procedures, other financial information, and the terms and conditions of this Agreement. Each Party shall not disclose Confidential Information without the prior written consent of the other Party, except (i) as may be required by law or (ii) to its employees, contractors, or agents who have a specific need to know such information and are under a written obligation of confidentiality at least as restrictive as that contained in this section. Information will not be deemed confidential if it (a) was known to the receiving Party and was acquired through proper methods, prior to its receipt from the disclosing Party, as evidenced by written records of the receiving Party; (b) is now or later becomes (through no act or failure on the part of the receiving Party) generally known through no breach of this Agreement by the receiving Party; (c) is supplied to the receiving Party by a third party that is free to make that disclosure without restriction; or (d) is independently developed by the receiving Party without use of or reference to any Confidential Information provided by the disclosing Party. The restrictions on disclosure imposed by this section do not apply to information that is required by law or order of a court, administrative agency, or other governmental body to be disclosed by the receiving Party, provided that in each such case the receiving Party provides the disclosing Party with prompt written notice of such order or requirement and reasonably assists the disclosing Party, at the disclosing Party's expense, in seeking a protective order or other appropriate relief. Upon termination of this Agreement, each Party shall promptly cease all further use of Confidential Information, return to the other Party all physical materials containing Confidential Information, whether the materials were originally provided by the disclosing Party or copied or otherwise prepared by the receiving Party, and erase or otherwise destroy any Confidential Information kept by either Party in electronic or other non-physical form. The Parties acknowledge that the receiving Party will not be required to return to the disclosing Party or destroy those copies of Confidential Information residing on the receiving Party's backup or disaster-recovery systems, or which must be maintained for regulatory or policy purposes. Such termination by either Party will not affect each Party's continuing obligations under this section.

10. LITIGATION SUPPORT.



Procure shall not disclose Confidential Information, Customer Content, or Customer Data to third parties, but the restrictions on disclosure imposed by this section shall not apply to information that is required by law, subpoena, or order of a court, administrative agency, or other governmental body to be disclosed by the receiving Party, provided that in each such case the receiving Party provides the disclosing Party with prompt written notice of such order or requirement and reasonably assists the disclosing Party, at the disclosing Party's expense, in seeking a protective order or other appropriate relief. In the event of any litigation or preparation for litigation related to Customer's use of the Services or related projects, if Customer or any of Customer's agents or representatives requires Procure to provide expert testimony on behalf of Customer, or to gather data, research information, attend meetings, or perform other related services of any kind in support of Customer, Procure shall provide such services and Customer shall compensate Procure at a reasonable rate to be determined per hour per individual providing such services, plus all reasonable out-of-pocket expenses, including, but not limited to, travel, lodging, and meals where necessary.

11. PRIVACY.

The Procure Privacy Policy is located at <http://www.procore.com/fine-print/privacy-policy.php> and may be amended from time to time. Any updates to the Privacy Policy will be posted to the Site and will be effective immediately upon posting to the Site. It is Customer's responsibility to review the Privacy Policy from time to time on the Site to ensure that Customer continues to agree with all of its terms. Customer's continued use of the Site following the posting of changes to the Privacy Policy will mean Customer accepts those changes. If there is any conflict between the Privacy Policy and this Agreement, this Agreement will govern.

12. GENERAL.

12.1 Waiver/Amendment. This Agreement may not be modified except by a written instrument signed by both Parties. Failure by either Party to enforce any provision of this Agreement will not be deemed a waiver of future enforcement of that or any other provision.

12.2 Assignment. Neither Party may assign, delegate, or otherwise transfer this Agreement, in whole or in part, voluntarily, involuntarily, by operation of law, or otherwise without the other Party's prior written consent; except that: (a) Procure may assign, delegate, or otherwise transfer this Agreement without such consent in connection with any merger, consolidation, reorganization, or any sale of all or substantially all of such Party's assets or any other transaction in which more than fifty percent (50%) of its voting securities are transferred ("**Change in Control**"); and (b) Customer may assign, delegate, or otherwise transfer this Agreement upon any Change in Control with Procure's prior written consent and subject to all of the terms of this Agreement. Any attempt to assign, delegate, or otherwise transfer this Agreement other than in accordance with this provision will be null and void.

12.3 Compliance with Laws. Both Parties shall comply with all applicable local, state, national, and foreign laws, rules, and regulations including all applicable export and import laws and regulations in connection with their performance, access, and/or use of the Services under this Agreement. Customer shall comply with all legal duties applicable to Customer including obligations as data controller by virtue of Customer's role in determining Authorized Users. Specifically, Customer shall provide relevant persons and/or participants with all information Customer is required by law to provide, and, if necessary, shall obtain the consent of these persons. The Services and derivatives thereof may be subject to export laws and regulations of the United States and other jurisdictions. Each Party represents that it is not named on any U.S. government denied-party list. Customer shall not permit Authorized Users to access or use the Services in a U.S.-embargoed country (currently Cuba, Iran, North Korea, Sudan, Syria, or Crimea) or in violation of any U.S. export law or regulation.

12.4 Governing Law/Attorneys' Fees. The rights of the Parties hereunder will be governed by the laws of the State of California, without regard to its principles of conflicts of law. Any suits brought hereunder must be brought in the federal or state courts serving Santa Barbara County. In the event of any claim, action, or judicial proceeding arising under this Agreement, the prevailing Party will be entitled to recover reasonable attorneys' fees and expenses incurred in resolving such claim, action, or judicial proceeding.



12.5 Severability/Notice. If any provision of this Agreement is held by a court of competent jurisdiction to be contrary to law, the remaining provisions of this Agreement will remain in full force. Any notice, consent, or other communication hereunder must be in writing, and must be given personally, sent via overnight delivery or via email with confirmation of receipt, to either Party at its respective address set forth in the Order Form (or such other address as provided by that Party). Notices will be deemed given when delivered.

12.6 Independent Contractors. The relationship of the Parties is that of independent contractors and nothing contained in this Agreement will be construed to make either Party an agent, partner, joint venturer, or representative of the other for any purpose. This Agreement is for the sole benefit of the Parties and their respective permitted successors and assigns, and nothing herein, express or implied, is intended to or will confer upon any other person or entity any legal or equitable right, benefit, or remedy under or by reason of this Agreement.

12.7 Force Majeure. Nonperformance of either Party will be excused to the extent that performance is rendered impossible by any reason where failure to perform is beyond the reasonable control of the non-performing Party.

12.8 Entire Agreement/Survival. This Agreement, together with any URLs contained herein, any exhibits, and the Order Form(s) constitutes the entire agreement between the Parties with respect to the subject matter hereof and replaces any prior understandings, written or oral. Further, under no circumstances will the provisions of any document issued by Customer (including, but not limited to, any request for quotes or proposals, purchase orders, non-disclosure agreements, or Customer exhibits to this Agreement and/or vendor forms or registrations with terms that conflict with this Agreement) be deemed to modify, alter, or expand the rights, duties, or obligations of the Parties under this Agreement, regardless of any failure of Procore to object to such terms, provisions, or conditions. If there is any conflict between the terms of this Agreement and the Order Form, the Order Form will prevail. In addition to any rights that accrued prior to termination, the provisions of sections 3, 4, and 6 through 12 shall survive any termination of this Agreement.



EXHIBIT A SUPPORT AND MAINTENANCE

1. Service-Level Agreement.

Procure has a service-level objective for the Services of 99.9% availability, 24 hours a day, 7 days a week, 365 days a year. Downtime does not include (i) problems caused by factors outside of Procure's reasonable control, and (ii) unavailability of the Services during scheduled maintenance.

2. Support.

During the Term, Customer and Authorized Users will have access to technical support via telephone, online chat, email, or self-paced online tutorials. Support hours will be 5:00 a.m. to 10:00 p.m. Pacific Time ("PT") Monday through Friday, and 10:00 a.m. to 6:00 p.m. PT Saturday and Sunday, excluding holidays. Support does not include training sessions on the features and functionality of the Services (implementation) or training in computer skills considered prerequisite to an individual's ability to use personal computers, the Internet/World Wide Web, and online software.

Upon Procure's receipt of a support request, Procure will use commercially reasonable efforts to answer questions and provide standard error corrections to known problems. In the event of any problems or errors involving the Services that Procure cannot immediately resolve, Procure will begin working on a resolution to the problem and will work diligently and in a commercially reasonable manner on the problem until it is resolved.

3. Data Backup and Return.

During the Term, Procure shall make commercially reasonable efforts to protect the security of Customer's data, and shall complete daily data backups of Customer's data to an archive format that will be kept physically separate from the Procure database and web server hardware. The Services do not replace the need for Customer to maintain regular data backups or redundant data archives.

Procure contracts with a third-party data center provider to provide essential technology services such as network connectivity to the Internet for the servers running the Services. Personnel access to the data center used by Procure for these Services is restricted, and all entrances and common areas are monitored 24x7 via closed-circuit cameras. Public access to the data center is forbidden. Fire-suppression systems are located in the data center, and power systems in the data center are designed to run uninterrupted even in the event of a total power outage. All servers are supplied with Uninterruptible Power Supply ("UPS") power sources that will continue to run if utility power fails. The UPS power subsystem is fully redundant, with instantaneous fail over in case the primary UPS fails. In the event of an extended power outage, onsite diesel generators can run indefinitely. Generators are regularly tested to ensure functionality in the event of an emergency.

All Customer Content is the property of the Customer. Upon restriction, suspension or termination of a Customer account, and assuming there has been no material breach of this Agreement by Customer, Procure will allow Customer, at no additional cost, to export all of Customer Content as well any additional data that may be readily exported from the Services to a standard electronic file format. At Procure's sole discretion, a Customer's area within the Services may be kept active as long as the Customer is provided with "read-only" access.

4. Maintenance.

4.1 Unplanned Outages. If a system failure should occur that creates an outage of the Services, Procure will utilize all reasonable means to end the outage as soon as possible. Outages due to the Internet, hosting providers, and/or Customer or Authorized User systems are outside Procure's control and, in such event, Procure will assist the Customer or Authorized User in the diagnosis but may not be able to resolve the problem.



4.2 Preventative Maintenance. From time to time, Procore or its hosting providers will perform preventative maintenance, such as updating servers and routers with security patches, and software upgrades. Procore will provide notice prior to any interruption in the Services and will keep any resulting downtime reasonable. Procore will use all reasonable efforts to perform such maintenance at hours convenient for the Customer and Authorized Users.



AGENDA SUMMARY REPORT

SUBJECT: Authorize the City Manager to Negotiate and Execute an Easement Agreement with the North Coast Railroad Authority for the Construction of the Recycled Water System and Approval of Payment of Corresponding Fee

DEPARTMENT: Water Resources

PREPARED BY: Jarod Thiele

ATTACHMENTS:

[Attachment 1 - NCRA 10 Yr License Final 03022018](#)

Summary: Council will consider authorizing the City Manager to negotiate and execute an easement agreement with the North Coast Railroad Authority for the construction of the Recycled Water System and approval of payment of corresponding fee.

Background: Staff has been working with the property owners along the Recycled Water Project alignment to acquire necessary right of way. Easements and Right of Entry are needed in order to be able to construct, operate, and maintain the Recycled Water Project. Easements will be required from the North Coast Rail Authority (NCRA) to serve three customers on the West side of the railway.

Discussion: The majority of the Recycled Water System serves properties east of the NCRA railway. However, there are three connections on the west side of the railway. In order to serve those properties, three

RECOMMENDED ACTION: Authorize the City Manager to negotiate and execute an easement agreement with the North Coast Railroad Authority for the construction of the Recycled Water System and approval of payment of corresponding fee.

BUDGET AMENDMENT REQUIRED: No

CURRENT BUDGET AMOUNT: 83024430.80230 - \$25,875,000

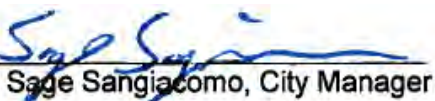
PROPOSED BUDGET AMOUNT: N/A

FINANCING SOURCE: Recycled Water Fund

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH: Sean White, Water Resources Director

Approved:


Sage Sangiacomo, City Manager

service laterals will need to cross the NCRA right of way. Staff has worked with NCRA to develop an agreement for this work.

Staff is requesting Council to authorize the City Manager to negotiate and execute the agreement (Attachment 1) for the purchase of the easements and authorize payment of the corresponding fee in the amount of \$25,000.

License Agreement

This License Agreement (“Agreement”) by and between *North Coast Railroad Authority* (NCRA), a public authority established pursuant to the North Coast Railroad Authority Act (Gov Code §93000 et seq.) (herein referred to as “Licensor”) and City of Ukiah, (a Municipal Corporation); herein referred to as “Licensee”) together known as the “Parties”.

In consideration of the mutual promises contained in this Agreement, the Parties agree as follows:

1. GRANT OF LICENSE; DESCRIPTION OF PROPERTY

Licensor grants to Licensee a license to utilize property of Licensor as depicted in Exhibit “A” and otherwise described as *Three Water Pipe Crossings: One (1) sub-grade 2” water pipe within a 10’ x 80’ Corridor at Milepost 111.14+/-, One (1) sub-grade 8” water pipe within a 10’ x 80’ Corridor at Milepost 110.87+/-, and One (1) sub-grade 2” water pipe within a 10’ x 80’ Corridor at Milepost 110.69+/-.*

2. USE OF PROPERTY; TERM

The above described Property may be entered upon and maintained by Licensee solely during the period beginning March 1, 2018 (the Effective Date) and continuing for a term of ten (10) years, unless sooner terminated as provided herein (“Initial Term”). Subject to the terms and conditions set forth herein, the License shall automatically renew for additional ten (10) year terms until terminated as provided herein (“Renewal Term”). However, the term will be deemed reduced from the otherwise remaining term at the annual anniversary date of this agreement, to one additional year if the crossing is located on any portion of the right of way that as of the annual anniversary date has been approved by the Federal Railroad Administration for the resumption of freight operations. At any time during the “Initial Term,” or a “Renewal Term,” either party may give notice in the manner provide herein to the other party that the term shall not automatically renew on the next renewal date. Time is expressly declared to be of the essence of this provision.

3. CONSIDERATION

As consideration for this Agreement, Licensee agrees to pay Licensor the sum of **\$25,000.00 (Twenty-Five Thousand dollars)** during the initial term of this Agreement, payable on the Effective Date. Beginning one year following the Initial Term, and continuing thereafter on each ten year anniversary of the Effective Date during the License Term, as it may be extended (“Anniversary Date”), Rent shall be evaluated and assessed at either the current market value or increased by Three Percent (3%), whichever is greater in each 10 year period. Conditional rent abatement for future license renewal

periods will be granted provided; that the water delivered to its recipients through the pipeline crossings is without charge (per the terms outlined by NCRA's Board of Directors on February 14, 2018).

4. USE AND IMPROVEMENTS

Licensee's use of the premises shall be restricted to the personal use of the Licensor, the Licensor's agents and employees and consultants and nothing in this License is to be construed as permitting the Licensee to allow the general public to use the Property for any purpose unless the Licensor consents in a separate writing

Licensee hereby agrees to install all permanent improvements and any necessary utilities to serve those improvements. Improvements, excavations, removal of any trees, weeds, brush, grass or improvements and other modifications to the Premises shall be the sole responsibility of Licensee. Licensee will make all reasonable efforts and take all reasonable precautions to maintain the Premises in such a way that is safe and free from unreasonable hazards likely to cause injury to persons who use the Premises. Licensee shall assume full responsibility for the proper use and supervision of the Premises. If Premises usage increases the annual fee will be reassessed.

Licensee hereby agrees to maintain the vegetation on the said Premises at Licensee's expense. Licensee hereby agrees to maintain the Licensee owned fence at Licensee's expense. Licensee agrees to disclose to any purchaser of the Licensee's property that the improved area belongs to the Licensor, and a new agreement will need to be entered into upon transfer of title for any owner to maintain use of Licensor's property.

Any Licensee improvements must obtain any required permits from the local jurisdiction.

Licensee improvements shall be subject to the terms and provisions of Section 7 in the event of a termination by either party.

5. INDEMNIFICATION

Licensor shall not be liable for and is free from the cost of any damages for personal injury or property damage resulting from the use made by Licensee of the Premises, and any defective condition of faulty construction of any improvements arising thereafter, and Licensee covenants and agrees to indemnify and save harmless said Licensor and its officers, agents and employees from and against any and all liability, loss, cost, or other obligation, including reasonable attorney's fees in account of or arising out of any such injuries or losses.

Licensee shall provide Licensor with a Certificate of Liability naming North Coast Railroad Authority (NCRA) as Additionally Insured for the following categories and in the following amounts:

- | | |
|--|--|
| a. Commercial General Liability | \$1,000,000.00 per occurrence
\$2,000,000.00 general aggregate |
| b. Comprehensive Auto Liability | \$1,000,000.00 combined single limit |
| c. Worker's Compensation | \$500,000.00 each employee |
| d. Employer's Liability | \$500,000.00 each accident
\$1,000,000.00 policy limit
A.M. best rating of A-, Class
IX or better |
| e. Any other coverage required by NCRA | |

6. ENVIRONMENTAL PROVISIONS

A. Definitions. As used in this Section, the following terms have the following definitions:

"Agencies" means any federal, state, or local governmental authorities, agencies, or other administrative bodies with jurisdiction over Licensee or the Premises.

"Environmental Laws" means any federal, state, or local environmental, health, or safety-related laws, regulations, standards, court decisions, ordinances, rules, codes, orders, decrees, directives, guidelines, permits, or permit conditions, currently existing and as amended, enacted, issued, or adopted in the future that are or become applicable to Licensee or the Premises, including, but not necessarily limited to the Consent Decree in *Hight v. North Coast Railroad Authority*, Mendocino County Superior Court, Case No. 80240, a true and correct copy of which is posted at NCRA's website, <http://www.northcoastrailroad.org>.

"Existing Environmental Conditions" means the conditions disclosed in the report entitled *Phase II and Phase III Program Findings, Northwestern Pacific Railroad, Novato to Willits, dated March 1996*, prepared for Licenser by Geomatrix Consultants, a true copy of which is available for inspection at the NCRA office, or such other conditions as may be identified in an addendum to this agreement executed by both parties.

"Hazardous Material" means any chemical, substance, material, controlled substance, object, condition, waste, living organism, or combination that is or may be hazardous to human health or to the safety of the environment due to its radioactivity, flammability, corrosivity, reactivity, explosivity, toxicity, carcinogenicity, mutagenicity, phytotoxicity, infectiousness, or other harmful or potentially harmful properties or effects, including, without limitation, petroleum and petroleum products, asbestos, radon, polychlorinated biphenyls (PCBs) and all of those chemicals, substances, materials, controlled substances, objects, conditions, wastes, living organisms, or combinations that are now or become in the future listed, defined, or regulated in any manner by any Environmental Law based upon, directly or indirectly, their properties or effects.

"Licensee's Parties" means Licensee's employees, agents, customers, visitors, invitees, licensees, contractors, designees, or sub Licensee's.

B. Use of Hazardous Materials.

Licensee will not use or allow the use of the Premises in a manner that may cause "Hazardous Materials" to be released or to become present on, under, or about the Premises or other properties in the vicinity of the Premises.

C. Environmental Compliance.

i. Licensee and Licensee's Parties will not, at any time during the Term, cause or permit any Hazardous Materials to be brought upon, stored, manufactured, generated, blended, handled, recycled, treated, disposed, or used on, under, or about the Premises for any purpose, except as specifically approved in writing by Licensor ("Permitted Hazardous Materials"), as amended from time to time. Any material change to the Permitted Hazardous Materials must be approved in advance in writing by Licensor, whose approval will not be unreasonably withheld.

ii. During the Term, Licensee will take reasonable steps to protect against intentional or negligent acts or omissions of third parties that might result directly or indirectly in the release, disposal, or other placement of Hazardous Materials on or under the Premises.

iii. No asbestos-containing materials will be manufactured or installed for any purposes on or as part of the Premises, whether as part of Licensee's or Licensee's Parties' business operations or as Licensee improvements, unless approved in advance in writing by Licensor, whose approval will not be unreasonably withheld.

iv. Licensee will keep, operate, and maintain the Premises in compliance with all, and will not cause or permit the Premises to be in violation of any, Environmental Laws.

D. Underground Storage Tanks.

i. Neither Licensee nor any of Licensee's Parties will install or use any underground storage tanks on the Premises.

E. Licensors Right of Entry and Testing.

Licensors and Licensors representatives have the right, but not the obligation, at any reasonable time to enter onto and to inspect the Premises and to conduct reasonable testing, monitoring, sampling, digging, drilling, and analysis to determine if Hazardous Materials are present on, under, or about the Premises and to review and copy any documents, materials, data, inventories, financial data, or notices or correspondence to or from private parties or governmental authorities (collectively, "Inspection"). If the Investigation indicates the presence of any environmental condition that occurred during the Term as a result of Licensee's or Licensee's Parties' activities, or failure to act where Licensee had a duty to act, in connection with the Premises, Licensee will reimburse Licensors for the cost of conducting the tests.

F. Environmental Assessment.

Licensors may require Licensee to retain a duly licensed environmental consultant acceptable to Licensors that will perform an environmental compliance audit of the Premises and Licensee's and Licensee's Parties' business activities and compliance with the provisions of this Agreement. Licensors may require Licensee to cause the environmental compliance audit to be conducted on an annual basis, the reasonable cost of which will be the sole responsibility of Licensee. If the results of the environmental compliance audit indicate that Licensee is or may be in violation of Section 6, Licensee will be responsible for the cost of any additional testing required by Licensors. Licensee must promptly provide a copy of the report from the consultant to Licensors upon receipt, and upon request must promptly provide to Licensors a copy of all data, documents, and other information prepared or gathered in connection with the report. Licensee acknowledges that Licensee has been provided an adequate opportunity to conduct Licensee's own environmental investigation of the Premises with independent environmental experts and consultants.

G. Notification.

- i. Licensee must give immediate written notice to Licensors of:
 - (a) any enforcement, remediation, or other regulatory action or order, taken or threatened, by any Agency regarding, or in connection with, the presence, release, or threat of releases of any Hazardous Material on, under, about, or from the Premises, or any tanks on the Premises, or otherwise resulting from Licensee's use of the Premises;
 - (a) all demands or claims made or threatened by any third

party against Licensee or Licensee's Parties or the Premises relating to any liability, loss, damage, or injury resulting from the presence, release, or threat of release of any Hazardous Materials on, under, about, or from the Premises or otherwise resulting from Licensee's use of the Premises;

- (a) any significant spill, release, or discharge of a Hazardous Material on, under, about, or from the Premises, including, without limitation, any spill, release, or discharge required to be reported to any Agency under applicable Environmental Laws; and

- (a) all incidents or matters where Licensee and Licensee's Parties are required to give notice to any Agency pursuant to applicable Environmental Laws.

ii. Licensee must promptly provide to Licensors copies of all materials, reports, technical data, Agency inspection reports, notices and correspondence, and other information or documents relating to incidents or matters subject to notification under this Agreement. Also, Licensee must promptly furnish to Licensors copies of all permits, approvals, and registrations Licensee receives or submits with respect to Licensee's operations on the Premises, including, without limitation, any underground storage tank registrations, installation permits, and closure permits.

H. Remediation.

i. If any Hazardous Materials are released or found on, under, or about the Premises arising out of Licensee's or Licensee's Parties' activities, or failure to act where Licensee had a duty to act, in connection with the Premises, Licensee must promptly take all actions, at Licensee's sole expense, necessary to investigate and remediate the release or presence of Hazardous Materials on, under, or about the Premises in accordance with Environmental Laws and the requirements of all Agencies. However, unless an emergency situation exists that requires immediate action, Licensors' written approval of these actions will first be obtained, and the approval will not be unreasonably withheld. Licensors' right of prior approval of these actions includes, but is not limited to, the selection of any environmental consultant to perform work on or related to the Premises, the scope of work, and sampling activities to be performed by the consultant before the report is final. Licensee will provide Licensors with at least three (3) business days' advance notice of any sampling, and upon request of Licensors, will split samples with Licensors. Licensee will also promptly provide Licensors with the results of any test, investigation, or inquiry conducted by or on behalf of Licensee or Licensee's Parties in connection with the presence or suspected presence of Hazardous Materials on, under, about, or from the Premises. Licensee must notify Licensors in advance and give Licensors the right to participate in any oral or written communications with regulatory agencies concerning environmental conditions on or arising from the Premises. Licensors

has the right, but not the obligation, to assume control of any required remediation on the Premises at Licensee's expense if Licensee fails to notify Licenser and obtain Licenser's approvals as required. Within thirty (30) days after Licensee's completion of any remediation of the Premises, Licensee must deliver to Licenser a letter from the applicable Agency stating that the remediation was undertaken in accordance with all applicable Environmental Laws and that any residual contamination remaining after the remediation does not pose a threat to human health or the environment.

ii. If Licensee or Licensee's Parties have caused or permitted a release of Hazardous Materials that results in or threatens to result in Hazardous Materials becoming present on, under, or about the Premises, threatens public health or safety or the environment, or is in noncompliance with any applicable Environmental Laws, Licenser may demand that Licensee promptly take action. If Licensee does not respond within thirty (30) days (unless there is an emergency, in which case Licensee must respond as soon as practicable, but not less than three (3) days), Licenser has the right, but not the obligation, to enter onto the Premises and take all actions reasonably necessary to investigate and fully remediate the release of noncompliance at Licensee's sole expense, which sums will be immediately due and payable upon receipt of an invoice and will constitute additional rent under this Agreement.

7. SURRENDER OF THE PREMISES; HOLDING OVER

A. Upon termination of this License, Licensee shall leave the Premises in a neat and clean condition satisfactory to Licenser and free of all personal property of Licensee. All repairs, Alterations and/or other improvements made by Licensee shall become the property of Licenser, provided that Licenser may, by written notice given to Licensee on not less than (10) days prior to the expiration of the Agreement, require Licensee to remove any such Alterations and improvements from the Premises and to restore the Premises to their original condition (normal wear and tear excepted) prior to termination of this Agreement. If Licensee fails to do so, Licenser may perform such removal and restoration work in which case Licensee shall pay Licenser within one hundred and eighty (180) days after demand therefore an amount equal to the rent (as in effect immediately before termination) for the period during which such removal is accomplished to compensate Licenser for the loss of rent to Licenser resulting from the unavailability of the Premises for licensing to another Licensee during such time and (2) the cost of removal of such improvements. Licenser shall use reasonable diligence on the removal of such improvements.

B. If Licensee, without Licenser's written consent, remains in possession of all or part of the Premises after termination or expiration of this Agreement, such occupancy shall be construed to be a tenancy from month-to-month, subject to the terms and conditions of this Agreement, except that the Base Rent shall automatically increase to 200% of the Base Rent in effect immediately prior to such termination or expiration in addition to such other damages that Licenser may sustain.

8. ASSIGNMENT

Licensee will not assign this license or any interest therein and will not let or underlet the said Premises or any part thereof without the prior written consent of the Licensor, which consent shall not be unreasonably withheld.

9. ATTORNEY'S FEES

In any legal action to enforce or interpret any provision of this Agreement, the prevailing party shall be entitled to recover from the other party its reasonable costs and attorney's fees.

10. NOTICES

Any written notice or payment required hereby shall be deemed given upon receipt or forty-eight hours after such notice is deposited in the United States mail, first class postage prepaid and addressed as follows:

Payments

To Licensor: North Coast Railroad Authority
419 Talmage Rd. Suite M
Ukiah, CA 95482
Attn: Executive Director

With a copy to: Neary and O'Brien
Attorneys at Law
110 South Main Street, Suite C
Willits Ca. 95490

To Licensee: City of Ukiah
300 Seminary Avenue
Ukiah, California 95482
Attn: Sean White

11. TERMINATION

This License may be terminated by notice from Licensor to Licensee in the event that either the Federal Railroad Administration or the California Public Utilities Commission orders the crossing closed for any reason. In such event Licensor may appeal such order, at its own expense, and the Licensor will not challenge the standing of Licensee to do so. In the event that Licensee is in breach of this License, the Licensor may terminate this license upon twenty (20) days' notice to Licensee and opportunity to cure any violation of this License.

12. PARAGRAPH HEADINGS

Paragraph headings are included for the convenience of the parties and are not intended to define or limit the scope of this Agreement.

13. PREVIOUS AGREEMENTS

Any and all existing statements or agreements, whether oral or written, or renewals thereof, between the parties hereto, covering the same subject matter are hereby cancelled and superseded by the terms of this Agreement, and such prior agreements, statements or understandings shall have no further force or effect.

Licensee

Sign: _____
Print: _____
Title: _____
Date: _____

North Coast Railroad Authority

By: _____
Print: _____
Title: _____
Date: _____

Approved as to Form

NCRA General Legal Counsel

DRAFT

EXHIBIT A





AGENDA SUMMARY REPORT

SUBJECT: Approve Professional Services Contract Amendment with Crawford & Associates for On-Call Planning Services in amount not to exceed \$30,000.

DEPARTMENT: Community Development

PREPARED BY: Craig Schlatter

ATTACHMENTS:

[Attachment 1 - COU No. 1718-128 - Crawford - Planning Svcs](#)

Summary: Council will consider approving an amendment to the agreement with Crawford & Associates for on-call planning services in an amount not to exceed \$30,000.

Background: The City Council approved contract 1718-128 (Attachment 1) on December 6, 2017, for an amount of up to \$20,000. At the time, on-call planning services were sought to complement the existing planning staff.

Discussion: Since the Community Development Department restructuring proposal was approved by City Council on December 20, 2017, Staff has been working to quickly fill the newly created Associate Planner-Housing position. This would have limited the need for on-call planning services. Unfortunately, during that time the Planning Manager resigned and increased the need for on-call planning services.

While Staff expects to fill the two open planning positions within the next couple of months, the contract

RECOMMENDED ACTION: Approve the professional services contract amendment with Crawford & Associates in an amount not to exceed \$30,000.

BUDGET AMENDMENT REQUIRED: No

CURRENT BUDGET AMOUNT: \$20,000 - Acct #10023100.52100;

PROPOSED BUDGET AMOUNT: \$30,000 - Acct #10023100.52100; transferred savings from salaries

FINANCING SOURCE: N/A

PREVIOUS CONTRACT/PURCHASE ORDER NO.: COU No. 1718-128

COORDINATED WITH: Mary Horger, Procurement Manager

Approved:


Sage Sangiacomo, City Manager

amendment with Crawford & Associates is necessary to ensure services in the interim. Staff is requesting Council approve a contract amendment in an amount not to exceed \$30,000.

Because Crawford & Associates has primarily assisted the Department with current planning responsibilities, at least 90% of their total costs should be recovered by the City through the cost recovery model. Furthermore, the added contractual costs are anticipated to be offset by the savings from the vacant positions.

COU No. 1718128

AGREEMENT FOR PROFESSIONAL CONSULTING SERVICES

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

RECITALS

This Agreement is predicated on the following facts:

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

TERMS OF AGREEMENT

1.0 DESCRIPTION OF PROJECT

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

2.0 SCOPE OF SERVICES

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

3.0 CONDUCT OF WORK

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

4.0 COMPENSATION FOR SERVICES

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

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

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

5.0 ASSURANCES OF CONSULTANT

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

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

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

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

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

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

6.0 INDEMNIFICATION

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

A. Minimum Scope of Insurance

Coverage shall be at least as broad as:

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

B. Minimum Limits of Insurance

Consultant shall maintain limits no less than:

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

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

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

C. Deductibles and Self-Insured Retentions

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

D. Other Insurance Provisions

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

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

2. Worker's Compensation and Employers Liability Coverage

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

3. Professional Liability Coverage

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

4. All Coverages

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

E. Acceptability of Insurers

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

F. Verification of Coverage

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

G. Subcontractors

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

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

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

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

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

7.0 CONTRACT PROVISIONS

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

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

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

8.0 NOTICES

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

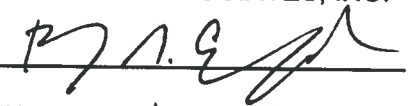
CITY OF UKIAH
DEPT. OF COMMUNITY DEVELOPMENT
300 SEMINARY AVENUE
UKIAH, CALIFORNIA 95482-5400

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

9.0 SIGNATURES

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

CRAWFORD & ASSOCIATES, INC.

BY: 

10/13/2017
Date

PRINT NAME: BENJAMIN CRAWFORD
46-0779018
IRS IDN Number

CITY OF UKIAH

BY: 

SAGE SANGIACOMO
CITY MANAGER

11-13-17
Date

COU No. 1718128

ATTEST

CITY CLERK

Date

ATTACHMENT A – SCOPE OF WORK

Services will include the following:

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

ATTACHMENT B

Crawford & Associates, Inc.

2017 Fee and Lab Schedule

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

Rates are applicable through Dec 31, 2017. An escalation factor of 3%/year will apply for work completed after 2017.



Julie Price, QISP
Project Manager/Planner/Environmental Specialist



Biography

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

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

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

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

Professional Training

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

Qualifications

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

Related Experience

Crawford & Associates, Inc.

2015-Present

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

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

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

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

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

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

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

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

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



AGENDA SUMMARY REPORT

SUBJECT: Discussion and Direction Regarding Proposed Adult Use Cannabis Retail Ordinance

DEPARTMENT: Community Development

PREPARED BY: Darcy Vaughn

ATTACHMENTS:

[Attachment 1 - Draft Adult-Use Cannabis Retail Ordinance](#)

Summary: The City Council will discuss and provide policy direction on a draft proposed Adult Use Cannabis Retail Ordinance.

Background: Over the past two years, the City has considered a series of City Code amendments related to new cannabis laws and regulations enacted by the State of California. Guided by the Marijuana Ad Hoc Committee comprised of Council members Mulheren and Brown, the City Manager, Community Development Director, Planning Manager, City Attorney, Assistant City Attorney, and Chief of Police, the process of bringing the City Code into compliance with the new State cannabis laws began after the adoption of the California Medical Marijuana Regulation and Safety Act ("MMRSA") in 2015. In response to MMRSA, the City Council adopted the Medical Marijuana Dispensaries Ordinance. After California voters approved Proposition 64, or the Adult Use of Marijuana Act ("AUMA"), in November 2016, and the legislature adopted the Medicinal and Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA"), in June 2017, a new set of State guidelines for regulating medical and recreational cannabis emerged. In order to preserve local control over regulation of the cannabis industry, the Council adopted the Cannabis Related Business Ordinance, which extended the City's regulatory reach over non-retail commercial cannabis enterprises such as manufacturing, testing, cultivation, and distribution.

RECOMMENDED ACTION: Staff asks that the City Council discuss and provide policy direction on a draft proposed Adult Use Cannabis Retail Ordinance.

BUDGET AMENDMENT REQUIRED: No

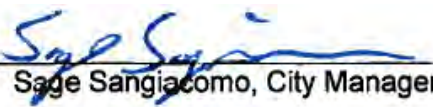
CURRENT BUDGET AMOUNT: N/A

PROPOSED BUDGET AMOUNT: N/A

FINANCING SOURCE: N/A

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH: Marijuana Ad Hoc Committee

Approved: 
Sage Sangiacomo, City Manager

The AUMA and the MAUCRSA , while reflecting the State's intent to allow and regulate all manner of commercial cannabis enterprises, including retail sales of cannabis for adult (i.e. non-medical) use, contain provisions that allow local jurisdictions plenty of leeway to regulate commercial cannabis enterprises as they see fit. When the Council initially discussed a comprehensive City policy for medical dispensaries, the Council anticipated the passage of the AUMA and the State's desire to legalize and regulate retail sales of cannabis for use by adults over the age of twenty-one. As such, some of the Council's discussion of medical dispensaries was dedicated to the possibility of a policy for regulation of retail sales of medical cannabis that could later be adapted, should the Council wish to do so, to include retail sales of cannabis for adult use.

The Ad Hoc proposes that the City now consider an Adult Use Cannabis Retail Ordinance (Attachment 1) that adds retail sales of non-medical cannabis to eligible adults to the regulatory structure already in place for retail sales of medical cannabis for qualified patients. The Ad Hoc's rationale is that comprehensive regulation of retail sales of cannabis for non-medical use, including ensuring that non-medical cannabis is sold only to adults over the age of twenty-one in the City, will result in a reduction of the number of people cultivating cannabis for personal use, as well as adding a check on the accessibility of cannabis to individuals under the age of twenty-one. In addition, it is the opinion of the Ad Hoc that regulating retail cannabis sales is preferable to a black market. Adopting policies that promote the economic base and job growth in the Ukiah community, including regulating and licensing commercial cannabis activities that are already taking place, may help support the future economy and job availability in Ukiah. As such, the Ad Hoc and City staff seek direction on reformatting the City's existing Dispensaries Ordinance to incorporate adult use, as allowed and regulated under State law, using the same regulatory provisions that have been in place for Medical Marijuana Dispensaries.

Discussion: Adult Use Retail Provisions:

As proposed, the draft Adult Use Cannabis Retail Ordinance will allow and regulate Cannabis Retailers engaging in the sale of non-medical cannabis to persons over the age of twenty-one (21) using substantially the same regulatory structure as currently imposed on Medical Marijuana Dispensaries under the City's Dispensaries Ordinance. That is to say, Dispensaries that sell cannabis for either for adult use only or for both medical and adult use will also be required to apply for and obtain a Dispensary Use Permit that is subject to annual review and may be revoked for cause. Under the proposed Ordinance, Dispensaries selling to Adult Use patrons would be allowed to operate in primarily the same zoning districts (C1, C2, M, and PD, and GU, UC, and DC) as Medical Marijuana Dispensaries (but see the discrepancies noted in Outstanding Issues below). Adult Use Dispensaries will be subject to the same distance restrictions, with a possible waiver available, as Medical Marijuana Dispensaries. Under the existing distance restrictions, no Cannabis Retailers are allowed:

- 1) within six hundred feet (600') of a school, within two hundred fifty feet (250') of a youth-oriented facility other than a school, or another dispensary;
- 2) abutting a parcel occupied by a youth-oriented facility, a school, or another dispensary;
- 3) within any residentially zoned parcel or primary land use, or any property with an underlying residential or mobile homes general plan land use designation;
- 4) or on a parcel having a residential unit, or on a parcel directly abutting a residentially zoned property, unless there are intervening nonresidential uses between the dispensary and the residential unit.

Adult Use Cannabis Retailers applying for a Dispensary Use Permit to operate in the City would still need to provide an Operating Plan that includes (1) a security plan that must be approved by the Chief of Police before the entire Plan can be evaluated by the Planning Commission, (2) air treatment system that prevents odors generated from the storage and cultivation of marijuana on the Dispensary premises from being detected outside the premises, and (3) a plan for restricting admittance to the Cannabis Retailer so that only qualified patients, adults over the age of twenty-one, and employees of the Retailer will be admitted to the sales floor. The operator of the Cannabis Retailer that sells cannabis for Adult Use is still required to take all reasonable steps to discourage and correct nuisance conditions in the areas surrounding the Retailer premises and

adjacent properties during business hours if directly related to the patrons of the Retailer, including prevention of loitering.

Dispensary Use Permits for Adult Use Cannabis Retailers, like those for Medical Marijuana Dispensaries, will be reviewed at a public hearing by the Planning Commission, which will decide whether to grant or deny the Permit. Decisions of the Planning Commission on Dispensary Use Permits will be appealable to the City Council.

As noted above, Dispensary Use Permits for Adult Use Cannabis Retailers will be subject to annual renewal, with the Zoning Administrator conducting a thorough review of the renewal application and ultimately determining whether to grant or deny the renewal. The renewal decision will be rendered during a publically noticed meeting and is appealable to the Planning Commission. The Zoning Administrator is also authorized to revoke a Dispensary Use Permit, after conducting a public hearing and determining that the Dispensary is not being operated in compliance with the Permit or with State or City law. The revocation determination by the Zoning Administrator is also appealable to the Planning Commission.

Please note that at this point, it is not the position of the Ad Hoc, nor the recommendation of staff, that the Council consider allowing and regulating on-site consumption of cannabis or cannabis products at Cannabis Retail establishments. On-site consumption will remain a prohibited use under the proposed Ordinance.

Clean-Up Provisions to Existing City Cannabis Law:

There are several clean-up provisions in the Adult Use Cannabis Retail Ordinance that do not directly establish policies for regulation of Adult Use Cannabis sales but instead either correct scrivener's errors and ambiguous language in the City's existing cannabis laws or implement operating standards for licensed cannabis businesses from the California Bureau of Cannabis Control's current regulations. For the latter, the Ukiah Police Department believes that these particular State regulatory provisions are crucial for Cannabis Retailer security and, even though all cannabis businesses are required to comply with the State regulations anyway, that the City should explicitly set forth these regulatory requirements in the Dispensary operating requirements in the City Code.

The Department of Community Development asked for language clarifying the permissible delivery zone for Cannabis Dispensaries that make deliveries. Based on Council discussions and staff reports from Council meetings regarding the Medical Marijuana Dispensaries Ordinance, it was the intent of the Council that while Dispensaries located within the City limits would be permitted to deliver cannabis to qualified patients both within the City and outside the City limits, that Dispensaries located outside the City limits and not regulated by the City would not be permitted to deliver within the City limits. That provision in Section 5717 of the City Code will be clarified by language added in the proposed Ordinance.

Based on Council discussions and staff reports from Council hearings regarding the Cannabis Related Business Ordinance and based on the Cannabis Related Business Ordinance as adopted by the Council, it was the intent of the Council that Large Indoor, Large Mixed-Light, Medium Indoor, Medium Mixed-Light, Small Indoor, and Small Mixed-Light commercial Cannabis Cultivation enterprises would be permitted to operate in the M and PF zones (as shown in the table of uses and zoning districts presented to the Council during the hearings on the Cannabis Related Business Ordinance) subject to a Major Use Permit. While the Cannabis Related Business Ordinance as adopted does indicate that these cultivation uses are allowed in the M and PF zones subject to a use permit, the specification that a Major Use Permit would be required was inadvertently omitted from the Cannabis Related Business Ordinance. That unintended error in the Cannabis Related Business Ordinance is corrected in the proposed Ordinance.

The current regulations issued by the Bureau of Cannabis Control ("Regulations") and applicable to all licensed commercial cannabis enterprises operating in the State of California should, as per the proposed Ordinance, be part of the operating standards for all Cannabis Related Businesses operating the City, including medical (and

non-medical, if the proposed Ordinance is adopted) cannabis Dispensaries. Certain of these Regulations have been identified by the Ukiah Police Department as being crucial for law enforcement to protect the security of Dispensaries operating in the City and, at the request of the Department, language from these Regulations has been added to the Adult Use Cannabis Retailer Ordinance. These provisions include the requirement that Dispensaries report thefts and inventory inconsistencies to the Ukiah Police Department within 24 hours of discovery, as well as standards for the video surveillance systems required for Dispensaries.

Furthermore, the Regulations set forth a licensing category and requirements for obtaining a license related to conducting temporary, cannabis-related special events. As there was recently a cannabis trade show held at the Conference Center, and there will likely be future inquiries about similar special events in the City's jurisdiction, it is the recommendation of staff and, in particular, the Ukiah Police Department, that the City explicitly regulate any future, cannabis-related special events in the City. While the Council may opt to prohibit cannabis-related special events entirely, staff has added a proposed new subsection to City Code Section 9176 that will allow special events at which exhibitors and vendors may sell or possess cannabis and cannabis products, subject to both State and local requirements for cannabis-related special events and special events generally. Staff requests direction from Council on whether and how to regulate cannabis-related special events.

Outstanding Issues:

Finally, staff has noted an inconsistency between the designation of allowable zoning districts for Dispensaries/Retailers set forth in the existing Medical Marijuana Dispensaries Ordinance and the recent Cannabis Related Business Ordinance. Note that, in the Adult Use Cannabis Retailer Ordinance, staff opted to mirror the approach taken by most other jurisdictions in California that allow operations of cannabis retail establishments for both medical and adult use by using the terms Dispensary and Cannabis Retailer interchangeably, and instead distinguishing only between the intended use of the cannabis dispensed by the business. Under the current Medical Marijuana Dispensaries Ordinance, Medical Marijuana Dispensaries may operate, subject to a Dispensary Use Permit, in the Neighborhood Commercial (CN) district. The Council's rationale in allowing Medical Marijuana Dispensaries to operate in CN is that there are already analogous uses, i.e. pharmacies and doctor's offices, allowed in CN. However, the Cannabis Related Business Ordinance, which includes Cannabis Retailers in its regulation of allowable Cannabis Related uses in each zoning district, specifically excluded all Cannabis Related Businesses from the CN district. In addition, the Cannabis Related Business Ordinance allows Cannabis Retailers to operate in the PF district, while the Medical Marijuana Dispensaries Ordinance does not indicate that Medical Dispensaries are allowed to operate in the PF district subject to a Dispensary Use Permit. Staff requests direction from Council on (1) whether Medical Marijuana Dispensaries should continue to be allowed to operate in the CN district, (2) whether Dispensaries dispensing cannabis for Adult Use should be allowed to operate in the CN district, and (3) whether both Medical Marijuana and Adult Use Dispensaries should be allowed to operate in the PF district.

Also, the Council will note that staff drafted the proposed Ordinance to mirror the State's approach to regulating retail sales of medical and adult use cannabis by allowing Cannabis Retailers to dispense cannabis for both medical use and adult use on the same premises. If the Council prefers to keep sales of these uses on entirely separate premises, staff can revise the proposed Ordinance accordingly, but needs that direction from Council.

CEQA Compliance:

The proposed City Code amendments for regulation of commercial cannabis activity are statutorily exempt from the requirements of the California Environmental Quality Act (CEQA), pursuant to Business and Professions Code §26055(h). This subdivision is in effect through July 1, 2019, and specifically exempts from environmental review the adoption of an ordinance or regulation by a local jurisdiction if the ordinance or regulation requires discretionary review, including environmental review, and approval of local permits or licenses for commercial cannabis activity.

ORDINANCE NO.

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF UKIAH AMENDING CHAPTER 8 IN DIVISION 6 IN THE UKIAH CITY CODE.

The City Council of the City of Ukiah hereby ordains as follows.

SECTION 1

Chapter 8 in Division 6 of the Ukiah City Code is hereby amended to read as follows (unchanged text is omitted and is shown by “* * *”):

CHAPTER 8

MEDICAL MARIJUANA DISPENSARIES CANNABIS RETAILERS

§5700 FINDINGS AND PURPOSE

The City Council adopts the ordinance codified in this chapter based upon the following findings:

- A. In 1970, Congress enacted the Controlled Substances Act ("CSA") which, among other things, makes it illegal to import, manufacture, distribute, possess or use marijuana in the United States.
- B. In 1996, the voters of the State of California approved Proposition 215, or the Compassionate Use Act of 1996, codified at Health and Safety Code section 11362.5 et seq. (the "Act").
- C. The Act creates a limited exception from criminal liability for seriously ill persons who are in need of medical marijuana for specified medical purposes and who obtain and use medical marijuana under limited, specified circumstances.
- D. On January 1, 2004, SB 420 went into effect. SB 420, codified as Health and Safety Code sections 11362.7 through 11362.83 and known as the "Medical Marijuana Program" ("MMP") was enacted by the State Legislature to clarify the scope of the act and to allow cities and other governing bodies to adopt and enforce rules and regulations consistent with SB 420.
- E. After the enactment of the MMP and in response to the MMP's explicit reservation of local authority to regulate medical marijuana cultivation and distribution, the City Council took legislative notice of the fact that California cities and counties that had permitted the establishment of medical marijuana dispensaries had experienced serious adverse impacts associated with and resulting from such dispensaries, including an increase in crime, including burglaries, robberies, violence, illegal sales of marijuana, use of marijuana by minors and other persons without medical need in the areas immediately surrounding such medical marijuana dispensaries; and malodorous smells, indoor fire hazards, mold, fungus, and pests caused by indoor cultivation at dispensaries.
- F. To address these potential adverse impacts, in 2007, the City Council enacted Ordinance 1095, §1 ("Medical Marijuana Dispensaries Ordinance"), which prohibited and declared a public nuisance medical marijuana dispensaries in the City of Ukiah.

G. The 2007 Medical Marijuana Dispensaries Ordinance also states that the City Council's intention is to prohibit the operation and location of dispensaries in the City "until such time as their legality is clearly established and a proposal can be developed that would satisfy the city council that the facility could operate without causing [serious adverse impacts]."

H. On October 9, 2015, the Governor signed into law AB 266, AB 243, and SB 643, which together comprise the Medical Marijuana Regulation & Safety Act ("MMRSA"). The MMRSA, which went into effect on January 1, 2016, created a Statewide regulatory structure for the medical marijuana industry that also allows local governments to regulate the operation of marijuana businesses within their jurisdiction, pursuant to local ordinances. Specifically, the MMRSA allows the City of Ukiah to issue permits or licenses to operate marijuana businesses or prohibit their operation, to regulate or expressly prohibit the delivery of medical marijuana within its boundaries, and to regulate or expressly prohibit the cultivation of marijuana within its boundaries. Pursuant to the MMRSA, if the City opts not to expressly prohibit or regulate the cultivation, processing, delivery, and/or dispensing of medical marijuana, the State will be the sole licensing authority for these activities in the City.

I. In order to maintain local control over regulation of commercial cannabis activities in the City, in 2017, the City Council enacted Ordinance 1176, ("Medical Marijuana Dispensaries Ordinance II"), which regulates the operation of and sets forth a local permitting process for medical marijuana dispensaries in the City of Ukiah.

J. On November 9, 2016, the Control, Regulate and Tax Adult Use of Marijuana Act ("AUMA" or "Proposition 64") to legalize the recreational use of marijuana in California for individuals 21 years of age and older was approved by the voters of the State of California.

K. In June of 2017, the California Legislature passed Senate Bill 94, which was signed by the Governor and went into effect immediately, and which repealed MMRSA entirely and merged certain portions of that law with AUMA to create a more comprehensive regulatory structure for both medical and recreational marijuana.

L. The new comprehensive regulatory system created by Senate Bill 94, intended to regulate all commercial cannabis uses in the State, is called the Medicinal and Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA").

M. The Act, MMP, AUMA, and MAUCRSA do not prevent a city from using its constitutional authority to enact nuisance, health and safety, and land use regulations regarding dispensaries or other commercial cannabis uses.

N. The City Council believes that a regulated environment for commercial cannabis is preferable to an unregulated black market and, as such, desires to regulate all commercial cannabis businesses operating in the City of Ukiah, including cannabis retailers that sell cannabis for non-medical use, in a manner that mitigates potential negative impacts, prevents cannabis from reaching minors or the illicit market, preserves public health and safety, protects the environment, drives diverse economic opportunities, and implements the City's General Plan.

O. To protect the public health, safety, and welfare, it is the desire of the City Council to modify the City Code consistent with the MMP ~~and the MMRSA~~, the AUMA, and the MAUCRSA, regarding the location and operation of ~~medical marijuana~~cannabis dispensaries,

delivery of ~~medical marijuana~~cannabis within the boundaries of the City, regulation of cannabis-related special events, and cultivation of ~~medical marijuana~~cannabis within the boundaries of the City.

JP. There have been a number of marijuana dispensing-related incidents in California, some including acts of violence ~~committed by persons without a legitimate medical need to use marijuana~~.

KQ. The City Council finds that ~~medical marijuana~~cannabis dispensing which exceeds the limitations set forth in these regulations will likely result in an unreasonable risk of crime and other adverse impacts and will likely create offensive odors to persons living nearby.

LR. It is the City Council's intention that nothing in this chapter shall be construed to (1) allow persons to engage in conduct that endangers others or causes a public nuisance; (2) allow the illegal use of ~~marijuana for non-medical purposes~~cannabis, particularly the use of cannabis by minors who are not qualified patients; or (3) allow any activity relating to the distribution or consumption of ~~marijuana~~-cannabis that is otherwise illegal.

~~M.—Pursuant to California Health and Safety Code section 11362.71 et seq., the State Department of Health through the State's counties, is to be responsible for establishing and maintaining a voluntary medical marijuana identification card program for qualified patients and primary caregivers.~~

~~N.—Health and Safety Code section 11362.71(b) requires every county health department, or its designee, to implement a procedure to accept and process applications from those seeking to join the identification program in the manner set forth in Health and Safety Code section 11362.71 et seq.~~

S. This Chapter contains standards for all commercial, retail cannabis uses that provides the development, operating, and permit standards for all commercial, retail cannabis uses to ensure neighborhood compatibility, minimize potential environmental impacts, mitigate potential nuisances, provide safe access to cannabis and provide opportunities for economic development.

OT. This Cchapter is compatible with the general objectives of the General Plan, in that a ~~medical marijuana~~cannabis dispensary use will be conditionally permitted in commercial and industrial districts, being similar to other permitted and conditionally permitted uses, such as pharmacies and medical clinics in the case of medical cannabis dispensaries and bars or cocktail lounges in the case of dispensaries serving adult use patrons, and in that the use will be subject to strict review and conditions.

PU. This Cchapter will not be detrimental to the public health, safety and general welfare or adversely affect the orderly development of property, because the uses permitted under this chapter will be subject to careful review, limited in scope and location, and subject to strict operating requirements, avoiding or limiting potential negative effects.

QV. It is the purpose and intent of this Cchapter to regulate ~~medical marijuana~~cannabis dispensaries in order to promote the health, safety, morals, and general welfare of residents and businesses within the City.

§5701 INTERPRETATION AND APPLICABILITY

A. This chapter is not intended to create a positive conflict with the CSA, but rather to implement the [AUMA, the MAUCRSA, MMRSA](#) and related State laws.

B. Nothing in this chapter is intended, nor shall it be construed, to exempt any marijuana-related activity from any and all applicable local and State construction, electrical, plumbing, land use, or any other building, fire, or land use standards or permitting requirements.

C. Nothing in this chapter is intended, nor shall it be construed, to make legal any cultivation, transportation, sale, or other use of marijuana that is otherwise prohibited under California law.

D. All ~~processing and distribution~~ [retail sales and delivery](#) of ~~medical marijuana~~ [cannabis](#) within City limits shall be subject to the provisions of this chapter, even if the ~~processing, distribution, or cultivation~~ [retail sales and delivery](#) existed or occurred prior to adoption of this chapter.

E. Nothing in this chapter is intended, nor shall it be construed, to allow or permit any "commercial cannabis activity," as defined in Business and Professions Code section 26001(k) [or as may be amended](#), or any commercial or noncommercial activity involving marijuana use for ~~recreational or other nonmedical~~ [any](#) purposes that is not otherwise authorized in the Ukiah City Code.

§5702 DEFINITIONS

For the purposes of this chapter, the following words and phrases shall have the following meaning:

A. "Accessory building" shall have the same meaning as set forth in section 9278 of this code.

B. ["Adult-use" means a person over the age of 21 with a valid state ID, who is qualified to purchase cannabis from an established cannabis business.](#)

~~BC.~~ "Applicant" means a person who is required to file an application for a permit under this chapter, including an individual owner, managing partner, officer of a corporation, or any other operator, manager, employee, or agent of a dispensary.

D. ["Cannabis" means all parts of the plant Cannabis sativa Linnaeus, Cannabis indica, or Cannabis ruderalis, or any other strain or varietal of the genus Cannabis that may exist or hereafter be discovered or developed that has psychoactive or medicinal properties, whether growing or not, including the seeds thereof. "Cannabis" also means marijuana as set forth Section 11032 of the Health and Safety Code, and as defined by other applicable state law. "Cannabis" does not mean "industrial hemp" as defined by Section 11018.5 of the Health and Safety Code. Cannabis is classified as an agricultural product separately from other agricultural crops.](#)

E. ["Cannabis Operator" or "Operator" means the person or entity that is engaged in the conduct of any commercial Medical or Adult Use Cannabis business.](#)

F. ["Cannabis Product" means a cannabis product, means cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, including, but not limited to, concentrated cannabis, or an edible or topical product containing cannabis or](#)

concentrated cannabis and other ingredients, and intended to be sold for either Medical or Adult Use.

G. "Cannabis Retailer" or "Cannabis Retail" means a facility where Medical or Adult Use Cannabis or Medical or Adult Use Cannabis Products are offered, either individually or in any combination, for retail sale, including an establishment that delivers Cannabis or Cannabis Products as part of a retail sale. Also known as a Cannabis Dispensary or Dispensary.

~~GH.~~ "City" means the City of Ukiah.

~~DJ.~~ "Delivery" means the commercial transfer of cannabis or cannabis products to a customer. "Delivery" also includes the use by a retailer of any technology platform.~~shall have the same definition as set forth in California Business and Professions Code section 26001, and as it may be amended.~~

J. "Dispensary" means a facility, whether fixed or mobile, operated in accordance with State and local laws and regulations, where cannabis and/or cannabis products are offered for retail sale, including an establishment that delivers cannabis and/or cannabis, products as part of a retail sale.

~~EK.~~ "Dispensary Use Permit" means a permit required to operate a ~~medical marijuana dispensary~~Cannabis Retail business within the City and that is issued pursuant to this chapter.

~~FL.~~ "Drug paraphernalia" or "paraphernalia" shall have the same definition as set forth in section 6071 of this code.

M. "Edible Cannabis Product" means a cannabis product that is intended to be used, in whole or in part, for human consumption, including, but not limited to, chewing gum, but excluding products set forth in Division 15 (commencing with Section 32501) of the Food and Agricultural Code. An edible cannabis product is not considered food, as defined by Section 109935 of the Health and Safety Code, or a drug, as defined by Section 109925 of the Health and Safety Code.

~~GN.~~ "Identification card" shall have the same definition as in California Health and Safety Code section 11362.7, and as it may be amended.

~~HO.~~ "Medical cannabis" or "medicinal cannabis" means cannabis that is intended to be used for medical cannabis purposes in accordance with the Compassionate Use Act, MMP, and the MAUCRSA. "Medical marijuana dispensary" or "dispensary" means a "dispensary" as defined in California Business and Professions Code section 26001, as it now reads or may be amended in the future.

~~IP.~~ "On site" means an activity or accessory use that is related to the primary use – i.e., lawful, retail distribution of ~~medical marijuana~~cannabis – and is located on the same legal parcel as the primary use.

Q. "Owner" shall have the same definition as in California Business and Professions Code section 26001, and as it may be amended.

~~JR.~~ "Permittee" means the person to whom a ~~Dispensary~~ Use Permit is issued.

KS. "Person" means any individual, partnership, co-partnership, firm, association, joint stock company, corporation, limited liability company or combination of the above in whatever form or character.

LT. "Person with an identification card" shall have the same definition as set forth in California Health and Safety Code section 11362.7, and as it may be amended.

MU. "Physician" means a licensed medical doctor (M.D.) or a doctor of osteopathic medicine (D.O.).

V. "Premises" means the designated structure or structures and land specified in the Dispensary Use Permit application that is owned, leased, or otherwise held under the control of the applicant where the commercial cannabis retail activity will be or is conducted. The premises shall be a contiguous area and shall only be occupied by one permittee.

NW. "Primary caregiver" shall have the same definition as set forth in California Health and Safety Code section 11362.7, and as it may be amended.

OX. "Qualified patient" shall have the same definition as set forth in California Health and Safety Code section 11362.7, and as it may be amended.

PY. "School" means an institution of learning for minors, whether public or private, offering a regular course of instruction required by the California Education Code. This definition includes an elementary school, middle or junior high school, senior high school, or any special institution of education, but it does not include a vocational or professional institution of higher education, including any other college or university.

QZ. "Use permit" shall have the same definition as set forth in section 9261 of this code and as it may be amended.

RAA. "Youth-oriented facility" means a public park, church, museum, library, or licensed daycare facility.

SBB. "Zoning administrator" means the Zoning Administrator of the City of Ukiah or the authorized representative thereof.

§5703 DISPENSARY USE PERMIT REQUIRED TO OPERATE

A. It is unlawful for any person to engage in, conduct or carry on, or to permit to be engaged in, conducted or carried on, in or upon any premises in the City the operation of a ~~medical marijuana dispensary~~Cannabis Retail business unless the person first obtains and continues to maintain in full force and effect a Dispensary Use Permit from the City as required in this chapter.

B. ~~After January 1, 2018, or such time when State implementing regulations are in effect for the MMRSA, whichever is earlier, it shall be unlawful to operate any business or conduct any activity in the City for which a State license is required under the MMRSA without also having a valid State license pursuant to the MMRSA. Prior to implementation of the State license program pursuant to MMRSA, any operation of a dispensary, cultivation of medical marijuana~~cannabis in conjunction with operation of a dispensary, or delivery of ~~medical marijuana~~cannabis permitted by the City shall be conducted in accordance with this

~~chapter~~Chapter, the City's zoning and land use ordinances, and all laws pertaining to the equivalent license classification under ~~the MMRSA~~State law.

The City recognizes that State law requires dual licensing at the state and local level for all Cannabis Businesses (Medical and Adult Use). All Cannabis Retailers shall therefore be required to diligently pursue and obtain a State cannabis license and shall comply at all times with all applicable State licensing requirements and conditions, including, but not limited to, operational standards such as, by way of illustration but not limitation, background checks, prior felony convictions, restrictions on multiple licenses and license types, and locational criteria.

Failure to demonstrate dual licensing in accordance with this Chapter and within any deadlines established by State law shall be grounds for revocation of City approval. Revocation of a local Dispensary Use Permit and/or a State license shall terminate the ability of the Cannabis Retailer to operate until a new Permit and/or State license is obtained.

C. The grant of a ~~D~~ispensary ~~U~~se ~~P~~ermit by the City shall not create an entitlement or vested right in the permittee to any permit or license to operate any other commercial, ~~nonmedical-marijuana cannabis~~ businesses or conduct any commercial, ~~nonmedical-marijuana cannabis~~ activities within the City.

§5704 TERM OF PERMITS AND RENEWALS REQUIRED

A. Dispensary ~~U~~se ~~P~~ermits issued under this chapter shall expire one year following the date of their issuance which date shall appear on the face of the permit.

B. Dispensary ~~U~~se ~~P~~ermits may be renewed by the Zoning Administrator for additional one-year periods upon application by the permittee, unless the permit is suspended or revoked in accordance with the provisions of this chapter.

C. Applications for renewal shall be made at least forty-five (45) days before the expiration date of the permit and shall be accompanied by the nonrefundable application fee referenced in section 5706 of this ~~C~~ode and all information necessary for the Zoning Administrator to evaluate the renewal request in light of the criteria listed in subsection F of this section. In acting on an application for renewal, the Zoning Administrator shall follow the procedures set forth in ~~S~~ection 5711B and C, except that all references therein to the Planning Commission shall be deemed to refer to the Zoning Administrator. Upon timely application to renew a permit, the permit being renewed shall remain in effect until final action is taken to grant or deny the renewal application.

D. Applications for renewal made less than forty-five (45) days before the expiration date shall be processed in the same manner as a timely renewal application but shall not stay the expiration date of the permit.

E. Renewal applications shall be subject to duly noticed public hearings in accordance to the procedures set forth for minor use permit applications in ~~C~~section 9262 of this ~~C~~ode.

F. In determining whether to renew a ~~D~~ispensary ~~U~~se ~~P~~ermit, the Zoning Administrator will consider the following nonexclusive criteria, in addition to those criteria set forth in this ~~C~~chapter at ~~C~~section 5710 of this ~~C~~ode:

1. Whether the dispensary operated by the permittee has generated an excessive number of calls for police service compared to similarly situated businesses of the same size as the dispensary.

2. Whether there have been excessive secondary criminal or public nuisance impacts in the surrounding area or neighborhood, including, but not limited to, disturbances of the peace, illegal drug activity, marijuana use in public, harassment of passersby, littering, loitering, illegal parking, loud noises, or lewd conduct.

3. Whether the dispensary operated by the permittee has a history of inadequate safeguards or procedures that show it is likely that it will not comply with the operating requirements and standards in this chapter.

4. Whether the dispensary has failed to pay fees, penalties, or taxes required by this [Code](#) or has failed to comply with the production of records or other reporting requirements of this chapter.

5. Whether it appears that the permittee has, in its renewal application, provided a false statement of material fact or has knowingly omitted a material fact.

6. Whether the renewal applicant or one or more of its officers, employees, partners, managers or members with management responsibilities ("Managers") has been convicted of a felony, or has engaged in misconduct that is substantially related to the qualifications, functions or duties of a dispensary operator. A "conviction" within the meaning of this chapter means a plea or verdict of guilty, or a conviction following a plea of nolo contendere. Notwithstanding the above, an application shall not be denied solely on the basis that the applicant or any Manager has been convicted of a felony, if the person convicted has obtained a certificate of rehabilitation (expungement of felony record) under California law or under a similar Federal statute or State law where the expungement was granted.

7. Whether the renewal applicant or dispensary has previously or is currently engaged in unlawful, fraudulent, unfair, or deceptive business acts or practices.

G. The Zoning Administrator shall make findings of fact and either grant, grant conditionally, or deny the application for renewal of a [Dispensary Use Permit](#). An applicant aggrieved by the Zoning Administrator's decision to issue or to deny a [Dispensary Use Permit](#) renewal may appeal such decision to the Planning Commission by filing an appeal. All determinations of the Zoning Administrator regarding [Dispensary Use Permit](#) renewals shall be final unless a written appeal, stating the reasons for the appeal, and the appeal fee, if any, as established by resolution of the City Council from time to time, are filed with the Planning Department within ten (10) days of the date the decision was made. The appeal fee will be in addition to the nonrefundable renewal application fee. Appeals may be filed by an applicant.

The Planning Commission shall conduct a duly noticed public hearing on the appeal in accordance to the applicable procedures as set forth in section 9266 of this [Code](#), except that all references therein to the City Council shall be deemed to refer to the Planning Commission. At the close of the public hearing, the Planning Commission may affirm, reverse, or modify the appealed decision of the Zoning Administrator. All Planning Commission decisions on appeals of the Zoning Administrator's decision with regard to an application for a [Dispensary Use Permit](#) renewal are final for the City.

§5705 GENERAL TAX LIABILITY

As a prerequisite to obtaining a permit pursuant to the terms hereof, an operator of a dispensary shall also be required to apply for and obtain a business license or exemption from the City of Ukiah and obtain a seller's permit or exemption from the State Board of Equalization pursuant to Division 2, Part 2, Chapter 2, Article 2 of the Cal. Revenue and Taxation Code, commencing with section 6066e. Dispensary sales shall be subject to sales tax consistent with State law.

§5706 IMPOSITION OF FEES

Every application for a ~~D~~dispensary ~~U~~use ~~P~~permit or renewal shall be accompanied by an application fee, as established by resolution of the City Council from time to time. This application or renewal fee shall not include fingerprinting, photographing, and background check costs and shall be in addition to any other business license fee or permit fee imposed by this ~~c~~Code or other governmental agencies. Fingerprinting, photographing, and background check fees will be as established by resolution adopted by the City Council from time to time.

§5707 LIMITATION ON LOCATION OF DISPENSARIES

A. A dispensary may only be located within the C1, C2, CN, M, and ~~P~~E zoning districts and in the GU, UC, and DC downtown zoning districts as designated in the General Plan, Zoning Map.

B. A dispensary shall be in a visible location that provides good views of the dispensary entrance, windows and premises from a public street.

C. A dispensary shall not be allowed in the following areas at the time of its permitted establishment:

1. Within six hundred feet (600') of a school, with that distance measured as the horizontal distance in a straight line from the property line of the school to the closest property line of the lot on which the dispensary is to be located without regard to intervening structures, pursuant to California Health and Safety Code section 11362.768; or
2. Within two hundred fifty feet (250') of a youth-oriented facility other than a school, or another dispensary, with that distance measured by street frontage from the property line of the youth-oriented facility to the closest property line of the lot on which the dispensary is to be located, and not radial distance; or
3. Abutting, on any side of the parcel upon which the dispensary is located, a parcel occupied by a youth-oriented facility, a school, or another dispensary; or
4. Within any residential zoned parcel or primary land use, or any property with an underlying residential or mobile homes general plan land use designation.
5. On a parcel having a residential unit, or on a parcel directly abutting a residentially zoned property, unless there are intervening nonresidential uses between the dispensary and the residential unit or the residentially zoned property that the Planning Commission or, on appeal, the City Council determines sufficient to provide an appropriate separation.

D. A waiver of the provisions in subsections C2 through 5 of this section may be granted if the applicant demonstrates on plans and materials presented for review and the Planning Commission determines that a physical barrier or other condition exists which achieves the same purpose and intent as the distance separation requirements established herein, and that, as a result, the Planning Commission makes a finding of no adverse impact resulting from the proposed location of the dispensary.

§5708 OPERATING REQUIREMENTS

Dispensary operations shall be established and managed only in compliance with the following standards:

A. Criminal History: Any applicant, his or her agent or employees, volunteer workers, or any person exercising managerial authority of a dispensary on behalf of the applicant shall not have been convicted of any of the felony offenses enumerated in Business and Professions Code [Section 26057\(b\)\(4\)](#), or of a felony or misdemeanor involving moral turpitude, or on probation for a drug offense, or engaged in misconduct related to the qualifications, functions or duties of a permittee. Notwithstanding the above, an application shall not be denied solely on the basis that the applicant or any manager has been convicted of a felony, if the person convicted has obtained a certificate of rehabilitation (expungement of felony record) under California law or under a similar Federal statute or State law where the expungement was granted. In addition, notwithstanding the above, a prior conviction, where the sentence, including any term of probation, incarceration, or supervised release, is completed, for possession of, possession for sale, sale, manufacture, transportation, or cultivation of cannabis or cannabinoid preparations, is not considered related to the qualifications, functions, or duties of a permittee, and shall not be the sole ground for denial of an application.

B. Minors:

1. It is unlawful for any permittee, operator, or other person in charge of any dispensary to employ any person who is not at least twenty-one (21) years of age.

2. Persons under the age of eighteen (18) shall not be allowed on the premises of a [Dispensary](#) unless they are a qualified patient or a primary caregiver, ~~and~~ they are in the presence of their parent or guardian, [and the Dispensary in question dispenses cannabis for medical use](#).

3. The entrance to a [Dispensary](#) shall be clearly and legibly posted with a notice indicating that persons under the age of eighteen (18) are precluded from entering the premises unless they are a qualified patient or a primary caregiver, and they are in the presence of their parent or guardian. [For a Dispensary that serves only Adult Use patrons, the entrance shall be clearly and legibly posted with a notice indicating that persons under the age of twenty-one \(21\) are precluded from entering the premises.](#)

4. The burden of proof is on the [Dispensary](#) personnel to establish compliance with this subsection B by clear and convincing evidence.

C. Dispensary Access:

1. The entrance into the dispensary building shall be locked at all times with entry strictly controlled; e.g., a buzz-in electronic/mechanical entry system with a vestibule is highly

encouraged. A viewer shall be installed in the door that allows maximum angle of view of the exterior entrance.

2. Dispensary personnel shall monitor site activity, control loitering and site access.

3. Only dispensary staff, primary caregivers, qualified patients and persons with bona fide purposes for visiting the site shall be allowed on the premises at a dispensary that provides medical marijuana only. For dispensaries serving Adult Use patrons, only dispensary staff, persons over the age of twenty-one (21), and persons with bona fide purposes for visiting the site shall be allowed on the premises.

4. Potential patients or caregivers shall not visit a medical marijuana dispensary without first having obtained a valid written recommendation from their physician recommending use of medical marijuana.

5. Only a primary caregiver and qualified patient or persons over the age of twenty-one (21) shall be in the designated dispensing area with dispensary personnel. All other authorized visitors shall remain in the designated waiting area in the front entrance/lobby.

6. Restrooms shall remain locked and under the control of management.

D. Dispensing Operations:

1. The dispensary may ~~possess-dispense~~ no more dried medical marijuana or plants or cannabis products per qualified patient or caregiver than permitted in strict accordance with California Health and Safety Code section 11362.77 and any other applicable State law, and as amended, and may sell cannabis or cannabis products for Adult Use to an individual only in an amount consistent with personal possession and use limits allowed by the State.

2. A dispensary selling medical marijuana shall only dispense medical marijuana to qualified patients or caregivers with:

a. A currently valid physician's approval or recommendation in compliance with the criteria in California Health and Safety Code Division 10, Chapter 6, Article 2.5 and as it may be amended, and valid official identification, such as a Department of Motor Vehicles driver's license or State identification card; or

b. A currently valid California Medical Marijuana Identification Card or a Patient ID Center Identification Card.

3. For qualified patients or caregivers without a California Medical Marijuana Identification Card or a Patient ID Center Identification Card, prior to dispensing medical marijuana, the dispensary shall obtain verbal, online, or signed verification from the recommending physician's office personnel that the individual requesting medical marijuana is a qualified patient.

4. A dispensary shall not have a physician on site to evaluate patients and provide a recommendation for medical marijuana.

5. ~~For Cannabis Retailers dispensing medical marijuana,~~ Patient records shall be maintained and verified as needed, and at least annually verified with the qualifying patient's medical doctor or doctor of osteopathy unless the patient has provided a California Medical Marijuana Identification Card or a Patient ID Center Identification Card.

6. Information on prior year's operations shall be provided annually, as required in this ~~C~~chapter. The operator shall adjust the operations as necessary to address issues.

E. Hours of Operation: Hours of operation are limited to nine o' clock (9:00) A.M. to nine o' clock (9:00) P.M., seven (7) days a week.

F. Consumption Restrictions:

1. ~~Marijuana-Cannabis~~ shall not be consumed on the premises of the dispensary. The term "premises" includes the actual building, as well as any accessory structures, parking areas, or other surroundings within two hundred feet (200') of the dispensary's entrance.

2. Dispensary operations shall not result in illegal redistribution of ~~medical marijuanacannabis~~ obtained from the dispensary, or use in any manner that violates local, State or City codes.

3. No person may consume ~~marijuanacannabis~~, by smoking or vaporization, in any public places. Public places shall include, but are not limited to, City owned parks and/or City sponsored events where designated as nonsmoking areas by resolution of the City Council, streets, sidewalks, alleys, highways, public parking lots as defined in section 6000 of this ~~C~~code and as amended, enclosed places and places of employment as defined in sections 4503 and 4505 of this ~~C~~code and as amended, and any other property owned or leased by the City, or in which the City holds a right-of-way easement, and which is open to members of the general public, except while actively passing through on the way to another destination. Nothing in this section is intended, nor shall it be construed, to be inconsistent with the California Indoor Clean Air Act of 1976, Health and Safety Code ~~S~~section 118875 et seq. and as amended.

G. Retail Sales and Cultivation:

1. No cannabis shall be cultivated on the premises of the dispensary, except in compliance with this ~~C~~chapter and with sections 6093 and 9254 of this ~~C~~code and applicable State laws and regulations.

a. Except for immature nursery stock marijuana plants, or clones, that are not intended to be raised to maturity by the dispensary but instead sold to qualified patients and patrons, marijuana plants grown by the dispensary shall only be utilized for production of processed marijuana to dispense to patients or sell in legal quantities to eligible Adult Use patrons.

b. A security plan for the growing area shall be submitted to the Ukiah Police Chief for review and approval. Such plan shall include: security alarms and surveillance systems; physical measures to prevent access to the area by

anyone other than dispensary staff; and physical measures to prevent vehicle penetration of the growing area.

c. The cultivation area shall include a one-hour firewall assembly and shall not create excessive humidity or mold conditions. The cultivation area shall have an air treatment system that prevents odors generated from the cultivation of marijuana on the dispensary property from being detected by any reasonable person of normal sensitivity outside the dispensary property, as set forth in subsection H4 of this section. The ~~medical-marijuanacannabis~~ cultivation area shall be in compliance with the current, adopted edition of the California Building Code as regards natural ventilation or mechanical ventilation.

d. Cultivation facilities are strongly encouraged to utilize the most water-efficient and environmentally responsible cultivation practices available. The City reserves the right to require annual reports on cultivation facility practices, including but not limited to cultivation mediums and water use methods.

e. The cultivation use shall comply with applicable stormwater, wastewater, and ~~B~~building ~~C~~code requirements and any applicable State or Federal law, including the Clean Water Act, 33 USC section 1251 et seq.

2. With the approval of the Planning Commission, a dispensary may conduct or engage in the commercial sale of specific products, goods or services in addition to the provision of ~~medical-marijuanacannabis~~ and other items permitted by these regulations on terms and conditions consistent with this ~~C~~chapter and applicable law.

3. Up to one hundred fifty (150) square feet of the total square footage of the dispensary may be utilized for display and sales of devices necessary for administering ~~medical-marijuanacannabis~~, including but not limited to rolling papers and related materials and devices, pipes, water pipes, and vaporizers. ~~Such devices may only be provided to qualified patients or primary caregivers and only in accordance with Health and Safety Code section 11364.5 and as amended.~~

4. Retail sales of ~~medical-marijuanacannabis~~ that violate California law or this chapter are expressly prohibited.

5. A dispensary shall meet all the operating criteria for the ~~dispensing of medical sale of marijuana-cannabis~~ as is required pursuant to applicable State laws and regulations.

6. The provision of locally grown and organic marijuana is encouraged.

H. Operating Plans:

1. Floor Plan: A dispensary shall have a lobby waiting area at the entrance to receive clients, and a separate and secure designated area for dispensing ~~medical-marijuanacannabis~~ to qualified patients or designated caregivers or to eligible Adult Use patrons. The primary entrance shall be located and maintained clear of barriers, landscaping and similar obstructions so that it is clearly visible from public streets, sidewalks or site driveways.

2. Storage: A dispensary shall have suitable locked storage on premises, identified and approved as a part of the security plan, for after-hours storage of [medical marijuana](#).

3. Minimum Staffing Levels: The premises shall be staffed with at least one person during hours of operation who shall not be responsible for dispensing [medical marijuana](#).

4. Odors Control: The dispensary shall have an air treatment system that prevents odors generated from the storage and cultivation of marijuana on the dispensary property from being detected by any reasonable person of normal sensitivity outside the dispensary property. To achieve this, both the storage and cultivation areas shall be, at minimum, mechanically ventilated with a carbon filter or superior method.

5. Security Plans: A dispensary shall provide adequate security on the premises, as approved by the Chief of Police and reviewed by the Planning Commission, including lighting and a premises and panic alarm system monitored by a licensed operator, to ensure the safety of persons and to protect the premises from theft.

6. Security Cameras: Security surveillance cameras shall be installed to monitor the main entrance and exterior of the premises to discourage loitering, crime, illegal or nuisance activities. [The security surveillance system shall comply with current State standards for digital video surveillance systems to be installed on the premises of licensed Cannabis businesses, currently codified in the Cal. Code of Regulations, Title 16, Section 5044, and as may be amended.](#)

7. Security Video Retention: Security video shall be maintained for ninety (90) days. In the event of a crime on site or anywhere within range of the dispensary's security cameras, the dispensary shall provide the Chief of Police with a useable digital copy of the security video upon request or at the earliest convenience.

8. Alarm System: Professionally monitored premises and panic alarm system shall be installed and maintained in good working condition.

9. Emergency Contact: A dispensary shall provide the Chief of Police with the name, e-mail address, phone number and facsimile number of an on-site community relations staff person to whom one can provide notice if there are operating problems associated with the dispensary. The dispensary shall make every good faith effort to encourage neighborhood residents to call this person to try to solve operating problems, if any, before any calls or complaints are made to the City.

I. Signage and Notices:

1. A notice shall be clearly and legibly posted in the dispensary indicating that smoking, ingesting or consuming [marijuana](#) on the premises or in the vicinity of the dispensary is prohibited. The notice shall be posted in both English and Spanish.

2. Signs on the premises shall not obstruct the entrance or windows.

3. Address identification shall comply with illuminated address signs requirements.

4. Business identification signage shall be limited to that needed for identification only, consisting of a single window sign or wall sign that shall comply with section 3227 of this [Ceode](#) and any other City Code provisions regulating signage.

J. Employee Records: Each owner or operator of a dispensary shall maintain a current register of the names of all volunteers and employees currently working at or employed by the dispensary, and shall disclose such registration for inspection by any City officer or official for purposes of determining compliance with the requirements of this chapter.

K. Patient Records: Information identifying the names of patients, their medical conditions, or the names of their primary caregivers is confidential and such disclosure is prohibited pursuant to the Federal Health Insurance Portability and Accountability Act of 1996 (42 USC section 1320d et seq.) and the Confidentiality of Medical Information Act (California Civil Code section 56 et seq.). In order to protect patient confidentiality, the dispensary shall maintain records of all qualified patients with a valid identification card and primary caregivers with a valid identification card using only the identification card number issued by the State, or its agent, pursuant to California Health and Safety Code section 11362.7 et seq. Such records may be maintained on or off site, and shall be made available for inspection by any City official authorized to enforce this chapter for purposes of determining compliance with the requirements of this chapter.

L. Staff Training: Dispensary staff shall receive appropriate training for their intended duties to ensure understanding of rules and procedures regarding dispensing in compliance with State and local law, and the dispensary shall employ properly trained or use professionally hired security personnel in accordance with the conditions of its permit. [All security personnel hired or contracted for by the Dispensary shall comply with Chapters 11.4 and 11.5 of Division 3 of the Business and Professions Code, or as may be amended.](#)

M. Site Management:

1. The operator of the establishment shall take all reasonable steps to discourage and correct objectionable conditions that constitute a nuisance in parking areas, sidewalks, alleys and areas surrounding the premises and adjacent properties during business hours if directly related to the patrons of the subject dispensary.

a. "Reasonable steps" shall include calling the police in a timely manner; and requesting those engaging in objectionable activities to cease those activities, unless personal safety would be threatened in making the request.

b. "Nuisance" includes, but is not limited to, disturbances of peace, open public consumption of marijuana or alcohol, excessive pedestrian or vehicular traffic, illegal drug activity, harassment of passersby, excessive littering, excessive loitering, illegal parking, excessive loud noises, especially late at night or early in the morning hours, lewd conduct or excessive police detentions and arrests.

2. The operator shall take all reasonable steps to reduce loitering in public areas, sidewalks, alleys and areas surrounding the premises and adjacent properties during business hours.

3. The operator shall provide dispensary patients [and patrons](#) with a list of the rules and regulations governing ~~medical marijuana cannabis~~ use and consumption within the City and recommendations on sensible ~~marijuana cannabis~~ etiquette.

N. Compliance with Other Requirements: The operator shall comply with all applicable provisions of local, State or Federal laws, regulations or orders, as well as any condition imposed on any permits issued pursuant to applicable laws, regulations or orders.

O. Confidentiality: The information provided for purposes of this section shall be maintained by the City as confidential information, and shall not be disclosed as public records unless pursuant to subpoena issued by a court of competent jurisdiction or otherwise compelled by court order.

P. Display of Permit: Every dispensary shall display at all times during business hours the permit issued pursuant to the provisions of this chapter for such dispensary in a conspicuous place so that the same may be readily seen by all persons entering the dispensary.

Q. Reporting and Payment of Fees: Each permittee shall file an annual statement with the Planning Department: (1) indicating the number of patients served by the dispensary within the previous calendar year, [if applicable](#), (2) the continuing accuracy of the information in the prior year's ~~D~~dispensary ~~U~~se ~~P~~permit application, (3) documenting any changes or additions to that information as of the date for renewal of the ~~P~~permit, any citizen complaints, City Code violations, and calls for law enforcement during the prior year, the applicant's compliance with applicable City and State law governing the operation of ~~D~~dispensaries, and (4) including any additional information the Planning Department deems necessary to administer this chapter, and pay all annual permit fees.

R. Alcoholic Beverages: No ~~D~~dispensary shall hold or maintain a license from the State Division of Alcoholic Beverage Control for the sale of alcoholic beverages, or operate a business on the premises that sells alcoholic beverages. No alcoholic beverages shall be allowed or consumed on the premises.

~~S.—Dispensaries shall comply with the parking requirements for medical office uses.~~

~~TS.~~ Inspections: During normal business hours, ~~D~~dispensaries permitted under this chapter shall provide access for administrative inspections by City officials or officers or consultants hired by the City to verify compliance with this chapter. Any ~~D~~dispensary's refusal to comply with this section shall be deemed a violation of this chapter.

T. Notification of Theft, Loss, and Criminal Activity: Cannabis Retailer businesses shall comply with the California Code of Regulations, Title 16, Section 5036, or as may be amended, by notifying the applicable State authorities and the Ukiah Police Department within 24 hours of discovery of any of the following situations:

1. A significant discrepancy in the Retailer's inventory.

2. The Operator becomes aware of or has reason to suspect diversion, theft, loss, or any other criminal activity pertaining to the operations of the Retailer.

3. The Operator becomes aware of or has reason to suspect diversion, theft, loss, or any other criminal activity by an agent or employee of the Retailer pertaining to the operations of the Retailer.

4. The Operator becomes aware of or has reason to suspect the loss or unauthorized alteration of records related to cannabis goods, patrons, or the Retailer's employees or agents.

5. The Operator becomes aware of or has reason to suspect any other breach of security.

The notification shall be in writing and include the date and time of occurrence of the theft, loss, or criminal activity and a description of the incident including, where applicable, the item(s) that were taken or lost.

§5709 APPLICATION PREPARATION AND FILING

A. Application Filing: A complete Dispensary Use Permit application submittal packet shall be submitted in accordance with section 9262 of this Code, including a detailed written statement as to how the proposed dispensary complies with sections 5707 and 5708 of this Code, and any other information or submissions required by this chapter. All applications for Dispensary Use Permits shall be filed with the Planning Department, using forms provided by the City, and accompanied by the applicable filing fee and any other applicable fees or charges. It is the responsibility of the applicant to provide information required for approval of the permit. The application shall be made under penalty of perjury.

B. Eligibility for Filing: Applications may only be filed by the owner of the subject property, or person with a lease signed by the owner or duly authorized agent allowing them to occupy the property for the intended use. If the applicant is a lessee, a copy of the duly executed lease currently in effect must accompany the application.

C. Filing Date: The filing date of any application shall be the date when the City receives the last submission of information or materials required in compliance with the submittal requirements specified herein.

D. Effect of Incomplete Filing: Upon notification that an application submittal is incomplete, the applicant shall submit any additional documents or information required to complete the application within thirty (30) days of the date the applicant is notified in writing by the Planning Department that the application is incomplete. If the applicant fails to complete the application within said thirty (30) days, the application shall be deemed withdrawn and a new application submittal that complies with subsections A and F of this section shall be required in order to proceed with the application.

E. Effect of Other Permits or Licenses: The fact that an applicant possesses other types of State or City permits or licenses does not exempt the applicant from the requirement of obtaining a Dispensary Use Permit.

F. Submittal Requirements: Any application for a Dispensary Use Permit shall include the following information:

1. Applicant(s) Name: The full name (including any current or prior aliases, or other legal names the applicant is or has been known by, including maiden names), present address, and telephone number of the applicant;

2. Applicant(s) Mailing Address: The address to which notice of action on the application is to be mailed;
3. Previous Addresses: Previous addresses for the past five (5) years immediately prior to the present address of the applicant;
4. Verification of Age: Written proof that the applicant is over the age of twenty-one (21) years of age;
5. Physical Description: Applicant's height, weight, color of eyes and hair;
6. Photographs: Passport quality photographs for identification purposes;
7. Employment History: All business, occupation, or employment of the applicant for the five (5) years immediately preceding the date of the application;
8. Tax History: The dispensary business tax history of the applicant, including whether such person, in previously operating in this or another city, county or state under license has had a business license revoked or suspended, the reason therefor, and the business or activity or occupation in which the applicant engaged subsequent to such action of suspension or revocation;
9. Management Information: The name or names and addresses of the person or persons having the management or supervision of applicant's business;
10. Criminal Background: A background investigation verifying whether the person or person having the management or supervision of applicant's business has been convicted of a crime(s), the nature of such offense(s), and the sentence(s) received therefor;
11. Employee Information: Number of employees, volunteers, and other persons who will work at the dispensary;
12. Plan of Operations: A plan of operations describing how the dispensary will operate consistent with the intent of State law and the provisions of this chapter, including but not limited to:

a. Ensuring that the dispensary will not engage in retail sales of ~~medical~~ [marijuanacannabis](#) that violate California law or this chapter.

b. Controls that will assure ~~medical-marijuanacannabis~~ will be dispensed [or sold](#) to qualifying patients or caregivers [or eligible Adult Use patrons](#) only.

c. Controls that will ensure access to dispensary premises is adequately monitored and restricted to preapproved qualified patients and caregivers [or to eligible Adult Use Patrons only](#).

[13. If delivery services will be provided, the application shall describe the operational plan for delivery services and specific extent of such service, security protocols, and how the delivery services will comply with the requirements set forth in this Chapter, in particular Section 5717 of this Chapter, and State law.](#)

1314. Written Project Description: A written description summarizing the proposed Dispensary use size, number of patients or patrons, characteristics and intent;

1415. Written Response to Dispensary Standards: The applicant shall provide a comprehensive written response identifying how the Dispensary plan complies with each of the standards for review in this chapter, specifically the limitation on location and operating requirements in sections 5707 and 5708 of this Code;

1516. Written Response to Criteria for Review Section: The applicant shall provide a written response indicating the method by which each of the criteria for review enumerated in section 5710 of this Code has been satisfied;

1617. Security Plan: A detailed security plan outlining the proposed security arrangements for ensuring the safety of persons and to protect the premises from theft. The plan shall include installation of security cameras, a premises and panic alarm system monitored by a licensed operator, and a security assessment of the site conducted by a qualified professional;

1718. Floor Plan: A sketch or diagram showing the interior configuration of the premises, including a statement of the total floor area occupied by the dispensary. The sketch or diagram need not be professionally prepared, but must be drawn to a designated scale or drawn with marked dimensions of the interior of the premises to an accuracy of plus or minus six inches (6");

1819. Site Plan: A sketch or diagram showing exterior configuration of the premises, including the outline of all structures, parking and landscape areas, and property boundaries. The sketch or diagram need not be professionally prepared, but must be drawn to a designated scale or drawn with marked dimensions to an accuracy of plus or minus six inches (6");

1920. Accessibility Evaluation: A written evaluation of accessibility to and within the building, and identification of any planned accessibility improvements;

2021. Neighborhood Context Map: An accurate straight-line drawing depicting the building and the portion thereof to be occupied by the dispensary, and: (a) the property lines of any school within six hundred feet (600') of the property line of the dispensary for which a permit is requested, (b) the property lines of any dispensary within two hundred fifty feet (250') of the primary entrance of the dispensary for which a permit is requested, and (c) the property lines of any youth-oriented facility or residential zone or use within two hundred fifty feet (250') of the primary entrance of the dispensary;

2122. Lighting Plan: A lighting plan showing existing and proposed exterior premises and interior lighting levels that would be the minimum necessary to provide adequate security lighting for the use and comply with all City standards regarding lighting design and installation. All lighting shall be fully hooded and downcast, and shall not shine towards the night sky, adjacent property or any street;

2223. City Authorization: Written authorization for the City, its agents and employees to seek verification of the information contained within the application;

~~23~~24. Statement of Owner's Consent: A statement in writing by the applicant that he or she certifies under penalty of perjury that the applicant has the consent of the property owner and landlord to operate a dispensary at the location;

~~24~~25. Applicant's Certification: A statement in writing by the applicant that he or she certifies under penalty of perjury that all the information contained in the application is true and correct;

~~25~~26. Other Information: Such other information as deemed necessary by the Planning Department to demonstrate compliance with this ~~C~~chapter including all City and State codes, including operating requirements established in this chapter.

G. Renewal: Applications for one-year renewal shall be accompanied by the following minimum information:

1. The operator shall report the number of patients or patrons served and pay applicable fees, as required by this ~~C~~chapter.

2. The operator shall provide a detailed description of any adjustments and changes proposed or that have occurred in dispensary operations to address issues, or comply with laws.

3. The operator shall identify any problems encountered during operations and how they have been addressed.

4. The operator shall identify how the dispensary has managed its operations to comply with the operating requirements of this chapter and with State law.

§5710 CRITERIA FOR REVIEW

In addition to the findings required in section 9262 of this ~~C~~code, the Planning Commission shall consider the following criteria in determining whether to grant or deny a ~~D~~ispensary ~~U~~se ~~P~~ermit, and the Zoning Administrator shall consider the following criteria in determining whether to grant or deny renewals of a ~~D~~ispensary ~~U~~se ~~P~~ermit:

A. That the ~~D~~ispensary ~~U~~se ~~P~~ermit is consistent with the intent of the Compassionate Use Act of 1996, the ~~MMRSA~~AUMA, the ~~MAUCRSA~~, and related State law, the provisions of this ~~C~~chapter and the City Code, including the application submittal and operating requirements herein.

B. That the ~~D~~ispensary location is not identified as having significant crime issues (e.g., based upon crime reporting statistics as maintained by the Police Department).

C. That there have not been significant numbers of calls for police service, crimes or arrests in the area or to an existing ~~D~~ispensary location.

D. That an applicant or employee is not under twenty-one (21) years of age.

E. That all required application materials have been provided and/or the ~~D~~ispensary has operated successfully in a manner that shows it would comply with the operating requirements and standards specified in this chapter.

F. That all required application or annual renewal fees have been paid and reporting requirements have been satisfied in a timely manner.

G. That the location is not prohibited by the provisions of this chapter or any local or State law, statute, rule or regulation and no significant nuisance issues or problems are anticipated or have resulted from dispensary operations.

H. That the site plan, floor plan, and security plan have incorporated features necessary to assist in reducing potential crime-related problems and as specified in the operating requirements in section 5708 of this [Code](#). These features may include, but are not limited to, security on site; procedure for allowing entry; openness to surveillance and control of the premises, the perimeter, and surrounding properties; reduction of opportunities for congregating and obstructing public ways and neighboring property; illumination of exterior areas; and limiting furnishings and features that encourage loitering and nuisance behavior.

I. That no [Dispensary](#) use, owner, [operator](#), permittee, agent, or employee has violated any provision of this chapter including grounds for suspension, modification or revocation of a permit.

J. That all reasonable measures have been incorporated into the plan and/or consistently taken to successfully control the establishment's patrons' conduct resulting in disturbances, vandalism, crowd control inside or outside the premises, traffic control problems, marijuana use in public, or creation of a public or private nuisance, or interference with the operation of another business.

K. That the dispensary would not adversely affect the health, peace or safety of persons living or working in the surrounding area, overly burden a specific neighborhood with special needs or high impact uses, or contribute to a public nuisance; or that the dispensary has resulted in repeated nuisance activities including disturbances of the peace, illegal drug activity, marijuana use in public, harassment of passersby, excessive littering, excessive loitering, illegal parking, excessive loud noises, especially late at night or early in the morning hours, lewd conduct, or police detentions or arrests.

L. That any provision of the City Code or condition imposed by a City issued permit, or any provision of any other local or State law, regulation, or order, or any condition imposed by permits issued in compliance with those laws has not been violated.

M. That the applicant has not violated any local or State law, statute, rule or regulation respecting the distribution, possession, or consumption of marijuana.

N. That the applicant has not knowingly made a false statement of material fact or has knowingly omitted to state a material fact in the application for a permit.

O. That the applicant, his or her agent or employees, or any person who is exercising managerial authority on behalf of the applicant has not been convicted of a felony, or of a misdemeanor involving moral turpitude, or has engaged in misconduct related to the qualifications, functions or duties of a permittee.

P. That the applicant has not engaged in unlawful, fraudulent, unfair, or deceptive business acts or practices.

Q. That adequate parking for medical marijuana dispensaries will be provided at a rate of one space for every two hundred (200) gross square feet of retail space, office space, and similar floor areas, pursuant to section 9198(F)(1) of this Code. Furthermore, that adequate parking for Cannabis Retailers generally will be provided at a rate of one space for every two hundred fifty (250) square feet of gross, leasable space, pursuant to section 9198(B)(1) of this Code. However, if the dispensary to be operated by the applicant does not dispense medical marijuana to patients or eligible Adult Use patrons on site but services qualified patients and patrons through deliveries in compliance with Section 5717 of this Code, then adequate parking will be provided at a rate of one space for every four hundred (400) square feet of gross leasable space, pursuant to Section 9198(G)(3) of this Code.

§5711 INVESTIGATION AND ACTION ON APPLICATION

After the making and filing of a complete application for the Dispensary Use Permit and the payment of the fees, the applicant shall complete a fingerprint background check and the Police Department shall conduct an investigation of the application. In processing the application:

A. The Planning Department shall refer the application to any other City departments as necessary to complete the review of the application.

B. Following provision of complete application materials, inter-departmental review, and compliance with the California Environmental Quality Act, the Planning Department shall schedule the Dispensary Use Permit for Planning Commission review. In making a decision to grant or deny the application the Planning Commission shall follow the notice and hearing procedures and make the findings required by sections 9262C through F of this Code and shall either grant or deny the application in accordance with the provisions of this chapter.

C. In approving a Dispensary Use Permit, the Planning Commission may impose conditions, restrictions or require revisions to the proposal to comply with the purpose and intent of this chapter.

D. The Planning Department shall cause a written notice of the Planning Commission decision to issue or deny a permit to be mailed to the applicant by U.S. mail.

§5712 APPEAL FROM PLANNING COMMISSION DETERMINATION

A. An applicant aggrieved by the Planning Commission decision to issue or to deny a Dispensary Use Permit may appeal such decision to the City Council by filing an appeal. All determinations of the Planning Commission regarding Dispensary Use Permits shall be final unless a written appeal, stating the reasons for the appeal, and the appeal fee, if any, as established by resolution of the City Council from time to time, are filed with the City Council within ten (10) days of the date the decision was made. Appeals may be filed by an applicant or any interested party. An interested party may appeal only if he or she appeared and stated his or her position during the hearing on the decision from which the appeal is taken.

B. The City Council shall conduct a duly noticed public hearing on the appeal in accordance to the procedures applicable to an appeal of a decision to grant or deny a use permit as set forth in Division 9, Chapter 2, Article 20 of this Code. At the close of the public hearing, the City Council may affirm, reverse, or modify the appealed decision of the Planning Commission. All

City Council decisions on appeals of the Planning Commission's decision with regard to an application for a ~~D~~ispensary ~~U~~se ~~P~~ermit are final for the City.

§5713 REVOCATION

A. Any ~~D~~ispensary ~~U~~se ~~P~~ermit issued under the terms of this chapter may be revoked by the Zoning Administrator, when it shall appear to the Administrator that the use for which the ~~dispensary use p~~ermit was granted is not being conducted in compliance with the ~~P~~dispensary ~~use p~~ermit as conditioned, the permittee has violated any of the requirements of this chapter, or the dispensary is operated in a manner that violates the provisions of this ~~C~~hapter, including the criteria for review and operating requirements sections, or conflicts with State law.

B. The Zoning Administrator shall conduct revocation proceedings in compliance with section 9262H of this ~~C~~ode, except that all references therein to the Planning Commission shall be deemed to refer to the Zoning Administrator. Notice of the hearing required by said section shall be given in compliance with section 9262C of this ~~C~~ode. In addition, notice of the revocation hearing, including a description of the facts and violations relied upon in seeking revocation, shall be served on the permit holder by personal service, overnight courier or registered United States mail, return receipt requested, not later than ten (10) days prior to the hearing. Service shall be deemed complete when received by the permit holder or forty-eight (48) hours after deposit in the United States mail, whichever occurs first. Notice shall be sent to the address as shown on the permit application or to an address which the permit holder has requested in writing that the City use for official communications. The address shall not be a post office box, but must be a physical address.

C. If any person holding a permit or acting under the authority of such permit under this chapter is convicted of a public offense in any court for any offense that would constitute a violation of their ~~D~~ispensary ~~U~~se ~~P~~ermit or this ~~C~~hapter, the Zoning Administrator may revoke such permit forthwith without any further action thereof, other than giving notice of revocation to the permittee.

D. The final decision of the Zoning Administrator to revoke a ~~D~~ispensary ~~U~~se ~~P~~ermit may be appealed to the Planning Commission. The appeal hearing shall be conducted in compliance with ~~S~~ection 9266 of this ~~C~~ode, except that all references therein to the City Council in an appeal of a Zoning Administrator decision shall be deemed to refer to the Planning Commission.

§5714 EFFECT OF REVOCATION

When a final decision has been made revoking any ~~D~~ispensary ~~U~~se ~~P~~ermit provided for in this ~~C~~hapter, no new application for a dispensary use permit shall be accepted from the applicant and no such ~~p~~ermit shall be issued to such person or to any corporation or other business entity, including, but not limited to, a partnership or limited liability company, in which he or she shall have any direct or indirect beneficial, financial or ownership interest for a period of three (3) years after the action revoking the ~~P~~ermit.

§5715 TRANSFER OF PERMITS

A. A permittee shall not operate a dispensary under the authority of a ~~D~~ispensary ~~U~~se ~~P~~ermit at any place other than the address of the dispensary stated in the application for the ~~P~~ermit.

B. A permittee shall not transfer ownership or control of a dispensary, including by transferring a controlling interest in the permittee, or transfer a ~~Dispensary Use Permit~~ to another person or entity unless and until the transferee obtains its own ~~Dispensary Use Permit~~. Any other assignment of a ~~Dispensary Use Permit~~ is prohibited.

C. No ~~Dispensary Use Permit~~ may be transferred when the Zoning Administrator or Planning Commission have notified the permittee that the ~~Permit~~ has been or may be revoked.

D. Any attempt to transfer a ~~Dispensary Use Permit~~ either directly or indirectly in violation of this section is declared void, and the ~~Permit~~ shall be deemed revoked.

§5716 TIME LIMIT FOR FILING APPLICATIONS UPON ANNEXATION

Any dispensary that was legally established in Mendocino County ("County") and which is subsequently annexed into the City must apply for and obtain a ~~Dispensary Use Permit~~ in compliance with the provisions of this chapter within ninety (90) days from the date the annexation becomes effective. Continued operation of a dispensary without a ~~Permit~~ more than ninety (90) days after annexation shall constitute a violation of this chapter, unless an extension of the ninety (90) day period is approved by the Planning Commission upon the applicant's demonstration of reasonable grounds to do so.

§5717 MARIJUANA DELIVERY

A. A permitted dispensary located in the City may deliver marijuana to qualified patients and caregivers and to persons eligible for adult-use at their residence in the City or to the same class of persons outside the City's jurisdiction. Such permissible delivery of marijuana to qualified patients or adults over the age of 21 years within the City limits shall be limited to delivery by lawfully operated, permitted dispensaries located within the jurisdictional limits of the City. Any individual engaging in the activity of delivering ~~medical-marijuana~~cannabis from a permitted dispensary to a qualified patient must have a City of Ukiah business license in accordance with Division 2, Chapter 1, Article 3 of this ~~Code~~.

All other marijuana delivery is a prohibited activity in the City, except where the City is preempted by Federal or State law from enacting a prohibition on such activity.

B. In conformity with section 6001 of this ~~Code~~, it shall be unlawful for any qualified individual engaging in the activity of delivering ~~medical-marijuana~~cannabis from a permitted dispensary to a qualified patient to be in an intoxicated condition or under the influence of narcotic drugs within the corporate City limits of the City in, on, or about any automobile, motorcycle, motor vehicle, street car, railroad car or other vehicle.

§5718 VIOLATIONS

A. It is unlawful for any person, individual, partnership, co-partnership, firm, association, joint stock company, corporation, limited liability company or combination of the above in whatever form or character to violate any provision or fail to comply with any of the requirements of this chapter.

B. A violation of this ~~Chapter~~ shall be subject to the enforcement and penalties specified in Section 5722 of this ~~Code~~.

§5719 REMEDIES

This chapter shall be subject to enforcement pursuant to Division 9, Chapter 2, Article 22 of this [Ceode](#).

§5720 SEPARATE OFFENSE FOR EACH DAY

Any person who violates any provision of this chapter shall be guilty of a separate offense for each and every day during any portion of which any such person commits, continues, permits, or causes a violation thereof, and shall be penalized accordingly.

§5721 HOLD HARMLESS

As a condition of approval of any permit issued pursuant to this chapter for [medical marijuana/cannabis](#) cultivation, processing, or distribution, the permittee shall indemnify, defend and hold harmless the City of Ukiah and its agents, officers, elected officials, and employees for any claims, damages, or injuries brought by a permittee's clients or employees, adjacent or nearby property owners or other third parties due to permitted uses or operations, and for any expense incurred by City as a result of or in defense of any such claim.

§5722 PENALTIES

A. It shall be unlawful and constitute a misdemeanor for any person to violate the provisions of this chapter, punishable by a fine of not more than one thousand dollars (\$1,000.00) or imprisonment in the County jail for a period of not more than six (6) months or both. This penalty shall not apply, if prohibited by State law.

B. The penalty provided herein is in addition to any other penalty or remedy available at law or in equity, whether civil or criminal, for any violation of this chapter or engaging in activity requiring a City license or permit, including, without limitation, a business license or building permit, without first obtaining such permit or license.

§5723 JUDICIAL REVIEW

Judicial review of a decision made under this chapter may be had by filing a petition for a writ of mandate with the superior court in accordance with the provisions of the California Code of Civil Procedure section 1094.5.

Any such petition shall be filed within ninety (90) days after the day the decision becomes final as provided in California Code of Civil Procedure section 1994.6 which shall be applicable for such actions.

SECTION 2

Table 3 in Section 9223.1 of Article 18, Chapter 2 in Division 9 of the Ukiah City Code is hereby amended by specifying that a Cannabis Retailer is an allowable use with a Dispensary Use Permit (DUP) in the General Urban (GU), Urban Center (UC), and Downtown Core (DC) zoning districts.

SECTION 3

Article 16 of Chapter 2 in Division 9 of the Ukiah City Code is hereby amended to read as follows (unchanged text is omitted and is shown by “* * *”):

§9176 CERTAIN USES PERMITTED

The following uses may be permitted in the districts mentioned subject to securing a use permit, as provided in this chapter, in each case:

* * *

G. Temporary special events that involve on-site cannabis sales and possession of cannabis in any form to qualified patients or persons over the age of twenty-one (21) only in zones not designated R or CN pursuant to the following conditions:

1. The event organizer has applied for and obtained from the Bureau of Cannabis Control a State cannabis organizer license;

2. The event organizer has applied for and obtained from the Bureau of Cannabis Control a State temporary cannabis event license for the applicable temporary special event involving on-site cannabis sales or possession of cannabis in any form;

3. All other applicable State agency permits have been obtained in compliance with any regulations and deadlines established by the State; and

4. All other applicable City permits have been obtained in compliance with any regulations and deadlines established by the City.

SECTION 4

Article 20 of Chapter 2 in Division 9 of the Ukiah City Code is hereby amended to read as follows (unchanged text is omitted and is shown by “* * *”):

§9261 DISCRETIONARY PLANNING PERMITS

* * *

D. ***

* * *

5.

a. In all Zoning Districts in which they are a permitted use, the following Cannabis Related Businesses shall be considered major uses:

Cannabis Cultivation – Large Indoor.

Cannabis Cultivation – Large Mixed-Light.

Cannabis Cultivation – Medium Indoor.

Cannabis Cultivation – Medium Mixed-Light.

Cannabis Cultivation – Small Indoor.

Cannabis Cultivation – Small Mixed-Light.

Cannabis Cultivation – Specialty Cottage.

Cannabis Cultivation – Specialty Indoor.

Cannabis Cultivation – Specialty Mixed Light.

Cannabis Microbusiness.

Cannabis Nursery.

Cannabis Retailer.

Major Use Permits issued for Cannabis Related Businesses shall be subject to annual review, and shall be subject to annual review and revocation according to the procedures set forth in Section 9262, subsections K and L of this Article.

b. In all Zoning Districts in which they are a permitted use, the following Cannabis Related Businesses shall be considered minor uses:

Cannabis Distribution
Cannabis Manufacturing – Level 1

Minor Use Permits issued for Cannabis Related Businesses shall be subject to annual review, and shall be subject to annual review and revocation according to the procedures set forth in Section 9262, subsections K and L of this Article.

c. In the Heavy Commercial (C-2) and Manufacturing (M) Zoning Districts zoning districts, Cannabis Testing Laboratories shall be considered a minor use. In the Community Commercial zoning district (C-1) and General Urban (GU), Urban Center (UC), and Downtown Core (DC) zoning districts, Cannabis Testing Laboratories shall be considered a major use.

d. In all Zoning Districts in which they are a permitted use, Cannabis Retailers will be required to obtain a Dispensary Use Permit, as set forth in Chapter 8 of Division 6 of this Code.

SECTION 5

1. SEVERABILITY.

If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person or circumstance, is for any reason held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases of this Ordinance, or its application to any other person or circumstance. The City Council of the City of Ukiah hereby declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof, irrespective of the fact that any one or more other sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases hereof be declared invalid or unenforceable.

2. EFFECTIVE DATE.

This Ordinance shall be published as required by law in a newspaper of general circulation in the City of Ukiah, and shall become effective thirty (30) days after its adoption.

Introduced by title only on _____, 2018, by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Adopted on _____, 2018 by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Kevin Doble, Mayor

ATTEST:

Kristine Lawler, City Clerk



AGENDA SUMMARY REPORT

SUBJECT: Consideration of Adoption of Resolution Supporting Approval of Agricultural Conservation Easement Grant Funding from the California Department of Conservation Sustainable Agricultural Lands Conservation Program to the Mendocino Land Trust for One Property within the City's Sphere of Influence

DEPARTMENT: Community Development

PREPARED BY: Craig Schlatter

ATTACHMENTS:

[Attachment 1 - MLT Email Request for Resolution of Support](#)

[Attachment 2 - MLT SALCP Application Lovers Lane](#)

[Attachment 3 - Resolution of Support](#)

Summary: City Council will consider adoption of a resolution supporting approval of Agricultural Conservation Easement Grant Funding from the California Department of Conservation Sustainable Agricultural Lands Conservation Program to the Mendocino Land Trust for a property within the City's Sphere of Influence. The Board of Supervisors approved a supporting resolution at their February 27, 2018 regular meeting.

Background: On January 3, 2018, the City received an email (see Attachment 1) from the Mendocino Land Trust (MLT) indicating it had received a conditional award of funding in the amount of \$1,169,643 from the California Department of Conservation's Sustainable Agricultural Lands Conservation Program (SALCP) for agricultural conservation easement purchase on a property located outside the City limits in the Mendocino County unincorporated area but within the City's current Sphere of Influence (SOI).

RECOMMENDED ACTION: Adopt resolution supporting approval of Agricultural Conservation Easement Grant Funding from the California Department of Conservation Sustainable Agricultural Lands Conservation Program to the Mendocino Land Trust for one property within the City's Sphere of Influence.

BUDGET AMENDMENT REQUIRED: No

CURRENT BUDGET AMOUNT: N/A

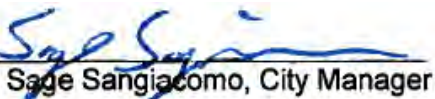
PROPOSED BUDGET AMOUNT: N/A

FINANCING SOURCE: N/A

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH: N/A

Approved:


Sage Sangiacomo, City Manager

Discussion: The project involves the 133.5 acre Lovers Lane Vineyard located at 610 Lovers Lane, Ukiah, on which an agricultural easement will be placed (please see Attachment 2 - MLT SALCP Application with attachments 1 - 5 for maps of the property). The grant funds will pay the land owner, Mendo Farming Company, LLC, for an agricultural conservation easement over the Lovers Lane Vineyard property. The easement will ensure the property is never removed from agricultural use.

For the award of funding to be fully approved, the MLT must obtain Resolutions of Support from the Mendocino County Board of Supervisors and the Ukiah City Council. The Board of Supervisors approved a Resolution supporting the award of SALCP funding to the MLT for the Lovers Lane Vineyard Conservation Project at their February 27, 2018 regular meeting. The MLT is now seeking a similar Resolution of Support (Attachment 3) from the Ukiah City Council.

The Ukiah General Plan includes goals, policies, and implementation measures calling for the support and conservation of agricultural lands within the City's SOI. The proposed Conservation Easement does not include land a developer has sought approval on from the County to rezone 23 acres owned by the Mendo Farming Company for urban/suburban residential development. The conservation of the 133.5 acres is separate from this stand-alone development project.

Staff is recommending approval of the Resolution of Support.

Resolution of Support - Lovers Lane Vineyard Conservation Project

roger sternberg <rsternberg@mcn.org>

Wed 1/3/2018 11:50 AM

To: Craig Schlatter <cschlatter@cityofukiah.com>;

Cc: Ann Cole <acole@mendocinolandtrust.org>; Doug Kern <dkern@mendocinolandtrust.org>; Paul Dolan <pauldolan.pdv@live.com>;

 2 attachments (9 MB)

SALCP_ACE_Application_Lovers Lane - Final 8-10-17.pdf; Lovers Lane Draft City of Ukiah Res of Support 1-3-18.docx;

Hi Craig,

Sorry we've been having a hard time connecting by phone. I thought that this email would be a good way to initiate a discussion on the Resolution of Support that the Mendocino Land Trust (MLT) is seeking for the Lovers Lane Vineyard Conservation Project.

MLT recently was very pleased to recently receive preliminary approval of a grant of \$1,169,643 from the California Sustainable Agricultural Lands Conservation Program (SALCP) to conserve 133.5 acres of the Lovers Lane Vineyard. The SALCP application is attached, which provides a detailed description of the Lovers Lane Project.

Prior to receiving final approval of the the grant, MLT needs to obtain Resolutions of Support from the Ukiah City Council and the Mendocino County Board of Supervisors. I've attached a sample resolution for your review, which I'd like to discuss over the phone, and then possibly in a meeting in Ukiah with you, Doug Kern, MLT's Director of Conservation, and landowner Paul Dolan.

For your information, the Ukiah City Council and the BOS signed similar Resolutions of Support in 2013 for MLT's acquisition of a conservation easement on the Gobbi Street Vineyard in Ukiah.

Lastly, I wanted to share with you that as part of the grant approval process, MLT will be sending letters of notification on the project to the neighboring landowners. The notification needs to occur 30 days prior to the issuance of a Resolution of Support.

I look forward to discussing the project with you and the next steps that you'd suggest.

Roger

--

Roger Sternberg Forestry and
Land Conservation Consulting Services

P.O. Box 1211

Mendocino, CA 95460

(707) 937-0776

EASEMENT GRANT APPLICATION CHECKLIST

SUSTAINABLE AGRICULTURAL LANDS CONSERVATION PROGRAM

ALL GRANT APPLICATIONS MUST INCLUDE THE FOLLOWING:

X	Completed Easement Grant Application Checklist (<i>this document</i>)
X	Easement Application Cover Sheet
X	Executive Summary
X	Budget
X	Easement Acquisition Summary Sheet
X	Risk of Conversion Summary Sheet and Supporting Evidence
X	Detailed Characteristics of the Proposed Easement
X	Documentation of Public Notice and Local Government Resolution of Support ^{*1}
X	Preliminary Title Report and Assessor's Parcel Map(s)
X	Appraisal / Estimated Value
X	Applicant-Landowner Letter of Intent*
X	Applicant Conflict of Interest Certification*
X	Easement Monitoring Plan

ADDITIONAL COMPONENTS AND CERTIFICATIONS:

Please provide these supporting documents or certify that the documents on file with the Department are current.

	Disadvantaged Communities Benefits Checklist*
X	Relevant Portions of the County General Plan (<i>cite or attach</i>) Name and Approval Date of General Plan Section(s): <u>Mendocino County General Plan, Adopted August 2009.</u> Internet Link(s) to Current General Plan Documents: http://www.co.mendocino.ca.us/planning/GeneralPlan.htm <u>Citations:</u> ❖ <i>Policy RM-100: Maintain extensive agricultural land areas and limit incompatible uses.</i>

¹ Items with asterisks* – samples of these documents are available on the Department web site.

SALC Program Agricultural Conservation Easement Grants

	❖ <i>Policy RM-101: The County supports policies and programs to maintain and enhance the viability of agricultural operations and retention of agricultural land.</i> ❖ <i>Policy RM-127: Support land trusts and similar organizations in identifying and protecting lands and corridors with significant resource, recreational or scenic values</i> ❖ <i>Policy RM-127: Support land trusts and similar organizations in identifying and protecting lands and corridors with significant resource, recreational or scenic values</i> <i>The Ukiah City Council adopted the following polices in its General Plan in December 1995 (revised in 2004):</i> ❖ <i>Goal GP-23: Conserve agricultural lands to enhance economic vitality and the sustained identity of Ukiah as a rural agricultural community.</i> ❖ <i>Goal GP-27: Maintain scenic viewsheds of the Valley.</i> ❖ <i>Goal GP-30: Protect existing agriculturallyzoned lands in the City's Planning Area.</i> ❖ <i>Goal OC-2: The City of Ukiah shall support the conservation of agricultural lands through formation of land trust.</i> - <i>Policy OC-2.1: Support the formation of a non-profit private Land Conservation Trust.</i> - <i>Policy OC-17.1: The encroachment of incompatible uses into agricultural areas shall be avoided.</i> ❖ <i>Goal OC-19: Maintain existing agricultural area.</i> ❖ <i>Goal OC-20: Allow agriculturally-compatible uses on non-viable agriculture lands.</i> - <i>Policy OC 20.1: Ensure that development parcels on which commercially-viable agriculture is not feasible is compatible with agricultural uses.</i>
X	Applicant Statement of Purpose for the preservation of agricultural land and other relevant documents (<i>Please see Attachment 11 – Articles of Incorporation and Amendment</i>)
Documentation of Organizational Eligibility - Nonprofits	
X	IRS 501(c)3 status - <i>attached</i>
X	Articles of Incorporation - <i>attached</i>
X	Bylaws - <i>attached</i>
Documentation of Organizational Eligibility - Local Governments (as applicant) <i>Not applicable</i>	

OPTIONAL COMPONENTS

X	Letters of support from any partners
X	Accreditation Documents (Land Trust Alliance or similar professional certifications)
X	Project Geographic Area Map showing boundaries of subject parcel(s), parcel number(s), and proximity to closest Spheres of Influence and other protected lands.



EASEMENT GRANT APPLICATION COVER SHEET

SUSTAINABLE AGRICULTURAL LANDS CONSERVATION PROGRAM

Project Title	Lovers Lane Vineyard Conservation Project	
Location (County and Nearest City)	Ukiah, California	
Disadvantaged Communities Status ² (circle one)	Y ☒ N ☐	(If yes, attach Disadvantaged Communities Benefits Checklist)
Risk Conversion Option ³	Option No. 2	
Strategy and Outcome Grant Project Name (if applicable) ⁴	Not applicable	
Grant Request Amount	\$1,169,643	
Matching Funds Pending	\$0	
Matching Funds Committed	\$375,000	
Total Estimated Project Cost	\$1,556,630	
Applicant ⁵	Mendocino Land Trust, Inc.	
Federal Employer ID Number	94-2362450	
Mailing Address	P.O. Box 1094	
	Mendocino, CA 95460	
Contact Person	Doug Kern	
Title	Director of Conservation	
Phone Number	(707) 962- 0470	
Email Address	dkern@mendocinolandtrust.org	

² Please refer to the CalEnviroScreen maps of the highest ranking disadvantaged communities available at: <http://www.arb.ca.gov/cc/capandtrade/auctionproceeds/535investments.htm> or <http://oehha.ca.gov/ej/ces2.html> and to the 2016-17 SALC Program Guidelines for further information.

³ Refer to pages 2-3 of the 2016-17 SALC Program Guidelines. Including the option number will suffice.

⁴ This field is only applicable if applying for a SALC Program Conservation Strategy and Outcome grant and using an agricultural conservation easement to fulfill an administrative requirement.

⁵ Eligible applicants may include cities, counties, nonprofit organizations, RCDs, regional park or open-space districts or regional park or open-space authorities that have the conservation of farmland among their stated purposes, as prescribed by statute, or as expressed in the entity's locally adopted policies. (refer to PRC §10212).



EXECUTIVE SUMMARY

Project Description

- ❖ The proposed easement; its scope (farmland quality, location, size, type of agricultural use)

The easement will conserve 133.5 acres of vineyards located in Ukiah, California. Farmland quality is excellent, with 27 acres of Prime Farmland and 101.6 acres of soils of Statewide Importance (see Soils Map.)

In addition, another 45 acres of productive farmland containing 44.25 acres of soils of Prime and Statewide Importance will be conserved on a conservation easement on the 84.08-acre Ghianda Rose Vineyard in Hopland. (Described in a separate application.) This easement, preliminarily valued at \$350,000 will be donated by the landowners to the Mendocino Land Trust in conjunction with the Lovers Lane Project.

- ❖ Explanation of the development pressure that may be impacting the surrounding area, including a summary of relevant risk of conversion option(s)

As indicated in the aerial photo, the Lovers Lane Vineyard is bordered on three sides by either intensive suburban residential development or industrial development. The County is currently considering rezoning two parcels owned by the Mendo Farming Company excluded from the conservation project. This reconsideration is based upon a recognized public need in Ukiah for residential housing.

In 2014, the County rezoned 17.0 acres from Agland to RR-1 and RR-3 designations.¹ This property lies adjacent to, and south of, the vineyard. (Please refer to property highlighted in yellow on the Zoning Map, Attachment 5.)

The property contains five Legal Parcels, which could result in the establishment of up to five "ranchettes" with ten single-family residences on them. Such a division of the land would significantly affect its agricultural viability. Though the parcels are currently zoned AG-40-acre minimum, these parcels were "grandfathered in" in 1984, resulting in subminimum sized parcels for the zoning.

The property is located close to an exit on State Highway 101, increasing pressure for its development in the future and, lastly, it lies within the City of Ukiah's Sphere of Influence.

- ❖ Additional conservation values or co-benefits (e.g., open space, viewshed, habitat, riparian corridor) the easement would accomplish

The vineyard provides important viewshed values to the residents who live to the south. It also provides scenic value along Lovers Lane and the Comptche-Ukiah Road. In addition, the property is used informally on a daily basis by the public for walking – an activity that the landowners wish to continue.

¹ A small portion of this parcel is zoned as Open Space, but it is unclear from discussions with the Planning and Building Services Department as to its size.



- ❖ Whether the landowner must meet any critical deadlines for concluding the transaction

As of the date of this application, the landowners have no critical deadlines for concluding the transactions on either the Lovers Lane or Ghianda Rose Vineyards.

BUDGET

SUSTAINABLE AGRICULTURAL LANDS CONSERVATION PROGRAM

Project Title	Lovers Lane Vineyard Conservation Project		
	SALCP REQUEST	OTHER FUNDING⁶	TOTAL FUNDING
Easement Acquisition	\$1,125,000	\$375,000	\$1,500,000
<i>Subtotal (Easement Acquisition)</i>	\$1,125,000	\$375,000	\$1,500,000
Associated Costs⁷ These costs may include, but are not limited to, the appraisal, title, escrow, closing costs, staff time, technical consultants and legal fees. The appraisal cost is the responsibility of the applicant and/or landowner, but is eligible for reimbursement if included as an Associated Cost below.			
Information regarding subcontractors, staff, and the stewardship fund is entered on the next page			
Subcontractors and staff	\$31,880	\$	\$31,880
Title insurance and closing costs	\$6,513	\$	\$6,513
Materials, printing, copying	\$250	\$	\$250
Baseline Conditions Report	\$6,000	\$	\$6,000
<i>Subtotal (Associated Costs)</i>	\$44,643	\$	\$44,643
Stewardship Fund⁸		\$35,000	\$35,000
GRAND TOTAL	\$1,169,643	\$410,000	\$1,579,643

⁶ In order to leverage the funding available, the SALC Program will require match funding toward the direct easement acquisition cost. The SALC Program may contribute up to seventy-five percent (75%) of the fair market value of ACEs not located within a disadvantaged community and up to ninety percent (90%) of the fair market value of ACEs located within a disadvantaged community. Funds from multiple sources may be pooled to complete projects. For additional details regarding match funding, please refer to the 2016-17 SALC Program Guidelines, page 21-22.

⁷ To be eligible for reimbursement, direct costs paid to the applicant shall have been incurred after the complete application was submitted to the department and no more than 180 days before the execution of the grant agreement or during the grant term, and shall not exceed ten percent (10%) of the value of the easements for which the costs were incurred. (PRC §10231).

⁸ Up to fifty (50%) percent of contributions to an agricultural conservation easement monitoring endowment for the subject property may be provided as a component of a qualified grant match under this division, as determined by the department (PRC §10233a).



SUBCONTRACTORS AND STAFF

Subcontractors and staff required to accomplish the project (totaled in the Associated Costs above) should be listed in this table. Subcontractors added at a later date may be subject to competitive bid requirements.

NAME	TITLE	RATE	HOURS	FUNDING REQUEST
Doug Kern	Director of Conservation	\$80/hr	65	\$5,200
Nicolet Houtz	MLT Conservation Project Manager/GIS Specialist	\$50/hr	16	\$800
Roger Sternberg	Land conservation consultant	\$80/hr	136	\$10,880
Ron Garland	MAI appraiser	-	-	\$10,000
Nelson Lee	Attorney	\$250/hr	20	\$5,000
			Subtotal	\$31,880

ADDITIONAL EXPLANATION

Pre-acquisition activities include: general project and financial management, preparation of drafts of Conservation Easement (3-4 drafts) for acceptance by the MLT Board, landowner, respective legal counsel and Department of Conservation, field work to identify (and mark on the ground) agricultural building envelope boundaries; project management and oversight: review and approval of appraisal, obtaining Board of Supervisor's and Ukiah City Council resolutions of support, preparation of a Baseline Report, and coordinating closing. Legal costs include: preparation of Option; Subordination Agreement, Purchase and Sales Agreement; review of Easement and Title Report; escrow instructions.

STEWARDSHIP FUND

See fund calculations on the following page. The fund principal is based upon using 3% of the annual return on investment for monitoring. The remaining interest income is reinvested into MLT's Stewardship and Legal Defense Fund.



SALC Program Agricultural Conservation Easement Grants

Lovers Lane Vineyard Conservation Project Stewardship and Legal Defense Fund Calculations		Annual Cost	Endowment plus Legal Defense Provision
Annual Activities			
Monitoring		\$ 450.00	
Additional professional services		\$ -	
Travel/Lodging and meals		\$ 62.15	
Administration and report writing		\$ 200.00	
Materials, postage, copying, photography, GIS support		\$ 25.00	
Additional staff involvement		\$ -	
Total annual monitoring costs		\$ 737.15	
Endowment to generate annual cost of monitoring			\$ 24,571.67
MLT required approvals			<u>\$ 500.00</u>
			\$ 25,071.67
Subtotal			
Provision for legal defense of easement			\$10,000.00
Total stewardship and legal defense principal*			\$ 35,071.67
Notes for line items above	Hours	Rate	Total annual
Monitoring time	8	\$ 50.00	\$ 400.00
(Including arranging for site visit, site visit, travel)			
Additional professional services			\$ -
Travel/lodging and meals	110	0.565	\$ 62.15
Administration and report writing	3	\$ 50.00	\$ 150.00
Materials, postage, copying, photography, GIS support			\$ 25.00
Additional staff involvement in monitoring			0.00
Future staff involvement in required approvals	10	\$ 50.00	\$ 500.00
* Final amount to be based on provisions in the Conservation Easement approved by all parties.			



SALC Program Agricultural Conservation Easement Grants

EASEMENT ACQUISITION SUMMARY SHEET

SUSTAINABLE AGRICULTURAL LANDS CONSERVATION PROGRAM

All fields in this section must be filled out in order for the application to be considered complete.

Project Title	Lovers Lane Vineyard Conservation Project		
Landowner Name(s)/ Ownership Structure	Mendo Farming Company, LLC		
Street Address of Property (or nearest cross streets)	610 Lovers Lane		
Project APN(s)	170-010-05, 170-020-07, 170-020-08, 170-020-11, 170-030-03, 170-030-05, 170-040-03, 170-040-04		
Distance from nearest Sphere of Influence and City (name)	Within City of Ukiah Sphere of Influence		
Total Project Acreage	133.5	Prime Farmland⁹ Acres	27.0
		Farmland of Statewide Importance Acres	101.6
		Irrigated Acres	108
		Nonirrigated / Grazing Acres	0
		Nonagricultural Acres	2.3
Current Zoning/ Minimum Parcel Size	A-G 40-acre minimum lot size		
Number of existing legal parcels¹⁰	Five		
Proposed number of easements	One		
Would proposed easement(s) prohibit further subdivision of existing legal parcels? (please explain)	☒ Y ☐ N		
Would proposed easement(s) prohibit sale of existing legal parcels separately from other parcels in easement area? (please explain)	☒ Y ☐ N		

⁹ Prime Farmland as mapped by the California Department of Conservation [Farmland Mapping and Monitoring Program](#).

¹⁰ Please confirm this information with the relevant County Planning Department.



SALC Program Agricultural Conservation Easement Grants

Water Rights and Source(s)	Pond on property- 49 acre-feet		
Description of the Mineral Rights Estate	No outstanding mineral rights		
	<i>If Yes for items below, please explain:</i>		
Third party mineral rights holder(s)?	Y ☒ N ☐		
Oil and/or gas lease(s)?	Y ☒ N ☐		
Severed mineral rights?	Y ☒ N ☐		
Evidence of past mining?	Y ☒ N ☐		
Number of single-family (SF) residences currently on the property	None		
Approximate size of each SF residence (square footage of living area)	Not applicable		
Number of additional SF residences to be reserved in easement (if any):	None		
Size restriction (sq ft), if any, on reserved and/or existing SF residences	Not applicable		
Number of farm labor residential structures/units currently on property	None		
Approximate size of each farm labor residence (square footage of living area)	None		
Number of additional farm labor residential structures/units to be reserved in easement (if any)	None		
Size restriction (sq. ft.), if any, on reserved and/or existing farm labor residences	None		
Existing Building Envelope(s) on the property?	☒ Y ☐ N	Approximate Acres:	1.0
Building Envelope(s) to be reserved (e.g., residential, ag. employee, agricultural infrastructure)?	☒ Y ☐ N	Approximate Acres:	1.0
Other uses ¹¹ (e.g., oil and gas site, solar, communication towers)	☒ Y ☐ N	Please list: Solar-powered electrical generation structures for use primarily on property.	

¹¹ Other uses listed here are subject to review and approval by the Department. In order to be considered in the easement, other used must be included here.



Risk of Conversion Summary Sheet and Supporting Evidence

Please check the option below that best describes the risk to the property and describe the supporting evidence provided, such as, relevant development proposal, Certificates of Compliance, county General Plan sections, etc.

Residential Risk		Description and reference to Supporting Evidence included in the Application
	1. Agricultural land identified for development as evidenced by inclusion in a development proposal submitted to the local government, undergoing environmental review, or publicly available from controlling interests within the past 5 years.	
X	2. Agricultural land identified for potential rezoning to non-agricultural use by a jurisdiction as evidenced by a revised zoning proposal or land use plan, or undergoing environmental review, within the past 5 years.	<i>In 2015, the County rezoned 17 acres from Agland to Rural Residential 1-acre and 3-acre designation. This property, APN 170-060-01, lies adjacent to and south of the vineyard.</i> <i>The County is in the process of reviewing a residential development application to rezone 23 acres owned by the Mendo Farming Company for urban/suburban residential development based on the recognized need for housing in the Ukiah area. This land is not included in the proposed Conservation Easement.</i>
	3. Agricultural land within a city's Sphere of Influence or municipal service boundary and, if applicable, within the city's urban growth boundary according to the city's general plan.	<i>As noted previously, the property lies within the City of Ukiah Sphere of Influence.</i>
	4. Agricultural land within a proposed expanded city boundary (annexation), Sphere of Influence, municipal service boundary, or specific plan.	
	5. Agricultural land within two miles of a city's Sphere of Influence or municipal service boundary, or within two miles of an unincorporated area which is zoned for or contains residential development where the average lot size is two acres or less.	
	6. Agricultural land that is determined to be in conformance with the Subdivision Map Act based on county-issued Certificates of Compliance.	



	7. Agricultural land up to five miles from land developed or zoned for rural residential use (one to ten acres) in the county General Plan.	
	8. Agricultural land within five miles of other agricultural land sold or advertised as rural home sites, rural recreational sites, or other development as evidenced through comparable sales, multiple listing services, or similar property sales tools within the last five years.	
Risk of subdivision to current zoning minimums		
	9. Agricultural land located within two miles of attraction(s) such as a casino, resort, golf course, public recreation area, school or university; within two miles of a major highway intersection ¹² ; or within two miles of a planned road expansion project that increases vehicle capacity (e.g., additional lanes).	

DETAILED CHARACTERISTICS OF THE PROPOSED PROJECT

This section should be used to explain attributes of the proposed easement, the applicant's capabilities, and local government policies and actions that are relevant to the goals of the Sustainable Agricultural Lands Conservation Program. This section should not exceed six (6) pages. Please answer the following questions, maintaining the lettering format below.

- a. Is the parcel proposed for conservation expected to continue to be used for, and is it large enough to sustain, commercial agricultural production? Is the land in an area that possesses the necessary market, infrastructure, and agricultural support services? Are the surrounding parcel sizes and land uses likely to support long-term commercial agricultural production? How does the subject property's size compare to typical agricultural operations in the vicinity?

The following factors indicate the economic viability of the Lovers Lane Vineyard:

- 1) Lovers Lane Vineyard has been in commercial production for over 100 years.
- 2) The property was acquired in 2012 by the present owners.
- 3) Approximately \$250,000 was invested in planting this year. Recognizing the long-term productivity of the property, American Ag Credit provided a portion of the financing of the vineyard's acquisition. Another \$50,000 in upgrades to the property occurred in 2016.
- 3) In 2015, the owners acquired an Option to Purchase that pertained to the parcel containing the pond, thus ensuring an ample water supply for vineyard production.
- 4) In 2016, the owners purchased an additional 11.5 acres of land for vineyard production.
- 5) The Mendo Farming Company has indicated an interest in purchasing additional farmland adjacent to, and south of, the property.
- 6) Approximately 95% of the vineyard contains Prime Farmland soils or soils of Statewide Importance

¹² Refer to 2016-17 SALC Program Guidelines Glossary for major highway intersection definitions for the purposes of the SALC Program



7) Lastly, the fact that the landowners are willing to forego any future development on the conserved land, indicates both their commitment to farming the land and their recognition of its economic viability.

The 133.5 acres of Lovers Lane Vineyard is considered to be a relatively large holding amongst the vineyards in the Ukiah Valley, where the average sized vineyard is 20-25 acres.

Although the property is bordered on three sides by rural and residential development, as the Geographic Area Map indicates (Attachment 1), there are numerous active farm holdings in the area – approximately 1,700 acres of agricultural land within a two-mile radius. These farms will continue to require agricultural support services.

b. What agricultural infrastructure exists on the property? Describe irrigation systems, any permanent crops, agricultural employee housing, other housing, agricultural buildings and facilities.

The following infrastructure exists on the property.

- Pump house – 100 sq. ft.
- Farm storage area with equipment storage bin – 1 acre (+/-) to be reserved
- Compost storage area – 2 acres (+/-) to be reserved
- Pond – 49-acre feet and irrigation system
- Fences
- Roads
- Utilities

The table below outlines the current vineyard inventory.

Block	Variety	Clone	Rootstock	Vines	Spacing	Acres	Year Planted
1	Zinfandel	Mendo	110R	18,723	7x6	18.05	1997
2	Cabernet	7	110R	24,443	7x5	19.64	1997
3	Cabernet	7	110R	26,513	7x5	21.30	1997
4	Cabernet	4	1103P	20,685	7x5	16.62	1998
6A	Pinot Noir	5 & 115	101-14	4,980	7x5	4.00	1998
6B	Petite Sirah	3	101-14	3,138	7x5	2.52	1998
7	Cabernet	337	110R	17,514	7x5	14.07	1998
9	Petite Sirah	3 & 6	1103P	12,000	7x5	10.00	2017
10	Carignane	Old	St. George	2,722	12x8	6.00	1941
11	Petite Sirah	3	1103P		9x5	4.00	2000
Total				130,718		116.2	

c. What is the quality of the agricultural land based upon NRCS soil survey, Farmland Mapping and Monitoring Program (FMMP)¹³, or other measures? Are there soil, climate, or vegetative factors that are particularly significant for this property?

¹³ Important Farmland Maps are available at: <http://www.conservation.ca.gov/dlrp/fmmp/Pages/Index.aspx>



The farmland soils on the property are very productive, classified as follows:

- Prime: 27 acres
- Statewide importance: 101.6 acres
- Unique: 1.9 acres

The Mediterranean climate of Northern California is uniquely conducive to growing high-quality, world-class wines. Unlike many vineyards in the Ukiah Valley, the Lovers Lane Vineyard also benefits significantly from cooling westerly in the summer.

An important edaphic factor on the vineyard is its Pinnobie loam soil (approximately 50 acres), which is particularly productive in that its structure consists of a mix of clay and small rock fines. This soil type is found in only a small percentage of soils in Mendocino County.

d. Are there secondary natural resource considerations associated with this proposal, including factors such as open space preservation, wetland protection, or wildlife habitat conservation? Is the property adjacent to other permanently protected property (e.g., other agricultural conservation easements, habitat conservation easements, or other fee-title protection)? Would the agricultural conservation easement act as a community separator or greenbelt?

The agricultural conservation easement could act as an important community separator – similar to the nearby Low Gap Regional Park and Vinewood Park. (Please refer to the Geographic Area Map, Attachment 1.)

e. Is there coordination among affected landowners, local governments, and non-profit organizations concerning this proposed project as well as other local agricultural land conservation activities? Written support from any individuals and/or entities that are affected by the project may be submitted with the application.

Letters of support have been obtained from U.S. Congressman Jared Huffman, State Senator Mike McGuire, and State Assemblymember Jim Wood.

Resolutions of support shall be sought from both the County and the City of Ukiah in the event that project funding is approved.

Meetings and contacts with some of the landowners adjacent to the property have occurred, but have not resulted to date in an interest in land conservation.

MLT staff are actively participating in the farmland conservation planning process led this year by the Mendocino County Resource Conservation District (MCRCD), and MLT anticipates working with the MCRCD to implement the plan by working to conserve those farms and ranches that are identified as high-priorities. It is likely that much of this effort will be in the Ukiah Valley, which is the location of the Lovers Lane Vineyard.

f. Are there any innovative agricultural land conservation approaches that would be utilized in this project that might have application to other regions of the state? Does the project currently



SALC Program Agricultural Conservation Easement Grants demonstrate or have the potential to contribute to carbon sequestration or to decrease greenhouse gas emissions through its cropping patterns or management practices?

As indicated previously, the purchase of the Conservation Easement on the Lovers Lane Vineyard will leverage the generous donation of a conservation easement on the 84.08-acre Ghianda Rose Vineyard in Hopland, resulting in the permanent conservation of an additional 60 acres of productive vineyard and rangeland.

Innovative farming techniques on the Lovers Lane Vineyard include:

- 1. An irrigation system that significantly reduces the normal amount of water for vineyards, water catchment for the pond from runoff.*
- 2. Sheep are used to graze between the vineyard rows and provide fertilizer to the crops, thereby decreasing the use of agricultural equipment and associated gas emissions.*
- 3. Compost is produced annually by collecting waste from winery processing and dairy waste and applied at a rate of approximately 3 tons per acre.*
- 4. In addition to technique numbers 2 and 3, a legume-mix cover crop is planted annually to reduce commercial fertilizer applications.*
- 5. No herbicides are used.*

Vineyards, in particular, have the potential for increased carbon sequestration when compared to annual crops. The reserved riparian area along the Russian River will also act as an important carbon sink.

g. Is there evidence that, by acquiring an agricultural conservation easement on the proposed project, development pressures on neighboring agricultural lands will be reduced?

The purchase of a conservation easement on Lovers Lane Vineyard may motivate adjacent landowners to work with MLT on the conservation of their property, thereby reducing development pressure. While contacts of adjacent landowners have not resulted in their participation so far, one vineyard owner located approximately four miles to the north has expressed an interest in exploring conservation of his family's property.

Conservation of farmland, ranchland and prime agricultural lands is part of the mission of the Mendocino Land Trust. MLT already holds four conservation easements with agricultural components and is regularly contacted by farmers and ranchers interested in exploring land conservation. We are very excited about continuing to work in the growing field of agricultural and farmland conservation in Mendocino County.

h. How do the general plan and other land use policies¹⁴ of the affected city or county demonstrate a long-term commitment to agricultural land conservation in general, and this proposal specifically? (Descriptions and web site links to specific current policies is sufficient.)

¹⁴ Including: Policies of the Local Agency Formation Commission, California Environmental Quality Act policies, the use of an effective right-to-farm ordinance, approved greenbelts or urban separators, applied strategies for the economic support and enhancement of agricultural enterprise (e.g., water policies or public education), and other relevant policies and programs (PRC §10252(c)).



Both the County and City of Ukiah are committed to agricultural land conservation. Please refer to page for citations from the Mendocino County Plan and the City of Ukiah General Plan

Further, Mendocino County adopted a "Right to Farm" ordinance in 1983 and the Mendocino County Local Agency Formation Commission (LAFCO) follows the stated policy in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 which recognizes the conservation of prime farmland as an important factor in balancing development and developing local agency boundaries.

i. Is the proposed project currently within a Land Conservation (Williamson) Act Agricultural Preserve? Is the property currently under a Williamson Act contract or in a Farmland Security Zone? If so, how does this status impact the timeframe for future conversion from agricultural use?

The Lovers Lane Vineyard is not within a Land Conservation Act Agricultural Preserve and is not enrolled in the Williams Act Program.

j. What are the fiscal and technical capabilities of the applicant to carry out this project? (Technical capability may be demonstrated by agricultural land conservation expertise on the governing board or staff of the applicant, through partnership with an organization that has that expertise, or professional accreditation.)

The Mendocino Land Trust is the oldest land trust in Mendocino County and has been conserving land since 1976. It has four full-time and two part-time staff and an active Board of Trustees that meets 12 times per year. MLT has conserved approximately 14,000 acres of land in the county, including one vineyard and two ranches. It has five active land conservation projects underway, two of which involve farmers and ranchers.

The Land Trust acquired and manages five properties that are heavily used by the public: Hare Creek Beach, Seaside Beach, Big River, Pelican Bluffs and Navarro Point. In addition, it has an active coastal trail program, managing ten California Coastal Trail (CCT) segments. MLT is the principal partner in management of the Big River State Park in Mendocino. In addition, MLT has completed the construction of 10 miles of the California Coastal Trail and holds 74% of the public access easements in the state.

In December 2013, MLT purchased a conservation easement on the 53-acre Gobbi Street Vineyard in Ukiah and, as part of the project, accepted a donation of a conservation easement on the 156-acre Dark Horse Ranch. These conservation projects were the first funded by the California Farmland Conservancy Program in Mendocino County.

All 16 conservation easements (on a total of 6,307 acres) held by MLT are monitored annually. A separate Stewardship and Legal Defense Fund is used to fund conservation easement stewardship and would be utilized should legal defense of a conservation easement be required. In addition, the Mendocino Land Trust is enrolled in the new Land Trust Alliance easement defense insurance program, which covers the 16 aforementioned conservation easements, as well as our fee-owned properties. For a map showing MLT's partnerships and land holdings, please see Attachment 6.

Some of MLT's funding partners include: State Coastal Conservancy; Wildlife Conservation Board; Caltrans; Save-The-Redwoods League; Trust for Public Lands; Packard Foundation; Goldman Foundation; California Department of Parks and Recreation; California Department of Fish and



SALC Program Agricultural Conservation Easement Grants
Game; California Coastal Commission; US Fish and Wildlife Service; National Fish and Wildlife Service; CalFIRE; Mendocino County Natural Resources Conservation Service; The Conservation Fund; The Bechtel Foundation; Whale Tail Grants; Mendocino County Fish and Game Commission; and the Department of Conservation's California Farmland Conservancy Program.

MLT's organizational capacity is further demonstrated by its accreditation in 2016 by the Land Trust Alliance.

k. As the stewardship fund holder, what would the applicant's capacity be to effectively manage the endowment and ensure that the funds are tied to the specific property? Does the applicant have the capacity to achieve reasonable rates of return on the investment of the endowment funds similar to those of other prudent investors for endowment funds? Can the applicant demonstrate good faith and care in managing and investing the endowment?

Our Stewardship and Legal Defense Funds are in a restricted account and currently total almost \$470,000. This amount will increase to \$1,000,000 at the end of 2017 when a pending easement is completed. Created by the organization's Board of Director's Finance Committee, MLT has a comprehensive financial management policy in place to manage these funds, which includes our financial objectives. MLT's Finance Committee sought the advice of numerous financial managers to develop its strategy for financial management. Returns have been reasonable and steadily growing. The MLT Financial Management Policy is available upon request.

l. If this application is being submitted in conjunction with the administrative requirement for reimbursement of a Conservation Strategy and Outcomes grant, what strategy is being pursued through that process? How would the proposed easement meet the Conservation Strategy and Outcomes project's intended goals?

This application is not being submitted in conjunction with a Conservation Strategy and Outcomes grant.

PUBLIC NOTICE REQUIREMENTS

Option B is being followed for public notice of the proposed conservation easements. A copy of the letter of notification on the proposed easements was sent to the Mendocino County Planning Director (Attachment 8). A notice will be published in the *Ukiah Daily Journal* prior to the decision on funding by the Department of Conservation.

Neighboring landowners will be notified of the proposed easement and Local Government Resolutions of Support will be obtained from the County of Mendocino and City of Ukiah.

APPRAISAL

A Preliminary Appraisal was prepared on July 30, 2017 by MAI Appraiser Ron Garland for the Mendocino Land Trust. The preliminary Conservation easement value for the Lovers Lane Vineyard was \$1,500,000. (Please refer to the Preliminary Appraisal summary page and accompanying material from Mr. Garland in Attachment 15.



The appraised value and summary page for the Ghianda Rose Vineyard are included in the separate application for that property.

Full Narrative Appraisal Reports will be prepared by Mr. Garland for both properties if the applications for funding are approved. The appraisals will comply with the Department of Conservation's "Overview and Preparation of Agricultural Conservation Easement Appraisals".

MLT's standards for both appraisals and proof of title meet or exceed those of the Land Trust Alliance "Standards and Practices." (Please refer to Attachment 17 for a copy of the Trust's Land Trust Alliance's letter of certification.)

EASEMENT MONITORING PLAN

The applicant, who will become the easement holder, must submit a plan that describes how the easement will be monitored following its completion. The plan must address all of the following **(three (3) page maximum)**:

- ❖ The plan for compiling a baseline conditions report. This report must be reviewed and approved by the Department, with a final hardcopy submitted at the close of escrow.

A Baseline Report will be prepared by MLT prior to recording the Conservation Easement and will include maps, photos, summary of reserved rights and restrictions, copy of the Conservation Easement, other relevant documents. The draft Baseline Report will be shared with the CFCP and FRPP prior to close of escrow, with the final copy completed within 30 days of recordation of the conservation easement.

- ❖ The process and frequency of monitoring.

The Conservation Easement Area will be monitored annually. If needed, a site visit will also occur in association with any approvals by MLT identified in the Easement.

Properties conserved via Conservation Easements are monitored by MLT by a combination of volunteers and staff. In this case, the Project Manager will review the elements of Conservation Easement on-site with an assigned volunteer or staff person to ensure that the Easement elements and monitoring requirements are fully understood by the monitor.

Photo points identified in the Baseline Report will be monitored annually and re-shot to document any changes in property condition.

Problems associated with potential violations of the Easement are handled by MLT staff in consultation with its Lands Committee.

- ❖ How monitoring documents will be archived.

Conservation Easement monitoring documents are kept in triplicate:

1. *Original paper copy in fireproof safe*
2. *Working paper copy*
3. *Scanned digital file stored offsite*



- ❖ How the Stewardship Fund budget reflects the costs of monitoring and any necessary enforcement.

The Stewardship and Legal Defense Fund's estimated budget on page 7 is based on projected annual costs for monitoring, reporting, coordination and oversight of volunteers, and travel costs to the Lovers Lane Vineyard from Fort Bragg, California. Based on MLT's experience with monitoring 18 properties, the estimate reflects realistic yearly expenses.

The landowner contribution of \$10,000 to the Legal Defense Fund is an amount that is added to the Fund, all of which may be utilized for legal defense of an easement. As noted previously, MLT is also enrolled in the Land Trust Alliance's easement defense program.

- ❖ The plan for managing the Stewardship Fund.

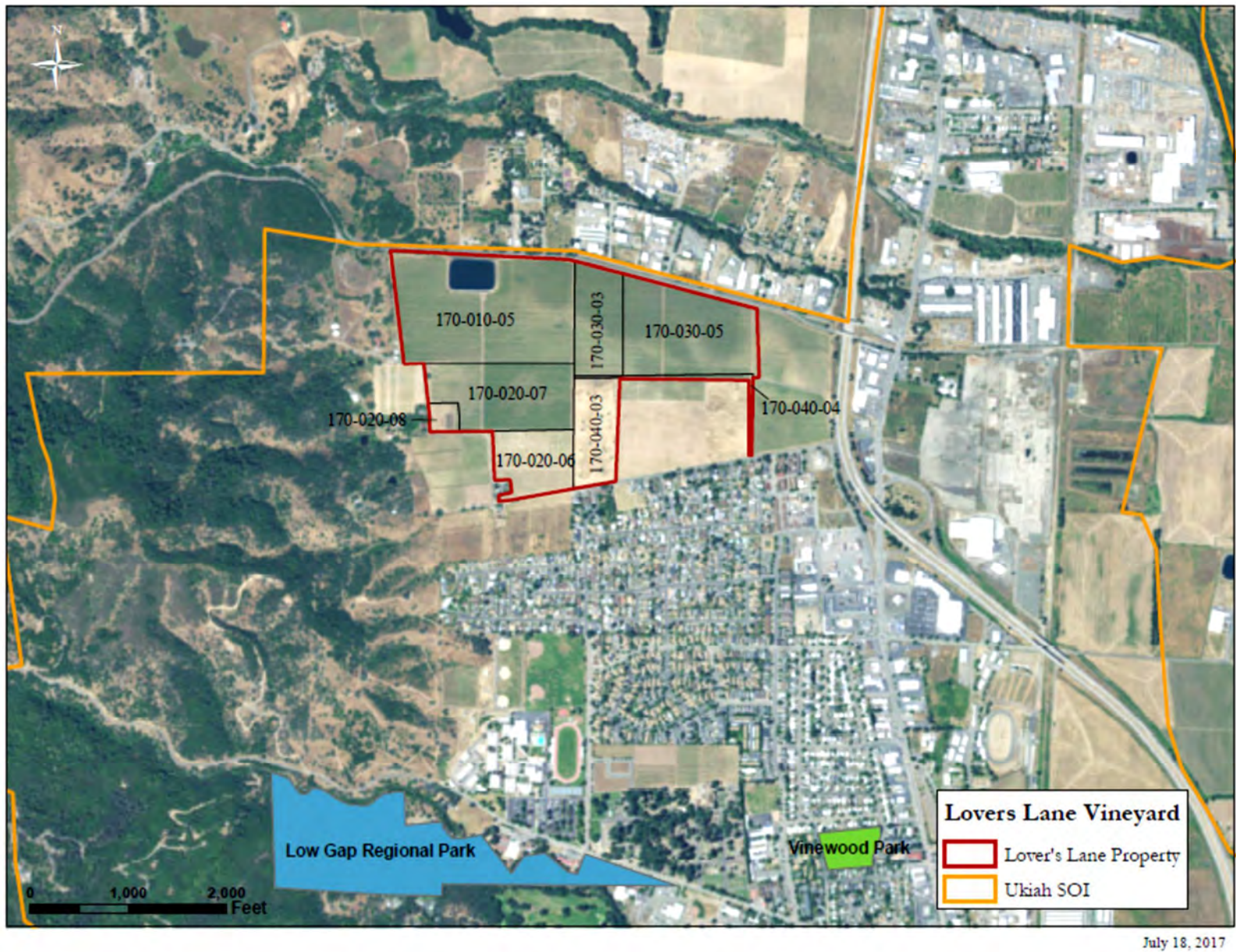
MLT has prepared a 20-page Financial Management Plan, which is available on request.



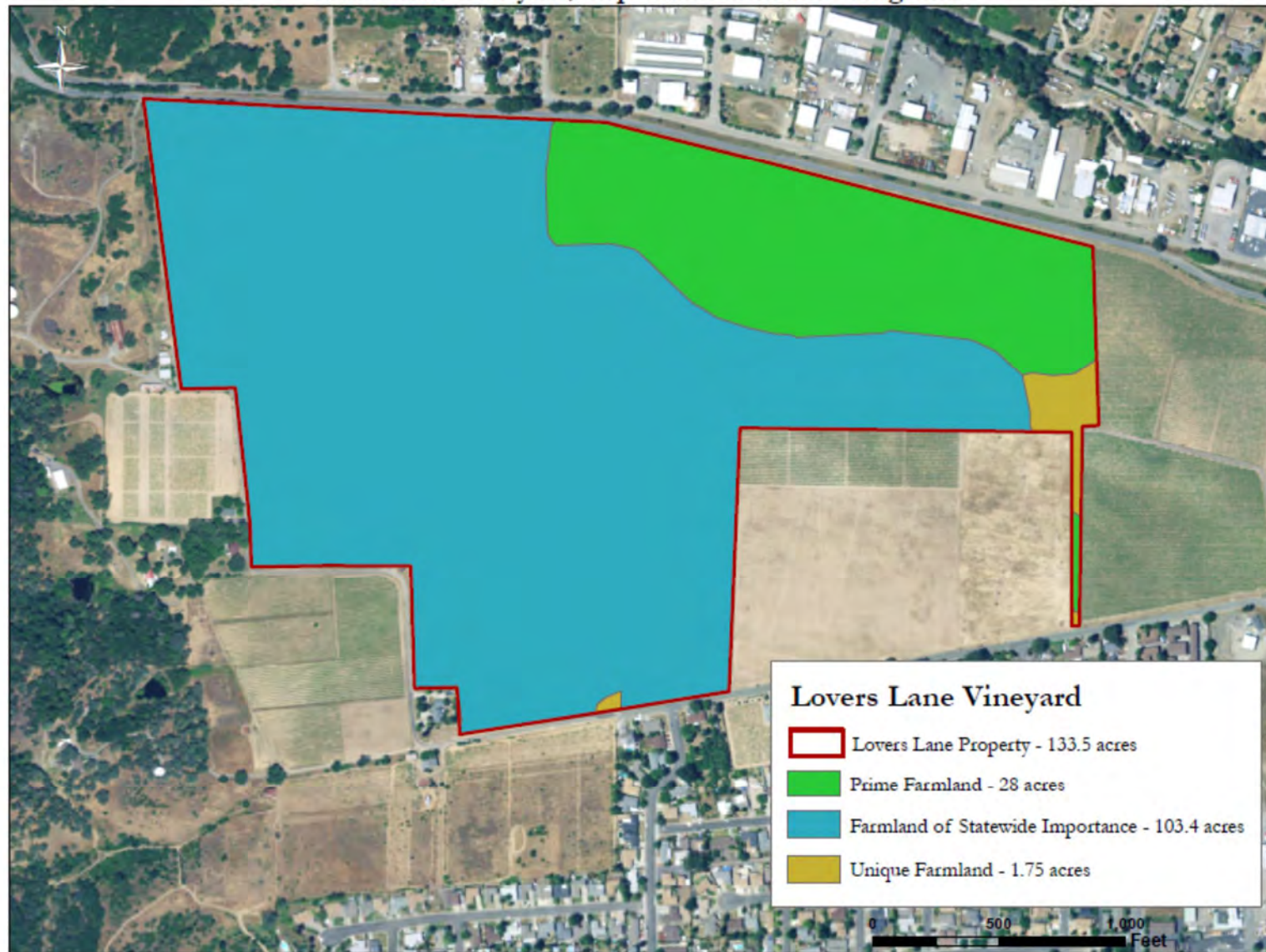
ATTACHMENTS

1. Geographic Area Map With Boundaries of Proposed Agricultural Conservation Easement, Assessor's Parcels and Sphere of Influence Boundary
2. Soils Map
3. Topographic Map
4. Map of Current City of Ukiah Sphere of Influence
5. Map of Zoning in Area of Subject Property
6. Map of Mendocino Land Trust Projects
7. Photographs of property
8. Mendocino Land Trust Letter to Acting Mendocino County Interim Planning Director: intent to apply for SALC Program funding
9. Landowners' Letter of Intent to Conserve
10. Mendocino Land Trust Non-profit IRS status
11. Mendocino Land Trust Articles of Incorporation
12. Mendocino Land Trust By-laws
13. Mendocino Land Trust Board Certification of No Conflict of Interest
14. Mendocino Land Trust Policy on Amendment of Conservation Easements
15. Summary Page and Additional Information From Preliminary Appraisal of July 30, 2017
16. Detailed Characteristics of the Conservation Easement: Draft Land Conservation Plan used as template for Conservation Easement
17. Land Trust Alliance Certification
18. Implementation Schedule
19. Letters of Support
20. Platted Easements Map
21. Preliminary Title Report and Underlying Documents: *Sent via separate email and on CD with hard copy of application*

Attachment 1: Geographic Area Map

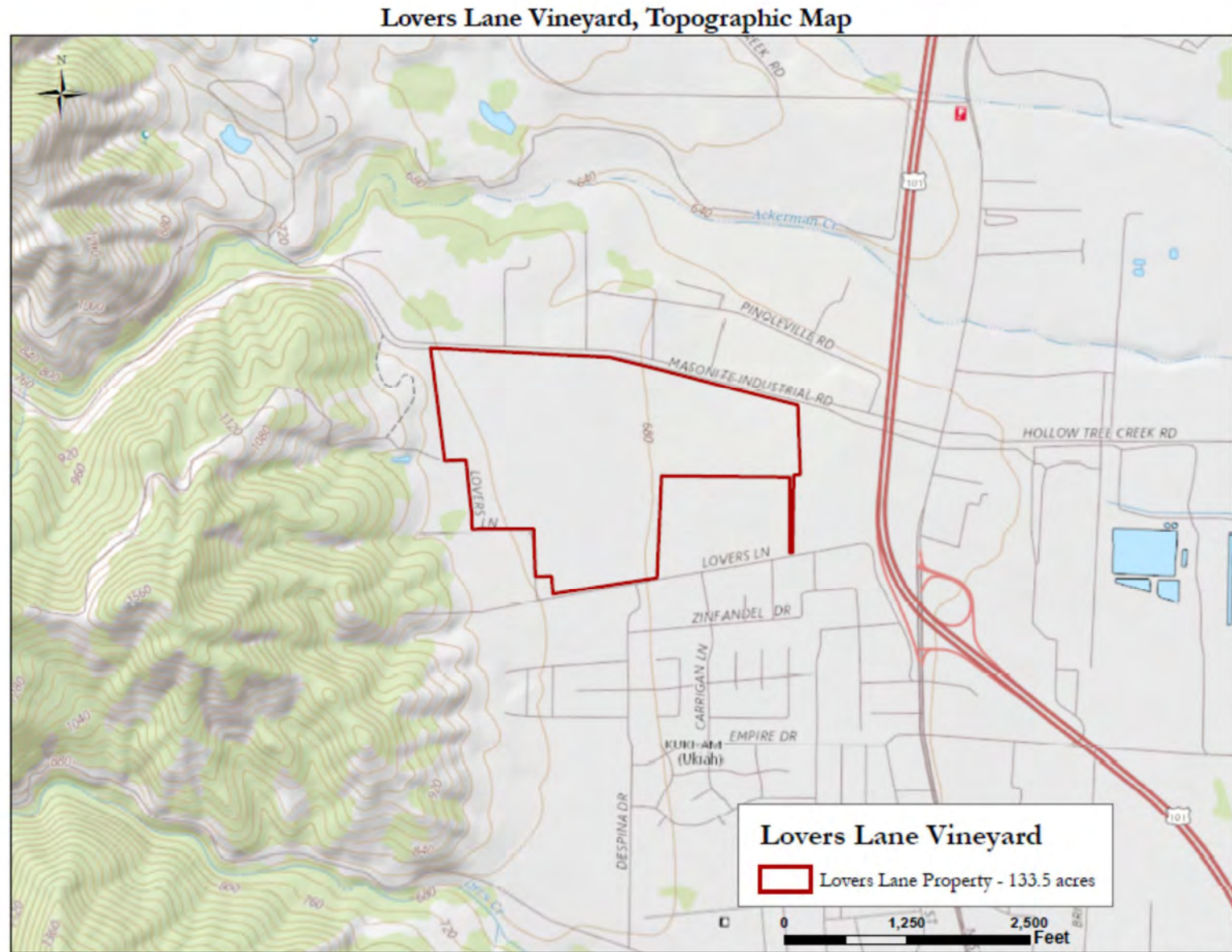


Lovers Lane Vineyard, Important Farmland Categories



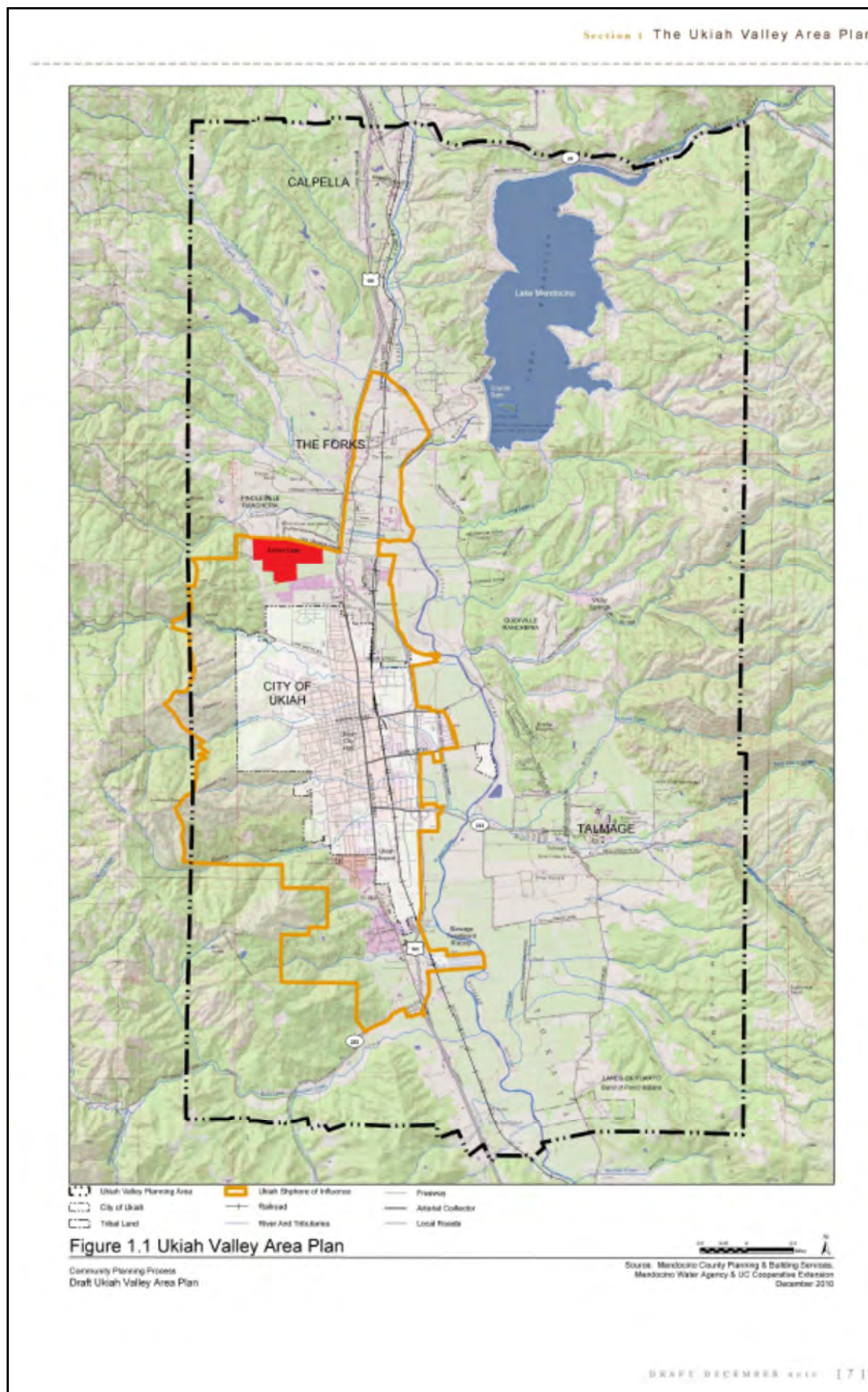
July 31, 2017

Attachment 3: Topographic Map

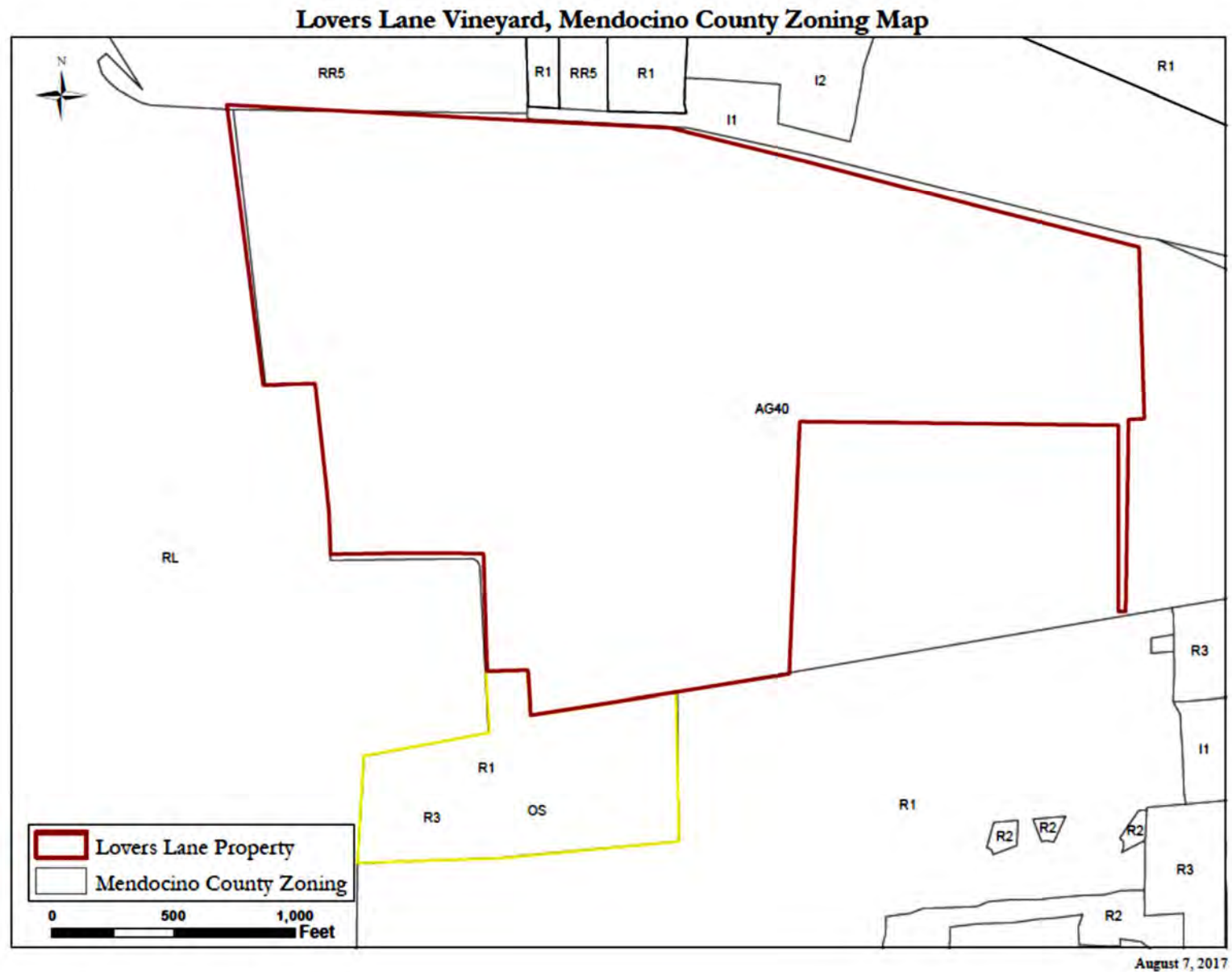


July 31, 2017

Attachment 4: Map of Current City of Ukiah Sphere of Influence



Attachment 5: Zoning in Area of Subject Property





Attachment 7: Photographs of Property



Irrigated Cabernet Vines



Irrigated Zinfandel vines with pond in background



Mendocino Land Trust
PO Box 1094
Mendocino, CA 95460
(707) 962-0470

June 27, 2017

Mr. Nash Gonzalez, Interim Planning Director
Mendocino County Planning & Building Services
860 North Bush Street
Ukiah, California 95482

Dear Mr. Gonzalez,

I am writing to inform you of the Mendocino Land Trust's (MLT) intent to submit a grant application to the State of California Sustainable Agricultural Land Conservation Program. MLT is applying to obtain funds to acquire agricultural conservation easements on the following two properties in Mendocino County:

Lovers Lane Vineyard (see attached map)

- Owners: Mendo Farming Company, LLC
- Location: 610 Lovers Lane, Ukiah, California
- Size: 130.5 acres
- Assessor's Parcel Numbers: 170-010-05, 170-020-07, 170-020-08, 170-020-11, 170-030-03, 170-030-05, 170-040-03, & 170-040-04

Ghianda Rose Vineyard (see attached map)

- Owners: Gobbi Street Vineyard, LLC
- Location: 11415 Old River Road, Hopland, California
- Size: 84.08 acres
- Assessor's Parcel Numbers: 047-370-09, 047-430-09, 047-430-12, & 047-430-13

As their names suggest, both properties are active vineyards, and it is MLT's and the landowners' goal to ensure that they remain in permanent agricultural production.

As of this writing, the owners of the Ghianda Rose Vineyard plan to donate a conservation easement to MLT and to sell a conservation easement on the Lovers Lane Vineyard at less than its fair market value.

Please contact me if you have any questions.

Sincerely,

Douglas Kern, Director of Conservation
Enclosures: maps of Lovers Lane and Ghianda Rose vineyards

Attachment 9: Landowners' Letter of Intent to Conserve



Mendocino Land Trust
PO Box 1094
Mendocino, CA 95460
(707) 962-0470

July 17, 2017

Mr. Paul Dolan, Mr. Heath Dolan
 Mr. Peter Dolan, Mr. Dan Carroll
 Mr. Zack Shats, Mr. Peter Chevalier
 Ms. Jode Chevalier
 5341 Old River Road
 Ukiah, California 95482

RE: ACQUISITION OF CONSERVATION EASEMENT ON LOVERS LANE AND GHIANDA ROSE VINEYARDS

Dear Landowners,

It has been a pleasure to discuss the protection of your farms with agricultural conservation easements that will ensure that you will be leaving a lasting legacy of open space and that furthers the Mendocino Land Trust's mission of conserving farmland in Mendocino County. As we have discussed, the objectives of the easements would be to prevent further subdivision of the farms and to maintain the land in agricultural production.

The lands under discussion are as follows:

Property/Location	Size	Assessor's Parcel Numbers
Lovers Lane Vineyard Ukiah, California	130.50 acres	170-010-05, 170-020-07, 170-020-08, 170-020-11, 170-030-03, 170-030-05, 170-040-03, & 170-040-04
Ghianda Rose Vineyard	84.08 acres	047-370-09, 047-430-09, 047-30-12, & 047-430-13

We will be making an application for funds to acquire conservation easements through the Sustainable Agricultural Land Conservation Program. This funding is highly competitive and there is no guarantee that we will be successful with our application.

You have told me that you are willing to convey conservation easements on these properties if the following conditions are met:

- Acceptance of the Conservation Easements' values as determined by an appraisal by a qualified appraiser;
- Grants for the purchase of an Easement on Lovers Lane are secured by the Mendocino Land Trust;
- Acceptable terms and restrictions in the Conservation Easements are agreed upon by all parties and funders;

- Agreement over the sale price of the Conservation Easement on the Lovers Lane Vineyard, including consideration of its sale at less than fair market value ("bargain sale") which normally can be deducted from federal and state income taxes;
- Agreement that you will be donating a conservation easement on the Ghianda Rose Vineyard as part of the effort to obtain funding for conservation of the Lovers Lane Vineyard;
- Agreement over the amount of stewardship fund contributions and transaction costs payable by the landowners.

The Mendocino Land Trust is prepared to make the grant applications for funding and to obtain the support of the Mendocino County Board of Supervisors and from the City of Ukiah for the grant applications as appropriate.

In order to submit the grant application, we need a countersigned letter of intent from you. Signing this letter does not create any contractual obligation for you to convey, or the Mendocino Land Trust to acquire, the Easements on your property. Once the appraisals has been completed and accepted by you, we will draft a contract that is acceptable to both parties and begin work on the Conservation Easement agreement.

I encourage you to obtain legal and tax advice regarding this transaction. A conservation easement transaction will have tax consequences for you. It is best to seek advice early in the process. The Mendocino Land Trust staff cannot provide you any such advice.

If you agree to move forward with the transaction described in this letter, please countersign below and return a copy of this letter to me no later than July 19th. Please feel free to call me if you have any questions or concerns.

I look forward to working with you to create an important addition to our efforts to conserve critical farmland in Mendocino County and the protection of the agricultural resources on your land.

Sincerely,



Doug Kern
Director of Conservation

Accepted and agreed:

By: _____
Paul Dolan, representing
Nya Kusakabe & Sassicaia Dolan

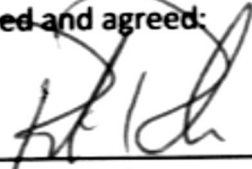
Date: _____

By: _____
Heath Dolan

Date: _____

Accepted and agreed:

By:


Paul Dolan, representing
Nya Kusakabe & Sassicaia Dolan

Date:

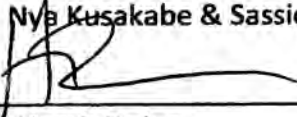
7-28-17

By:

Paul Dolan, representing
Nya Kusakabe & Sassicaia Dolan

Date:

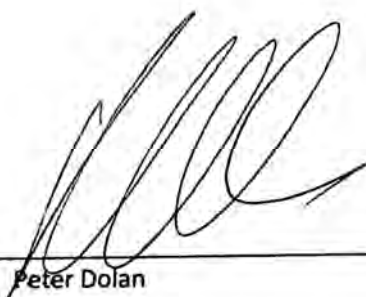
By:


Heath Dolan

Date:

8-1-17

By:


Peter Dolan

Date:

7/27/17

By:


Dan Carroll

Date:

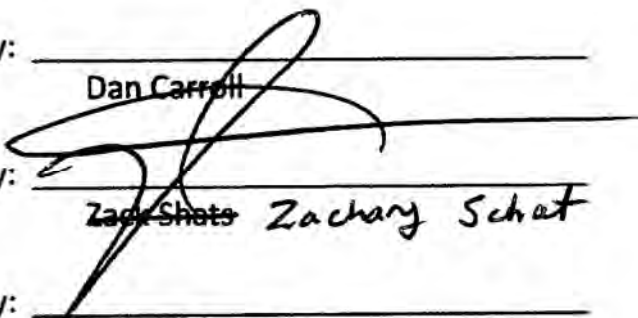
8-4-17

By:


Dan Carroll

Date:

By:


~~Zach Schat~~ Zachary Schat

Date:

8/1/17

By:


Peter Chevalier

Date:

By: _____

Zack Shats

By: _____

Peter Chevalier

By: _____

Jode Chevalier

Date: _____

Date: 7-31-2017

Date: 7/31/2017

Attachment 10: Mendocino Land Trust Non-profit IRS status

Internal Revenue Service

District
Director

* MENDOCINO LAND TRUST, INC
P.O. BOX 1094
MENDOCINO, CA 94560

EIN: 94-2362450

Department of the Treasury

P.O. Box 2350 Los Angeles, Calif. 90053

Person to Contact:

L. BARRAGAN

Telephone Number:

(213) 894-2336

Refer Reply to:

EO (0830)95

Date:

OCTOBER 13, 1995

Dear Taxpayer:

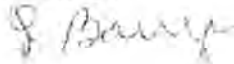
This letter is in response to your request for a copy of the determination letter for the above named organization.

Our records indicate that this organization was recognized to be exempt from Federal income tax in APRIL 1976 as described in Internal Revenue Code Section 501(c)(3). It is further classified as an organization that is not a private foundation as defined in Section 509(a) of the Code, because it is an organization described in Section 170(b)(1)(A)(vi).

The exempt status for the determination letter issued in APRIL 1976 continues to be in effect.

If you need further assistance, please contact our office at the above address or telephone number.

Sincerely,



Disclosure Assistant

ARTICLES OF INCORPORATION OF
MENDOCINO COMMUNITY LAND
TRUST, INC.

NAME

FIRST: The name of this corporation is the
Mendocino Community Land Trust, Inc.

PURPOSES AND POWERS

SECOND: The purposes for which this corporation
is formed are:

(a) The specific and primary purposes are to assist
in the acquisition, holding and disposal of land within
Mendocino County in a manner designed to promote the or-
derly and ecologically sound development of that area, to
retain, as open space for the benefit of the citizens of
that area, land which has special recreational, scenic or
environmental value, to insure the benefits of sound land
use planning for that area, and to do all of those things
in conformance with the requirements of Section 501(c)
(4) of the Internal Revenue Code of 1954, as amended, and
Sections 23701(f) and 214 of the California Revenue and
Taxation Code.

(b) The general purposes and powers are to have and
exercise all rights and powers conferred on nonprofit corp-
orations under the laws of the State of California, in-

cluding but not limited to the power to contract, rent, buy or sell personal or real property; provided, however, that this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the primary purposes of this corporation.

ORGANIZATION

THIRD: This corporation is organized pursuant to the General Nonprofit Corporation Law of the State of California and does not contemplate pecuniary gain or profit to the members thereof, and is organized only for nonprofit purposes.

PRINCIPAL OFFICE

FOURTH: The County in this State where the principal office for the transaction of business of this corporation is located is Mendocino County.

DIRECTORS

FIFTH: The names and addresses of those persons appointed to act as the first directors, those acting in such capacity being designated as "Trustees," until the selection of their successors are:

JAMES A COUPE 45040 Main St., Mendocino CA 95460

BARRY W. CUSICK 45040 Main St., Mendocino CA 95460

IVAN W. WELTY 24 Lansing St., Mendocino CA 95460

MEMBERS

SIXTH: The authorized number, if any, and qualifications

of members, classes, if any, of membership, and voting, property and other rights, including termination and transfer, of membership, shall be as stated in the bylaws.

DEDICATION AND DISSOLUTION

SEVENTH: (a) This corporation is not organized, nor shall it be operated for pecuniary gain or profit, and it does not contemplate the distribution of gains, profits or dividends to the members thereof, and is organized solely for nonprofit purposes.

(b) The property of this corporation is irrevocably dedicated to charitable purposes, and no part of the net income or assets of this corporation shall ever inure to the benefit of any Trustee, officer or member thereof or any private person.

(c) On the dissolution or winding up of this corporation, its assets remaining after payment of, or provision for payment of, all debts and liabilities of this corporation, shall be distributed to a nonprofit fund, foundation or corporation which is organized and operated exclusively for charitable purposes and which has established its tax exempt status under Section 501(c)(3) of the Internal Revenue Code, or to a governmental entity, federal, State, county or municipal, for public purposes.

(d) If this corporation holds any assets in trust, or is formed for charitable purposes, such assets shall be disposed of in such manner as may be directed by decree of the Superior Court of the county where the corporation has its principal office, on petition by the Attorney General, or by a person concerned in the liquidation in a proceeding where the Attorney General is a party.

LIMITATION ON CORPORATE ACTIVITIES

EIGHTH: None of the activities of this corporation shall consist of the carrying on of propaganda, or otherwise attempting to influence legislation, nor shall this corporation participate in, or intervene in (including the distribution or publishing of statements), any political campaign on behalf of any candidate for public office.

DISTRIBUTION OF INCOME AND

PROHIBITED ACTIVITIES

NINTH: Notwithstanding any other provision in these Articles of Incorporation, the corporation shall be subject to the following limitations and restrictions:

(a) The corporation shall distribute its income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the Internal Revenue Code of 1954 as amended.

(b) The corporation shall not engage in any act of self-dealing as defined in Section 4941, as amended, of the Internal Revenue Code of 1954.

(c) The corporation shall not retain any excess business holdings as defined in Section 4943(c) of the Internal Revenue Code of 1954, as amended.

(d) The corporation shall not make any investments in such manner as to subject it to tax under Section 4944 of the Internal Revenue Code of 1954 as amended.

(e) The corporation shall not make any expenditures which are taxable as defined in Section 4945(d) of the

LIMITATION ON CORPORATE ACTIVITIES

EIGHTH: None of the activities of this corporation shall consist of the carrying on of propaganda, or otherwise attempting to influence legislation, nor shall this corporation participate in, or intervene in (including the distribution or publishing of statements), any political campaign on behalf of any candidate for public office.

DISTRIBUTION OF INCOME AND

PROHIBITED ACTIVITIES

NINTH: Notwithstanding any other provision in these Articles of Incorporation, the corporation shall be subject to the following limitations and restrictions:

(a) The corporation shall distribute its income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the Internal Revenue Code of 1954 as amended.

(b) The corporation shall not engage in any act of self-dealing as defined in Section 4941, as amended, of the Internal Revenue Code of 1954.

(c) The corporation shall not retain any excess business holdings as defined in Section 4943(c) of the Internal Revenue Code of 1954, as amended.

(d) The corporation shall not make any investments in such manner as to subject it to tax under Section 4944 of the Internal Revenue Code of 1954 as amended.

(e) The corporation shall not make any expenditures which are taxable as defined in Section 4945(d) of the

Internal Revenue Code of 1954 as amended.

EXECUTION

IN WITNESS WHEREOF, the undersigned, being the persons hereinabove named as the first Trustees, have executed these Articles of Incorporation on March 17 1976, 1976.

JAMES A. COUPÉ,
Incorporator

BARRY W. CUSICK,
Incorporator

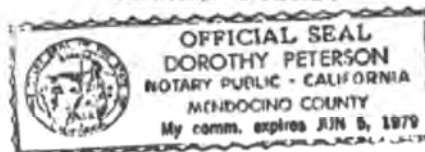
IVAN L. WELT
Incorporator

ACKNOWLEDGMENT

STATE OF CALIFORNIA)
County of Mendocino) ss

On March 17, 1976, before me, the undersigned, a Notary Public in and for said State and County, personally appeared JAMES A. COUPE, BARRY W. CUSICK and IVAN L. WELTY, known ^{and proven} to me to be the persons whose names are subscribed to the foregoing Articles of Incorporation of MENDOCINO COMMUNITY LAND TRUST, INC., and acknowledged to me that they executed the same.

NOTARY PUBLIC



(SEAL)

A395641

CERTIFICATE OF AMENDMENT

ENDORSED
FILED
In the Office of the Secretary of State
of the State of California

TO

ARTICLES OF INCORPORATION

NOV 14 1990

ROBERT SCHLOSSER AND GRAIL DAWSON CERTIFY THAT:

MARCH FONG EU, Secretary of State

1. They are the president and chief financial officer,
respectively, of the MENDOCINO LAND TRUST, INCORPORATED.

2. Article Second, subparagraph (a) of the Articles of
Incorporation of this corporation is amended to read in whole as
follows:

"The specific and primary purposes are to assist in the acquisition, holding, and disposal of land in Mendocino County in a manner designed to conserve land for educational and recreational purposes, to protect and enhance natural areas, coastal and river accesses, both physical and visual; and productive agricultural land. Also, to protect important sites, structures, and artifacts which would contribute to an understanding and appreciation of historic and cultural aspects of the region and help to maintain the unique character and quality of life in the area, and to do all of those things in conformance with the requirements of Section 501(c)(3) of the Internal Revenue Code of 1954, as amended, and Sections 23701(f) and 214 of the California Revenue and Taxation Code."

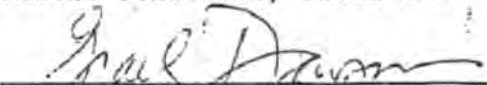
3. The foregoing amendment to the Articles of Incorporation has been duly approved by the Board of Directors.

4. The foregoing amendment to the Articles of Incorporation has been duly approved by the required vote of members.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this Certificate are true and correct of our own knowledge.

Dated: November 7, 1990


Robert Schlosser, President


Grail Dawson, Treasurer

Attachment 12: Mendocino Land Trust By-laws

BYLAWS OF THE MENDOCINO LAND TRUST

Adopted September 16,
1976

Amended November 19,
1984

Amended December 9,
1987

Amended February 7,
1990

Amended January 19,
1994

Amended June 3,
2002

Amended August 25,
2006

ARTICLE 1:
Purpose

The purpose of the corporation is stated in the Articles of Incorporation, attached herewith.

ARTICLE 2: Membership

Section 2.01 Classes of Membership and Rights

The corporation shall have one class of membership only, and the voting and other rights, interests and privileges of each member shall be equal. No member shall have any interest or property right in the assets of the corporation and no member shall hold more than one membership in the corporation.

Section 2.02 Assessments

Memberships shall be non-assessable.

Section 2.03 Dues

Annual dues shall be required of each member, and such dues shall be payable each year in advance, on or before each individual member's anniversary date of their original membership. Amount of dues and categories of membership shall be set yearly by a majority vote of the Board of Trustees.

Section 2.04 Liabilities of Members

Members of this corporation shall not be personally liable for the debts, liabilities or obligations of this corporation.

Section 2.05 Transferability of Membership

Membership is not transferable and non-assignable.

Section 2.06 Termination of Membership

Membership shall terminate on receipt by the Board of Trustees of written notice of resignation of a member, the death of a member, or failure of a member to pay annual dues on or before their due date, and not otherwise. Membership may be refused to an individual or an existing membership terminated by a majority vote of the Board of Trustees.

ARTICLE 3: Meetings of Members

Section 3.01 Meeting Place

Meetings of members shall be held at the principal office of the corporation, or such place as may be designated by the Board of Trustees.

Section 3.02 Annual Meetings

Members shall meet once each fiscal year. The annual meeting shall be held for the purpose of electing trustees, and transacting such other business as may come before it.

Section 3.03 Special Meetings

Special meetings shall be called by the President of the corporation, a majority of the members of the Board of Trustees, or by at least ten (10) percent of the membership.

Section 3.04 Notice to Members

Notice of the date, time, place and purpose of meetings shall be delivered to each member personally or by mail, at least seven (7) days prior to such meeting.

Section 3.05 Quorum

Twenty members shall constitute a quorum at annual membership meetings for the transaction of business, and except as otherwise provided by law, the articles of incorporation, or by these bylaws, no business shall be transacted in the absence of a quorum.

Section 3.06 Voting

Neither cumulative voting, voting by proxy or fractional voting shall be authorized.

Section 3.07 Conduct of Meetings

Meetings shall be governed by Robert's Rules of Order, as revised, insofar as such rules are not inconsistent with these bylaws, with articles of incorporation or with law.

ARTICLE 4: Trustees

Section 4.01 Qualifications

Trustees shall be residents or property owners of Mendocino County and 18 years of age or older.

Section 4.02 Number of Trustees

The corporation shall have a minimum of five but no more than twelve trustees and collectively they shall be known as the Board of Trustees. The number of trustees constituting a full Board shall be determined by the Board.

Section 4.03 Vacancies

In the event of vacancies on the Board of Trustees during the year of office, such vacancies shall be filled by the majority vote of the Board of Trustees to complete the existing term of office.

Section 4.04 Powers

The trustees shall exercise the powers of the corporation, control its property, select and remove all employees including an Executive Director, prescribe such powers and duties for themselves and employees, and conduct its affairs, except as otherwise provided by law.

Section 4.05 Election and Terms of Office

(a) Trustees shall be elected at the annual meeting of the members of the corporation, and shall hold office for three-year terms. Terms shall be staggered whenever possible.

(b) Terms shall commence with the first meeting following the annual meeting of members.

(c) Candidates for the Board shall be nominated by the Board or, beginning in the fiscal year 2003, shall submit their name to the corporation at least thirty (30) days before the annual meeting of the membership.

Section 4.06 Absenteeism

Failure of any member of the Board of Trustees to attend three consecutive regularly scheduled meetings, or 25% of any or all meetings during any twelve-month period without prior approval of the President or Executive Committee of the Board, shall automatically result in the President of the Board of Trustees declaring such seat vacated.

Section 4.07 Compensation

Trustees shall serve without compensation.

Section 4.08 Meetings of Trustees

Trustees shall meet on a regular basis at least quarterly. Trustees shall meet at the time, place, and on the date designated by the person(s) calling the meeting. Meetings may be called by the President, the Executive Committee or the majority of the Board of Trustees.

Section 4.09 Notice of Meetings

Notice of regular meeting dates shall be communicated to each trustee at least seven (7) days before such meeting. Notice of the time, place and agenda of regular meetings shall be delivered to each trustee at least three days prior to the date of such meeting.

Section 4.10 Quorum

A majority of sitting trustees shall constitute a quorum for the transaction of business. In the absence of a quorum the Board shall transact no business, except as provided by law, these bylaws or the articles of incorporation.

Section 4.11 Governance of Meetings

Meetings of trustees shall be governed by Robert's Rules of Order, as revised, insofar as such rules are not inconsistent with these bylaws, the articles of incorporation, or with law.

Section 4.12 Written Consent

Any action which may be taken at a meeting of the trustees may be taken without a meeting, where the majority of the sitting Board shall individually or collectively consent in writing to such action after notice has been given to all trustees. Such consent shall be filed with the minutes of Board proceedings.

Section 4.13 Prohibited Transactions

Except as provided below, the Board shall not approve a self-dealing transaction. A self-dealing transaction is a transaction to which the corporation is a party and in which one or more of the trustees has a material financial interest.

The Board of Trustees may approve a self-dealing transaction only if the Board determines that 1) the corporation enters into the transaction for its own benefit; 2) the transaction is fair and reasonable to the corporation; and, 3) after reasonable investigation, the Board determines that it could not have obtained a more advantageous arrangement with reasonable effort under the circumstances. Such determination must be made by the Board, in good faith, with knowledge of the material facts concerning the transaction and the trustee's interest in the transaction, and by a vote of the majority of the trustees in office, without counting the vote of the interested trustee or trustees.

Section 4.14 Removal of Trustees

A trustee may be removed from office by the vote of two-thirds of all trustees of the Board. All Board members must be notified of the proposed action.

Section 4.15 Indemnification

The corporation shall indemnify any person who is or was a trustee or employee up to the full extent allowed by law against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative, as provided in Section 317 of the Corporations Code, as that section now exists or may hereafter from time to time be amended to provide.

ARTICLE 5: Officers

Section 5.01 Election and Term of Office

Officers of the corporation shall be elected annually from among the trustees at its first meeting following the annual meeting of members. Vacancies shall be filled by the Board.

Section 5.02 Duties of the President

The President shall be the chief executive officer of the corporation, and shall, subject to the control of the Board, control the affairs of the corporation. He shall perform all duties incident to the office, and such other duties as may be provided in these bylaws or prescribed by the Board from time to time.

Section 5.03 Duties of the Vice President

The Vice President shall perform all duties and exercise all powers of the President when the President is absent or unable to act. The Vice President shall perform such other duties as may be prescribed by the Board from time to time.

Section 5.04 Duties of the Secretary

The Secretary shall assure that full and complete minutes of all meetings of the Board and the members of the corporation are kept, shall assure that complete records of the corporation are kept, shall assure that all notices as are required by law and these bylaws are given, and generally shall perform all duties which are incident to the office of Secretary and such other duties as may be prescribed by the Board from time to time.

Section 5.05 Duties of the Treasurer

The Treasurer shall have oversight of all funds of the corporation, shall assure the deposit of such funds as are required by the Board, shall assure that adequate and correct accounts of the corporation's property and business transactions are kept, shall assure that reports and accountings are rendered to the Board or members as required by them, and shall in general perform all the duties incident the office of Treasurer, and such other duties as may be prescribed by the Board from time to time.

Section 5.06 Compensation

Officers of the corporation shall serve without compensation.

ARTICLE 6: Executive Director

The Board of Trustees may hire an Executive Director. The Executive Director shall be the chief staff officer with overall responsibility for management of the corporation. Among other duties, the Executive Director shall supervise all personnel and manage all programs, projects and contracts, budgeting, organizational development and fiscal administration.

ARTICLE 7: Committees

Section 7.01 Executive Committee

The officers of the corporation shall constitute an Executive Committee. The Executive Committee shall have such duties as determined by two thirds (2/3) vote of the sitting Board.

The Executive Committee shall exercise emergency powers when urgent action is required and it is not feasible for the full Board to meet or confer. In such a case the full Board shall be informed of the nature of the action as soon as possible.

Section 7.02 Standing Committees

The corporation shall have standing committees. These committees may include Membership, Nominating, Lands, Finance, Development, Investment, Personnel, and others as deemed appropriate by the Board. Lands, Finance, Investment, and Personnel committee chairs shall be Trustees of the Board.

Section 7.03 Ad Hoc Committees

The Board from time to time may designate such other ad hoc committees for specific purposes as it sees fit. The resolution establishing such committees shall provide for the appointment of its members and chair, shall state its purposes, and provide for its termination upon the meeting of stated conditions.

Section 7.04 Committees Members and Chairs

Committee members and chairs serve by appointment of the Board. The chair of the committee shall submit the names of committee nominees to the Board for approval.

Section 7.05 Responsibilities of Committees

Committees shall meet on a regular basis at least quarterly. The committee shall have an agenda, take minutes and establish procedures and policy to govern its activities. Minutes of all meetings shall be reported to the Board. Committees are prohibited from taking any actions that might incur liability for the corporation without the approval of an officer of the corporation, an Executive Director or the Board.

ARTICLE 8: Miscellaneous

Section 8.01 Fiscal Year

The fiscal year of the corporation shall be from July 1 to June 30.

Section 8.02 Corporate Seal

The corporation shall have a seal which shall consist of such form and contain such matter as shall be approved by resolution of the Board. The seal shall be affixed to all corporate instrument, but the failure to affix it shall not affect the validity of any such instrument.

Section 8.03 Execution of Checks, Notes, Contracts

Except as otherwise provided by law, checks, drafts, notes, orders for the payment of money, and other evidence of indebtedness of the corporation under \$5000.00 shall be signed by either the President, Executive Director or Treasurer. Amounts over \$5000.00 shall be signed by any two of the three authorized parties. Any contract, lease or other instrument executed in the name of and in behalf of the corporation shall be signed by the Executive Director or the President, and shall have attached a copy of the resolution of the Board, certified by the Secretary, authorizing its execution.

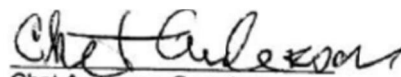
Section 8.04 Amendments

These bylaws may be amended as follows: a) at any meeting of the membership upon affirmative vote of a majority of the members present; or, b) at any meeting of the Board of Trustees by two-thirds (2/3) vote of all Trustees. Should the latter occur members shall be notified that amended bylaws are available for their review.

Section 8.05 Distribution of Assets

On the dissolution or winding up of this corporation, its assets remaining after payment of, or provision for payment of, all debts and liabilities of this corporation, shall be distributed to a non-profit fund, foundation or corporation which is organized and operated exclusively for charitable purposes and which has established its tax exempt status under Section 501 (c) (3) of the Internal Revenue Code, or to a governmental entity, federal, state, county or municipal, for public purposes if no 501(c)(3) foundation or corporation is available.

If this corporation holds any assets in trust, or is formed for charitable purposes, such assets shall be disposed of in such manner as may be directed by decree of the Superior Court of the county where the corporation has its principal office, on petition by the Attorney General, or a person concerned in the liquidation in a proceeding where the Attorney General is a party.


Chet Anderson, Secretary



Resolution of No Conflict of Interest

July 25, 2017

California Department of Conservation
Sustainable Agricultural Lands Conservation Program
801 K Street, MS 14-15
Sacramento, CA 95814

To Whom It May Concern:

As certified by a resolution of the Mendocino Land Trust, Inc., no known conflict of interest, or the appearance of a conflict of interest, exists for any of the members of the Board of Trustees as related to the proposed acquisition of agricultural conservation easements on the Lovers Lane and Ghianda Rose Vineyards properties, with proposed funding from the Sustainable Agricultural Land Conservation Program.

Furthermore, at any time in the future once the conservation easements are in place, should a board member have a conflict of interest related to the Lovers Lane and Ghianda Rose Vineyards properties, such board member shall recuse him or herself from all discussions and voting related to monitoring and enforcement of the conservation easement.

A handwritten signature in blue ink, appearing to read 'Terry Gross', is written over a horizontal line.

Terry Gross, President
Board of Trustees
Mendocino Land Trust, Inc.

**MENDOCINO LAND TRUST
CONSERVATION EASEMENT AMENDMENT POLICY**

Approved by the Board of Trustees February 19, 2016 and edited September 2, 2016
(Supersedes prior policy approved July 31, 2004 and amended December 14, 2007)

Land Trust Alliance Practice 11 I

I. Policy Statement

Mendocino Land Trust acquires and holds conservation easement rights in property in perpetuity to preserve and protect the conservation values of the land for the public benefit. Such conservation values may include scenic, agricultural, recreational, open-space, and wildlife resources, as outlined in the Internal Revenue Service list of public benefits, and other conservation values that are specifically identified in the conservation easement document.

Mendocino Land Trust acquires conservation easements through voluntary agreements with landowners, including donations, bargain purchases, full value purchases, and assignments. The confidence of landowners and of the general public will be enhanced if Mendocino Land Trust amends its conservation easements only when those amendments comply with federal tax law and the laws governing charitable organizations. Amendments that confer private inurement or impermissible private benefit, for example, may result in penalties and fines levied by the Internal Revenue Service on both Mendocino Land Trust and on others who engage in improper amendments.

For these reasons and others, Mendocino Land Trust generally holds and enforces its conservation easements as originally written. Amendments of conservation easements will not be granted under circumstances described in Section II of this Policy.

Notwithstanding Mendocino Land Trust's general policy of holding and enforcing conservation easements as originally written, Mendocino Land Trust recognizes that amendments of conservation easements are sometimes necessary or warranted to clarify the interests and goals of the parties to easements or to better protect conservation values in perpetuity. In such circumstances, conservation easement amendments will be approved only in accordance with the circumstances set forth in this policy. Conservation easement amendments may also be approved by Mendocino Land Trust if an easement is threatened, in whole or in part, with condemnation under eminent domain laws.

Mendocino Land Trust's policy is that a party who requests a conservation easement amendment or modification shall pay all of Mendocino Land Trust's costs, including staff time, consulting fees, costs of appraisal, attorneys' fees, and costs of implementation, that are associated with review of the amendment or modification request, whether or not the amendment or modification is granted. The party requesting the amendment will be asked for a deposit made to Mendocino Land Trust in the amount estimated to cover the above costs. At Mendocino Land Trust's sole discretion, Mendocino Land Trust may waive the foregoing requirements, in whole or in part.

Mendocino Land Trust's policy is that every easement amendment request is unique, and therefore shall be considered on a case-by-case basis. The grant of an easement amendment request to one landowner shall not be considered a precedent resulting in a right of any landowner to request and receive approval for a similar amendment.

II. Circumstances under Which Mendocino Land Trust Will Refuse to Amend Conservation Easements

Amendments of conservation easements will not be granted if such amendments:

- Jeopardize Mendocino Land Trust's tax-exempt status or Mendocino Land Trust's status as an organization that is qualified to hold perpetual land use restrictions under state or federal law;
- Will cause the easement to fall out of compliance with applicable federal, state or local laws, regulations or ordinances;
- Are not consistent with express and specific duties or obligations to the public that are identified in the conservation easement itself or that arise by operation of law;
- Are not consistent with express and specific rights of third parties who hold interests in the conservation easement by virtue of the conservation easement instrument itself; funding agreements, by operation of law, or as mandated by federal, state or local laws, regulations or ordinances;
- Do not comply with Mendocino Land Trust's mission or other organizational policies, including its conflict of interest policies;
- Confer prohibited private benefit or private inurement; and
- Fail to provide a positive conservation outcome.

The foregoing list is not exclusive and Mendocino Land Trust reserves the right to refuse amendment requests, in its discretion, in favor of holding and enforcing the terms of the original conservation easement as originally recorded.

III. Conditions under Which Amendment Requests May Be Considered

Mendocino Land Trust will consider amending conservation easements in the following circumstances; however, Mendocino Land Trust shall have unlimited discretion to grant or to deny each amendment request and shall evaluate each request on a case-by-case basis.

1. Prior Agreement. Conservation easements may be amended if their terms anticipate that they may be amended in specific ways under specific circumstances. Such terms must be set forth in the conservation easement document.

Examples of acceptable amendments pursuant to prior agreement in the terms of conservation easements include, but are not limited to, amendments to:

- *Revise and replace map exhibits to document in the public record a landowner's exercise of reserved development rights;*
- *To substitute and incorporate resource management plans that the easement recognizes may be periodically updated; or*
- *To relocate building envelopes or to reconfigure transferable lots after a landowner receives the Mendocino Land Trust's prior approval, as allowed by specific agreement in the conservation easement.*

2. Correction of Errors and Ambiguities. Conservation easements may be amended to correct errors or oversights made at the time the conservation easements were executed and recorded. Such errors or oversights may include, but shall not be limited to, correction of legal descriptions, addition of standard language that was unintentionally omitted, and clarification of ambiguities.

- To the extent feasible, amendments authorized to clarify conservation easement ambiguities shall be supported by written statements, affidavits, or agreements between Mendocino Land Trust and the conservation easement grantor, or other written evidence, that the purpose of the amendment is to implement the parties' original intentions when Mendocino Land Trust first acquired the conservation easement from the grantor.
- If such written evidence is not available, amendments to clarify ambiguities may be approved if Mendocino Land Trust receives an opinion from its legal counsel that without such an amendment, Mendocino Land Trust faces a risk that the ambiguous terms will render the conservation easement

unenforceable, in whole or in part, thereby threatening the Mendocino Land Trust's ability to protect the Conservation Values for public benefit.

- Mendocino Land Trust may also authorize amendments to resolve a good faith disputes over the meaning of easement terms, provided that no such amendments may compromise or diminish protection of the conservation values.

3. Amendments Consistent with Conservation Purpose or that Enhance Conservation Values. Mendocino Land Trust may authorize amendments to a conservation easement provided that the amendments are consistent with the original land conservation intentions of Mendocino Land Trust and the grantor as articulated in the statements of purpose in the easements, and further provided that the amendments enhance, or have no adverse effect on, the conservation purposes of the easement. Amendment requests will not be granted under any circumstances if Mendocino Land Trust determines, in its sole discretion that an amendment would affect the conservation easement's perpetual duration or would afford less protection to the Conservation Values protected by the original conservation easement.

Examples of acceptable amendments that are consistent with, or enhance, conservation values include amendments to:

- *Relinquish residential developments rights that were reserved to landowners in the original conservation easement;*
- *Add new conservation purposes to easements that enhance public benefits; or*
- *Include more lands under the terms of the original conservation easement.*

4. Administrative Amendments. Mendocino Land Trust may amend conservation easements to update language and thereby to bring the easement into conformance with current conservation easement drafting standards.

IV. Procedures for Review of Amendment Requests

With respect to all amendment requests except those that are acceptable pursuant to prior agreement (addressed in #9 below):

1. If a party seeks an amendment to a conservation easement, that party must present to Mendocino Land Trust a request in writing, stating the change in conservation easement terms sought and the specific reasons why the change may be needed or warranted. The request shall be accompanied by appropriate maps and other documentation required by Mendocino Land Trust to properly evaluate the request.
2. If Mendocino Land Trust receives such a request, Mendocino Land Trust will hold an initial consultation meeting with the party who requests the amendment. During this initial consultation meeting, costs to review and process the request and payment arrangements will be discussed and agreed upon. A cost agreement will be developed and signed before proceeding and a deposit for estimated costs will be requested.
3. Mendocino Land Trust staff shall review all requests and, where appropriate, a representative of Mendocino Land Trust will conduct site visits.
4. Evaluation of requests shall include consultation with third parties, when appropriate, including:
 - Reasonable efforts to discuss the proposed amendment with the principal parties to the original transaction, including the landowner who granted the restrictions;
 - Funders, if any, of the original easement;
 - Public agencies if necessary under funding agreements, co-holding or other arrangements, or pursuant to Section 76-6-206, M.C.A.; and

- Additional third parties, public or private, whose opinions or expertise Mendocino Land Trust determines may be helpful to its evaluation of the amendment request.

Mendocino Land Trust shall have no obligation to confer with third parties who do not have specific rights embedded in the conservation easement (e.g., funding partners, third-party enforcement right holders, named back-up grantees, etc.), and, if Mendocino Land Trust does consult third parties, any third party opinions about the propriety of granting or denying an amendment request shall be advisory only. Mendocino Land Trust retains exclusive authority to grant or deny amendment requests, within the constraints of funding requirements, the terms of the original conservation easement, and applicable laws, ordinances and regulations.

5. After Mendocino Land Trust staff compiles information and fully reviews and evaluates the request for amendment according to this Policy, staff shall make a recommendation to the Board of Trustees (the Board). If the Board finds that the amendment is legally permissible, consistent with the terms of this policy, and clearly warranted by the circumstances, the Board will make a determination at its next regularly scheduled meeting.

6. The Board may approve, reject, or approve with modifications the request. Approval shall require a 2/3 majority vote of the full Board.

7. For all amendments that are approved by the Board, the staff will perform all due diligence steps (title investigation, baseline updates, etc) as needed to ensure the soundness of the amended easement.

8. All easement amendments that are approved by the Board must be made in writing, signed by both parties, and must be recorded in the land title records of the local jurisdiction in which the affected property is located.

9. Amendments to conservation easements that were anticipated in the original conservation easement were approved by the Board when the original conservation easement was accepted. Mendocino Land Trust Staff shall be authorized to pursue such amendments to conservation easements, provided that the Board shall review such amendments to verify that they have been completed in accordance with the provisions of the original conservation easement and in accordance with the other provisions of this Policy.

V. Policy Review

This amendment policy is to be reviewed and revised, as needed, by the Board at least every three years.

**GARLAND &
ASSOCIATES**
REAL PROPERTY ECONOMICS ANALYSTS & APPRAISERS

Ronald G. Garland, MAI, SRA
Steve Salmon, MAI

July 30, 2017

Mr. Douglas Kern, Director of Conservation
Mendocino Land Trust
330 N Franklin St., Suite 7
Fort Bragg CA 95437

Subject: Lovers Lane CE - Preliminary Appraisal

Dear Mr. Kern:

The following report summarizes my preliminary appraisal of the diminution in the market value of the fee interest in 133.5 ± acres of the Lovers Lane Vineyard property in Mendocino County, California, caused by imposing the proposed conservation easement.

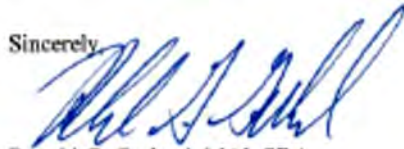
The purpose of this appraisal was to form preliminary opinions of the Market Value of the fee interest, and the fee interest as if encumbered by the proposed conservation easement. This appraisal is intended to be in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP). Please refer to the end of the report for the Assumptions and Limiting Conditions and Appraisal Scope, which limit this report.

My preliminary opinion of market value of the subject property as of July 10, 2017 is:

Fee Simple Interest Subject to a Hypothetical assumed condition that the adjacent 23.6 ± acres has been approved for urban/suburban residential development	\$5,000,000
Fee Interest as Hypothetically assumed to be encumbered by the proposed conservation easement	\$3,500,000
Diminution in Value Due to Imposing the Proposed Conservation Easement	\$1,500,000

This letter must remain attached to this report which contains 36 pages in order for the value opinion set forth to be considered valid.

Sincerely,



Ronald G. Garland, MAI, SRA
CA #AG001662

2333 Courage Drive, Suite H-2, Fairfield, California, 94533 ♦ Phone 707/429-8660

Lovers Lane Vineyard Hypothetical Assumed Conservation Easement Encumbered

Area	Acres	\$/AC Low	Total \$ Low	\$/AC High	Total \$ High
Mature Vineyard	100.2	\$28,000	\$2,805,600	\$32,000	\$3,206,400
New Plant	10.0	\$18,000	\$180,000	\$22,000	\$220,000
Old Carignane	6.0	\$10,000	\$60,000	\$12,000	\$72,000
Other	17.3	\$10,000	\$173,000	\$12,000	\$207,600
Total	133.5		\$3,218,600		\$3,706,000

With a calculated value range of approximately \$3.2 million to \$3.7 million a final value opinion of \$3,500,000 is reasonable.

My *preliminary* opinion of market value of the subject property as of July 10, 2017 is:

Fee Simple Interest Subject to a Hypothetical assumed condition that the adjacent 23.6 ± acres has been approved for urban/suburban residential development	\$5,000,000
Fee Interest as Hypothetically assumed to be encumbered by the proposed conservation easement	\$3,500,000
Diminution in Value Due to Imposing the Proposed Conservation Easement	\$1,500,000

Attachment 16: Detailed Characteristics of the Conservation Easement: Draft Land Conservation Plan Used As Template for Conservation Easement

A. Summary of Property Information

1. Owner: Mendo Farming Company, LLC
Address: 5431 Old River Road, Ukiah, California 95482
2. Property location: 610 Lovers Lane, Ukiah, CA
3. Assessor's Parcel Numbers: 170-010-05, 170-020-07, 170-020-08, 170-020-11, 170-030-03, 170-030-05, 170-040-03, 170-040-04
4. Size: 130.5 acres total; 108 acres irrigated
5. Zoning: AG-40
6. Legal Parcels: 5
7. Structures/improvements:
 - Pump house ï 100 sq. ft.
 - Farm storage area ï 1 acre (+/-)
 - Compost storage area ï 2 acres (+/-)
 - Pond ï 49-acre feet
 - Fences
 - Roads
 - Utilities
8. Mortgage held by American Farm Credit

B. Conservation Values of the Property

1. Active agricultural production
2. Highly-productive agricultural soils
 - Prime: 27 acres
 - Statewide importance: 101.6 acres
 - *Unique: 1.9 acres*
3. Open space
4. Limited public recreation (hiking) by neighborhood with landowners's permission

C. Landowners' Goals

1. Protect land in perpetuity via an agricultural conservation easement

D. Landowner's Reserved Rights Under the Proposed Conservation Easement

1. Maintain and replace existing structures
2. Unrestricted agricultural production, including the use of soil amendments, herbicide, pesticide based on Best Management Practices
3. Storage of compost within the 2-acre area identified in the Baseline Report
4. Storage of agricultural equipment, including containers used for storage, within the 1-acre area identified in the Baseline Report
5. The storage of agricultural products and byproducts produced on the Property and materials reasonably required for agricultural production on the Property, including Hazardous Materials, is permitted as long as it is done in accordance with all applicable laws and regulations.
6. Construction of unpaved farm roads required for agricultural operations
7. Sale of carbon storage rights

8. Non-commercial recreation and maintenance, construction, and reconstruction of hiking trails
9. Placement of reasonably-sized signs associated with management of property (e.g., "No Trespassing" signs)
10. Install solar-powered electrical generation structures primarily for use on property.
11. Right to sell excess power to public utilities
12. Leasing property for uses not otherwise restricted
13. Sale of conserved property

E. Third-Party Reserved Rights - None

F. Prohibited Uses Under the Proposed Conservation Easement

1. Subdivision, partition, or transfer of development rights
2. Construction of new structures
3. Mineral extraction using any surface-mining method
4. Dumping or disposal of wastes, except for the storage of non-hazardous biodegradable material originating from the Property Operation of motorized off-road vehicles, except for management of property
5. Any commercial or industrial use or activity other than those reserved by the Landowner
6. Any activity that would diminish or impair the agricultural productive capacity and open space character of the Property
7. Paving of any area of the Property except for designated areas, unless required by regulation

G. Conserving Organization's Rights Under the Proposed Conservation Easement

1. To monitor property (with prior notice to Landowner)
2. To legally enforce provisions of Conservation Easement in order to protect Conservation Values identified by Landowner and conserving organization

H. Other Pertinent Information

1. Williamson Act contract is officially terminated.
2. Mortgage held by American Ag Credit.
3. The property lies within the current and proposed City of Ukiah Sphere of Influence.

Attachment 17: Land Trust Alliance Certification

LAND TRUST ACCREDITATION COMMISSION



An independent program of the Land Trust Alliance

FEB 21 2017

February 15, 2017

Ann Cole
Mendocino Land Trust
PO Box 1094
Mendocino, CA 95460

Re: Accreditation Awarded and Summary of Findings

Dear Ann:

Congratulations! It is my great pleasure to let you know that Mendocino Land Trust has been awarded accreditation by the Land Trust Accreditation Commission. Accreditation is a mark of distinction, recognizing land trusts that meet the national quality standards established by the land conservation community. Your term of accreditation runs from February 16, 2017 through February 15, 2022.

Enclosed you will find a Summary of Findings relative to your application as well as a license agreement. The license agreement grants Mendocino Land Trust the right to use the trademarked accreditation seal. Please sign both of these documents and return them on or before March 16, 2017.

When we receive the signed license agreement, we will send you materials for promoting your accredited status and your accreditation award certificate. We look forward to celebrating your success, and that of all of the groups awarded accreditation since last fall, at Rally 2017: The National Land Conservation Conference in Denver, CO.

We respectfully ask that you refrain from publicizing your accredited status, keeping the news internal to your board and staff, until February 22, 2017 so that we may have time to notify all applicants and announce all newly accredited land trusts at the same time.

Congratulations on this achievement. I know everyone at Mendocino Land Trust has worked hard to earn this honor. Thank you for helping to promote excellence, trust and permanence in land conservation.

Sincerely,

Heather M. Richards
Chair



The accreditation seal is awarded to land trusts meeting the highest national standards for excellence and conservation permanence.

36 Phila Street - Suite 2
Saratoga Springs, NY 12866-3362
518-587-3143 www.landtrustaccreditation.org

Attachment 18: Implementation Schedule

Project Title **Lovers Lane Vineyard Conservation Easement**

Project Term **November 2017 – ~~April~~ May 2019**

TASK	TERM (beginning and end dates of expected work period)
Newspaper public notice of project	November 2017
Secure formal Option to Purchase i assuming funding is approved	December 2017
Neighboring landowner notification	January 2018
Board of Supervisors Resolution of Support	February 2018
Prepare conservation easement drafts (3-4). All parties reach agreement on final language (MLT, landowners, Department of Conservation)	April - August 2018
Obtain subordination agreement from American Ag Credit	August 2018
Final appraisal of conservation easement. Approval of purchase price by all parties	September 2018 i December 2018
Draft baseline report; review by all parties	January 2019
Update Title Report	February 2019
Final version of Baseline Report prepared	February 2019
Escrow: escrow instructions; Master Settlement Agreement; Pro Forma title policy; final conservation easement and subordination agreement	March 2019
Closing. Title Company records easement and subordination agreement at County Recorder's office. Recorded documents and Baseline Report sent to DOC	April 2019
Press release on conservation of property. On-site celebration with all parties.	May 2019

Attachment 19: Letters of Support

COMMITTEES APPROPRIATIONS BUSINESS AND PROFESSIONS HEALTH NATURAL RESOURCES RULES SELECT COMMITTEES CHAIR: DIGITAL DIVIDE IN RURAL CALIFORNIA CAREER TECHNICAL EDUCATION AND BUILDING A 21ST CENTURY WORKFORCE WINE	 Assembly California Legislature JIM WOOD ASSEMBLYMEMBER, SECOND DISTRICT	STATE CAPITOL P.O. BOX 942849 SACRAMENTO, CA 94249-0002 (916) 319-2000 FAX (916) 319-2102 DISTRICT OFFICES 50 D STREET, SUITE 450 SANTA ROSA, CA 95404 (707) 576-2528 FAX (707) 576-2257 710 E STREET, SUITE 150 EUREKA, CA 95501 (707) 445-7014 FAX (707) 455-8807 200 S SCHOOL STREET, SUITE D UKIAH, CA 95482 (707) 462-5775 FAX (707) 463-5773
--	--	--

August 8, 2017

Ms. Kathryn Lyddan
 Director, Division of Land Resource Protection
 California Department of Conservation
 801 K Street, MS 14-15
 Sacramento, California 95814-3528

RE: Mendocino Land Trust SALC Program Grant Request: Lovers Lane and Ghianda Rose Vineyards

Dear Ms. Lyddan:

I am writing to urge your agency's support of the Mendocino Land Trust's grant request to the Sustainable Agricultural Land Conservation Program to purchase a conservation easement on 133.5 acres of actively-farmed vineyard on the Lovers Lane property in Ukiah, California.

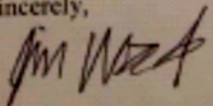
Ninety-five percent of this land is classified as prime agland soil or soil of statewide importance agriculturally, and its permanent conservation is important economically and because it will protect important open space. The property is large enough to sustain commercial agricultural production, and it is located in an area that possesses the necessary market, infrastructure, and agricultural support services. Notably, almost no permanent farmland conservation has occurred in the Ukiah Valley, and this project may help to motivate other farmers to seriously explore the conservation of their land.

Importantly, the purchase of a conservation easement at the Lovers Lane Vineyard will also result in the donation of a conservation easement on the 80.5-acre Ghianda Rose Vineyard in Hopland, thereby permanently conserving additional farmland that is in active production.

Lastly, the permanent conservation of the Lovers Lane property is consistent with the County's long-term commitment to agricultural land conservation and the specific goals, objectives, policies, and implementation measures of the Mendocino County General Plan.

For all the above reasons, I urge you to support the Mendocino Land Trust, the Mendo Farming Company and the Giobbi Street Vineyards in their efforts to conserve these properties.

Thank you very much for your attention.

Sincerely,

JIM WOOD
 Assemblymember, 2nd District


 Printed on Recycled Paper

JARED HUFFMAN
2ND DISTRICT, CALIFORNIA

COMMITTEE ON
NATURAL RESOURCES
WATER, POWER, AND OCEANS - RANKING MEMBER
FEDERAL LANDS
COMMITTEE ON TRANSPORTATION
AND INFRASTRUCTURE
HIGHWAYS AND TRANSIT
WATER RESOURCES AND ENVIRONMENT

Congress of the United States
House of Representatives
Washington, DC 20515-0502

WASHINGTON OFFICE
1406 LONGWORTH HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
PHONE: (202) 225-5161
FAX: (202) 225-5163
WEBSITE: huffman.house.gov

August 7, 2017

Ms. Kathryn Lyddan
Director, Division of Land Resource Protection
California Department of Conservation
801 K Street, MS 14-15
Sacramento, California 95814-3528

Dear Ms. Lyddan:

I am writing in support of the Mendocino Land Trust's grant request to the Sustainable Agricultural Land Conservation Program to purchase a conservation easement on 133.5 acres of actively-farmed vineyards on the Lovers Lane property in Ukiah, California.

Ninety-five percent of this land is classified as prime agricultural soil or soil of statewide importance. Its permanent conservation is important economically and will protect open space in the Ukiah Valley. The property is large enough for commercial agricultural production, and it is located in an area that possesses the necessary market, infrastructure, and agricultural support services.

In addition to the purchase of a conservation easement at the Lovers Lane Vineyard, the landowner will also donate a conservation easement on the 80.5-acre Ghianda Rose Vineyard in Hopland, which will significantly increase the total farmland that would be permanently conserved for active agricultural production.

Thank you for your serious consideration of the Mendocino Land Trust's proposal.

Sincerely,


JARED HUFFMAN
Member of Congress

SAN RAFAEL
388 FIFTH AVENUE, SUITE 290
SAN RAFAEL, CA 94901
PHONE: (415) 258-9857
FAX: (415) 258-9913

PETALUMA
206 G STREET, #3
PETALUMA, CA 94952
PHONE: (707) 961-8967
FAX: (415) 258-9913

UKIAH
559 LOW GAP ROAD
UKIAH, CA 95482
PHONE & FAX: (707) 671-7449

FORT BRAGG
430 NORTH FRANKLIN STREET
P.O. Box 2208
FORT BRAGG, CA 95437
PHONE: (707) 962-0933
FAX: (707) 962-0906

EUREKA
317 THIRD STREET, SUITE 1
EUREKA, CA 95501
PHONE: (707) 407-3585
FAX: (707) 407-3559

PRINTED ON RECYCLED PAPER

California State Senate

SENATOR
MIKE MCGUIRE
SECOND SENATE DISTRICT



August 10, 2017

Ms. Kathryn Lyddan
Director, Division of Land Resource Protection
California Department of Conservation
801 K Street, MS 14-15
Sacramento, CA 95814

Dear Ms. Lyddan:

I am writing to express my support of the Mendocino Land Trust's grant request to the Sustainable Agricultural Land Conservation Program to purchase a conservation easement on the Lovers Lane property in Ukiah.

This property is 133.5 acres of actively farmed vineyard, 95% of which has been classified as prime agricultural land soil or soil of statewide importance agriculturally. Almost no permanent farmland conservation has taken place in the Ukiah Valley and it is believed that this project may motivate local farmers to explore conservation of their land.

Another important benefit is that the purchase of the conservation easement at the Lovers Lane Vineyard will result in the donation of a conservation easement on 80.5 acres of Ghianda Rose Vineyard in Hopland, permanently conserving additional farmland that is in active production.

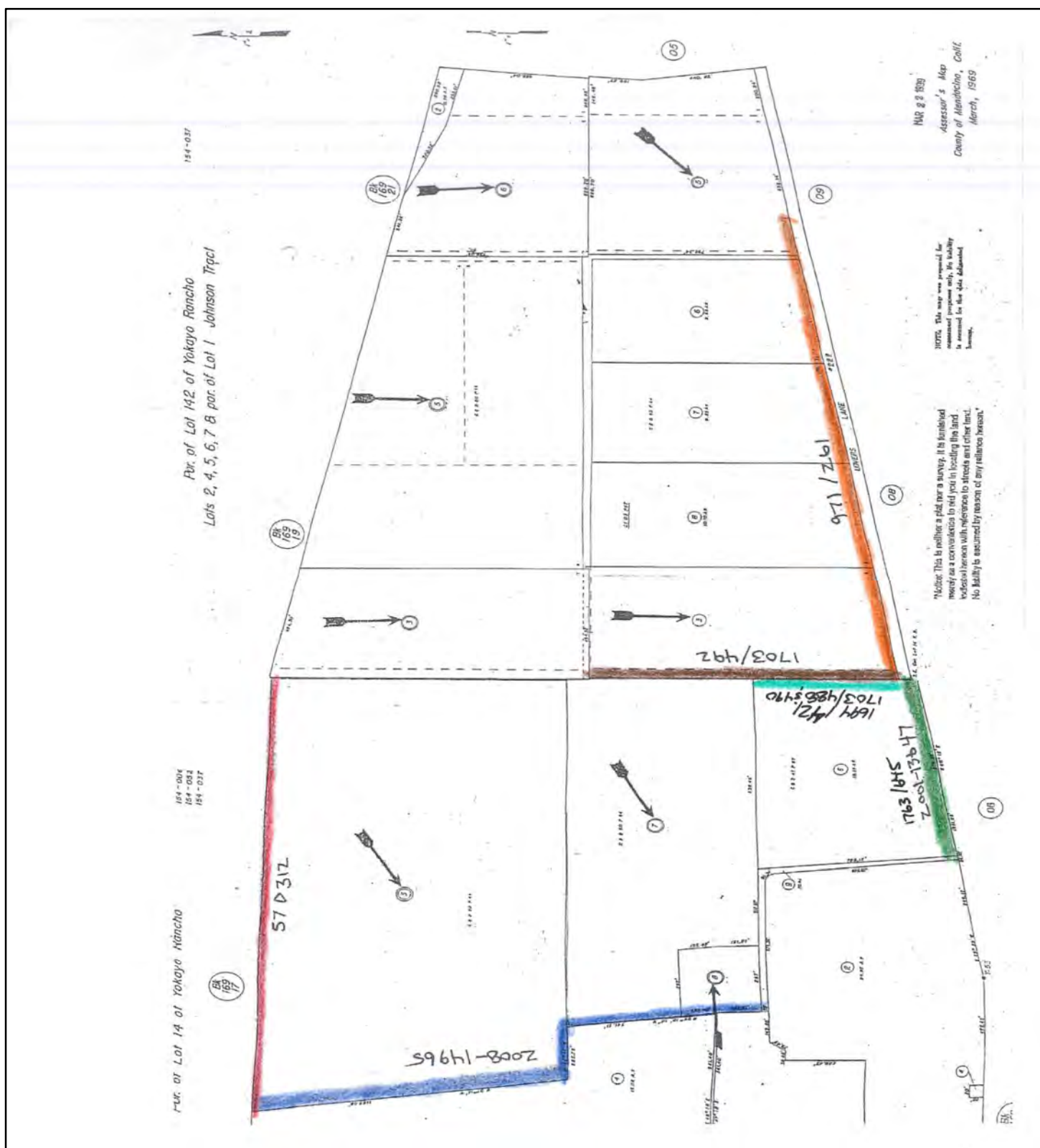
The permanent conservation of the Lovers Lane project fits in with the County's long-term commitment to agricultural land conservation. I urge you to give the Mendocino Land Trust's grant application your full consideration.

Warmest regards,

A handwritten signature in black ink, appearing to read "Mike McGuire".

MIKE MCGUIRE
Senator

SALC Program Agricultural Conservation Easement Grants
Attachment 20: Platted Easements Map i Redwood Empire Title Company i 8-9-17



Attachment 21: Preliminary Title Report and Underlying Documents: *Sent via separate email and on CD with hard copy of application.*

End of Application

RESOLUTION NO. 2018 -

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UKIAH SUPPORTING APPROVAL OF THE AGRICULTURAL CONSERVATION EASEMENT FUNDING FROM THE CALIFORNIA DEPARTMENT OF CONSERVATION'S SUSTAINABLE AGRICULTURAL LANDS CONSERVATION PROGRAM FOR THE LOVERS LANE VINEYARD CONSERVATION PROJECT, CITY OF UKIAH SPHERE OF INFLUENCE, MENDOCINO COUNTY, CALIFORNIA

WHEREAS, the California Legislature has established the Sustainable Agricultural Lands Conservation Program within the Department of Conservation, and through a grant program is providing assistance to conserve important agricultural land resources that are subject to conversion pressures; and

WHEREAS, the Mendocino Land Trust has applied for funding from the Sustainable Agricultural Lands Conservation Program with the intention of purchasing an Agricultural Conservation Easement on approximately 133.5 acres of Prime Farmland and Farmland of Statewide Importance that is under intensive agricultural use and located in the Ukiah Valley, California, and owned by the Mendo Farming Company, LLC, for the purpose of conserving priority agricultural land resources; and

WHEREAS, the property is outside the Ukiah City limits but within the current City of Ukiah Sphere of Influence, as depicted in Exhibit A; and

WHEREAS, the Mendocino Land Trust has secured conditional funding from the Sustainable Agricultural Lands Conservation Program; and

WHEREAS, the Ukiah City Council approves the easement proposal and certifies that the easement proposal meets the eligibility criteria set forth in Public Resources Code Section 10251, to wit:

(a) The parcel proposed for conservation is expected to continue to be used for, and is large enough to sustain, commercial agricultural production. The land is also in an area that possesses the necessary market, infrastructure, and agricultural support services, and the surrounding parcel sizes and land uses will support long-term commercial agricultural production.

(b) Mendocino County has a general plan which demonstrates a long-term commitment to agricultural land conservation. This commitment is reflected in the goals, objectives, policies, and implementation measures of the plan, as they relate to the area of Mendocino County where the easement acquisition is proposed.

(c) The City of Ukiah has a general plan that includes goals, policies and implementation measures calling for the support and conservation of agriculture within the City's Sphere of Influence.

(d) Without conservation, the land proposed for protection is likely to be converted to nonagricultural use in the foreseeable future.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Ukiah hereby supports the approval/award of conservation easement funding from the Sustainable Agricultural Lands Conservation Program for the Lovers Lane Vineyard property located within the City of Ukiah's Sphere of Influence.

PASSED AND ADOPTED at a regular City Council meeting held on March 7, 2018, by the following roll call vote:

AYES:

NOES:

ABSENT:

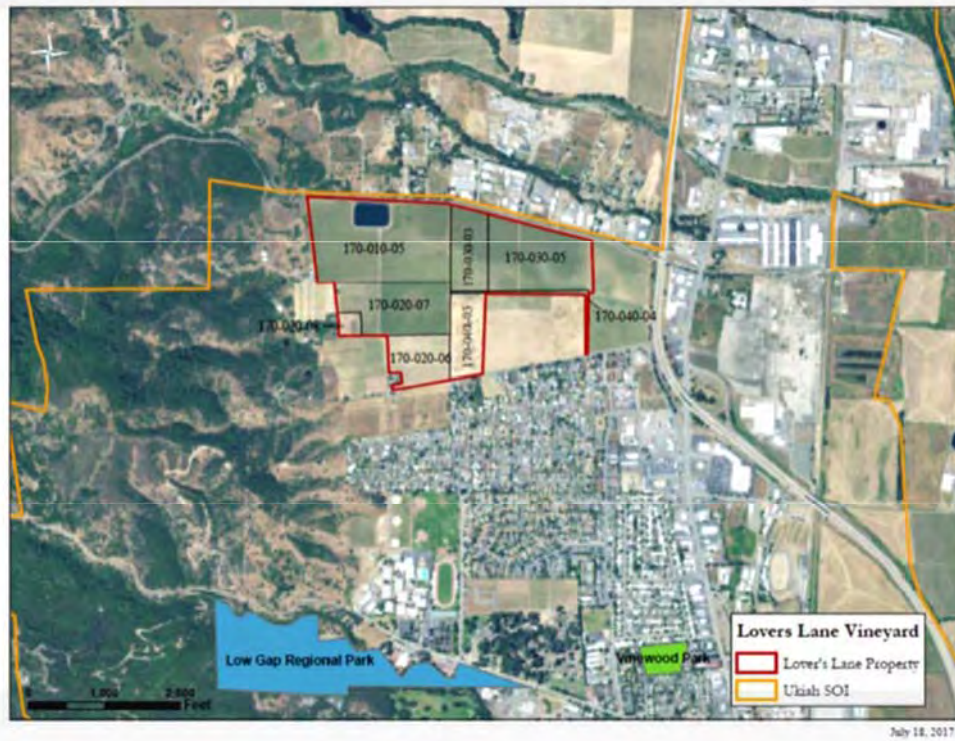
ABSTAIN:

Kevin Doble, Mayor

ATTEST:

Kristine Lawler, City Clerk

EXHIBIT A
Geographic Location of Proposed Lovers Lane Vineyard Easement





AGENDA SUMMARY REPORT

SUBJECT: Consider Approval of a Resolution Authorizing the Water Resources Department to Pay for Certain Uses of Real Property Comprising of the Ukiah Valley Golf Course Enterprise within the Community Services Department for the Storage and Distribution of Potable and Recycle Water, and Consider Authorizing the City Manager to Negotiate and Execute a Third Addendum to the Tayman Park Golf Group Lease; and Approve Corresponding Budget Amendments

DEPARTMENT: Administration

PREPARED BY: Maya Simerson

ATTACHMENTS:

[Attachment 1 - proposed resolution](#)

[Attachment 2 - COU No. 1617112 Addendum 3](#)

Summary: The Ukiah Golf Course Property ("GCP") is a critical site for the City's existing potable water storage and distribution system. In addition, the GCP is also planned to support storage and distribution infrastructure planned for the fourth phase of the Recycle Water Project (i.e. Purple Pipe System). The proposed resolution will formalize current and future use of the GCP by the Water Resources Department. In addition, Council will consider an addendum to the operating agreement with the Tayman Park Golf Group that will allow for the expanded utilization of the GCP for the Recycle Water Project. The amendment with the Tayman Park Golf Group also addresses improved management and operational terms for the benefit of the Course.

Background: The City of Ukiah provides some of its municipal services as general fund services funded

RECOMMENDED ACTION: Adopt the proposed resolution and approve the third addendum to the Tayman Park Golf Group Lease Agreement, and all corresponding budget amendments.

BUDGET AMENDMENT REQUIRED: Yes

CURRENT BUDGET AMOUNT: Information pending and will be submitted as correspondence received prior to the March 7, 2018, City Council meeting.

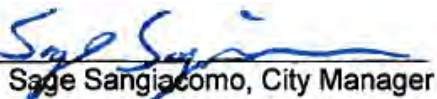
PROPOSED BUDGET AMOUNT: TBD

FINANCING SOURCE: N/A

PREVIOUS CONTRACT/PURCHASE ORDER NO.: COU No. 1617112; A1; A2

COORDINATED WITH: Tim Eriksen, Public Works Director/City Engineer and Emmett Jones, CPA

Approved: _____


Sage Sangiacomo, City Manager

primarily from tax revenue and other municipal services through enterprise funds which are funded primarily by user fees. Enterprise funds are self-supporting and do not depend on tax revenues to provide their services. The Water Service ("WSEF") and Sewer Service ("SSEF") enterprise funds within the Water Resources Department ("WRD") and the Golf Course Enterprise Fund ("GCEF") within the Community Services Department ("CSD") are enterprise funds. For this reason, all of these funds should fairly share the costs and benefits to and from each other for services/resources utilized and rendered.

The GCP ("Golf Course Property") is operated by Tayman Park Golf Group ("TPGG") under a long-term lease that can extend until 2032 at TPGG's option. The long-term lease has conveyed to TPGG the possessory interest in the leased premises. As a result, TPGG controls the use of the leased property. Tayman has proved to be a reliable and trusted operator, and while it has sought to minimize the expenses of running the course, it faces the same challenges common to the golf industry. When approached by the City about modifying the lease to allow WRD to use and access a portion of its leased land for recycled water storage, TPGG agreed to work with the City to find a solution that would benefit and support both enterprise funds. Under the terms described in a proposed third addendum of the TPGG lease, TPGG will cede back the land under the lease needed for recycled water storage capacity to the CSD, allow business interruption for the construction of the storage capacity at a yet-to-be-determined construction period and cooperate with WRD in dispersion of recycled water on the GCP after the construction of the Recycle Water Project (i.e. Purple Pipe System) is completed.

Further, the CSD will grant to WRD access to and use of the storage capacity land on the GCP beyond the term of the existing lease in perpetuity.

The Recycled Water Project provides benefits to the water system and the sewer system and their ratepayers. It provides an additional source of water for irrigation which increases the supply of potable water for domestic uses. This not only provides an additional source of water but also provides flexibility in the use of water sources, particularly in drought conditions and when the diversion of Russian River water is otherwise limited due to river flow conditions.

The project provides benefits to the sewer system. Historically, treated wastewater has been released into the Russian River during winter high river flow periods. WRD faces escalating river release regulations. The cost to comply with these regulations imposes a significant economic burden on the sewer system ratepayer. To avoid the high costs associated with continued river discharges of treated wastewater, WRD is working to end releases into the river.

The Recycled Water Project, now in Phase 1-3 construction, funded by a combination of favorable grants and low interest loans, is the more economical disposal alternative that WRD has pursued to avoid these escalating river release regulatory costs.

The proposed resolution (Attachment 1) and third addendum to the TPGG Lease (Attachment 2) will provide a combination of benefits to the water, sewer and golf enterprises. By compensating TPGG and CSD for the use of the golf course property for portable and recycle water storage and distribution, the resolution and lease addendum will further TPGG's ability to meet the golf industry's economic challenges and to operate the golf course on a long-term sustainable basis.

Discussion: The WSEF has used certain portions of the Front Nine holes of the GCP for facilities used to provide potable water service in the City, locating a 2-million, 1.5-million, 300,000 and 100,000-gallon water storage tanks on site, service roads, water mains, valves, pumps and access to such for the operation, maintenance and repair of these facilities. The golf fund has not been compensated for this property use. To keep the enterprise funds accountable for their encumbrances, staff proposes the WRD pay for the acquisition of this property in one hundred fifty-six (156) monthly principal and interest payments of seven thousand, seven hundred, forty-four dollars and thirty-five cents (\$7,744.35) per month which includes an imputed interest rate of

three point five (3.5%) per annum, such payments will be made retroactive to July 1, 2017. This aspect of the transaction is effectively an acquisition that will encumber the identified portions of the golf course in perpetuity for WRD utilization with the cost spread out over 13 years.

In looking forward to the final phase of the Recycle Water Project, WRD plans to build and utilize storage facilities on the Back Nine of the golf course property. By securing the right to use this land now, prior to construction, the design plans for the fourth phase can be finalized, and WRD can state in the grant funding application that it has a site secured for the needed storage capacity. The golf fund is requesting compensation from WRD in the amount of \$7,500 monthly until the Recycled Water Project is completed, in full payment for the perpetual right to access the property to be encumbered by the large storage capacity project in Phase 4 of the project. This cost is a normal and customary project cost and may be reimbursed through project funding sources.

During construction of the final phase of the Recycle Water Project, the golf fund will have a period of significant business interruption. The golf fund is proposing to receive a revenue make up payment from WRD on a monthly basis, as needed, to bring each month's revenue during the business interruption period to equal that same month's revenue in FY2017, as adjusted. In order to obtain a better understanding of the financial operation of TPGG, the City engaged an Independent Certified Public Accountant to perform Agreed Upon Procedures (AUP), for the FY2017 operating results of the golf course. Based upon work of the CPA, Staff believes that the revenue make up approach is fair to both WRD and to TPGG.

Upon completion of the fourth phase of the Recycle Water Project, the WRD's use of the property on the Back Nine holes of the golf course will incur a rental rate of three and three-quarter cents (\$0.0375) per square foot as annually adjusted for inflation. This is the same rate currently utilized by the Airport Enterprise for private and public ground leases. Additionally, the golf fund will be required to accept discharge of recycled water reasonably requested by the WRD throughout the entire Ukiah Valley Golf Course irrigation system to reduce storage levels when needed to allow for the impounding of additional recycled water. In the future, the WRD and Golf Enterprise may elect to negotiate a long term agreement or an acquisition arrangement once total utilization and benefits are recognized.

TPGG has agreed to accelerate the spending of Capital Improvement Payments (CIP) to improve the financial condition of golf operations. The financial health of the golf course is not only important to the golf course user, but also to the WRD because the golf course provides a location for the storage capacity and disposal of water from the Recycle Water Project, reducing and ultimately eliminating the need to discharge treated wastewater to the Russian River.

Representatives from the City Manager's Office, Tayman Park Golf Group, and the Women's and Men's Golf Clubs have met and reviewed the framework for these items. All of these stakeholders are in support of the proposed documents. Likewise, staff presented the framework for these items to the Parks, Recreation and Golf Commission without objection. The overwhelming feeling among these stakeholders is that the proposed agreements will strengthen the financial viability of the golf course operation, which will help enhance and preserve the golf course as a recreational asset, recognizing that volunteers donated their time and resources to build half of the golf course and that many others have since continued that effort with their contributions. Staff maintains that the agreements are beneficial to all three enterprise funds. In allocating these costs between the WSEF and the SSEF, further consultation with ratepayers through informal consultations and formal public hearings will be required.

Staff is available for comments or to answer any questions; please contact Project and Grant Administrator Maya Simerson at (707)467-5720; msimerson@cityofukiah.com.

Note: The allocation of costs between the water and sewer enterprise funds will have to be determined in the future, most likely through a combination of rate studies and negotiations with the Ukiah Valley Sanitation District which shares the use of the wastewater treatment plant with the City.

Conclusion and Recommendation:

For the benefit of the ratepayers and users of the WSEF, SEF and GCEF enterprise funds, and our community in general, staff recommends that Council adopt the proposed Resolution and approve the third addendum to the Tayman Park Golf Group Lease Agreement, and all corresponding budget amendments.

RESOLUTION NO. 2018-**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UKIAH AUTHORIZING THE WATER RESOURCES DEPARTMENT TO PAY FOR CERTAIN USES OF REAL PROPERTY COMPRISING THE UKIAH VALLEY GOLF COURSE ENTERPRISE WITHIN THE COMMUNITY SERVICES DEPARTMENT****WHEREAS,**

1. The City of Ukiah ("City") provides certain municipal services as general fund services funded primarily from tax revenue, such as sales and use tax, locally adopted transaction and use taxes, ad valorem real property taxes, transient occupancy taxes, and business license fees; and
2. The City provides other municipal services through enterprise funds which are funded by user fees charged for the municipal service provided by the enterprise fund; and
3. Enterprise funds are self-supporting and do not depend on tax revenues to provide their services; and
4. The Water Service Enterprise ("WSE") within the Water Resources Department ("WRD") is an enterprise fund that provides water service using monthly fees and connection fees; and
5. The Sewer Service Enterprise ("SSE") within the WRD is an enterprise fund that provides sewer service in the City and in the Ukiah Valley Sanitation District using monthly fees and connection fees; and
6. The Ukiah Valley Golf Course Enterprise ("GCE") within the Community Services Department ("CSD") is an enterprise fund that provides a municipal golf course and related municipal services through a lease agreement ("Lease") between the City and the Tayman Park Golf Group, Inc. ("TPGG"), which leases the Golf Course, including the club house and other improvements ("Golf Course Property" ("GCP") or "Leased Premises"); and
7. Under the Lease terms, TPGG pays the City rent and must operate, maintain, repair and improve the Golf Course relying exclusively on green and cart path fees, golf cart rental fees and the proceeds from the retail sale of goods and services from a pro shop and food and beverage service and fees from golf lessons, facility rentals and any other revenues derived from the operations of the Golf Course; and
8. The Water Service Enterprise uses certain portions of the Front Nine holes of the Golf Course Property for facilities used to provide potable water service for domestic consumption in the City, including a two million (2,000,000), one point five million (1,500,000), three hundred thousand (300,000) and one hundred thousand (100,000) gallon water storage tanks, service roads, water mains, valves, pumps and access for the operation, maintenance and repair of these facilities; and

9. The Water Service Enterprise has received funding from the California Water Board and has awarded a construction contract for the first three phases of a four phase project ("Purple Pipe Project") to construct a recycled water system ("Purple Pipe System") that will transport and deliver for irrigation purposes treated wastewater from the City's Wastewater Treatment Plant ("WWTP") to vineyards and public facilities, such as the Men's Softball Complex, Ukiah Cemetery District, City parks, school district facilities and the Todd Grove Recreational Area which includes the Ukiah Valley Golf Course; and
10. Phase Four of the Purple Pipe Project will require the installation of additional facilities on the Back Nine holes of the GCP, including control equipment, water mains, valves, holding ponds to facilitate the disposal of the reclaimed recycled water and related facilities; and
11. Upon completion of Phase Four of the Purple Pipe Project ("Purple Pipe Date") recycled water will be available to irrigate the GCP; and
12. The WRD will require access to and across the Leased Premises to that portion of the Back Nine holes of the golf course that TPGG has ceded back to CSD in Addendum 3 of the TPGG Lease Agreement for the planning, design and implementation of Phase Four of the Purple Pipe Project; and
13. Under Section 2.7 of the Lease, the City retained the right to use the Leased Premises for municipal purposes as long as its use does not unduly interfere with the Lessee's use of the Leased Premises. The retained use includes City property or facilities located on the Leased Premises or adjacent thereto, such as all roads leading to the two million (2,000,000), one point five million (1,500,000), three hundred thousand (300,000) and one hundred thousand (100,000) gallon water tanks located on the unleased portion of CSD land. Under the Lease, Lessor and Lessee share the cost to maintain all roads leading to the large water tanks based on their relative use of the roads; and
14. The retained use of the GCP represents a burden on the GCE and a financial benefit to the WSE; and
15. The design and construction of the Purple Pipe Project within the Back Nine holes of the GCP will unduly interfere with the Lessee's use of the Leased Premises; and
16. The capitalized terms in this resolution shall have the meanings provided in Section 1 of Addendum 3 to Municipal Golf Course Lease Agreement, unless a different meaning is expressly stated or clearly indicated by its usage herein;

NOW, THEREFORE, BE IT RESOLVED as follows:

1. Retroactive to July 1, 2017, WRD is directed to compensate CSD for the acquisition of the property, described in Exhibit R1, in one hundred fifty-six (156) monthly principal and interest payments of seven thousand seven hundred forty-four dollars and thirty-five cents (\$7,744.35) per month which includes an imputed interest rate of three point five percent (3.5%) per annum. Payments shall be made in monthly transfers from the WSE to the GCE. Transfers shall be treated as expenditures of the WRD from the WSE and revenue of the CSD to the GCE in the City's budgets and financial statements.
2. Retroactive to July 1, 2017, WRD is directed to compensate the CSD at the rate of ninety thousand (\$90,000) dollars per year for each year, or ratably for any partial year, prior to the Purple Pipe Date as full payment for the perpetual right to access the Purple Pipe System on the Golf Course Property. Such right allows WRD to demonstrate that it has legal access to complete Phase Four of

the Purple Pipe Project, including storage capacity to be located on the unleased portion of CSD land located on the Back Nine of the golf course. Payments shall be made in periodic transfers from the WSE to the GCE not less often than annually at the discretion of the City Manager. Transfers shall be treated as expenditures of the WRD from the WSE and revenue of the CSD to the GCE in the City's budgets and financial statements.

3. On a month by month basis during the Business Interruption Period and until the Golf Course Normalcy Date, WRD is directed to compensate the CSD with a revenue make-up payment as described under Section 3B of Addendum 3 to the Lease for any month when the total Gross Revenue, as reported to City by TPGG on the prescribed forms, is less than that same month's adjusted revenue for FY 2017 (July 1, 2016 to June 30, 2017) as shown on Exhibit 1.

4. Effective on the Purple Pipe Date, WRD is directed to compensate the CSD for the WRD's use of the Back Nine holes of the GCP at the rate of three and three-quarter cents (\$0.0375) per square foot per month. This amount shall be adjusted annually on July 1 based on the percentage change in the CPI for the twelve (12) month period ending on April 30. The square footage of the area used by the Purple Pipe Project shall be determined during the final design of those facilities to be recorded on Amended Exhibit A of the TPGG Lease Agreement and be recorded in the City's budget documents and financial statements. Payments shall be made in periodic transfers from the WSE to the GCE not less often than annually at the discretion of the City Manager. Transfers shall be treated as expenditures of the WRD from the WSE and revenue of the CSD to the GCE in the City's budgets and financial statements. In addition to the use of the Back Nine holes of the golf course by the Purple Pipe project facilities, the use shall include the discharge throughout the entire Ukiah Valley Golf Course irrigation system of all amounts of recycled water reasonably requested by the WRD to provide needed storage capacity in the Purple Pipe System storage ponds.

5. CPI means the Consumer Price Index for All Urban Consumers (1982-1984 = 100), San Francisco-Oakland-San Jose, CA, All Items, published by the United States Department of Labor, Bureau of Labor Statistics. In the event the CPI is discontinued or otherwise not available, "CPI" shall mean such comparable statistics on the purchasing power of the consumer dollar as is determined by the City Council.

6. Commencing on July 1, 2017, the CSD shall compensate the WRD for the difference between the billable charge for Potable Water used by TPGG to irrigate the golf course prior to the Purple Pipe Date and the amount TPGG pays for that use under Section 4 of Addendum 3 to the Lease. Such payments shall be made monthly as transfers from the GCE to the WSE and shall be treated as expenditures of the GCE and revenue of the WSE in the City's budgets and financial statements.

7. Because the City is providing recycled water to all other users at no cost, the WRD shall provide recycled water from the Purple Pipe System to the CSD without charge for all of its properties for a period of ten (10) years, commencing when recycled water is available to serve the Todd Grove Recreation Area and other City owned and operated parks and recreation facilities, including the Ukiah Valley Golf Course.

8. Notwithstanding any other provision of this Resolution to the contrary, after the Extended Term, WRD, in perpetuity, shall deliver Purple Pipe Water to CSD at the lowest price and most favorable terms offered to any other user receiving Purple Pipe Water ("Best Rate").

9. The SSE shall compensate the WSE for the diversion of treated wastewater from discharge to the Russian River through the Purple Pipe System as determined by the City Council. Payments by the

SSE to the Water Service Fund shall be recorded in the City's budgets and financial statements as an expense of the SSE and revenue of the WSE.

PASSED AND ADOPTED this 7th day of March 2018, by the following roll call vote.

AYES:

NOES:

ABSENT:

ABSTAIN:

Kevin Doble, Mayor

ATTEST:

Kristine Lawler, City Clerk

UKIAH VALLEY GOLF COURSE

Water Service
Footprint

Map Location



Water Line

Quantity: 5,418 LF

Service Roads

Quantity: 3,553 LF

Golf Course Footprint

Quantity: 3,390,377 SF

Water Tank Utility

Water Lines LF	54,180
Service Roads LF	28,638
Tanks SF	122,279
Pump house SF	430
Total Area	205,527



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.



0 750 1,500 Feet

ADDENDUM 3 TO MUNICIPAL GOLF COURSE LEASE AGREEMENT

This Agreement (“Addendum 3”) entered in Ukiah, California on _____, 2018 (“Effective Date”) amends the Municipal Golf Course Lease Agreement (“Lease”), dated July 1, 2012, between the City of Ukiah (“Lessor” or “City”), a general law municipal corporation, and Tayman Park Golf Course Group, Inc. (“Lessee” or “TPGG”), a corporation in good standing under the laws of the State of California. Except as expressly amended by Addendums 1, 2, and this Addendum 3, the original terms of the Lease remain in full force and effect between the Parties in accordance with its terms. Lessor and Lessee may be referred to herein as “Parties” and individually as “Party.”

RECITALS:

1. The City has received funding from the California Water Board and has awarded a construction contract for the first three phases of a four phase project (“Purple Pipe Project”) to construct a recycled water system that will transport and deliver treated wastewater from the City’s Wastewater Treatment Plant (“WWTP”) to vineyards and public facilities, such as the Men’s Softball Complex, Ukiah Cemetery District, City parks, school district facilities and the Ukiah Valley Golf Course for irrigation purposes.
2. Phase Four of the Purple Pipe Project will require the installation of additional facilities on the Back Nine holes of the Golf Course Property, including water mains, valves, holding ponds and related facilities, and a new golf course irrigation system to service the golf course irrigation needs with recycled water (“Purple Pipe Irrigation System”).
3. The City intends to apply for additional grant funding to construct Phases Four including the Purple Pipe Irrigation System.
4. The City engaged an Independent Certified Public Accountant to perform Agreed Upon Procedures designed by the City to obtain a better understanding of TPGG’s Statement of Operations for the year ended June 30, 2017.
5. TPGG has provided the City with comprehensive rounds reporting to include all daily green fee categories, annual passes and complimentary rounds, and any other category for all periods, per the terms of the Agreement.
6. Based on the Agreed Upon Procedures and information provided by TPGG, the City has determined that the current rent under the Lease is not sustainable and the Golf Course Enterprise (“GCE”) cannot continue to provide the Water Service Enterprise (“WSE”) and the Purple Pipe System with access to and use of the Leased Premises without receiving adequate compensation therefor from the WSE and the Sewer Service Enterprise (“SSE”).

7. Other revisions to the Lease are required to make the Lease sustainable and a continuing benefit to the rate payer, the golfing community and the City.

8. TPGG commits to make every reasonable effort to enhancement golf course revenue and enhance service options to make the GCE sustainable.

AGREEMENT.

In consideration of and reliance upon the above recitals, the terms and conditions as stated below, and other good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, the Parties hereby amend the Lease and agree as follows.

Section 1. Definitions. As used herein the following capitalized terms shall have the following meaning. Capitalized terms used in this Addendum 3, not defined in this Section 1, shall have the meaning provided in the Lease.

- A. "Back Nine" means the property encompassing holes nine through seventeen, and the surrounding property.
- B. "Business Interruption Period" means any monthly period during the Initial Term when golf holes are closed on a hole by hole basis, or when multiple golf holes are shut down at the same time for the construction of components of the Purple Pipe System.
- C. "Extended Term" means the ten (10) years commencing on the Purple Pipe Date.
- D. "First Option Term" means the five (5) year period commencing at the expiration of the Extended Term, where both Parties have mutually approved the exercise of the option.
- E. "Front Nine" means the property housing holes one through eight and hole eighteen, and the surrounding property.
- F. "Golf Course" means the portion of the Leased Premises upon which golf is played, including tees, fairways, roughs, and greens that require irrigation.
- G. "Golf Course Normalcy Date" means the date, as determined by the City, when the Golf Course is restored to normal playing condition after the last Business Interruption Period.
- H. "Golf Course Property" means that property described in Exhibit A attached to the Lease.
- I. "Gross Revenue" means that starting July 1, 2017, the term Gross Revenue as used in the Lease is as defined in the Restated and Amended Exhibit G, attached thereto

- J. "Initial Term" means the term commencing on the Effective Date of the Lease and ending on the earlier of ten (10) years plus any period of extension thereof, or the Purple Pipe Date.
- K. "Leased Premises" means the real property and improvements referenced and described in Section 1 of the Lease and Exhibit A thereto, amended to reflect the removal of that property ceded back to CSD by TPGG to accommodate the final design configuration of the holding ponds of the Purple Pipe Project, attached thereto.
- L. "Potable Water" means drinking quality water delivered to the Leased Premises through the City Water Enterprise distribution system for irrigation of the Ukiah Valley Golf Course ("UVGC").
- M. "Purple Pipe System" means all components of the system used for the delivery of tertiary treated recycled wastewater produced by the City's Wastewater Treatment Plant ("WWTP") and delivered through the system to the golf course, including, but not limited to, fencing, pipes, valves, ponds, pumping and controlling equipment and all the components of the Purple Pipe Irrigation System, and any Potable Water system components used in conjunction with the Purple Pipe Irrigation System.
- N. "Purple Pipe Date" means the date as determined by City on which the recycled water ponds, related equipment and new golf course irrigation systems become operational as the primary source of water for golf course irrigation.
- O. "Purple Pipe Irrigation System" means the irrigation system installed on the Leased Premises to allow the use of Purple Pipe Water to irrigate the Golf Course.
- P. "Purple Pipe Water" means recycled treated wastewater that is distributed for irrigation to the Golf Course through the Purple Pipe System.
- Q. "Right of Entry" means the City's right to access and cross any portion of the Leased Premises for the design, construction and use of the Purple Pipe System.
- R. "Second Option Term" means the five (5) year period commencing at the expiration of the First Option Term, where both Parties have mutually approved the exercise of the option.
- S. "TPGG Leasehold" means the Leased Premises as described in Exhibit A of the Lease, amended to reflect the removal of that property ceded back to CSD by TPGG to accommodate the final design configuration of the holding ponds of the Purple Pipe Project, attached thereto.

- T. "UVGC" means the Ukiah Valley Golf Course, the City of Ukiah's municipal golf course, which is operated as a division of TPGG under the terms of the Lease, as amended.

Section 2. Right of Entry Granted. TPGG grants City a Right of Entry into and across the Leased Premises to perform all activities related to planning, design, construction, testing and maintenance of all components of the Purple Pipe System used for the delivery of Purple Pipe Water to the Golf Course, including, but not limited to, fencing, pipes, valves, ponds, pumping and controlling equipment and all the components of the Purple Pipe Irrigation System as well as any Potable Water system components used in conjunction with the Purple Pipe Irrigation System for flushing and all other purposes, during the term of the Lease, including all extended terms of the Lease.

Section 3. Compensation to TPGG for Right of Entry and Ceding of Leased Property. In full compensation for the Right of Entry to the Leased Premises described in Section 2 above, and for the ceding back of that leased golf course property to CSD as described in the amended Exhibit A of the Lease (Attachment 1), during the Business Interruption Period and until Golf Course Normalcy Date, City will provide TPGG with revenue make-up payments, as provided in Subsection B, below, and certain water services as described in Sections 4 and 5 below.

A. As a condition to receiving the compensation provided in subsection B, below, TPGG is required to, and commits to make every commercially reasonable effort to maximize Gross Revenue during the Business Interruption Period.

B. On a month by month basis during the Business Interruption Period and until Golf Course Normalcy Date, City shall provide TPGG with a revenue make up payment for any month when the total Gross Revenue, as reported to City by TPGG on the prescribed forms, is less than that same month's adjusted revenue for FY 2017 (July 1, 2016 to June 30, 2017) as shown in the attached Exhibit 1 (Attachment #2).

C. TPGG agrees to fully cooperate with City and any Independent Certified Public Accountant ("CPA") retained by City to perform a review of the UVGC Statement of Operations or to apply any Agreed Upon Procedures designed by City to verify any UVGC monthly revenue during the Business Interruption Period(s), the cost of the CPA's services to be paid for by City. Such cooperation at TPGG's expense shall include complete and prompt access to all UVGC financial statements and records and any other information sought by the CPA in the course of and for the purpose of conducting the review or Agreed Upon Procedures.

Section 4. Potable Water Fees Suspended.

A. Retroactive to July 1, 2017, TPGG shall receive Potable Water from the City until the earlier of the last day of the Initial Term or the Purple Pipe Date. To avoid any subsidy by other ratepayers for Potable Water used by TPGG, the City shall make those

payments to the WSE in accordance with Section 6 of City Council Resolution No. _____ as described in Section 4B below.

B. Until the Purple Pipe Date, TPGG will apply Potable Water to irrigate the Golf Course in a professional manner. Retroactive to July 1, 2017, the GCE will pay up to \$185,000 of City's annual charges to TPGG for Potable Water. TPGG shall pay any charges in excess of \$185,000. TPGG's use of Potable Water under this Subsection B is subject to any more restrictive mandatory water use limitation regulations imposed upon or by the City.

C. Any refund by WSE to TPGG for Potable Water payments credited under 4.B above, for payments made by TPGG after July 1, 2017, will first be applied by the City to full payment of the forty-thousand (\$40,000) dollar annual Lease payments due the GCE for FY2018. The remaining balance, if any, will be paid to TPGG to be used for UVGC purposes.

Section 5. Use and Cost of Potable and Purple Pipe Water. Commencing on the Purple Pipe Date, TPGG shall receive Purple Pipe Water without charge for the Extended Term, but not for any extensions of the Extended Term, except as provided in Subsections D and E, below.

A. TPGG shall discharge Purple Pipe Water through the golf course irrigation system, when requested by the City to provide needed storage capacity in the Purple Pipe System storage ponds. TPGG shall not be required to discharge Purple Pipe Water at the City's request, if the discharge could damage the Golf Course or unreasonably interfere with the use or maintenance of the Golf Course.

B. In order to adequately conserve water and comply with water use regulations adopted by or imposed on the City during the Extended Term and any extensions thereof, the City, at its sole discretion, may set a reasonable annual limit on the use of Potable Water, based upon experience, after the Purple Pipe System becomes operational. The City shall give TPGG written notice of the annual limit. When such written notice has been given by the City, TPGG shall limit its use of Potable Water immediately by using no more than the annual prorated amount allowed by the City in the remainder of the twelve months ending June 30, and the annual amount allowed thereafter.

C. TPGG will pay existing water rates for any use of Potable Water in excess of the amount allowed in Subsection B, above.

D. At the mutual exercise of the First Option Term by the Parties, subject to TPGG having met substantially all of the performance standards of the Agreement during the

Extended Term as determined by the City, TPGG may use Purple Pipe Water without charge for the First Option Term.

E. At the mutual exercise of the Second Option Term by the Parties, subject to TPGG having met substantially all of the performance standards of the Agreement during the First Option Term as determined by the City, TPGG may use Purple Pipe Water without charge for the Second Option Term.

Section 6. Weekly Water Use Reports Required. TPGG will provide a detailed weekly water use report for both Potable Water and Purple Pipe Water to City in a form acceptable to City. Providing the required water use reports is a performance standard of TPGG, subject to Section 1.B of the Lease.

Section 7. Extended Term and First and Second Options to Further Extend Term.

A. City shall give written notice to TPGG of the Purple Pipe Date as determined by the City.

B. If the Purple Pipe Date takes place during the Initial Term the Lease is automatically extended for ten (10) years from the Purple Pipe Date with the availability of a First Option Term and a Second Option Term.

Section 8. Rent.

A. The Rent payment deferral previously allowed by City Council action is eliminated retroactively to July 1, 2017.

B. Section 4.1 of the Lease is amended in its entirety. Instead of the rent as provided in Section 4.1 a-d, Rent is fixed at three-thousand three-hundred and thirty-three (\$3,333.33) dollars and thirty-three cents a month (forty-thousand (\$40,000) dollars per year) retroactively to July 1, 2017. Such rate shall remain in effect until the earlier of the last day of the Initial Term, or twelve (12) months after the Purple Pipe Date month, at which time Rent payments will revert to the Rent payment percentage schedule of the Agreement as provided in Section 4.1, and the Amended and Restated Exhibit G (Attachment #3) for the remainder of the Initial Term, including any extensions or option terms thereof.

Section 9. Capital Improvement Payment.

A. The Capital Improvement Payment (CIP) deferral previously allowed by City Council action is eliminated retroactively to July 1, 2017.

B. The amended required accelerated Capital Improvement Payments are described in 10A and 10B below.

- C. Capital Improvement credits will be given to TPGG as described in 10C and 10D below.

Section 10. TPGG Required Improvements to Cart Paths and Club House.

A. 1. During the period February 15 – June 30, 2018, TPGG will commence and complete club house food & beverage facilities and related club house improvements using plans preapproved and acceptable to City, spending four-hundred thousand (\$400,000) dollars of TPGG funds.

2. If TPGG fails to complete this project by June 30, 2018, then as a penalty, the Rent schedule described in the Amended and Restated Exhibit G will become effective on July 1, 2018, retroactively to July 1, 2017 and continue to be in effect until the month end following the date City accepts and approves the completed project.

3. Such penalty may be waived in whole or in part at the sole discretion of the City Manager for good reason.

4. An extension of the June 30, 2018 project completion date may be given at the sole discretion of the City Manager for good reason.

5. If the project can be completed for less than \$400,000, then TPGG will spend the balance of that amount on golf course improvements as preapproved and agreed to by City.

6. All food and beverage equipment and club house improvements purchased with this expenditure will be considered to be leasehold improvements to the Leased Premises real property, and as such, control and possession will revert to the City upon the termination of Lease by either Party for any reason. If TPGG secures a loan to fund the acquisition of any such food and beverage equipment and the construction of club house improvements, any improvements constituting "fixtures," as defined in Section 9102(41) of the Uniform Commercial Code, upon which the lender has perfected a security interest, shall remain subject to said security interest until the loan is fully repaid or the lender otherwise releases the security interest in any such property.

B. Within two weeks following the Purple Pipe Date, or sooner if agreed to by the Parties, TPGG shall commence the complete rehabilitation of the golf course cart paths according to plans preapproved and acceptable to City. The cart path rehabilitation will be completed within four (4) months of the commencement date, or sooner if possible. TPGG commits to complete the project using two-hundred thousand dollars \$200,000 of its funds. If the project can be completed for less than \$200,000, then TPGG shall spend the balance of that amount on golf course improvements as preapproved and agreed to by the City.

C. Upon City's approval of the completed club house improvement project, commencing in FY2018, TPGG shall be given a credit of \$200,000 towards the CIP requirement of Section 4.2 of the Lease (\$40,000 X five (5) years).

D. Upon City's approval of the completed cart path improvement project, commencing in FY2018, TPGG shall be given a credit for three (3) years of one-hundred and twenty-thousand dollars (\$120,000) towards the CIP requirement of Section 4.2 of the Lease (\$40,000 x 3 years).

E. Before TPGG receives credit for CIP, TPGG shall provide documentation that is acceptable to City to confirm that the amounts represented as expended by TPGG for the Projects described in 10A and 10B are accurate.

F. After the CIP credits described in 10C and 10D for the club house and cart path project expenditures have been exhausted, TPGG will be required to resume the annual forty-thousand (\$40,000) dollar CIP contributions as adjusted for CPI from FY2017 as described in Section 4.2 of the Lease. Under no circumstances will a refund of these credits be due to TPGG for any reason, even if the lease term with all extension and option periods do not fully amortize the CIP credits.

Section 11. Golf Course Support Fee Notice. Upon written notice from City, given no more than ninety (90) days before a reasonable estimate of the Purple Pipe Date, TPGG will start to collect, on a date specified by the City as further described in Restated and Amended Exhibit G, a per round Golf Course Support Fee ("GCSF") of one dollar (\$1.00) on all paid daily play rounds, and a six percent (6%) GCSF on all fees for annual passes and other non-daily rates collected, and will pay over such amounts to the City monthly, along with City prescribed reports prepared by TPGG. Amounts collected will be deposited in a Golf Course enterprise account. Such funds will be dedicated to the payment of Golf course related expenditures, as determined by the City.

A. In consultation with TPGG, but not more often than every other year, after City Manager's approval, the GCSF may be increased for play occurring in any twelve-month period commencing July 1. City will provide written notice to TPGG, by May 31 of such increases. GCSF increases will be in one dollar (\$1) increments to a maximum of three dollars (\$3) on all paid daily play rounds, and/or in one percent (1%) or two percent (2%) increments to a maximum of ten percent (10%) on all fees for annual passes and other non-daily rates collected. Such percentage adjustments will be rounded to the nearest dollar.

B. City Manager's approval is required for any TPGG rate changes initiated before the Purple Pipe Date.

Section 12. Food and Beverage Franchise or License. TPGG is authorized to enter a franchise or license agreement with a third-party for TPGG to provide food and beverage services at the Ukiah Valley Golf Course.

- A. If TPGG enters a franchise, license or other agreement with a third-party for TPGG to provide food or beverage services upon the Leased Premises, TPGG agrees to indemnify, defend and hold City harmless from and against any claim, action, damages, costs (including, without limitation, the fees of attorneys, experts, investigators, consultants or any other litigation expenses), injuries, or liability, arising out of entry into or performance under said agreement by TPGG or the third-party and the provision of food and beverage services at the golf course. 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, for which indemnification is required by this Section 12.A, TPGG shall 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 Section 12.A will survive termination of this Agreement. The requirements as to the types and limits of insurance coverage to be maintained by TPGG, 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 TPGG pursuant to this Section 12.A.
- B. TPGG shall not enter any franchise, license or other agreement with a third-party for TPGG to provide food or beverage service upon the Leased Premises unless and until the City, by its City Manager, has reviewed and approved it.
- C. At the City's option, TPGG will insure that the City is named as a third-party for TPGG beneficiary of any franchise, license or other agreement with a third-party to provide food or beverage service upon the Leased Premises.

Section 13. Extension of Term.

- A. The Initial Term is extended by nine (9) months to March 31, 2023.
- B. If the City determines that the Purple Pipe Date will not occur before the end of the Initial Term, then, no later than six (6) months before the end of the Initial Term, the Parties shall either extend the Initial Term by a mutually agreed period of time or mutually agree to renegotiated Lease provisions. If the parties fail to agree on an extension of the term or renegotiated Lease provisions, the Lease shall expire at the end of the Initial Term.

Section 14. Modifications of Lease. Paragraph 28 of the Lease is amended to read:

“No modification to the terms of this Agreement shall be enforceable, unless approved by Lessee and the City and set forth in a written addendum or amendment of this Lease signed by authorized representatives of the Parties. The City Manager may approve amendments to this Lease on behalf of the City that do not change the term, rent, other provisions relating to rent or the payment of money or the provision of water to TPGG, the description of the leased premises or otherwise alter the purpose of the lease. All other amendments must be approved by the City Council. Upon the written request of Lessee, the Parties shall meet and negotiate in good faith amendments to this agreement that Lessee believes are warranted by changed circumstances. The City Manager or his/her designee shall meet with authorized representatives of Lessee within fifteen days of the date notice is given pursuant to this paragraph and shall continue to negotiate in good faith until agreement is reached or until either party declares that further negotiations would be unlikely to result in agreement. Neither party is required to reach agreement as a result of good faith negotiations.”

WHEREFORE, this Addendum 3 to the Municipal Golf Course Lease is made and entered on the Effective Date.

CITY OF UKIAH

TAYMAN PARK GOLF GROUP, INC.

By: _____

By: _____

It's President

ATTEST:

ATTEST:

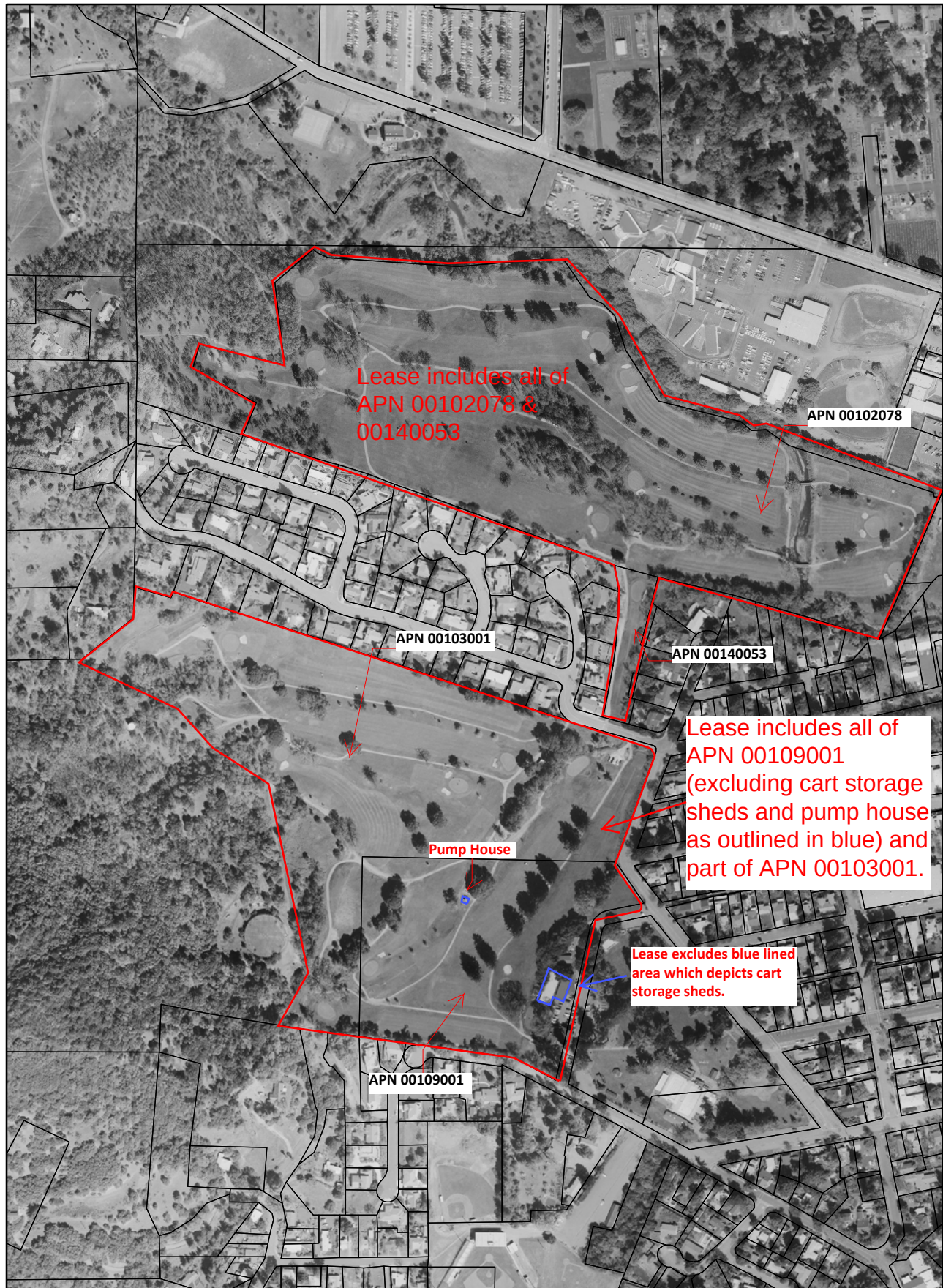
Kristine Lawler, City Clerk

Corporate Secretary

EXHIBIT A: DEPICTION OF REAL PROPERTY UKIAH MUNICIPAL GOLF COURSE

Attachment #1

N



ADDENDUM 3**EXHIBIT 1****REVENUE MAKE UP UNTIL GOLF COURSE NORMALCY DATE IS DETERMINED BY CITY**

Month Ending	FY 2017 Revenue (1)	Adjustment Factor	Adjusted FY 1017 Revenue A	Business Interruption Period Revenue B	Make Up Payment Required if A is Greater than B A Minus B	Business Interruption Period Month/ Year
July 31, 2016	94,900	115%	109,135			
August 31, 2016	82,593	115%	94,982			
September 30, 2016	88,994	115%	102,343			
October 31, 2016	58,723	115%	67,531			
November 30, 2016	39,981	115%	45,978			
December 31, 2016	33,617	115%	38,660			
January 31, 2017	31,616	115%	36,358			
February 28, 2017	15,265	115%	17,555			
March 31, 2017	53,647	115%	61,694			
April 30, 2017	57,874	115%	66,555			
May 31, 2017	83,200	115%	95,680			
June 30, 2017	<u>91,153</u>	115%	<u>104,826</u>			
Fiscal Year Total	731,563	115%	841,297			

(1) Verified by Agreed Upon Procedures Test # 4

Exhibit G (Restated and Amended)
RENT AS A PERCENTAGE OF GROSS REVENUE
AND GOLF COURSE SUPPORT FEE

Definitions

“Rent”: Rent is the greater of seventy-five thousand (\$75,000) dollars or the total of percentage amounts calculated on Food, Beverage & Merchandise Gross Revenue (FB&M) and Gross Revenue other than FB&M, plus the Golf Course Support Fee.

“Food, Beverage & Merchandise Gross Revenue (FB&M)”: FB&M Gross Revenue includes revenue from:

- Merchandise Sales
- Food Sales
- Liquor & Beer Sales
- Non-Alcohol Beverage Sales

“Gross Revenue other than FB&M”: Gross Revenue other than FB&M includes all revenues and income collected or received by the Lessee in performing under this Lease that are not FB&M or Golf Course Support Fees.

“Gross Revenue Exclusions”: The following are excluded from Gross Revenue: (1) Cash refunds or credits allowed on returns by customers; (2) The actual uncollectible amount of: (i) any check or bank draft received by Lessee as payment for goods or services and returned to Lessee from a customer’s bank as being uncollectible (commonly “non-sufficient funds” checks); or (ii) any charge or credit account (commonly “bad debts”) incurred by Lessee for the sale of merchandise or services; (3) Gross Revenue from golf lessons; (4) California Sales tax.

“Golf Course Support Fee”: Golf Course Support Fee is a dollar value or percentage value fee collected from the golfer for the support of the Golf Course as determined by the City.

Rent

Lessee shall collect all Gross Revenue and pay the City Rent based on a percentage of Gross Revenues as follows;

Food, Beverage & Merchandise Gross Revenue (FB&M) at 5%, and

Gross Revenue other than FB&M, excluding Golf Course Support Fee described below, on a sliding scale from 10%- 20% as shown in the following chart:

Gross Revenue other than FB&M	Rent percentage
-------------------------------	-----------------

\$700,000 and less	0.10
\$725,000.00	0.11
\$750,000.00	0.12
\$775,000.00	0.13
\$800,000.00	0.14
\$825,000.00	0.15
\$850,000.00	0.16
\$875,000.00	0.17
\$900,000.00	0.18
\$925,000.00	0.19
\$950,000.00	0.20

The Rent percentage portion of these Rent payments shall be made to the City on a monthly basis for revenue collected in the previous month.

If Percentage Calculated Rents paid for the twelve months ended June 30 calculated on Food, Beverage & Merchandise Gross Revenue (FB&M) and Gross Revenue other than FB&M excluding the Golf Support Fee is less than seventy-five thousand (\$75,000) dollars, then any additional amount necessary to pay the minimum annual Rent totaling seventy-five thousand (\$75,000) dollars is due no later than July 31st.

Golf Course Support Fee:

Upon written notice from City, given no more than ninety (90) days before a reasonable estimate of the Purple Pipe Date, TPGG will start to collect, on a date specified by the City, a per round Golf Course Support Fee of one (\$1.00) dollar on all paid daily play rounds, and six (6%) percent on all annual pass fees and other non-daily golf rates collected, and will pay over such amounts to the City in the month following collection, along with City prescribed reports prepared by TPGG. Amounts collected will be deposited in a Golf Course enterprise account. Such funds will be dedicated to the payment of Golf course related expenditures as determined by the City.

In consultation with TPGG, but not more often than every other year, after City Manager's approval, the Golf Course Support Fee may be increased or decreased for play related to any twelve-month period commencing July 1. City will provide written notice to TPGG, by May 31 of such increase or decrease. Golf Course Support Fee increases or decreases will be in one (\$1) dollar increments to a maximum of three (\$3) dollars on all paid daily play rounds, and/or in one (1%) percent or two (2%) percent increments to a maximum of ten (10%) percent on all fees for annual passes and other non-daily rates collected. Such percentage adjustments will be rounded to the nearest dollar.

The Golf Course Support Fee portion of the Rent payment shall be made to the City on a monthly basis as provided in Section 4.3 of the Lease.



AGENDA SUMMARY REPORT

SUBJECT: Report of a Regional Government Services Contract and Approve and Authorize Changes to Personnel Allocations in Finance Department and Corresponding Budget Amendment

DEPARTMENT: Finance

PREPARED BY: Daphne Harris

ATTACHMENTS:

[Attachment 1 - Ukiah-RGS Agreeent \(Payroll Consulting\) 2018-02-12](#)

Summary: The Finance Department is submitting a report to Council regarding a pending contract entered into with Regional Government Services (RGS) on a time and expense basis due to payroll staffing needs, and is requesting approval of the reduction of an unfilled, half-time Customer Service Representative (CSR) and the addition of a full-time Financial Services Specialist (FSS).

Background: Payroll for the City is intricate and highly complex. In July 2017, the City's Payroll Officer retired after many years of service with the City. The retirement occurred four months earlier than was anticipated by the Department. The new Payroll Officer started two weeks before that early retirement, receiving a short period of training. The former Payroll Officer was well accustomed to the system, having been an architect in the

RECOMMENDED ACTION: Receive a report of pending contract entered into with Regional Government Services (RGS) on a time and expense basis due to payroll staffing needs; approve the reduction of an unfilled, half-time Customer Service Representative (CSR) position and the addition a full-time Financial Services Specialist (FSS) position; and approve the corresponding budget amendment.

BUDGET AMENDMENT REQUIRED: Yes

CURRENT BUDGET AMOUNT: \$31,508 - #20513300.51120

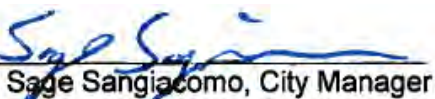
PROPOSED BUDGET AMOUNT: \$17,494 - #10013400.51110; \$20,000 - #10013400.52100

FINANCING SOURCE: The Finance Department is funded from multiple funds. The net proposed increase to appropriations of \$5,986 (\$20,000 cost of RGS services - \$14,014 savings) will come from available budgetary surplus or reserves in each respective fund.

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH: Daniel Buffalo, Finance Director; Sage Sangiacomo, City Manager; Sheri Mannion, HR/Risk Management Director; Mary Horger; Procurement Manager

Approved:


Sage Sangiacomo, City Manager

payroll system's development. However, with her retirement, certain critical competencies in the Department are in need of enhancement. Professional, technical expertise is needed to help develop those competencies.

The Finance Department implemented a strategy to attempt to ensure continuity of the payroll function and allocated additional support resources to assist the Payroll Officer's acclimation to the City's payroll process. However, deficiencies in that strategy became evident and the Department is considering a revised approach.

Discussion: The City's payroll cycle encompasses two weeks in duration. Currently, the Payroll Officer is the only permanently assigned FTE throughout the entire payroll cycle. However, during week two of the payroll cycle, the Payroll Officer is assisted by one FSS and a temporarily-assigned CSR for a total of 2.5 FTEs. This was implemented to promote cross training of team members and ensure that greater redundancies are in place in the event of Payroll Officer's absence or to provide needed support. When not assigned to payroll, the FSS and CSR are assigned to other duties in general accounting, budgeting, accounts payable, and customer service.

For immediate, temporary support, the Finance Department is in the final stages of executing a contract with RGS, who will provide high-level, technical services to assist in further developing and supporting the Payroll Officer and other members of the payroll team. As part of a larger evaluation by the Department of the general accounting and payroll functions, RGS will review the City's payroll system in its entirety and provide recommendations to strengthen it. The Human Resources/Risk Management Department will participate in this process closely. Further, RGS will review and may provide recommendations on how the City implements labor agreements through the payroll system.

To further enhance support to Payroll and other general accounting services, Finance is proposing to eliminate the unfilled, half-time CSR position (currently budgeted in the Billing and Customer Services Division of Finance) and add a full-time FSS position assigned to the Accounting and Reporting Division of Finance. The effect to the Finance Department will be the addition of 0.5 FTE with enhanced support to Payroll.

It is Staff's recommendation that Council receive this report of the pending RGS contract (Attachment 1), not to exceed \$20,000, and approve the elimination of the half-time CSR and add a full-time FSS and corresponding budget amendment. There will be a cost savings in the current budget year of \$14,014 by eliminating the CSR and adding a full-time FSS. However, the added 0.5 full-time equivalent (FTE) to the Department staffing allocation will increase next year's personnel costs by \$38,468.

Financing: The net cost of this adjustment, including the contract with RGS, will be \$5,986 to the current 2017-18 budget. Funding for this amount will come from the available budgetary surplus or reserves of the various funds that are allocated share of costs of the Finance Department. Based on the 2017-18 Cost Allocation Plan (which has not been adopted by Council at the time of this report), the approximate share of cost to funds would be proposed as follows:

General - \$2,026
Internal service funds - \$579
Special revenues funds - \$76
Enterprise funds - \$3,100
Other - \$205

AGREEMENT FOR
PROFESSIONAL CONSULTING SERVICES

This Agreement, made and entered into this 12th day of February, 2018 ("Effective Date"), by and between CITY OF UKIAH, CALIFORNIA, hereinafter referred to as "City" and Regional Government Services, a Municipal Agency, 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 providing Payroll Consulting Services.
- b. Consultant represents that it has the qualifications, skills, experience and properly licensed to provide these services, and is willing to provide them according to the terms of this Agreement.
- c. City and Consultant agree upon the Scope-of-Work and Work Schedule attached hereto as Attachment "A", describing contract provisions for the project and setting forth the completion dates for the various services to be provided pursuant to this Agreement.

TERMS OF AGREEMENT

1.0 DESCRIPTION OF PROJECT

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

2.0 SCOPE OF SERVICES

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

3.0 CONDUCT OF WORK

- 3.1 Time of Completion. Consultant shall commence performance of services as required by the Scope-of-Work upon receipt of a Notice to Proceed from City. 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 \$20,000. Labor charges shall be based upon hourly billing rates for the various classifications of personnel employed by Consultant to perform the Scope of Work as set forth in the attached Attachment 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 issue of final invoice for this contract.

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. *The coverage requirements set forth herein can be satisfied with a combination of self-insurance and self-insured pool insurance.*

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 *to the extent it 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

COU No. 1718179

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

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

8.0 NOTICES

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

CITY OF UKIAH
DEPT. OF FINANCE
300 SEMINARY AVE.
UKIAH, CA 95482

REGIONAL GOVERNMENT SERVICES AUTHORITY
ATTN: SOPHIA SELIVANOFF, DIR OF HUMAN RESOURCES SERVICES
PO BOX 1350
CARMEL VALLEY, CA 93924

9.0 SIGNATURES

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

REGIONAL GOVERNMENT SERVICES AUTHORITY

BY: Richard Averett

2/28/2018

Date

PRINT NAME: Richard Averett

APPROVED AS TO FORM:

DATED: Feb 28, 2018

IRS IDN Number

By: [Signature] Laura Quint ex

CITY OF UKIAH

Sky Woodruff, Authority Counsel

BY: _____

SAGE SANGIACOMO
CITY MANAGER

Date

ATTEST

CITY CLERK

Date



February 8, 2018

Delivered via email to dbuffalo@cityofukiah.com

Dan Buffalo, Finance Director
CITY OF UKIAH
300 Seminary Avenue
Ukiah, CA 95482

SUBJECT: PROPOSED PAYROLL CONSULTING SERVICES

Dear Mr. Buffalo:

Thank you for giving Regional Government Services (RGS) the opportunity to provide the City of Ukiah (City) with this proposal for Payroll Consulting Services. RGS is uniquely qualified to provide these services based on our specific public sector finance and human resources expertise and extensive experience working with local government agencies throughout California. For over fifteen years, our team of experienced Advisors has been producing creative, dynamic administration solutions tailored to the unique structures and needs of public sector organizations.

Regional Government Services is itself a government agency. As a Joint Powers Authority (JPA) established in 2001 to serve the needs of cities, counties, special districts and other governmental entities throughout California, our focus is on public agencies, and we provide a ready source of human capital and consulting services to meet the needs of our partner agencies in a broad range of support service areas. RGS has a proven track record working with local government agencies to successfully accomplish a range of effective administrative and management systems and practices in organizations which are similar in terms of demographics, size and needs as the City. RGS is known for our flexible and responsive service, and we can easily and quickly up or downscale service levels, depending on your needs. RGS is also valued for delivering high quality services in a very cost effective manner.

If you have any questions regarding this proposal, please feel free to me at (650) 587-7315 or via e-mail at sselivanoff@rgs.ca.gov.

Sincerely,

Sophia Selivanoff

Sophia Selivanoff, Director of Human Resources Services
REGIONAL GOVERNMENT SERVICES

Dan Buffalo
February 8, 2018
Page 2

DESCRIPTION OF SERVICES

Three different types of services are proposed at this time for the City.

1. Assessment of the City's Pay Practices and System

The first service is a project, an evaluative review of the City's current pay practices, processes, and systems for delivery of employee compensation; and encompassing a review of the City's written compensation documents and payroll files, as well as desk audits and interviews with key staff. The City has requested a broad overall system assessment, not a transactional audit. To conduct this assessment, an RGS team of Advisors will perform the following activities:

- Investigate payroll software: Is it set up to correctly and completely? Can it effectively calculate the pays the agency provides?
- Map and analyze workflow: How is payroll base data provided and maintained, how are individual pay transactions initiated/approved/documented/implemented? Are duties properly separated, and adequate controls and expertise applied?
- Review specific compensation issues: Broadly identify any potential tax, FLSA and/or PERS issues, and confirm whether or not they are being effectively addressed by the City's system and practices.

The key outcome of this evaluative review will be a written report presenting an assessment of existing payroll practices and systems for the City's review, and including recommendations or alternatives for developing or improving payroll practices to increase both regulatory compliance and administrative effectiveness as appropriate.

2. Assessment of the Compensation Policies

The second service is also a project, an evaluative review of the City's current compensation policies and decision-making processes which result in the establishment of employee compensation; and encompassing a review of the City's written compensation policy documents, as well as desk audits and interviews with key staff to identify or clarify past practices and administrative interpretations and applications of compensation policies. To conduct this assessment, an RGS team of Advisors will perform the following activities:

- Review all current pay policies, administratively documented compensation practices and interpretations, and MOU's and other compensation documents.
- Interview key administrators and labor leaders to identify unwritten pay policies.
- Make recommendations for immediate changes, if appropriate.
- Advise on compensation matters to address at a policy level and/or in future bargaining.
- Identify best practices for achieving clarity, accuracy and consistency of compensation administration.

Dan Buffalo
February 8, 2018
Page 3

The key outcome of this evaluative review will be a written report presenting a comprehensive assessment of the policy and decision-making drivers of compensation for the City's review, and including recommendations or alternatives for developing or integrating the City's policy approach to compensation, as appropriate.

3. Ongoing Compensation Administration Support Services

The third service currently requested is for ongoing compensation administration support. The City particularly notes a need for support on an *ad hoc* basis as payrolls are processed. RGS will provide an Advisor (or Advisors) who will:

- Provide phone call/email support to payroll, benefits, and HR staff on compensation issues.
- Advise on implementation of new pay items and/or application of new pays/regulations.

To provide this service, a team of not more than two (2) Advisors will be assigned to provide ongoing ad hoc compensation administration support to the City. These Advisors will respond to service requests and document key compensation advice, as well as providing regular updates to assigned members of the City management team. This RGS team will provide continuity of services, and ensure that resolutions are provided timely. Other RGS Advisors may occasionally assist with this service to add functional expertise to specific issues. RGS Advisors will be reasonably available to perform services during the normal work week and within any agreed-upon schedule. RGS Advisors will maintain open communication lines with the City management team and compensation administration staff through phone, fax, and email accessibility, written documentation, and meetings as needed.

TEAM QUALIFICATIONS

RGS is a virtual government agency, and has developed a unique network of geographically distributed Advisors who work both onsite at partner agency offices, and through various remote access technologies to deliver services to partner agencies, reducing overhead and expanding our ability to provide high-quality services throughout the state.

RGS is flexible and responsive in its ability and desire to assign qualified staff to provide a stable service team and will work with the City at the time service is initiated to make an effective and reasonable Advisor assignment to meet the fiscal and operational needs of the City. RGS reserves the right to offer and/or assign another available and equivalently-qualified Advisor at any time.

BUDGET & FEE SCHEDULE

Generally, RGS provides consulting services on an hourly basis. Work is performed upon request, and subsequently billed based on hours actually worked. Bill rates are as follows:

Dan Buffalo
February 8, 2018
Page 4

Staff	Hourly Rate
Senior/Lead Advisor	\$115 to \$165
Advisor	\$105 to \$135
Project Advisor	\$95 to \$115
Project Coordinator	\$75 to \$105

The different types of service requested should be considered separately in estimating total costs. The cost of the first service, payroll assessment, as outlined above is estimated to cost between \$5,000 and \$8,000, depending on the number of documents to review and staff to interview, as well as issues uncovered. The cost of the second service, compensation policy assessment, and the third service, ongoing compensation administration support services will represent variable costs, and discoveries during the payroll assessment project may drive more or less RGS engagement in these services.

Please note that it has been RGS' experience that agencies often need to make a significant initial investment in administrative expertise to develop appropriate infrastructure, refocus organizational roles, and address the myriad of issues that are mandated for any public agency. RGS recommends conducting the payroll assessment project promptly, and jointly evaluating the resulting recommendations to establish follow-up priority projects and associated funding allocations. The work of creating an effective payroll and compensation administration system, and building the skills and roles within the City to sustain the system is often a multi-year strategy.

While it is anticipated that expenses for travel and lodging and other direct external costs will be minimal, such expenses are not included in hourly rates, and will be invoiced to the City at cost with no markup. Mileage will be invoiced using the current IRS rate.



AGENDA SUMMARY REPORT

SUBJECT: Receive updates on City Council Committee and Ad Hoc Assignments

DEPARTMENT: Administration

PREPARED BY: Sage Sangiacomo

ATTACHMENTS:

[Attachment 1 - 2018 City Council Special Assignments & Ad Hocs](#)

Summary: City Council members will provide reports and updates on their committee and ad hoc assignments.

Background: City Council members are assigned to a number of committees and ad hoc activities. These assignments are included as Attachment #1.

Discussion: Previously, the City Council discussed having more time allocated to reporting on committee and ad hoc activities. Often, the Council Report section of the regular agenda is rushed due to impending business (i.e., public hearings) and not enough time is afforded for reports beyond community activities.

In an effort to foster regular updates on committee and ad hoc assignments, this item is being placed on the agenda to provide the City Council members an expanded opportunity to report on assignments.

RECOMMENDED ACTION: Receive report(s).

BUDGET AMENDMENT REQUIRED: No

CURRENT BUDGET AMOUNT: N/A

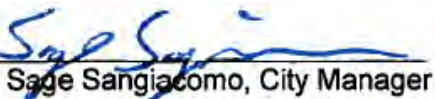
PROPOSED BUDGET AMOUNT: N/A

FINANCING SOURCE: N/A

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH: Mayor Doble

Approved:


Sage Sangiacomo, City Manager

2018 COUNCIL ASSIGNMENTS

ATTACHMENT 1

COUNTY/REGIONAL OnGoing One + Alternate	MTG DATE/TIME	MEETING	LOCATION	MAILING ADDRESS/CONTACT	COMMITTEE FUNCTION	ASSIGNED TO	PRINCIPAL STAFF SUPPORT
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	Scalmanini Brown - Alternate	Rick Seanor , Deputy Director of Public Works; 463-6296 rseanor@cityofukiah.com
Mendocino County Inland Water and Power Commission	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	Doble 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 Doble - 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	Scalmanini Brown - 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	Tami Bartolomei (Appointed 4/05/2017)	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	Mulheren (no alternate necessary)	Shannon Riley , Deputy City Manager; 467-5793 sriley@cityofukiah.com
Russian River Watershed Association	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 666-4857	Consider issues related to Russian river - plans projects and funding requests	Doble Brown - Alternate	Sean White , Director of Water Resources; 463-5712 swhite@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 Doble - 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
Depot Infrastructure Development	TBD	TBD		300 Seminary Avenue Ukiah, CA 95482	Review and advise regarding public infrastructure improvements in and around the railroad depot property and area	Doble (no alternate necessary)	Shannon Riley , Deputy City Manager; 467-5793 sriley@cityofukiah.com
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	Doble Riley - Alternate	Shannon Riley , Deputy City Manager; 467-5793 sriley@cityofukiah.com
Greater Ukiah Chamber of Commerce Liaison ex officio	4th Wednesday of month, 9:00 a.m.	Conference Center	200 S. School Street Ukiah, CA	200 S. School Street Ukiah, CA 95482 462-4705	To represent and set policy for Chamber and area businesses	Doble Riley - Alternate	Shannon Riley , Deputy City Manager; 467-5793 sriley@cityofukiah.com; Kerry Randall , Facilities Admin; 463-6706 krandall@cityofukiah.com
Homeless Services Action Group (HSAG)	Thursdays as needed, 4:00 p.m.	Manzanita Services Inc.	410 Jones Street Ukiah	631 Tokay Avenue Ukiah, CA 95482 or MCAVHN at: P.O. Box 1350 Ukiah, CA 95482 Judy Popowski - 463-6655	HSAG (Homeless Services Action Group)	Scalmanini	Shannon Riley , Deputy City Manager; 467-5793 sriley@cityofukiah.com

2018 COUNCIL ASSIGNMENTS

Main Street Program Board of Directors ex officio	1st Thursday of month, 8:00 a.m.	200 South School Street Ukiah, CA	200 S. School St. Ukiah, CA 95482 463-6729	Develops activities for downtown economic development program	Mulheren Riley - Alternate	Shannon Riley , Deputy City Manager; 467-5793 sriley@cityofukiah.com Kerry Randall , Facilities Administrator; 463-6706 krandall@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	Scalmanini Sangiacomo - Alternate	Tami Bartolomei , Community Services Administrator; 467-5765 tbartolomei@cityofukiah.com
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	Brown Chief Dewey - Alternate	Chris Dewey , Police Chief; 463-6245 cdewey@cityofukiah.com
Northern California Power Agency (NCPA)	4th Thursday of month, 9:00 a.m. (see calendar from NCPA)	Roseville, CA and other locations	651 Commerce Drive Roseville, CA 95678 916-781-4202	Pool of public utilities for electric generation and dispatch	Crane Grandi - Alternate	Mel Grandi , Electric Utility Director; 463-6295 mgrandi@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
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	Mulheren Doble - 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 Alan Carter , Treasurer	Dan Buffalo , Director of Finance; 463-6220 dbuffalo@cityofukiah.com
Library Advisory Board	3rd Wednesdays of alternate months (beginning January), 1:00 p.m.	Various Mendocino County Libraries	Ukiah County Library 463-4491	Review library policy and activities	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	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	Sage Sangiacomo , City Manager; 463-6221 ssangiacomo@cityofukiah.com
Russian River Flood Control District (RRFCD)	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	Doble	Sean White , Director of Water Resources; 463-5712 swhite@cityofukiah.com
HHSA Advisory Board	2nd Wednesday of month; 9:00 a.m.	Big Sur Room County Department of Social Services	Executive Director Jackie Williams - 462-1934 c/o Ford St. Project 139 Ford St. Ukiah CA 95482	Discussions and possible work on health and human service issues	Brown - Liaison	Sage Sangiacomo , City Manager; 463-6221; ssangiacomo@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	Doble	Craig Schlatter , Director of Community Development; 463-6219; ccschlatter@cityofukiah.com

2018 COUNCIL ASSIGNMENTS

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	None from Ukiah Council currently	Kristine Lawler , City Clerk; 463-6217 klawler@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 City's 2nd District Supervisor	Brown / Mulheren (Alternate)	Sage Sangiacomo , City Manager; 463-6221; ssangiacomo@cityofukiah.com
Fire Executive Committee	2nd Wednesdays of month, 7:00 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	Brown / Doble	Kirk Thomsen , Interim Fire Chief; 462-7921 x400; kthomsen@cityofukiah.com

2018 AD HOC COMMITTEES

COMMITTEE	ASSIGNED TO	PRINCIPAL STAFF SUPPORT
Electric Grid Operational Improvements	Crane/Scalmanini	Mel Grandi , Electric Utility Director; 463-6295 mgrandi@cityofukiah.com
Rate Studies for Electric, Water, Sewer	Crane/Doble	Mel Grandi , Electric Utility Director; 463-6295 mgrandi@cityofukiah.com Tim Eriksen , Public Works Director/City Engineer; 463-6280 teriksen@cityofukiah.com Sean White , Director of Water Resources; 463-5712 swhite@cityofukiah.com Dan Buffalo , Director of Finance; 463-6220 dbuffalo@cityofukiah.com
Sales Tax Sharing	Crane/Doble	Sage Sangiacomo , City Manager; 463-6221 ssangiacomo@cityofukiah.com Guy Mills , Project and Grant Administrator; 467-5719 gmills@cityofukiah.com David Rapport , City Attorney; 467-2800 drapport@cityofukiah.com Dan Buffalo , Director of Finance; 463-6220 dbuffalo@cityofukiah.com
Ukiah Valley Sanitation District Mediation	Crane/Doble	Tim Eriksen , Public Works Director/City Engineer; 463-6280 teriksen@cityofukiah.com Sean White , Water Resources Director; 467-5712 swhite@cityofukiah.com
Water Bonds	Crane/Doble	Dan Buffalo , Director of Finance; 463-6220 dbuffalo@cityofukiah.com
Marijuana Legislation and Policy	Mulheren/Brown	Chris Dewey , Police Chief; 463-6245 cdewey@cityofukiah.com Craig Schlatter , Director of Community Development; 463-6219 cschlatter@cityofukiah.com
Strategic Planning	Crane/Doble	Sage Sangiacomo , City Manager; 463-6221 ssangiacomo@cityofukiah.com
Landfill Closure	Crane/Scalmanini	Tim Eriksen , Public Works Director/City Engineer; 463-6280 teriksen@cityofukiah.com
City Water Rights	Doble/Crane	Sean White , Director of Water Resources; 463-5712 swhite@cityofukiah.com
Downtown Parking Management	Mulheren/Brown	Shannon Riley , Deputy City Manager; 467-5793 sriley@cityofukiah.com
Budget Development Best Practices and Financial Policy	Crane/Doble	Dan Buffalo , Director of Finance; 463-6220 dbuffalo@cityofukiah.com Sheri Mannion , Human Resource Director/Risk Manager; 463-6272, smannion@cityofukiah.com
Public Works Project Specification Development	Crane/Doble	Tim Eriksen , Public Works Director/City Engineer; 463-6280 teriksen@cityofukiah.com
Uniform Cost Accounting	Crane/Mulheren	Tim Eriksen , Public Works Director/City Engineer; 463-6280 teriksen@cityofukiah.com
Cost Allocation Plan	Crane/Doble	Dan Buffalo , Director of Finance; 463-6220 dbuffalo@cityofukiah.com