CITY OF ATWATER

CITY COUNCIL
AGENDA

Council Chambers
750 Bellevue Road
Atwater, California

June 27, 2016

CALL TO ORDER: **5:00 PM**

PLEDGE OF ALLEGIANCE TO THE FLAG:

ROLL CALL:

Bergman____, Raymond ____, Rivero____, Vineyard ____, Price____

CLOSED SESSION:

Adjourn to Conference Room A

Conference with Legal Counsel – Anticipated Litigation – Government Code Section 54956.9(b): Number of cases: (1)

REGULAR SESSION: (Council Chambers) **6:00 PM**

CALL TO ORDER:

PLEDGE OF ALLEGIANCE TO THE FLAG:

INVOCATION:

Invocation by Police Chaplain McClellan

ROLL CALL:

Bergman____, Raymond ____, Rivero____, Vineyard ____, Price____

MAYOR OR CITY ATTORNEY REPORT OUT FROM CLOSED SESSION:

SUBSEQUENT NEED ITEMS: (The City Clerk shall announce any requests for items requiring immediate action subsequent to the posting of the agenda. Subsequent need items require a two-thirds vote of the members of the City Council present at the meeting.)

APPROVAL OF AGENDA AS POSTED OR AS AMENDED: (This is the time for the City Council to remove items from the agenda or to change the order of the agenda.)

Staff's Recommendation: Motion to approve agenda as posted or as amended.

CEREMONIAL MATTERS:

- **2016 MADD (Mothers Against Drunk Driving) Hero Award**

Staff's Recommendation: That Mayor Price and Police Lieutenant Joseph make the presentation to Police Officer Levi Crane in recognition of earning the 2016 MADD (Mothers Against Drunk Driving) Hero Award.

COMMENTS FROM THE PUBLIC:

NOTICE TO THE PUBLIC

At this time any person may comment on any item which is not on the agenda. Please state your name and address for the record. Action will not be taken on an item that is not on the agenda. If it requires action, it will be referred to staff and/or placed on a future agenda.

To comment on an item that is **on** the agenda, please wait until the item is read for consideration; please limit comments to a maximum of five (5) minutes.

Civility is expected from members of the public during the meeting. For more efficient use of time, disruptive behavior will not be tolerated. While you may not agree with what an individual is saying, please treat everyone with courtesy and respect.

CONSENT CALENDAR:

NOTICE TO THE PUBLIC

Background information has been provided on all matters listed under the Consent Calendar, and these items are considered to be routine. All items under the Consent Calendar are normally approved by one motion. If discussion is requested on any item, that item will be removed from the Consent Calendar for separate action.

WARRANTS:

1. June 27, 2016

Staff's Recommendation: Approval of warrants as listed**.**

MINUTES: (City Council)

2. a) Adjourned meeting, June 8, 2016
b) Regular meeting, June 13, 2016

Staff's Recommendation: Approval of minutes as listed**.**

FUNDING AND BUDGET MATTERS:

3. Treasurer's Report for the month of May, 2016 (City Treasurer Heller)

Staff's Recommendation: Motion to approve the Treasurer's Report for the month of May, 2016; or

Motion to approve staff's recommendation as presented.

PUBLIC HEARINGS:

4. Waiving the first reading and introducing Ordinance No. CS 974 amending Chapter 8.50 to 8.60 of the Atwater Municipal Code regarding commercial marijuana cultivation, processing, delivery, and dispensing and regarding personal cultivation of medical marijuana (City Attorney Terpstra)

Staff's Recommendation: Open the Public Hearing to obtain testimony from the public regarding Ordinance No. CS 974; and

Motion to waive the first reading and introduce Ordinance No. CS 974 amending Chapter 8.50 to 8.60 of the Atwater Municipal Code imposing an express ban on commercial cultivation, processing, delivery originating from within City limits, and dispensing of medical marijuana and regulating the personal cultivation of medical marijuana in the City; or

Motion to approve staff's recommendation as presented.

5. Declaring results of property owner protest ballot for the levy of assessments related to Juniper Meadows Phase II Lighting and Drainage District, confirming the formation of the Lighting and Drainage District and ordering the levy and collecting assessments for FY 2016/17, declaring the results of property owner protest ballot for levy of assessments related to the annexation of Juniper Meadows Phase II into the Juniper Meadows Landscape Maintenance District, confirming the annexation into the Juniper Meadows Landscape Maintenance District formation of the Lighting and Drainage District, and ordering the levy and collecting assessments for FY 2016/17 (Community Development Director McBride)

Staff's Recommendation: Open the Public Hearing to obtain testimony from the public; and

Motion to adopt Resolution No. 2905-16 declaring the results of the property owner ballot proceeding conducted for the levy of assessments related to the formation of the Atwater Lighting and Drainage District No. 31 (Juniper Meadows II), commencing in Fiscal Year 2016/17; to adopt Resolution No. 2906-16 confirming the formation of the Atwater Lighting and Drainage District No. 31 (Juniper Meadows II), the diagram and assessments related thereto, overruling all protests concerning the assessments, and ordering the levy and collection of assessments for the Fiscal Year 2016/17; to adopt Resolution No.

2907-16 declaring the results of the property owner protest ballot proceeding conducted for the levy of assessments related to the annexation of Juniper Meadows Phase II (Annexation Territory) into the Juniper Meadows Landscape Maintenance District, commencing in Fiscal Year 2016/17, and approving certain related actions; and to adopt Resolution No. 2908-16 confirming the annexation of Juniper Meadows Phase II (Annexation Territory) into the Juniper Meadows Landscape Maintenance District, the diagram and assessments related thereto, overruling all protests concerning the assessments, ordering the levy and collection of assessments for the Fiscal Year 2016/17; or

Motion to approve staff's recommendation as presented.

REPORTS AND PRESENTATIONS FROM STAFF:

6. Review of prior on call engineering contracts and approving Professional Services Agreement with North Star Engineering Group, Inc. for on call general engineering services (Community Development Director McBride)

Staff's Recommendation: That the City Council review prior on call Professional Services Agreements for engineering services; and

Motion to approve a Professional Services Agreement, in a form approved by the City Attorney, with North Star Engineering Group Inc. (North Star) for on call general engineering services; and to authorize and direct the City Manager to execute the agreement on behalf of the City.

CITY COUNCIL MATTERS:

7. City Council comments and requests for future agenda items

CLOSED SESSION:

Continuation of Closed Session if necessary

ADJOURNMENT:

CERTIFICATION:

I, Jeanna Del Real, City Clerk of the City of Atwater, do hereby certify that a copy of the foregoing agenda was posted at City Hall a minimum of 72 hours prior to the meeting.

JEANNA DEL REAL, CMC
CITY CLERK

SB 343 NOTICE
In accordance with California Government Code Section 54957.5, any writing or document that is a public record, relates to an open session agenda item and is distributed less than 72 hours prior to a regular meeting will be made available for public inspection in the office of the City Clerk at City Hall during normal business hours at 750 Bellevue Road.

If, however, the document or writing is not distributed until the regular meeting to which it relates, then the document or writing will be made available to the public at the location of the meeting, as listed on this agenda at 750 Bellevue Road.

In compliance with the Federal Americans with Disabilities Act of 1990, upon request, the agenda can be provided in an alternative format to accommodate special needs. If you require special accommodations to participate in a City Council, Commission, or Committee meeting due to a disability, please contact the City Clerk's Office at least 48 business hours in advance of the meeting at 357-6205 or 357-6204. You may also send the request by email to jdelreal@atwater.org.

~ June 2016 ~

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			1	2	3 **City Hall closed**	4
5	6	7	8 City Council Adjourned Meeting (Budget Workshop) - 4:00 PM	9	10 **City Hall closed**	11
12	13 City Council Meeting - 6:00 PM	14	15 Community Development & Resources Commission Meeting - Cancelled	16	17 **City Hall closed**	18
19	20 Oversight Board of Successor Agency to ARA Meeting - Cancelled	21	22	23 **Merced County District 3 Supervisor McDaniel "Mobile" Office Hours - 1:30 - 3:30 PM**	24 **City Hall closed**	25
26	27 Audit & Finance Committee Meeting - Cancelled City Council Meeting - 6:00 PM	28	29	30	Notes:	

~ July 2016 ~

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					1 **City Hall closed**	2
3	4 City Holiday Independence Day **Trash pick up delayed 1 day**	5	6	7	8 **City Hall closed**	9
10	11 City Council Meeting - 6:00 PM	12	13	14	15 **City Hall closed**	16
17	18 Oversight Board of Successor Agency to ARA Meeting - 1:30 PM	19	20 Community Development & Resources Commission Meeting - 6:00 PM	21	22 **City Hall closed**	23
24 31	25 Audit & Finance Committee Meeting - 3:30 PM City Council Meeting - 6:00 PM	26	27	28 **Merced County District 3 Supervisor McDaniel "Mobile" Office Hours - 1:30 - 3:30 PM**	29 **City Hall closed**	30

WARRANTS SUMMARY FOR JUNE 27, 2016 COUNCIL MEETING

TOTAL OF WARRANTS (FROM WARRANT REPORT)	$ 1,585,921.13
ADDITIONAL WARRANTS (THESE AMOUNTS ARE **NOT** INCLUDED IN TOTAL WARRANTS)	

DATE	DESCRIPTION	AMOUNT
6/6/2016	Prewrittens included in this current warrant run.	($154,814.86)
6/9/2016	PERS Retirement EFT 5/19/16 - 6/1/16	$41,388.01

TOTAL ADDITIONAL WARRANTS ($113,426.85)

GRAND TOTAL OF WARRANTS PAID ========== $1,472,494.28

INFORMATIONAL ONLY (INCLUDED IN THE TOTAL WARRANTS TOTAL)

DATE	DESCRIPTION	AMOUNT		
6/9/2016	Net Payroll	$153,207.14	$212,225.05	Total Payroll
6/9/2016	Federal Taxes	$52,248.20		
6/9/2016	State Taxes	$6,769.71		
6/9/2016	Payroll Deductions	$2,243.20		

TOTAL INFORMATIONAL WARRANTS $214,468.25

CITY TREASURER

Accounts Payable

Checks for Approval

Prewritten

User: jdaniel
Printed: 6/22/2016 - 1:18 PM

City of Atwater
Community Pride City Wide
750 Bellevue Road, Atwater CA 95301

Check Number	Check Date	Fund Name	Account Name	Vendor Name	Void	Amount
67920	06/06/2016	Employee Benefits Fund	Professional Services	THE WEIST LAW FIRM		21,200.00
				Check Total:		21,200.00
67921	06/13/2016	General Fund	Miscellaneous Union Dues	AFSCME DISTRICT COUNCIL 57		732.48
				Check Total:		732.48
67922	06/13/2016	General Fund	Garnishments	FRANCHISE TAX BOARD		200.89
				Check Total:		200.89
67923	06/13/2016	General Fund	Pre-Paid Legal	PRE-PAID LEGAL SERVICES		28.91
				Check Total:		28.91
67924	06/13/2016	General Fund	Garnishments	STATE DISBURSEMENT UNIT		1,230.92
				Check Total:		1,230.92
67925	06/13/2016	General Fund	Deferred Compensation	VANTAGEPOINT TRANSFER AGT-457		50.00
				Check Total:		50.00
67926	06/13/2016	General Fund	Plan Check Deposit	JAMES HELLER		500.00
				Check Total:		500.00
67927	06/13/2016	General Fund	Castle Park	JESUS QUEZADA		170.00
				Check Total:		170.00
67928	06/13/2016	General Fund	Training	WESTAMERICA BANK		199.00
67928	06/13/2016	Water Enterprise Fund	Special Departmental Expense	WESTAMERICA BANK		67.50
67928	06/13/2016	General Fund	Recreation Donations	WESTAMERICA BANK		183.42
67928	06/13/2016	General Fund	Professional Services	WESTAMERICA BANK		1,286.82
67928	06/13/2016	General Fund	Office Supplies	WESTAMERICA BANK		275.39
67928	06/13/2016	General Fund	Special Departmental Expense	WESTAMERICA BANK		145.63
67928	06/13/2016	Internal Service Fund	Special Departmental Expense	WESTAMERICA BANK		170.80
67928	06/13/2016	General Fund	Special Departmental Expense	WESTAMERICA BANK		139.11

Check Number	Check Date	Fund Name	Account Name	Vendor Name	Void	Amount
				Check Total:		2,467.67
67929	06/13/2016	General Fund	Operations & Maintenance	THOMAS WILKINS CO.		1,500.00
				Check Total:		1,500.00
67930	06/16/2016	Meadow View LD	Communications	AT and T		101.61
67930	06/16/2016	Sewer Enterprise Fund	Communications	AT and T		1,349.63
67930	06/16/2016	General Fund	Communications	AT and T		245.68
67930	06/16/2016	Internal Service Fund	Communications	AT and T		2,141.88
67930	06/16/2016	Water Enterprise Fund	Communications	AT and T		1,129.31
67930	06/16/2016	Northwood Village LD	Communications	AT and T		102.84
67930	06/16/2016	General Fund	Communications	AT and T		869.08
				Check Total:		5,940.03
67931	06/16/2016	Internal Service Fund	Operations & Maintenance	CHEVRON USA INC.		368.60
				Check Total:		368.60
67932	06/16/2016	General Fund	Office Supplies	NEOFUNDS BY NEOPOST		1,000.00
				Check Total:		1,000.00
67933	06/16/2016	Water Enterprise Fund	Utilities	PACIFIC GAS & ELECTRIC		19,336.90
67933	06/16/2016	General Fund	Utilities	PACIFIC GAS & ELECTRIC		267.81
67933	06/16/2016	Gas Tax/Street Improvement	Utilities	PACIFIC GAS & ELECTRIC		177.64
67933	06/16/2016	General Fund	Utilities	PACIFIC GAS & ELECTRIC		351.59
67933	06/16/2016	General Fund	Utilities	PACIFIC GAS & ELECTRIC		2,585.44
67933	06/16/2016	Sandlewood Square LD	Utilities	PACIFIC GAS & ELECTRIC		79.28
67933	06/16/2016	Sewer Enterprise Fund	Utilities	PACIFIC GAS & ELECTRIC		39,710.87
67933	06/16/2016	Wildwood Estates LD	Utilities	PACIFIC GAS & ELECTRIC		108.07
67933	06/16/2016	Internal Service Fund	Utilities	PACIFIC GAS & ELECTRIC		1,297.79
67933	06/16/2016	Gas Tax/Street Improvement	Utilities	PACIFIC GAS & ELECTRIC		13,682.22
67933	06/16/2016	Cottage Gardens LD	Utilities	PACIFIC GAS & ELECTRIC		27.15
67933	06/16/2016	Sewer Enterprise Fund	Utilities	PACIFIC GAS & ELECTRIC		2,260.27
67933	06/16/2016	Pajaro Dunes LD	Utilities	PACIFIC GAS & ELECTRIC		74.56
67933	06/16/2016	Internal Service Fund	Utilities	PACIFIC GAS & ELECTRIC		2,120.16
67933	06/16/2016	Internal Service Fund	Utilities	PACIFIC GAS & ELECTRIC		9,503.98
67933	06/16/2016	General Fund	Utilities	PACIFIC GAS & ELECTRIC		134.38
67933	06/16/2016	Gas Tax/Street Improvement	Utilities	PACIFIC GAS & ELECTRIC		110.19
67933	06/16/2016	Woodview Garland LA	Utilities	PACIFIC GAS & ELECTRIC		44.03
67933	06/16/2016	Atwater South LD	Utilities	PACIFIC GAS & ELECTRIC		28.18
67933	06/16/2016	Price Annexation LD	Utilities	PACIFIC GAS & ELECTRIC		1,636.43
67933	06/16/2016	Orchard Park Estates LD	Utilities	PACIFIC GAS & ELECTRIC		320.61
67933	06/16/2016	General Fund	Utilities	PACIFIC GAS & ELECTRIC		931.92

Check Number	Check Date	Fund Name	Account Name	Vendor Name	Void	Amount
67933	06/16/2016	Shaffer Lakes West LD	Utilities	PACIFIC GAS & ELECTRIC		150.71
67933	06/16/2016	Northwood Village LD	Utilities	PACIFIC GAS & ELECTRIC		393.80
67933	06/16/2016	General Fund	Utilities	PACIFIC GAS & ELECTRIC		118.02
67933	06/16/2016	Airport Business Park LD	Utilities	PACIFIC GAS & ELECTRIC		548.08
67933	06/16/2016	Shaffer Lakes East LD	Utilities	PACIFIC GAS & ELECTRIC		514.96
67933	06/16/2016	General Fund	Utilities	PACIFIC GAS & ELECTRIC		72.38
67933	06/16/2016	Sierra Parks LD	Utilities	PACIFIC GAS & ELECTRIC		151.80
67933	06/16/2016	Woodhaven LD	Utilities	PACIFIC GAS & ELECTRIC		44.03
67933	06/16/2016	Water Enterprise Fund	Utilities	PACIFIC GAS & ELECTRIC		22,620.15
				Check Total:		119,403.40
67934	06/16/2016	Internal Service Fund	Utilities	WEST COAST GAS CO. INC.		21.96
				Check Total:		21.96
				Report Total:		154,814.86

Accounts Payable

Checks for Approval

User: jdaniel
Printed: 6/22/2016 - 1:19 PM

City of Atwater
Community Pride City Wide
750 Bellevue Road, Atwater CA 95301

Check Number	Check Date	Fund Name	Account Name	Vendor Name	Void	Amount
67935	06/27/2016	Sanitation Enterprise	Solid Waste Collectn/Disposal	ALLIED WASTE SERVICES #917		199,039.22
				Check Total:		199,039.22
67936	06/27/2016	General Fund	Professional Services	ALLWAYS TOWING, L.L.C.		280.00
				Check Total:		280.00
67937	06/27/2016	Employee Benefits Fund	Health Insurance, Retirees	AMERICAN REPUBLIC		424.89
				Check Total:		424.89
67938	06/27/2016	General Fund	Communications	AT and T		75.00
67938	06/27/2016	Sewer Enterprise Fund	Communications	AT and T		114.10
67938	06/27/2016	Sewer Enterprise Fund	Communications	AT and T		112.84
				Check Total:		301.94
67939	06/27/2016	Internal Service Fund	Professional Services	ATWATER AUTOMOTIVE		82.00
				Check Total:		82.00
67940	06/27/2016	Gas Tax/Street Improvement	Professional Services	ATWATER ELECTRIC		1,397.50
67940	06/27/2016	Gas Tax/Street Improvement	Professional Services	ATWATER ELECTRIC		130.00
				Check Total:		1,527.50
67941	06/27/2016	General Fund	Special Departmental Expense	ATWATER MEDICAL GROUP		1,086.00
				Check Total:		1,086.00
67942	06/27/2016	Internal Service Fund	Professional Services	ATWATER PRO GLASS		25.00
				Check Total:		25.00
67943	06/27/2016	Internal Service Fund	Operations & Maintenance	AUTOZONE STORE #5506		44.22
				Check Total:		44.22
67944	06/27/2016	General Fund	Special Departmental Expense	B & B PLUMBING		330.50

Check Number	Check Date	Fund Name	Account Name	Vendor Name	Void	Amount
				Check Total:		330.50
67945	06/27/2016	Water Enterprise Fund	Special Departmental Expense	BC LABORATORIES INC.		64.00
67945	06/27/2016	Water Enterprise Fund	Special Departmental Expense	BC LABORATORIES INC.		16.00
67945	06/27/2016	Water Enterprise Fund	Special Departmental Expense	BC LABORATORIES INC.		16.00
				Check Total:		96.00
67946	06/27/2016	General Fund	Office Supplies	BEST IMPRESSION PRINTING		112.03
				Check Total:		112.03
67947	06/27/2016	General Fund	Special Departmental Expense	BIG CREEK LUMBER COMPANY		17.18
				Check Total:		17.18
67948	06/27/2016	General Fund	Special Departmental Expense	BPS TACTICAL		409.20
				Check Total:		409.20
67949	06/27/2016	Internal Service Fund	Communications	COMCAST CABLE		117.73
				Check Total:		117.73
67950	06/27/2016	Water Enterprise Fund	Special Departmental Expense	CONSOLIDATED ELECTRICAL DISTRIBUTORS		499.24
				Check Total:		499.24
67951	06/27/2016	General Fund	Professional Services	CPCA		662.00
				Check Total:		662.00
67952	06/27/2016	Sewer Enterprise Fund	Professional Services	CVCWA		6,000.00
				Check Total:		6,000.00
67953	06/27/2016	General Fund	Adult Slo-Pitch Softball	TODD A. DAVIS		50.00
				Check Total:		50.00
67954	06/27/2016	General Fund	Communications	DELTA WIRELESS & NETWORK SOLUTIONS		172.50
67954	06/27/2016	General Fund	Communications	DELTA WIRELESS & NETWORK SOLUTIONS		99.67
				Check Total:		272.17
67955	06/27/2016	General Fund	Professional Services	DEPT. OF JUSTICE		193.00
67955	06/27/2016	General Fund	Special Departmental Expense	DEPT. OF JUSTICE		352.00
				Check Total:		545.00
67956	06/27/2016	General Fund	Professional Services	DEPT.OF FORESTRY & FIRE PROTECTION		625,897.12

Check Number	Check Date	Fund Name	Account Name	Vendor Name	Void	Amount
				Check Total:		625,897.12
67957	06/27/2016	General Fund	Uniform & Clothing Expense	DIAMOND PRINTS		274.02
				Check Total:		274.02
67958	06/27/2016	Ferrari Ranch Project Fund	Professional Services	EMC PLANNING GROUP INC		13,678.26
				Check Total:		13,678.26
67959	06/27/2016	Internal Service Fund	Special Departmental Expense	FASTENAL COMPANY		23.49
67959	06/27/2016	Internal Service Fund	Special Departmental Expense	FASTENAL COMPANY		-92.88
67959	06/27/2016	Internal Service Fund	Special Departmental Expense	FASTENAL COMPANY		110.52
67959	06/27/2016	Sewer Enterprise Fund	Special Departmental Expense	FASTENAL COMPANY		16.41
67959	06/27/2016	Internal Service Fund	Special Departmental Expense	FASTENAL COMPANY		12.39
67959	06/27/2016	Internal Service Fund	Special Departmental Expense	FASTENAL COMPANY		7.13
67959	06/27/2016	Gas Tax/Street Improvement	Special Departmental Expense	FASTENAL COMPANY		6.04
67959	06/27/2016	Internal Service Fund	Special Departmental Expense	FASTENAL COMPANY		104.75
67959	06/27/2016	Water Enterprise Fund	Special Departmental Expense	FASTENAL COMPANY		12.68
67959	06/27/2016	Sewer Enterprise Fund	Special Departmental Expense	FASTENAL COMPANY		39.75
67959	06/27/2016	Internal Service Fund	Special Departmental Expense	FASTENAL COMPANY		12.96
67959	06/27/2016	Internal Service Fund	Special Departmental Expense	FASTENAL COMPANY		4.32
67959	06/27/2016	Internal Service Fund	Special Departmental Expense	FASTENAL COMPANY		5.56
				Check Total:		263.12
67960	06/27/2016	General Fund	Summer Co-Ed Softball League	STEVE FLORIANO		125.00
				Check Total:		125.00
67961	06/27/2016	General Fund	Bloss House	KYLE FORD		170.00
				Check Total:		170.00
67962	06/27/2016	Parks and Recreation Fund	Misc Park & Playground Imp's	GREENFIELDS OUTDOOR FITNESS		17,675.00
				Check Total:		17,675.00
67963	06/27/2016	General Fund	Professional Services	GUNRUNNER GUN SHOP		1,485.00
				Check Total:		1,485.00
67964	06/27/2016	Internal Service Fund	Special Departmental Expense	HAJOCA CORPORATION		53.69
				Check Total:		53.69
67965	06/27/2016	General Fund	Special Departmental Expense	HORIZON		185.72
67965	06/27/2016	General Fund	Special Departmental Expense	HORIZON		83.59

Check Number	Check Date	Fund Name	Account Name	Vendor Name	Void	Amount
				Check Total:		269.31
67966	06/27/2016	General Fund	Uniform & Clothing Expense	IMAGE UNIFORMS		122.68
67966	06/27/2016	General Fund	Uniform & Clothing Expense	IMAGE UNIFORMS		396.02
				Check Total:		518.70
67967	06/27/2016	Risk Management Fund	Professional Services	JACKSON LEWIS P.C.		4,351.71
				Check Total:		4,351.71
67968	06/27/2016	Gas Tax/Street Improvement	Special Departmental Expense	JAM SERVICES, INC.		386.64
				Check Total:		386.64
67969	06/27/2016	General Fund	Professional Services	JLB TRAFFIC ENGINEERING, INC		138.83
67969	06/27/2016	Gas Tax/Street Improvement	Professional Services	JLB TRAFFIC ENGINEERING, INC		147.84
				Check Total:		286.67
67970	06/27/2016	General Fund	Professional Services	JOE'S LANDSCAPING & CONCRETE		1,817.14
				Check Total:		1,817.14
67971	06/27/2016	General Fund	Special Departmental Expense	L.N. CURTIS & SONS		1,296.00
				Check Total:		1,296.00
67972	06/27/2016	Gas Tax/Street Improvement	Special Departmental Expense	LATTA'S AUTO SUPPLY		3.23
67972	06/27/2016	Gas Tax/Street Improvement	Special Departmental Expense	LATTA'S AUTO SUPPLY		2.59
67972	06/27/2016	Internal Service Fund	Operations & Maintenance	LATTA'S AUTO SUPPLY		163.76
67972	06/27/2016	Sewer Enterprise Fund	Special Departmental Expense	LATTA'S AUTO SUPPLY		5.71
67972	06/27/2016	Internal Service Fund	Small Tools	LATTA'S AUTO SUPPLY		31.31
67972	06/27/2016	Internal Service Fund	Operations & Maintenance	LATTA'S AUTO SUPPLY		111.64
67972	06/27/2016	Internal Service Fund	Operations & Maintenance	LATTA'S AUTO SUPPLY		2.14
67972	06/27/2016	Internal Service Fund	Operations & Maintenance	LATTA'S AUTO SUPPLY		16.04
67972	06/27/2016	Internal Service Fund	Operations & Maintenance	LATTA'S AUTO SUPPLY		106.27
				Check Total:		442.69
67973	06/27/2016	General Fund	Special Departmental Expense	LEAVE YOUR MARK!		23.51
				Check Total:		23.51
67974	06/27/2016	General Fund	Special Departmental Expense	LEGEND DATA SYSTEMS, INC.		74.90
				Check Total:		74.90
67975	06/27/2016	Internal Service Fund	Special Departmental Expense	LEHR AUTO ELECTRIC		1,503.95

Check Number	Check Date	Fund Name	Account Name	Vendor Name	Void	Amount
				Check Total:		1,503.95
67976	06/27/2016	General Fund	Professional Services	LWECO GROUP LLC		322.65
				Check Total:		322.65
67977	06/27/2016	General Fund	Adult Slo-Pitch Softball	ROBERT L. MARTINEZ		125.00
				Check Total:		125.00
67978	06/27/2016	General Fund	Rtif	MCAG - RTIF		67,704.42
				Check Total:		67,704.42
67979	06/27/2016	Internal Service Fund	Operations & Maintenance	MCAULEY MOTORS		43.26
67979	06/27/2016	Internal Service Fund	Operations & Maintenance	MCAULEY MOTORS		54.61
67979	06/27/2016	Internal Service Fund	Operations & Maintenance	MCAULEY MOTORS		61.76
67979	06/27/2016	Internal Service Fund	Operations & Maintenance	MCAULEY MOTORS		38.87
				Check Total:		198.50
67980	06/27/2016	General Fund	Summer Co-Ed Softball League	MCNAMARA SPORTS		417.57
67980	06/27/2016	General Fund	Adult Slo-Pitch Softball	MCNAMARA SPORTS		282.59
				Check Total:		700.16
67981	06/27/2016	Sewer Enterprise Fund	Special Departmental Expense	MERCED COUNTY DEPT.		121.69
67981	06/27/2016	Internal Service Fund	Special Departmental Expense	MERCED COUNTY DEPT.		86.85
				Check Total:		208.54
67982	06/27/2016	General Fund	Professional Services	MERCED FENCE COMPANY		110.00
				Check Total:		110.00
67983	06/27/2016	General Fund	Special Departmental Expense	MERCED MEDICAL SUPPLY		24.00
				Check Total:		24.00
67984	06/27/2016	Water Enterprise Fund	Printing & Advertising	MERCED SUN STAR-LEGALS		55.80
67984	06/27/2016	General Fund	Printing & Advertising	MERCED SUN STAR-LEGALS		60.60
67984	06/27/2016	General Fund	Printing & Advertising	MERCED SUN STAR-LEGALS		52.80
67984	06/27/2016	General Fund	Printing & Advertising	MERCED SUN STAR-LEGALS		95.00
				Check Total:		264.20
67985	06/27/2016	Internal Service Fund	Operations & Maintenance	MERCED TRUCK & TRAILER INC.		178.15
				Check Total:		178.15
67986	06/27/2016	General Fund	Uniform & Clothing Expense	MERCED UNIFORM		230.90

Check Number	Check Date	Fund Name	Account Name	Vendor Name	Void	Amount
67986	06/27/2016	General Fund	Uniform & Clothing Expense	MERCED UNIFORM		142.36
67986	06/27/2016	General Fund	Uniform & Clothing Expense	MERCED UNIFORM		156.08
				Check Total:		529.34
67987	06/27/2016	Gas Tax/Street Improvement	Winton Way Road Improvements	MID VALLEY ENGINEERING		2,475.00
				Check Total:		2,475.00
67988	06/27/2016	General Fund	Professional Services	MUNICIPAL RESOURCE GROUP, LLC		3,375.60
67988	06/27/2016	General Fund	Professional Services	MUNICIPAL RESOURCE GROUP, LLC		1,725.60
				Check Total:		5,101.20
67989	06/27/2016	General Fund	Professional Services	MUNISERVICES LLC		384.00
				Check Total:		384.00
67990	06/27/2016	Internal Service Fund	Operations & Maintenance	O'REILLY AUTO PARTS		12.41
67990	06/27/2016	Sewer Enterprise Fund	Special Departmental Expense	O'REILLY AUTO PARTS		4.63
67990	06/27/2016	Sewer Enterprise Fund	Small Tools	O'REILLY AUTO PARTS		7.55
67990	06/27/2016	Internal Service Fund	Operations & Maintenance	O'REILLY AUTO PARTS		468.36
67990	06/27/2016	Internal Service Fund	Operations & Maintenance	O'REILLY AUTO PARTS		4.32
67990	06/27/2016	Internal Service Fund	Operations & Maintenance	O'REILLY AUTO PARTS		0.97
67990	06/27/2016	Internal Service Fund	Small Tools	O'REILLY AUTO PARTS		31.02
67990	06/27/2016	Internal Service Fund	Operations & Maintenance	O'REILLY AUTO PARTS		10.79
67990	06/27/2016	Internal Service Fund	Operations & Maintenance	O'REILLY AUTO PARTS		43.18
67990	06/27/2016	Internal Service Fund	Special Departmental Expense	O'REILLY AUTO PARTS		8.09
67990	06/27/2016	Internal Service Fund	Operations & Maintenance	O'REILLY AUTO PARTS		494.07
67990	06/27/2016	Internal Service Fund	Operations & Maintenance	O'REILLY AUTO PARTS		53.58
67990	06/27/2016	Internal Service Fund	Operations & Maintenance	O'REILLY AUTO PARTS		6.47
67990	06/27/2016	Internal Service Fund	Operations & Maintenance	O'REILLY AUTO PARTS		41.80
67990	06/27/2016	Internal Service Fund	Operations & Maintenance	O'REILLY AUTO PARTS		23.19
67990	06/27/2016	Internal Service Fund	Operations & Maintenance	O'REILLY AUTO PARTS		12.94
67990	06/27/2016	Internal Service Fund	Operations & Maintenance	O'REILLY AUTO PARTS		292.12
67990	06/27/2016	Internal Service Fund	Operations & Maintenance	O'REILLY AUTO PARTS		38.75
67990	06/27/2016	Internal Service Fund	Operations & Maintenance	O'REILLY AUTO PARTS		377.05
67990	06/27/2016	Internal Service Fund	Operations & Maintenance	O'REILLY AUTO PARTS		43.03
67990	06/27/2016	Internal Service Fund	Operations & Maintenance	O'REILLY AUTO PARTS		20.88
67990	06/27/2016	Sewer Enterprise Fund	Special Departmental Expense	O'REILLY AUTO PARTS		11.87
67990	06/27/2016	Internal Service Fund	Operations & Maintenance	O'REILLY AUTO PARTS		17.53
67990	06/27/2016	Internal Service Fund	Operations & Maintenance	O'REILLY AUTO PARTS		105.83
67990	06/27/2016	Internal Service Fund	Operations & Maintenance	O'REILLY AUTO PARTS		105.83
67990	06/27/2016	Internal Service Fund	Special Departmental Expense	O'REILLY AUTO PARTS		8.63
67990	06/27/2016	Internal Service Fund	Operations & Maintenance	O'REILLY AUTO PARTS		8.63
67990	06/27/2016	Internal Service Fund	Operations & Maintenance	O'REILLY AUTO PARTS		31.97

Check Number	Check Date	Fund Name	Account Name	Vendor Name	Void	Amount
				Check Total:		2,285.49
67991	06/27/2016	General Fund	Professional Services	PACIFIC TELEMANAGEMENT		78.00
				Check Total:		78.00
67992	06/27/2016	General Fund	Adult Slo-Pitch Softball	FERNANDO PERALES		175.00
67992	06/27/2016	General Fund	Summer Co-Ed Softball League	FERNANDO PERALES		125.00
				Check Total:		300.00
67993	06/27/2016	Gas Tax/Street Improvement	Professional Services	PHASE I CONSTRUCTION		3,030.00
				Check Total:		3,030.00
67994	06/27/2016	Water Fund Capital Replacemet	Well #20 Rehab	QUAD KNOPF		119.40
67994	06/27/2016	General Fund Capital	Juniper Ped/Bike Path Infill	QUAD KNOPF		702.00
				Check Total:		821.40
67995	06/27/2016	Water Fund Capital Replacemet	Well #20 Rehab	QUALITY WELL DRILLERS		209,151.98
				Check Total:		209,151.98
67996	06/27/2016	Information Technology Fund	Special Departmental Expense	QUICKPCSUPPORT		1,397.20
67996	06/27/2016	Information Technology Fund	Special Departmental Expense	QUICKPCSUPPORT		240.52
67996	06/27/2016	Information Technology Fund	Special Departmental Expense	QUICKPCSUPPORT		3,672.00
67996	06/27/2016	General Fund	Communications	QUICKPCSUPPORT		269.06
67996	06/27/2016	Water Enterprise Fund	Professional Services	QUICKPCSUPPORT		220.00
67996	06/27/2016	Information Technology Fund	Professional Services	QUICKPCSUPPORT		5,505.00
67996	06/27/2016	Information Technology Fund	Special Departmental Expense	QUICKPCSUPPORT		585.00
67996	06/27/2016	Information Technology Fund	Professional Services	QUICKPCSUPPORT		7,400.00
67996	06/27/2016	Information Technology Fund	Special Departmental Expense	QUICKPCSUPPORT		153.36
				Check Total:		19,442.14
67997	06/27/2016	Sewer Enterprise Fund	Special Departmental Expense	RAILROAD MANAGEMENT COMPANY, LLC		444.33
				Check Total:		444.33
67998	06/27/2016	General Fund	Rents & Leases	RAY MORGAN COMPANY		185.92
67998	06/27/2016	General Fund	Rents & Leases	RAY MORGAN COMPANY		14.86
67998	06/27/2016	General Fund	Rents & Leases	RAY MORGAN COMPANY		365.93
67998	06/27/2016	General Fund	Rents & Leases	RAY MORGAN COMPANY		545.94
67998	06/27/2016	General Fund	Rents & Leases	RAY MORGAN COMPANY		365.93
67998	06/27/2016	General Fund	Rents & Leases	RAY MORGAN COMPANY		14.86
67998	06/27/2016	General Fund	Rents & Leases	RAY MORGAN COMPANY		365.93
67998	06/27/2016	General Fund	Rents & Leases	RAY MORGAN COMPANY		14.86

Check Number	Check Date	Fund Name	Account Name	Vendor Name	Void	Amount
				Check Total:		1,874.23
67999	06/27/2016	Internal Service Fund	Operations & Maintenance	RAZZARI NISSAN		4.82
				Check Total:		4.82
68000	06/27/2016	Section 125 Medical	Deposits Section 125	STEPHANIE RUIZ		198.76
				Check Total:		198.76
68001	06/27/2016	Internal Service Fund	Professional Services	SAN JOAQUIN PEST CONTROL		28.00
68001	06/27/2016	Internal Service Fund	Professional Services	SAN JOAQUIN PEST CONTROL		31.00
68001	06/27/2016	Internal Service Fund	Professional Services	SAN JOAQUIN PEST CONTROL		25.00
68001	06/27/2016	Internal Service Fund	Professional Services	SAN JOAQUIN PEST CONTROL		38.00
68001	06/27/2016	Internal Service Fund	Professional Services	SAN JOAQUIN PEST CONTROL		25.00
68001	06/27/2016	Internal Service Fund	Professional Services	SAN JOAQUIN PEST CONTROL		31.00
68001	06/27/2016	Internal Service Fund	Professional Services	SAN JOAQUIN PEST CONTROL		250.00
68001	06/27/2016	Internal Service Fund	Professional Services	SAN JOAQUIN PEST CONTROL		33.00
68001	06/27/2016	Internal Service Fund	Professional Services	SAN JOAQUIN PEST CONTROL		18.00
				Check Total:		479.00
68002	06/27/2016	Gas Tax/Street Improvement	Special Departmental Expense	SANTA FE AGGREGATES, INC.		162.93
				Check Total:		162.93
68003	06/27/2016	General Fund	Professional Services	SANTA FE PET		126.00
68003	06/27/2016	General Fund	Professional Services	SANTA FE PET		276.00
68003	06/27/2016	General Fund	Professional Services	SANTA FE PET		397.00
68003	06/27/2016	General Fund	Professional Services	SANTA FE PET		109.00
68003	06/27/2016	General Fund	Professional Services	SANTA FE PET		182.50
68003	06/27/2016	General Fund	Professional Services	SANTA FE PET		182.50
				Check Total:		1,273.00
68004	06/27/2016	General Fund	Castle Park	IVAN SANTOS		170.00
				Check Total:		170.00
68005	06/27/2016	Sewer Enterprise Fund	Utilities	SIEMENS FINANCIAL SERVICES, INC.		22,537.20
				Check Total:		22,537.20
68006	06/27/2016	General Fund	Professional Services	SIERRA GATEWAY VETERINARY CLINIC		210.00
				Check Total:		210.00
68007	06/27/2016	General Fund	Professional Services	STERICYCLE, INC.		55.10

Check Number	Check Date	Fund Name	Account Name	Vendor Name	Void	Amount
				Check Total:		55.10
68008	06/27/2016	General Fund	Uniform & Clothing Expense	TEAM WEAR ATHLETIC		330.03
				Check Total:		330.03
68009	06/27/2016	General Fund	Special Departmental Expense	TEN-FOUR COMMUNICATIONS		97.20
				Check Total:		97.20
68010	06/27/2016	General Fund	Special Departmental Expense	TNB TOWING & RECOVERY		50.00
				Check Total:		50.00
68011	06/27/2016	Internal Service Fund	Professional Services	TONY'S AUTO REPAIR		123.15
				Check Total:		123.15
68012	06/27/2016	Internal Service Fund	Operations & Maintenance	TRACTOR SUPPLY CREDIT PLAN		36.71
68012	06/27/2016	Internal Service Fund	Operations & Maintenance	TRACTOR SUPPLY CREDIT PLAN		9.71
68012	06/27/2016	Sewer Enterprise Fund	Special Departmental Expense	TRACTOR SUPPLY CREDIT PLAN		13.59
68012	06/27/2016	Internal Service Fund	Operations & Maintenance	TRACTOR SUPPLY CREDIT PLAN		43.19
68012	06/27/2016	General Fund	Special Departmental Expense	TRACTOR SUPPLY CREDIT PLAN		32.59
68012	06/27/2016	General Fund	Special Departmental Expense	TRACTOR SUPPLY CREDIT PLAN		103.66
68012	06/27/2016	General Fund	Special Departmental Expense	TRACTOR SUPPLY CREDIT PLAN		21.59
68012	06/27/2016	Sewer Enterprise Fund	Small Tools	TRACTOR SUPPLY CREDIT PLAN		16.19
68012	06/27/2016	General Fund	Special Departmental Expense	TRACTOR SUPPLY CREDIT PLAN		97.19
68012	06/27/2016	General Fund	Special Departmental Expense	TRACTOR SUPPLY CREDIT PLAN		34.30
				Check Total:		408.72
68013	06/27/2016	General Fund	Professional Services	TRAINING INNOVATIONS, INC.		750.00
				Check Total:		750.00
68014	06/27/2016	General Fund	Professional Services	TROPHY CASE		64.80
				Check Total:		64.80
68015	06/27/2016	Risk Management Fund	Life Insurance	UNUM LIFE INSURANCE		1,087.06
68015	06/27/2016	Risk Management Fund	Disability Insurance	UNUM LIFE INSURANCE		2,432.53
68015	06/27/2016	Risk Management Fund	Disability Insurance	UNUM LIFE INSURANCE		565.00
				Check Total:		4,084.59
68016	06/27/2016	Water Enterprise Fund	Professional Services	VALLEY UTILITIE CONSTRUCTION, INC.		1,200.00
				Check Total:		1,200.00
68017	06/27/2016	Sewer Enterprise Fund	Professional Services	VEOLIA WATER NORTH AMERICA OPERATIN(		148,046.02

Check Number	Check Date	Fund Name	Account Name	Vendor Name	Void	Amount
				Check Total:		148,046.02
68018	06/27/2016	General Fund	Communications	VERIZON WIRELESS		1,391.56
68018	06/27/2016	Gas Tax/Street Improvement	Communications	VERIZON WIRELESS		82.36
68018	06/27/2016	Sewer Enterprise Fund	Communications	VERIZON WIRELESS		89.92
68018	06/27/2016	General Fund	Communications	VERIZON WIRELESS		703.43
68018	06/27/2016	General Fund	Communications	VERIZON WIRELESS		54.02
68018	06/27/2016	Water Enterprise Fund	Communications	VERIZON WIRELESS		143.92
68018	06/27/2016	General Fund	Communications	VERIZON WIRELESS		206.46
68018	06/27/2016	Measure H Fund	Communications	VERIZON WIRELESS		54.02
68018	06/27/2016	General Fund	Communications	VERIZON WIRELESS		54.02
68018	06/27/2016	Internal Service Fund	Communications	VERIZON WIRELESS		10.82
68018	06/27/2016	Internal Service Fund	Communications	VERIZON WIRELESS		10.80
68018	06/27/2016	General Fund	Communications	VERIZON WIRELESS		108.04
				Check Total:		2,909.37
68019	06/27/2016	Employee Benefits Fund	Vision Insurance	VISION SERVICE PLAN (CA)		1,127.11
				Check Total:		1,127.11
68020	06/27/2016	Risk Management Fund	Life Insurance	VOYA RETIREMENT INSURANCE		36.26
				Check Total:		36.26
68021	06/27/2016	General Fund	Special Departmental Expense	WARD ENTERPRISES		190.67
68021	06/27/2016	Internal Service Fund	Special Departmental Expense	WARD ENTERPRISES		175.66
68021	06/27/2016	Internal Service Fund	Special Departmental Expense	WARD ENTERPRISES		40.07
				Check Total:		406.40
68022	06/27/2016	Sewer Fund Capital Replacement	Wastewater Trtmnt Plt Exp	WEST YOST & ASSOCIATES		18,926.83
				Check Total:		18,926.83
68023	06/27/2016	Water Enterprise Fund	Utilities	WGL ENERGY SYSTEMS, INC		25,928.57
68023	06/27/2016	Internal Service Fund	Utilities	WGL ENERGY SYSTEMS, INC		2,436.93
				Check Total:		28,365.50
68024	06/27/2016	General Fund	Adult Slo-Pitch Softball	CLINTON WILLIAMS		50.00
68024	06/27/2016	General Fund	Summer Co-Ed Softball League	CLINTON WILLIAMS		125.00
				Check Total:		175.00
68025	06/27/2016	General Fund	Adult Slo-Pitch Softball	RICHARD A. ZAMARRIPA		200.00
68025	06/27/2016	General Fund	Summer Co-Ed Softball League	RICHARD A. ZAMARRIPA		75.00

Check Number	Check Date	Fund Name	Account Name	Vendor Name		Void	Amount
					Check Total:		275.00
68026	06/27/2016	General Fund	Special Departmental Expense	ZEN FIRE & SAFETY			372.50
					Check Total:		372.50
					Report Total:		1,431,106.27

CITY OF ATWATER

CITY COUNCIL
ADJOURNED MEETING

ACTION MINUTES

June 8, 2016

CALL TO ORDER:

The City Council of the City of Atwater met in Adjourned Session this date at 4:04 PM in the City Council Chambers located at the Atwater Civic Center, 750 Bellevue Road, Atwater, California; Mayor Price presiding.

PLEDGE OF ALLEGIANCE TO THE FLAG:

The Pledge of Allegiance was led by Mayor Price.

ROLL CALL:

Present:	***City Council Members Raymond, Rivero, Vineyard, Mayor Pro Tem Bergman, Mayor Price***
Absent:	***None***
Staff Present:	***City Manager/Police Chief Pietro, CAL FIRE Battalion Chief Pimentel, Community Development Director McBride, Interim Public Works Director Faretta, Water Division Manager/Chief Operator Shaw, Recreation Supervisor Barton, Finance Director Deol, Financial Consultant Zenoni, City Clerk/Human Resources Director Del Real, Recording Secretary Bengtson-Jennings***

COMMENTS FROM THE PUBLIC:

Notice to the public was read.

MIKE RAYMOND, Atwater, addressed the three City Council members who voted against the refinancing of the CalPERS Side Fund for the Miscellaneous and Safety Plans asking to see their financial plan.

No one else came forward to speak at this time.

BUSINESS:

Budget Workshop for Fiscal Year 2016/17

Finance Director Deol provided an overview of the Proposed Budget for Fiscal Year 2016/17 and clarified the difference between cash balance and fund balance.

BOB CALLAWAY, Atwater, spoke regarding the General Fund and asked those who voted against the refinancing of the CalPERS Side Fund for the Miscellaneous and Safety Plans to request the item be brought back for City Council re-consideration.

Financial Consultant Zenoni provided additional information regarding the Proposed Budget for Fiscal Year 2016/17 and spoke regarding the refinancing of the CalPERS Side Fund for the Miscellaneous and Safety Plans stating that it may be too late to take action for the upcoming fiscal year; CalPERS does not allow for an extension.

City Council Member Vineyard stepped down from the dais and left the meeting at 4:42 PM.

LINDA DASH, Atwater, GARY BRICE, Atwater, and PAUL CREIGHTON, Atwater, voiced their concerns and asked questions regarding the fiscal future of the City.

ERIC LEE, Atwater, spoke regarding the costs associated with funding a City fire department and regarding the negotiation process to refinance the CalPERS Side Fund for the Miscellaneous and Safety Plans.

JEANNIE KNIGHT, Atwater, asked questions concerning funding for CAL FIRE employees.

Mayor Price called a recess at 5:09 PM.

The City Council returned to the dais and Mayor Price resumed the meeting at 5:19 PM.

LINDA DASH, Atwater, encouraged the City Council to review all contracts in depth to ensure the terms are sufficient.

Mayor Price announced a public hearing for the Proposed Budget for Fiscal Year 2016/17 will be held during the next regular City Council meeting on June 13, 2016.

ADJOURNMENT:

The meeting adjourned at 5:20 PM.

_____

JEANNA DEL REAL, CMC
CITY CLERK

By: Kim Bengtson-Jennings,
Recording Secretary

CITY OF ATWATER

CITY COUNCIL,
FIRE PROTECTION DISTRICT,
AND
SUCCESSOR AGENCY TO THE ATWATER REDEVELOPMENT AGENCY

ACTION MINUTES

June 13, 2016

REGULAR SESSION: (Council Chambers)

The City Council of the City of Atwater, the Board of Directors of the Fire Protection District, and the Governing Board of the Successor Agency to the Atwater Redevelopment Agency met in Regular Session this date at 6:06 PM in the City Council Chambers located at the Atwater Civic Center, 750 Bellevue Road, Atwater, California; Mayor/Board President/Board Chair Price presiding.

PLEDGE OF ALLEGIANCE TO THE FLAG:

The Pledge of Allegiance was led by Mayor/Board President/Board Chair Price.

INVOCATION:

The Invocation was led by Police Chaplain McClellan.

ROLL CALL: (City Council/Board of Directors/Governing Board)

Present:	***City Council Members/Board Members Raymond, Rivero, Mayor Pro Tem/Board Vice President/Board Vice Chair Bergman, Mayor/Board President/Board Chair Price***
Absent:	***City Council Member/Board Member Vineyard***

Staff Present: ***City Manager/Executive Director/Police Chief Pietro, Deputy City Attorney Ruppel, CAL FIRE Battalion Chief/District Chief Pimentel, Police Lieutenant Joseph, Community Development Director McBride, Interim Public Works Director Faretta, Water Division Manager/Chief Operator Shaw, Finance Director Deol, City Clerk/Board Clerk/Board Secretary Del Real, Recording Secretary Bengtson-Jennings***

SUBSEQUENT NEED ITEMS: ***None.***

Mayor Price invited the family of retired Police Clerk II/Public Safety Dispatcher Cheryl Ramirez to come forward, and he and Police Lieutenant Joseph presented the family with a certificate and announced that the meeting will adjourn in memory of Ms. Ramirez.

APPROVAL OF AGENDA AS POSTED OR AS AMENDED:

Mayor Price announced a request to remove Agenda item #18 under Petitions and Communications, "Request from Atwater First Baptist Church to distribute food at Ralston Park on the 4th Saturday of each month May through December" from the agenda in its entirety and referred the item to the Community Development and Resources Commission for consideration.

Mayor Price announced a request to remove Agenda item #22 under Reports and Presentations from Staff, "Verbal update regarding Applegate Road/Winton Way improvement project," from the agenda in its entirety due to the absence of City Council Member/Board Member Vineyard.

MOTION: ***Mayor Pro Tem/Board Vice President/Board Vice Chair Bergman moved to approve the agenda as amended. The motion was seconded by City Council Member/Board Member Raymond and the vote was: Ayes: Bergman, Raymond, Rivero, Price; Noes: None; Absent: Vineyard. The motion carried.***

PRESENTATIONS:

Monthly verbal report by Merced County District 3 Supervisor McDaniel

District 3 Supervisor McDaniel announced that he will be sending a letter of support for the City's COPS grant application. Also, he reported on several items:

1. ***Economic Development at Castle Commerce Center: 5 new leads; and tech giant Google intends to extend their lease as they have invested 5 million dollars in their site so far.***
2. ***Revenue Sharing: the County has entered into a property tax revenue sharing agreement with the City of Los Banos and is in negotiations with other cities as well.***
3. ***Merced County: in 2015 unemployment dropped 1.7%, job growth rate***

increased 1.4%, economic output growth rate increased 5%, and median home prices increased 13.7%.

4. ***Merced County proposed FY 2016-17 Budget: the Board of Supervisors will consider the proposed FY 2016-17 Budget at their June 28, 2016 meeting.***

COMMENTS FROM THE PUBLIC:

Notice to the public was read.

CAROLYN POSTON, representing Atwater First Baptist Church, asked for clarification concerning their request to distribute boxes of food at Ralston Park the fourth Saturday of each month from May to December.

Mayor Price clarified that the item will be referred to the Community Development and Resources Commission for consideration, and the Commission may recommend the item for approval by the City Council at a later date.

LORI CHAVEZ, representing Rancho Grande Mobile Home Park (a senior community), spoke regarding a proposed initiative prohibiting the owners of the mobile home park from turning it into a family park, and she asked for City Council support.

Deputy City Attorney Ruppel asked that the proposal be submitted to the City for legal review prior to City Council consideration and action.

No one else came forward to speak.

CONSENT CALENDAR:

Agenda item #9 under Agreements, "Approving Professional Services Agreement with North Star Engineering Group, Inc. for on call general engineering services," was removed from the consent calendar for separate discussion and possible action.

MOTION: ***City Council Member Raymond moved to approve the consent calendar as amended. The motion was seconded by Mayor Pro Tem Bergman and the vote was: Ayes: Rivero, Raymond, Bergman, Price; Noes: None; Absent: Vineyard. The motion carried.***

WARRANTS:

1. June 13, 2016

ACTION: ***Approval of warrants as listed.***

MINUTES: (City Council)

2. a) Regular meeting, May 23, 2016
   b) Adjourned meeting, May 25, 2016

ACTION: Approval of minutes as listed.

MINUTES: (Commissions)

3. Community Development and Resources, April 20, 2016

ACTION: Acceptance of minutes as listed.

RESOLUTIONS:

4. Authorizing submittal of grant application to United States Department of Justice Office of Community Oriented Policing Services for funding under 2016 COPS Hiring program (Police Chief Pietro)

ACTION: Adoption of Resolution No. 2889-16 authorizing submittal of grant application to the United States Department of Justice Office of Community Oriented Policing Services (COPS) for funding under the 2016 COPS Hiring Program (CHP); and authorizes and directs the City Manager or his designee to execute any agreements or documents relating to participation and administration of grant, if awarded, on behalf of the City.

5. Accepting FY 2015 Assistance to Firefighters Operations and Safety Grant Award (CAL FIRE Battalion Chief Pimentel)

ACTION: Adoption of Resolution No. 2888-16 authorizing acceptance of the 2015 Assistance to Firefighters Operations and Safety Grant Award; and authorizes and directs the City Manager or his designee to sign any grant related documents on behalf of the City.

6. Authorizing the initiation of the annexation of Juniper Meadows II Landscape and Lighting and Drainage Maintenance District into Juniper Meadows Landscape and Lighting and Drainage Maintenance District, declaring intention to levy annual assessment for FY 2016/17 (Community Development Director McBride)

ACTION: Adoption of Resolution No. 2893-16 authorizing initiation of proceedings for the annexation of Juniper Meadows Phase II into the existing Juniper Meadows Landscape Maintenance District and directing the preparation and filing of an engineer's report in connection with said annexation and the proposed levy and collection of assessments commencing in Fiscal Year 2016/17; adoption of Resolution No. 2897-16 declaring the Council's intention to annex Juniper Meadows Phase II into the Juniper Meadows Landscape Maintenance District, levy the annual special benefit assessment for said annexation territory

commencing with the Fiscal Year 2016/17, accepting and filing the engineer's report, conducting a property owner protest ballot preceding, and setting a time and place for a public hearing; adoption of Resolution No. 2898-16 initiating proceedings for the formation of Lighting and Drainage District No. 31 – Juniper Meadows II, and directing the preparation and filing of an engineer's report in connection with said formation and the proposed levy and collection of assessments commencing in Fiscal Year 2016/17; and adoption of Resolution No. 2899-16 declaring the Council's intention to form Lighting and Drainage District No. 31 – Juniper Meadows II, levy annual special benefit assessment for said district commencing with the Fiscal Year 2016/17, accepting and filing the engineer's report, conducting a property owner protest ballot preceding, and setting a time and place for a public hearing.

7. Declares City's intent to collect annual levy for various Assessment Maintenance Districts for Fiscal Year 2016/17, preliminarily approving the Engineer's Reports and setting a public hearing date (Community Development Director McBride)

ACTION: ***Adoption of Resolution No. 2900-16 ordering the City's Assessment Engineer to prepare and file the Engineer's Reports for the collection of the proposed annual assessments for the Lighting and Drainage and Landscape Maintenance Districts for Fiscal Year 2016/17; and adoption of Resolution No. 2901-16 granting preliminary approval of the Engineer's Reports, declaring the City's intention to levy and collect the annual assessments for various assessment maintenance districts for Fiscal Year 2016/17 and setting a public hearing date for said assessments for July 11, 2016.***

8. Authorizing submittal of grant application to State of California Caltrans Division of Local Assistance for funding under 2017 Active Transportation Program (ATP) Cycle 3 (Community Development Director McBride)

ACTION: ***Adoption of Resolution No. 2891-16 authorizing submittal of grant application to the State of California Caltrans Division of Local Assistance for funding under the 2017 Active Transportation Program (ATP) Cycle 3; and authorizes and directs the City Manager or his designee to execute all documents relating to participation and administration of grant, if awarded, on behalf of the City.***

AGREEMENTS:

9. Approving Professional Services Agreement with North Star Engineering Group, Inc. for on call general engineering services (Community Development Director McBride)

This item was removed from the consent calendar for separate discussion and possible action.

10. Approving and ratifying agreement with the Atwater Police Officers' Association (APOA) Bargaining Unit (City Manager Pietro)

ACTION: ***Adoption of Resolution No. 2892-16 approving and ratifying agreement with the Atwater Police Officers' Association; and authorizes and directs the City Manager to sign the necessary documents implementing provisions of the Memorandum of Understanding (MOU) upon review by the City Attorney.***

REPORTS:

11. Monthly review of local drought emergency (City Attorney Terpstra)

ACTION: ***Reaffirms the facts and findings in Resolution No. 2823-15 declaring the existence of a local drought emergency.***

ORDINANCES (WAIVING SECOND READING AND ADOPTION):

12. Waiving the second reading and adopting Ordinance No. CS 973 amending Chapter 2.08 of the Atwater Municipal Code relating to City Council Meetings (City Attorney Terpstra)

ACTION: ***Waives the second reading and adopts Ordinance No. CS 973 amending Chapter 2.08 of the Atwater Municipal Code to adopt Rosenberg's Rules of Order.***

13. Waiving the second reading and adopting Ordinance No. CS 972 amending Title 13, "Public Services," Chapter 13.13 "Water Conservation Program" of the Atwater Municipal Code (Water Division Manager/Chief Operator Shaw)

ACTION: ***Waives the second reading and adopts Ordinance No. CS 972 amending Title 13, "Public Services," Chapter 13.13 "Water Conservation Program" of the Atwater Municipal Code.***

INFORMATIONAL ITEMS ONLY (NO ACTION REQUIRED):

14. Police Department activities and projects for the month of May, 2016 (Police Lieutenant Joseph)

15. Police Volunteer activities for the month of April and May, 2016 (Police Volunteer Vineyard)

16. Fire Department activities and projects for the month of May, 2016 (CAL FIRE Battalion Chief Pimentel)

17. Public Works Department activities and projects for the month of May, 2016 (Interim Public Works Director Faretta)

AGREEMENTS:

Approving Professional Services Agreement with North Star Engineering Group, Inc. for on call general engineering services (Community Development Director McBride)

Mayor Pro Tem Bergman questioned the RFQ/RFP process and requested that future RFQs and RFPs be provided to the City Council for review.

MOTION: ***Mayor Pro Tem Bergman moved to table this item to the next regular City Council meeting agenda of June 27, 2016 subsequent to review of the contract and hourly rates for each of the five engineering companies currently providing on call general engineering services to the City. The motion was seconded by City Council Member Raymond and the vote was: Ayes: Rivero, Raymond, Bergman, Price; Noes: None; Absent: Vineyard. The motion carried.***

PETITIONS AND COMMUNICATIONS:

Request from Atwater First Baptist Church to distribute food at Ralston Park on the 4th Saturday of each month May through December

This item was removed from the agenda and referred to the Community Development and Resources Commission for consideration.

PUBLIC HEARINGS:

Adoption of 2016-17 Fiscal Year Budget and approving Fund Expenditures and Fund Transfers; amending Classification Plan and approving Salary Schedule B-16, effective July 1, 2016 (Finance Director Deol)

Finance Director Deol presented a verbal report regarding the proposed 2016-17 Fiscal Year Budget.

Mayor/Board President/Board Chair Price opened the public hearing for this item.

No one came forward to speak and Mayor/Board President/Board Chair Price closed the public hearing.

Mayor/Board President/Board Chair Price called a recess at 6:43 PM.

The City Council returned to the dais and Mayor/Board President/Board Chair Price resumed the meeting at 6:51 PM.

MOTION: ***Mayor/Board President/Board Chair Price moved to continue the public hearing for this item to the next regular City Council meeting agenda of June 27, 2016. The motion was seconded by City Council Member/Board Member Rivero.***

Mayor/Board President/Board Chair Price withdrew his motion for continuance.

City Council Member/Board Member Rivero withdrew his second to the motion on the floor.

MOTION: ***Mayor Pro Tem/Board Vice President/Board Vice Chair Bergman moved to adopt Joint Authority Resolution No. 2894-16, Resolution No. AFPD 1-2016, and Resolution No. SA 2016-3 adopting the 2016-17 Fiscal Year Budget with a 5% reduction; to adopt Resolution No. 2895-16 amending the City of Atwater Classification Plan and adopting the City of Atwater Salary Schedule B-16, effective July 1, 2016. The motion was seconded by Mayor/Board President/Board Chair Price and the vote was: Ayes: Bergman, Raymond, Price; Noes: Rivero; Absent: Vineyard. The motion carried.***

Adoption of resolution authorizing submittal of Bureau of Justice Assistance's 2016 Edward Byrne Memorial Justice Assistance Grant (JAG) (Police Chief Pietro)

Mayor Price opened the public hearing for this item.

No one came forward to speak and Mayor Price closed the public hearing.

MOTION: ***City Council Member Rivero moved to adopt Resolution No. 2890-16 authorizing submittal of an application to the United States Department of Justice, Office of Justice Programs, Bureau of Justice Assistance's 2016 Edward Byrne Memorial Justice Assistance Grant (JAG) Program; and authoring and directing the City Manager to execute application, Grant Agreement, amendments, and all documents related to the grant, on behalf of the City, including administration, if awarded. The motion was seconded by Mayor Pro Tem Bergman and the vote was: Ayes: Bergman, Rivero, Raymond, Price; Noes: None; Absent: Vineyard. The motion carried.***

REPORTS AND PRESENTATIONS FROM STAFF:

Granting exemption to Castle Vista Senior Community from the watering schedule set forth in Section 13.13.030(B) of Atwater Municipal Code (Water Division Manager/Chief Operator Shaw)

MOTION: ***Mayor Pro Tem Bergman moved to adopt Resolution No. 2886-16 exempting Castle Vista Senior Community from the water schedule set forth in Section 13.13.030(B) of the Atwater Municipal Code. The motion was seconded by City Council Member Rivero and the vote was: Ayes: Bergman, Raymond, Rivero, Price; Noes: None; Absent: Vineyard. The motion carried.***

Verbal update regarding Applegate Road/Winton Way improvement project (Police Lieutenant Joseph/Community Development Director McBride)

This item was removed from the agenda in its entirety due to the absence of City Council Member Vineyard.

CITY COUNCIL MATTERS:

City Council comments and requests for future agenda items

City Council Member Raymond asked the community to keep City Council Member Vineyard in their prayers and wished him a speedy recovery.

Mayor Pro Tem Bergman asked for prayers for City Council Member Vineyard and announced that tomorrow is National Bourbon Day.

City Council Member Rivero wished City Council Member Vineyard a speedy recovery and stated a current problem with the Winton Way/Atwater Blvd. improvement project.

Mayor Price asked the community to donate toward the 4th of July event and he reported on a recent Police Department ride-along. He reminded citizens of the current water conservation measures in Atwater.

ADJOURNMENT:

The meeting adjourned in memory of retired Police Clerk II/Public Safety Dispatcher Cheryl Ramirez and in memory of the people who lost their lives in the recent terrorist attack in Orlando, Florida.

The meeting adjourned at 7:05 PM.

_____

JEANNA DEL REAL, CMC
CITY CLERK/BOARD CLERK/BOARD SECRETARY

By: Kim Bengtson-Jennings,
Recording Secretary

STATEMENT OF CHANGES IN CASH BALANCE, UNAUDITED

BY FUND

AS OF 5/31/16

	FUND	BEG. BALANCE	CASH DEBITS	CASH CREDITS	ENDING BAL.
0001	General Fund	(2,744,146.50)	2,640,164.73	1,336,964.68	(1,440,946.45)
0003	General Fund Capital	(119,762.38)	123,950.41	0.00	4,188.03
0004	Measure H Fund	1,300,790.57	144,200.00	40,844.64	1,404,145.93
0005	Ferrari Ranch Project Fund	(54,022.62)	0.00	29,313.55	(83,336.17)
1005	Police Grants Fund	131,786.34	10,225.00	27,301.56	114,709.78
1011	Gas Tax/Street Improvement	1,675,181.61	51,483.53	69,670.71	1,656,994.43
1013	Local Transportation Fund	25,773.01	638.52	0.00	26,411.53
1015	Traffic Circulation Fund	885,297.22	5,168.47	0.00	890,465.69
1016	Applegate Interchange	723,385.68	0.00	0.00	723,385.68
1020	Parks and Recreation Fund	1,557,380.20	11,970.68	25,480.00	1,543,870.88
1050	Buhach Colony High School	221,477.58	0.00	0.00	221,477.58
1055	Neighborhood Stabilization	211,379.33	0.00	0.00	211,379.33
1059-78	Housing Grant Funds	199,095.12	0.00	0.00	199,095.12
1091	Police Facility Impact Fee	36,489.72	2,794.92	0.00	39,284.64
1093	Fire Facility Impact Fee	47,172.16	3,624.16	0.00	50,796.32
1095	Government Building Facility	101,788.85	2,622.68	0.00	104,411.53
3064-67	Redevelopment/Successor Agency Funds	798,197.10	825,497.33	1,897,671.36	(273,976.93)
4020	Performance Bond Trust	210,135.66	0.00	0.00	210,135.66
4030	Narcotics Program Trust	5,264.92	0.00	0.00	5,264.92
4060	Section 125 Medical	964.56	485.16	396.53	1,053.19
4070	Section 125 Dependent Care	(2,340.28)	416.66	0.00	(1,923.62)
4090	CFD No. 1 Trust	48,511.73	25,853.10	0.00	74,364.83
5000-54	All Maintenance Districts	1,827,569.92	167,832.03	124,796.15	1,870,605.80
5050	CFD Districts	(468,153.29)	182,321.43	0.00	(285,831.86)
6000	Water Enterprise Fund	(7,994,333.45)	3,692,204.16	134,115.36	(4,436,244.65)
6001	Water Fund Capital Replacement	8,111,055.12	0.00	3,329,367.47	4,781,687.65
6002	DBCP Settlement	666,084.58	0.00	0.00	666,084.58
6004	Water Well- Buhach Colony	150,231.19	687.88	0.00	150,919.07
6005	Water Capital Impact Fees	1,035,555.57	21,389.40	0.00	1,056,944.97
6006	Water Operating Reserve Fund	172,495.33	0.00	0.00	172,495.33

STATEMENT OF CHANGES IN CASH BALANCE, UNAUDITED

BY FUND

AS OF 5/31/16

	FUND	BEG. BALANCE	CASH DEBITS	CASH CREDITS	ENDING BAL.
6010	Sewer Enterprise Fund	2,806,073.12	925,439.88	114,982.37	3,616,530.63
6011	Sewer Fund Capital Replacement	1,953,253.01	28,161.40	39,842.78	1,941,571.63
6020	Sanitation Enterprise	848,614.26	302,018.29	6,633.10	1,143,999.45
7000	Internal Service Fund	490,469.68	1,800.43	56,068.47	436,201.64
7010	Employee Benefits Fund	750,640.80	1,416.00	88,416.17	663,640.63
7020	Risk Management	468,740.58	257.52	10,302.55	458,695.55
7030	Information Technology	93,828.08	0.00	57,660.50	36,167.58
9090	Accrued Interest Fund	5,732.30	19.28	0.00	5,751.58
	TOTAL	**16,177,656.38**	**9,172,643.05**	**7,389,827.95**	**17,960,471.48**

Prepared by: Patricia Tejeda

Patricia Tejeda, Accountant II

Approved by: Jim Heller

Jim Heller, City Treasurer

Statement of Changes in Cash Balance
by Bank
As of 5/31/16

	Beg. Period Balance	Cash Debits	Cash Credits	End Period Balance
City - LAIF	7,395,319.80		1,000,000.00	6,395,319.80
City Checking & Investment Accounts	5,638,970.41	9,172,606.57	5,564,479.82	9,247,097.16
RA Obligation Retirement Fund	825,421.72	17.20	825,348.13	90.79
City - RMA Long-Term Investment Fund	1,036,774.00			1,036,774.00
Wells Fargo Mutual Fund	1,230,781.36	10.45		1,230,791.81
Rabobank - Money Market	50,389.09	8.83		50,397.92
Totals	16,177,656.38	9,172,643.05	7,389,827.95	17,960,471.48

Prepared by: Patricia Tejeda
Patricia Tejeda, Accountant II

Approved by: Jim Heller
Jim Heller, City Treasurer

(The following statements are required by California Govt. Code Section 53646 (b) (2,3))

Investments are made pursuant to the City Council approved Investment Policy and Guidelines.

The City of Atwater has the ability to meet its pooled expenditure requirements for the next six months.

Bank Account Detail

City LAIF	6,395,319.80	Westamerica Bank Checking	9,263,368.25
Chandler Asset Mgt.	1,036,774.00	Westamerica Bank (Transfer Account)	100,000.00
Wells Fargo Mutual Fund	1,230,791.81	Westamerica Bank Rdvlpmnt Obligation Checking	90.79
Rabobank Money Market	50,397.92		

June 21, 2016

Honorable Mayor and Members
of the Atwater City Council

City Council Meeting
of June 27, 2016

ORDINANCE NO. CS 974 AMENDING CHAPTER 8.50 OF THE ATWATER MUNICIPAL CODE TO CHAPTER 8.60 IMPOSING AN EXPRESS BAN ON COMMERCIAL MARIJUANA CULTIVATION, PROCESSING, DELIVERY ORIGINATING FROM WITHIN CITY LIMITS, AND DISPENSING OF MEDICAL MARIJUANA AND REGULATING THE PERSONAL CULTIVATION OF MEDICAL MARIJUANA IN THE CITY

RECOMMENDATION:
It is recommended that the City Council consider:

1. Opening the Public Hearing and taking testimony regarding Ordinance No. CS 974; and

2. Waiving the first reading and introducing Ordinance No. CS 974 to amend Chapter 8.50 of the Atwater Municipal Code to Chapter 8.60 imposing an express ban on commercial marijuana cultivation, processing, delivery originating from within City limits, and dispensing of medical marijuana and regulating the personal cultivation of medical marijuana in the City.

BACKGROUND AND ANALYSIS:
In 1996, the voters of the State of California approved Proposition 215 (codified as Health & Safety Code Section 11362.5 *et seq*. and entitled "The Compassionate Use Act of 1996" referred to herein as the "CUA"). The intent of the CUA was to enable seriously ill Californians to legally possess, use, and cultivate marijuana for medical use under state law once a physician has deemed the use beneficial to a patient's health.

In May 2013, the California Supreme Court issued its decision in *City of Riverside v. Inland Empire Patients Health and Wellness Center, Inc.*, et al., holding that cities have the authority to ban medical marijuana land uses. Under the Federal Controlled Substances Act, codified in 21 U.S.C. Section 801 *et seq*., the use, possession, and cultivation of marijuana are unlawful and subject to federal prosecution without regard to a claimed medical need.

On October 9, 2015, Governor Jerry Brown signed the "Medical Marijuana Regulation and Safety Act" (" Act"), which is comprised of the state legislative bills known as AB 243, AB 266, and SB 643, into law. The Act became effective January 1, 2016 and contains provisions that govern the cultivating, processing, transporting, testing, and distributing of medical cannabis to qualified patients. The Act also contains new statutory provisions that:

- Allow local governments to enact ordinances expressing their intent to prohibit the cultivation of marijuana and their intent not to administer a conditional permit program pursuant to Health & Safety Code Section 11362.777 for the cultivation of marijuana (Health & Safety Code § 11362.777(c)(4));

- Expressly provide that the Act does not supersede or limit local authority for local law enforcement activity, enforcement of local ordinances, or enforcement of local permit or licensing requirements regarding marijuana (Business & Professions Code § 19315(a));

- Expressly provide that the Act does not limit the authority or remedies of a local government under any provision of law regarding marijuana, including but not limited to a local government's right to make and enforce within its limits all police regulations not in conflict with general laws (Business & Professions Code § 19316(c)); and

- Require a local government that wishes to prevent marijuana delivery activity, as defined in Business & Professions Code section 19300.5(m) of the Act, from operating within the local government's boundaries to enact an ordinance affirmatively banning such delivery activity (Business & Professions Code § 19340(a)).

The negative impacts of marijuana cultivation, processing and distribution activities are well known to law enforcement and citizens of Atwater. They include offensive odors, illegal sales and distribution of marijuana, trespassing, theft, violent robberies and robbery attempts, fire hazards, and problems associated with mold, fungus, and pests. Additional problems associated with marijuana cultivation and distribution are outlined in the proposed Ordinance.

Based on the experiences of other cities, these negative effects on the public health, safety, and welfare are likely to occur, and continue to occur, in the City due to the establishment and operation of marijuana cultivation, processing and distribution activities.

The Atwater Municipal Code does not expressly address the cultivation, processing, delivery, and distribution of medical marijuana, but pursuant to the principles of permissive zoning, the City adopted Resolution No. 2868-15 affirming the prohibition of cultivation of marijuana in the City of Atwater.

If the City Council wishes to prohibit these activities for commercial sale and to regulate these activities for personal use by qualified patients and primary caregivers, it must adopt an ordinance to that effect, finding that it is in the interest of the City, its residents, and its lawfully permitted businesses that City Council adopt the proposed ordinance to expressly prohibit the establishment and operation of marijuana cultivation, processing, delivery originating from within city limits, and dispensary activities as well as the issuance of any use permit, variance, building permit, or any other entitlement, license, or permit for any such activity, and to regulate these activities for personal use by

qualified patients and primary caregivers, except where the City is otherwise preempted by federal or state law.

Included with this staff report is Ordinance No. CS 974, which would amend Chapter 8.50 entitled “Medical Marijuana” of the Atwater Municipal Code to include the direction previously given by the City Council to staff.

FISCAL IMPACT:
None.

CONCLUSION:
This staff report is submitted for City Council consideration and possible action.

Respectfully submitted,

/s/ *Thomas H. Terpstra*

Thomas H. Terpstra
City Attorney

CITY COUNCIL
OF THE
CITY OF ATWATER

ORDINANCE NO. CS 974

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ATWATER, CALIFORNIA, AMENDING CHAPTER 8.50 OF THE ATWATER MUNICIPAL CODE TO CHAPTER 8.60 IMPOSING AN EXPRESS BAN ON COMMERCIAL CULTIVATION, PROCESSING, DELIVERY ORIGINATING FROM WITHIN CITY LIMITS, AND DISPENSING OF MEDICAL MARIJUANA AND REGULATING THE PERSONAL CULTIVATION OF MEDICAL MARIJUANA IN THE CITY

WHEREAS, in 1996, the voters of the State of California approved Proposition 215 (codified as Health & Safety Code section 11362.5 *et seq*. and entitled "The Compassionate Use Act of 1996" referred to herein as the "CUA");

WHEREAS, the intent of the CUA was to enable seriously ill Californians to legally possess, use, and cultivate marijuana for medical use under state law once a physician has deemed the use beneficial to a patient's health;

WHEREAS, in 2003, the California Legislature adopted SB 420, the Medical Marijuana Program ("MMP"), codified as Health and Safety Code section 11362.7 *et seq*., which permits qualified patients and their primary caregivers to associate collectively or cooperatively to cultivate marijuana for medical purposes without being subject to criminal prosecution under the California Penal Code;

WHEREAS, neither the CUA nor the MMP require or impose an affirmative duty or mandate upon a local government to allow, authorize, or sanction the establishment of facilities that cultivate or process medical marijuana within its jurisdiction;

WHEREAS, in May 2013, the California Supreme Court issued its decision in *City of Riverside v. Inland Empire Patients Health and Wellness Center, Inc.*, et al., holding that cities have the authority to ban medical marijuana land uses;

WHEREAS, under the Federal Controlled Substances Act, codified in 21 U.S.C. section 801 *et seq*., the use, possession, and cultivation of marijuana are unlawful and subject to federal prosecution without regard to a claimed medical need;

WHEREAS, on October 9, 2015, Governor Jerry Brown signed the "Medical Marijuana Regulation and Safety Act" ("Act"), which is comprised of the state legislative bills known as AB 243, AB 266, and SB 643, into law;

WHEREAS, the Act became effective January 1, 2016 and contains provisions that govern the cultivating, processing, transporting, testing, and distributing of medical cannabis to qualified patients. The Act also contains new statutory provisions that:

- Allow local governments to enact ordinances expressing their intent to prohibit the cultivation of marijuana and their intent not to administer a conditional permit program pursuant to Health & Safety Code section 11362.777 for the cultivation of marijuana (Health & Safety Code § 11362.777(c)(4));

- Expressly provide that the Act does not supersede or limit local authority for local law enforcement activity, enforcement of local ordinances, or enforcement of local permit or licensing requirements regarding marijuana (Business & Professions Code § 19315(a));

- Expressly provide that the Act does not limit the authority or remedies of a local government under any provision of law regarding marijuana, including but not limited to a local government's right to make and enforce within its limits all police regulations not in conflict with general laws (Business & Professions Code § 19316(c)); and

- Require a local government that wishes to prevent marijuana delivery activity, as defined in Business & Professions Code section 19300.5(m) of the Act, from operating within the local government's boundaries to enact an ordinance affirmatively banning such delivery activity (Business & Professions Code § 19340(a));

WHEREAS, several California cities have reported negative impacts of marijuana cultivation, processing and distribution activities, including offensive odors, illegal sales and distribution of marijuana, trespassing, theft, violent robberies and robbery attempts, fire hazards, and problems associated with mold, fungus, and pests;

WHEREAS, marijuana plants, as they begin to flower and for a period of two months or more, produce a strong odor, offensive to many people, and detectable far beyond property boundaries if grown outdoors;

WHEREAS, in the case of multiple qualified patients who are in control of the same legal parcel, or parcels, of property, or in the case of collective or cooperative cultivation, or in the case of a caregiver growing for numerous patients, a very large number of plants could be cultivated on the same legal parcel, or parcels, within the City of Atwater ("City");

WHEREAS, the strong smell of marijuana creates an attractive nuisance, alerting persons to the location of the valuable plants, and creating a risk of burglary, robbery or armed robbery;

WHEREAS, the unregulated indoor cultivation of marijuana has potential adverse effects to the structural integrity of the building, and the use of high wattage grow lights and excessive use of electricity increases the risk of fire which presents a clear and present danger to the building and its occupants;

WHEREAS, the Attorney General's August 2008 Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use recognizes that the cultivation or other concentration of marijuana in any location or premises without adequate security increases the risk that nearby homes or businesses may be negatively impacted by nuisance activity such as loitering or crime;

WHEREAS, based on the experiences of other cities, these negative effects on the public health, safety, and welfare are likely to occur, and continue to occur, in the City due to the establishment and operation of processing and distribution activities;

WHEREAS, The City Council is vested with the authority to make and enforce all laws, rules and regulations with respect to municipal affairs and the power to exercise, or act pursuant to any and all rights, powers, and privileges, or procedures granted or prescribed by any law of the State of California;

WHEREAS, Pursuant to the principles of permissive zoning, the City adopted Resolution No. 2868-15 affirming the prohibition of cultivation of marijuana in the City of Atwater. In addition, existing Atwater Municipal Code Chapter 5.60 prohibits outdoor cultivation of marijuana;

WHEREAS, prior to the effective date of this ordinance, the cultivation, processing and distribution of medical marijuana is prohibited in the City to the extent such activities are prohibited by the Federal Controlled Substances Act or other law;

WHEREAS, based on the findings above, the potential establishment of the cultivation, processing and distribution of medical marijuana for commercial sale in the City without an express ban on such activities poses a current and immediate threat to the public health, safety, and welfare in the City due to the negative impacts of such activities as described above;

WHEREAS, the issuance or approval of business licenses, subdivisions, use permits, variances, building permits, or any other applicable entitlement for indoor or outdoor marijuana cultivation, processing, delivery, and/or distribution of medical marijuana for commercial sale will result in the aforementioned threat to public health, safety, and welfare;

WHEREAS, it is in the interest of the City, its residents, and its lawfully permitted businesses that City adopt this ordinance to expressly prohibit the establishment and operation of marijuana cultivation (whether indoor or outdoor) processing, delivery, and dispensing of medical marijuana for commercial sale, as well as the issuance of any use permit, variance, building permit, or any other entitlement, license, or permit for any such activity, except where the City is preempted by federal or state law from enacting a

prohibition on any such activity or a prohibition on the issuance of any use permit, variance, building permit, or any other entitlement, license, or permit for any such activity;

WHEREAS, it is also in the interest of the City, its residents, and its lawfully permitted businesses that the City adopt this ordinance to expressly regulate the personal cultivation and delivery of medical marijuana as authorized by state law; and

WHEREAS, the regulations in this ordinance do not interfere with a qualified patient's right to obtain and use marijuana as authorized under state law, nor do they criminalize the possession of marijuana by qualified patients or their primary caregivers. It is neither the intent nor the effect of this ordinance to condone or legitimize the illegal use, consumption, or cultivation of marijuana under federal, state or local law, nor is it the intent of this ordinance to regulate the possession of processed marijuana under federal, state or local law.

NOW, THEREFORE, the City Council of the City of Atwater does hereby ordain:

SECTION 1: The City Council of the City of Atwater hereby finds that the above recitals are true and correct and are incorporated into the substantive portion of this ordinance.

SECTION 2: The City Council hereby amends Chapter 8.50 entitled "Medical Marijuana" to the City of Atwater Municipal Code to read in full as follows:

CHAPTER 8.60 – MEDICAL MARIJUANA

8.60.010 Legislative Findings and Statement of Purpose.

A. The City Council finds that the prohibitions on indoor and outdoor marijuana cultivation, marijuana processing, marijuana delivery originating from within city limits, and marijuana dispensing for commercial sale and the regulation of cultivation and delivery of medical marijuana for personal use are necessary for the preservation and protection of the public health, safety, and welfare for the City and its community. The City Council's prohibition of such activities is within the authority conferred upon the City Council in its Charter and state law.

B. On October 9, 2015, the governor signed the "Medical Marijuana Regulation and Safety Act" ("Act") into law. The Act becomes effective January 1, 2016 and contains new statutory provisions that:

1. Allow local governments to enact ordinances expressing their intent to prohibit the cultivation of marijuana and their intent not to administer a conditional permit program pursuant to Health & Safety Code section 11362.777 for the cultivation of marijuana (Health & Safety Code § 11362.777(c)(4));

2. Expressly provide that the Act does not supersede or limit local authority for local law enforcement activity, enforcement of local ordinances, or

enforcement of local permit or licensing requirements regarding marijuana (Business & Professions Code § 19315(a));

3. Expressly provide that the Act does not limit the authority or remedies of a local government under any provision of law regarding marijuana, including but not limited to a local government's right to make and enforce within its limits all police regulations not in conflict with general laws (Business & Professions Code § 19316(c)); and

4. Require a local government that wishes to prevent marijuana delivery activity, as defined in Business & Professions Code section 19300.5(m) of the Act, from operating within the local government's boundaries to enact an ordinance affirmatively banning such delivery activity (Business & Professions Code § 19340(a)).

C. The City Council finds that this chapter: (1) expresses its intent to prohibit the indoor and outdoor cultivation, processing and dispensing of medical marijuana for commercial sale in the City and to not administer a conditional permit program pursuant to Health & Safety Code section 11362.777 for the cultivation of marijuana in the City; (2) expresses its intent to regulate the personal cultivation and delivery of medical marijuana in the City; (3) exercises its local authority to enact and enforce local regulations and ordinances, including those regarding the permitting, licensing, or other entitlement of the activities prohibited by this chapter; and (4) exercises its police power to enact and enforce regulations for the public benefit, safety, and welfare of the City and its community.

8.60.020 Definitions.

For purposes of this chapter, the following definitions shall apply:

A. "Allowable structure" means a building or other structure that is fully enclosed and secure; complies with the City's Building Code and Planning and Development Code; has a complete roof enclosure supported by connecting walls extending from the ground to the roof; has a foundation, slab, or equivalent base to which the floor is secured by bolts or similar attachments; is secure against unauthorized entry; and is accessible only through one or more lockable doors. Walls and roofs must be constructed of solid, non-transparent material, that cannot be easily breached, such as two inch by four inch or thicker studs overlaid with three-eighths inch or thicker plywood or the equivalent. Plastic sheeting or similar products, regardless of gauge, do not satisfy this requirement.

B. "Cultivation" means growing, planting, harvesting, drying, curing, grading, trimming, or processing of marijuana, whether such activities take place indoors or outdoors.

C. "Live plants" means living medical cannabis flowers and plants, including seeds, immature plants, and vegetative stage plants.

D. "Marijuana" means any or all parts of the plant Cannabis sativa Linnaeus, Cannabis indica, or Cannabis ruderalis, whether growing or not; the seeds thereof; the resin or separated resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin, including marijuana infused in foodstuff or any other ingestible or consumable product containing marijuana. The term "marijuana" shall also include "medical marijuana" as such phrase is used in the August 2008 Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use, as may be amended from time to time, that was issued by the office of the Attorney General for the state of California or subject to the provisions of California Health and Safety Code Section 11362.5 (Compassionate Use Act of 1996) or California Health and Safety Code Sections 11362.7 to 11362.83 (Medical Marijuana Program Act).

E. “Marijuana Delivery” shall have the same meaning in Business and Professions Code section 19300.5(m) and includes the commercial delivery, transfer or transport, or the arranging for the commercial delivery, transfer or transport, or the use of any technology platform to arrange for or facilitate the commercial delivery, transfer or transport of marijuana, marijuana edibles, and/or any marijuana products, including, but not limited to, fibers, oils, and cakes, and expressly excluding seeds, to or from any location within the jurisdictional limits of the City of Atwater, and any and all associated business and/or operational activities.

F. "Marijuana Dispensary" or "Marijuana Dispensaries" means any business, office, store, facility, location, retail storefront or wholesale component of any establishment, cooperative or collective that delivers (as defined in Business & Professions Code section 19300.5(m) or any successor statute thereto) whether mobile or otherwise, dispenses, distributes, exchanges, transmits, transports, sells or provides marijuana to any person for any reason, including members of any medical marijuana cooperative or collective consistent with the August 2008 Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use, as may be amended from time to time, that was issued by the office of the Attorney General for the state of California, or for the purposes set forth in California Health and Safety Code Section 11362.5 (Compassionate Use Act of 1996) or California Health and Safety Code Sections 11362.7 to 11362.83 (Medical Marijuana Program Act).

G. "Medical marijuana collective" or "cooperative or collective" means any group that is collectively or cooperatively cultivating and distributing marijuana for medical purposes that is organized in the manner set forth in the August 2008 Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use, as may be amended from time to time, that was issued by the office of the Attorney General for the state of California or subject to the provisions of California Health and Safety Code Section 11362.5 (Compassionate Use Act of 1996) or California Health and Safety Code Sections 11362.7 to 11362.83 (Medical Marijuana Program Act).

H. "Outdoor" means any location in the City that is within a residential zone or parcel used for residential use, and that is not within an allowable structure.

I. "Premises" means a single parcel of property or contiguous parcels under common ownership or control.

J. "Primary caregiver" is defined in strict accordance with California Health and Safety Code section 11362.5 *et seq*.

K. "Processing" means any method used to prepare marijuana or its byproducts for commercial retail and/or wholesale, including but not limited to: drying, cleaning, curing, packaging, and extraction of active ingredients to create marijuana related products and concentrates.

L. "Qualified patient" is defined in strict accordance with California Health and Safety Code section 11362.5 *et seq*.

8.60.030 Prohibited Activities.

A. Commercial Use. Marijuana cultivation (whether it occurs indoors or outdoors), marijuana processing, marijuana delivery originating from within city limits, and marijuana dispensaries for commercial sale shall be prohibited activities in the City, except where the City is preempted by federal or state law from enacting a prohibition on any such activity. No use permit, variance, building permit, or any other entitlement, license, or permit, whether administrative or discretionary, shall be approved or issued for the activities of marijuana cultivation, marijuana processing, marijuana delivery originating from within city limits, or the establishment or operation of a marijuana dispensary for commercial sale in the City, and no person shall otherwise establish or conduct such activities in the City, except where the City is preempted by federal or state law from enacting a prohibition on any such activity for which the use permit, variance, building permit, or any other entitlement, license, or permit is sought.

B. Personal Use. Medical marijuana for personal use may be cultivated in conformance with the following standards:

1. A qualified patient or primary caregiver, who resides full-time on the premises where the marijuana cultivation is to occur, may cultivate medical marijuana in residential zones or on premises used for residential use within an allowable structure, which shall conform to the following minimum standards:
   a. Regardless of how many qualified patients or primary caregivers are residing at the premises, the cumulative area used for cultivation on the premises shall not exceed four hundred (400) square feet.

b. Regardless of how many qualified patients or primary caregivers are residing at the premises, the cumulative cultivation of medical marijuana shall be limited to twelve (12) live marijuana plants on the premises.

c. Indoor grow lighting systems shall not exceed three thousand eight hundred (3,800) watts, shall be shielded to confine light and glare to the interior of the allowable structure, and shall comply with the City building code and fire prevention code.

d. Allowable structures shall have ventilation and filtration systems installed that prevent medical marijuana plant odors from exiting the interior of the structure. The ventilation and filtration system shall be approved by the building official and installed prior to commencing cultivation within the allowable structure.

e. Medical marijuana cultivation shall not take place in the kitchen, bathroom, or bedrooms of any allowable structure.

f. Medical marijuana cultivation shall be concealed from public view at all stages of growth and there shall be no exterior evidence of cultivation occurring at the premises from a public right-of-way or from an adjacent parcel.

g. The medical marijuana cultivation shall not create offensive odors; create excessive dust, heat, noise, smoke, traffic, or other impacts that are disturbing to people of normal sensitivity residing or present on adjacent or nearby property or areas open to the public; or be hazardous due to use or storage of materials, processes, products, or wastes.

h. The medical marijuana cultivation shall not create a humidity, mold or other nuisance condition.

i. Medical marijuana cultivation areas, whether in a detached building or inside a residence, shall not be accessible to persons under eighteen (18) years of age.

2. The use of gas products for medical marijuana cultivation is prohibited.

3. The outdoor cultivation of marijuana is prohibited in all areas of the City.

4. The cultivation of medical marijuana for sale is prohibited in all areas of the City.

C. Marijuana Delivery. Mobile distribution of medical marijuana, other than for personal use by qualified patients or primary caregivers and as described in this Section 8.60.030, is prohibited within the City.

1. Marijuana delivery originating from outside city limits and delivering medical marijuana to qualified patients or primary caregivers within city limits shall only be allowed by a state licensed dispensary in an amount

authorized and determined by the Bureau of Medical Marijuana Regulation, Department of Consumer Affairs.

2. Marijuana delivery originating from within city limits are prohibited.

8.60.040 Public Nuisance.

Any use or condition caused or permitted to exist in violation of this chapter shall be and is hereby declared a public nuisance and may be abated by the City or subject to any available legal remedies, including, but not limited to, civil injunctions.

8.60.050 Violations.

Any violation of this chapter shall be punishable as a misdemeanor. In the alternative, and in the discretion of the Chief of Police, a violation of this chapter may be prosecuted as an infraction punishable pursuant to the provisions of Section 1.01.110 of this Code. In addition, the City may abate any public nuisance associated with any violation of this chapter using the abatement procedures set forth in Chapter 8.32.

Each day a violation is allowed to continue and every violation of this chapter shall constitute a separate violation and shall be subject to all remedies.

In the event any civil suit or action is brought by the City to enforce this chapter, the prevailing party shall be entitled to recover the amount of its reasonable costs incurred in the action or proceeding, including, but not limited to, attorney's fees.

SECTION 3: If any section, subsection, sentence, clause or phrase of this ordinance is, for any reason, held to be invalid or unconstitutional, such decision shall not affect the validity or constitutionality of the remaining portions of this ordinance. The City Council hereby declares that it would have passed this ordinance, and each section, subsection, sentence, clause or phrase hereof, irrespective of the fact that any one (1) or more sections, subsections, sentences, clauses or phrases be declared, invalid or unconstitutional.

SECTION 4: The City Council finds the approval of this ordinance is not subject to the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly. Alternatively, the City Council finds the approval of this ordinance is not a project under CEQA Regulation Section 15061(b)(3) because it has no potential for causing a significant effect on the environment.

SECTION 5: SEVERABILITY. If any provision of this ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the

invalid provision or application, and to this end the provisions of this ordinance are severable. This City Council declares that it would have adopted this ordinance irrespective of the invalidity of any particular portion thereof and intends that the invalid portions should be severed and the balance of the ordinance be enforced.

SECTION 6: EFFECTIVE DATE. This ordinance shall take effect and be in force thirty (30) days after the date of its passage and the City Clerk shall certify to the adoption of this ordinance and shall cause the same to be published in the Merced Sun Star within fifteen (15) days from the adoption hereof.

INTRODUCED:
ADOPTED:
AYES:
NOES:
ABSENT:

APPROVED:

_____
JAMES E. PRICE, MAYOR

ATTEST:

_____
JEANNA DEL REAL, CMC
CITY CLERK

June 20, 2016

Honorable Mayor and Members
of the Atwater City Council

City Council Meeting
of June 27, 2016

DECLARING RESULTS OF PROPERTY OWNER PROTEST BALLOT FOR THE LEVY OF ASSESSMENTS RELATED TO JUNIPER MEADOWS PHASE II LIGHTING AND DRAINAGE DISTRICT, CONFIRMING THE FORMATION OF THE LIGHTING AND DRAINAGE DISTRICT AND ORDERING THE LEVY AND COLLECTING ASSESSMENTS FOR FY 2016/17, DECLARING THE RESULTS OF PROPERTY OWNER PROTEST BALLOT FOR LEVY OF ASSESSMENTS RELATED TO THE ANNEXATION OF JUNIPER MEADOWS PHASE II INTO THE JUNIPER MEADOWS LANDSCAPE MAINTENANCE DISTRICT, CONFIRMING THE ANNEXATION INTO THE JUNIPER MEADOWS LANDSCAPE MAINTENANCE DISTRICT FORMATION OF THE LIGHTING AND DRAINAGE DISTRICT AND ORDERING THE LEVY AND COLLECTING ASSESSMENTS FOR FY 2016/17

RECOMMENDATION:
It is recommended that the City Council of the City of Atwater consider:

1. Adopting City Council Resolution No. 2905-16 declaring the results of the property owner ballot proceeding conducted for the levy of assessments related to the formation of the Atwater Lighting and Drainage District No. 31 (Juniper Meadows II), commencing in Fiscal Year 2016/17; and

2. Adopting City Council Resolution No. 2906-16 confirming the formation of the Atwater Lighting and Drainage District No. 31 (Juniper Meadows II), the diagram and assessments related thereto, overruling all protests concerning the assessments, and ordering the levy and collection of assessments for the Fiscal Year 2016/17; and

3. Adopting City Council Resolution No. 2907-16 declaring the results of the property owner protest ballot proceeding conducted for the levy of assessments related to the annexation of Juniper Meadows Phase II (Annexation Territory) into the Juniper Meadows Landscape Maintenance District, commencing in Fiscal Year 2016/17, and approving certain related actions; and

4. Adopting City Council Resolution No. 2908-16 confirming the annexation of

Juniper Meadows Phase II (Annexation Territory) into the Juniper Meadows Landscape Maintenance District, the diagram and assessments related thereto, overruling all protests concerning the assessments, ordering the levy and collection of assessments for the Fiscal Year 2016/17.

BACKGROUND:

The City of Atwater currently operates 49 maintenance districts. These districts provide for the ongoing care, operations and maintenance of storm drainage facilities, street lighting and landscaping improvements through assessments paid primarily by the property. New development areas are required to form districts so that the property owners benefiting from the services are directly paying their fair share of the costs to provide the services.

ANALYSIS

Juniper Meadows II, located off of Juniper Avenue, is a new residential court. It consists of twelve parcels. The map for the project was accepted and recorded several years ago and the public improvements are being completed. One of the last remaining items is the formation of a landscape maintenance district and lighting and drainage district. The builder – developer Stonefield Homes has provided the funding to cover the costs for the district formation. They are eager to finalize the process. To help expedite the process they have executed a petition to waive portions of the process. Burris Construction which has one of the remaining lots has also agreed to reimburse the city and has also signed a waiver petition in support of the district.

The proposed lighting district will be a new district, Atwater Lighting and Drainage Maintenance District No. 31 – Juniper Meadows Phase II. The landscape maintenance will be annexed or combined with the existing Juniper Meadows Landscape Maintenance District. The Engineer's Reports are attached as **EXHIBIT "A"** and **EXHIBIT "B"**.

FISCAL IMPACT:

None. Formation of the districts will enable the costs to provide services to be allocated to the property owners.

CONCLUSION:

This staff report is submitted for City Council consideration and possible action.

Respectfully submitted,

Scott McBride
Community Development Director

City of Atwater

Lighting and Drainage Maintenance District No. 31
(Juniper Meadows II)

ENGINEER'S FORMATION REPORT
FISCAL YEAR 2016/2017

Intent Meeting: June 13, 2016
Public Hearing: June 27, 2016

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ENGINEER'S REPORT AFFIDAVIT

Formation of the
Lighting and Drainage Maintenance District No. 31
(Juniper Meadows II)

And establishment of Annual Assessments for said District

City of Atwater,
County of Merced, State of California

The District includes all parcels of land within the residential (single family residential) development identified as

Juniper Meadows II

This Report and the enclosed budget, assessments, descriptions and diagrams has been prepared for the formation of Lighting and Drainage Maintenance District No. 31 ("District") which incorporates each lot, parcel, and subdivision of land within the residential development known as the Juniper Meadows II, pursuant to a resolution of the City Council of the City of Atwater. Reference is hereby made to the Merced County Assessor Parcel Maps for a detailed description of the lines and dimensions of parcels within the District. The undersigned respectfully submits the enclosed Report as directed by the City Council.

Dated this _____ day of _____, 2016.

Willdan Financial Services
Assessment Engineer
On Behalf of the City of Atwater

By: _____

Jim McGuire
Principal Consultant

By: _____

Richard Kopecky
R.C.E. # 16742

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Introduction

Pursuant to the provisions of the Benefit Assessment Act of 1982, being Chapter 6.4 of the California Government Code, commencing with Section 54703 (the "1982 Act"), and in compliance with the substantive and procedural requirements of the California State Constitution Article XIIID (the "California Constitution"), the City Council of the City of Atwater, County of Merced, State of California ("City"), propose to form and levy special benefit assessments for the district designated as:

Lighting and Drainage Maintenance District No. 31

(Juniper Meadows II)

(hereafter referred to as "District"), which includes all lots and parcels of land within the single family residential development identified as the Juniper Meadows II within the City. This Engineer's Report ("Report") has been prepared in connection with the formation of said District and the levy and collection of annual assessments related thereto commencing in fiscal year 2016/2017, as required pursuant to Article 4, Section 54716 of the 1982 Act.

The City Council proposes to form the District and collect annual assessments on the County tax rolls to provide ongoing funding for the costs and expenses required to service and maintain the street lighting and storm drainage improvements and facilities associated with and for the benefit of property within the District. This Report describes the District, the improvements that provide special benefit to properties within the District, the method of apportioning special benefit costs, and the resulting assessments to be levied against properties in connection with the special benefits the properties will receive from the maintenance and servicing of the District improvements and facilities commencing in fiscal year 2016/2017. The improvements to be provided by the District and the assessments described herein are made pursuant to the 1982 Act and the substantive and procedural provisions of the California Constitution.

The assessments described in this Report represent an estimate of the direct expenditures, incidental expenses, and fund balances that will be necessary to maintain and service the street lighting and storm drain system that provides special benefits to parcels within the District based on current development plans and specifications for the Juniper Meadows II residential development and by reference these plans and specifications are made part of this Report.

The word "parcel," for the purposes of this Report, refers to an individual property assigned its own Assessor Parcel Number (APN) by the Merced County Assessor's Office. The Merced County Auditor/Controller uses Assessor Parcel Numbers and specific Fund Numbers to identify properties to be assessed on the tax roll for the special benefit assessments.

Existing Lighting and Drainage Maintenance Districts

As new areas within the City are developed, street lighting and/or storm drainage improvements are typically required for the development of such property, and the area being developed is required to pay their fair share of the costs for maintaining those facilities. The City has previously formed and maintains street lighting and drainage improvements associated with thirty (30) designated lighting and drainage maintenance districts, which are identified in the following table:

Existing Lighting and Drainage Maintenance Districts		
Airport Business Park	America West Business Park	Applegate Ranch Subdivision
Aspenwood	Atwater South	Bell Crossing
Beluga Court	Camellia Estates	Camellia Meadows
Cottage Gardens	Juniper Meadows	Meadow View Estates
Mello Ranch 1	Mello Ranch 2	Northwood Village No.2
Orchard Park Estates	Pajaro Dunes	Price Annexation
Redwood Estates	Sandlewood Square	Shaffer Lakes East
Shaffer Lakes West	Sierra Park 2	Silva Ranch
Simon	Stone Creek	The Reserve
Wildwood Estates	Woodhaven	Woodhaven Garland

As was the case with these listed districts, the planned development of the Juniper Meadows II residential development requires the installation of street lights and support of existing a storm drainage improvements and facilities. In order to fund the ongoing maintenance of these improvements and facilities the development is required to form an assessment district or establish some other means of funding the ongoing maintenance of the improvements that provide special benefits to those properties.

Formation and Ballot Proceedings

As part of this District formation, pursuant to the provisions of Article XIIID, Section 4 of the California Constitution, the City shall conduct a property owner protest ballot proceeding (referred to as "Ballot Proceeding") for the proposed levy of new assessments as described in this Report. In conjunction with this Ballot Proceeding, the City Council will conduct a noticed public hearing to consider public testimonies, comments and written protests regarding the formation of the District and levy of the proposed new assessments. Upon conclusion of the public hearing, property owner protest ballots received will be opened and tabulated to determine whether majority protest exists in accordance with Article XIIID, Section 4(e) of the California Constitution which in part states:

"A majority protest exists if, upon the conclusion of the hearing, ballots submitted in opposition to the assessment exceed the ballots submitted in favor of the assessment. In tabulating the ballots, the ballots shall be weighted according to the proportional financial obligation of the affected property."

After completion of the ballot tabulation, the City Council will confirm the results of the balloting. If majority protest exists for the proposed assessments, further proceedings to form the District and implementation of the new assessments shall be abandoned at this time. If tabulation of the ballots indicate that majority protest does not exist for the new assessments and the assessment range formula presented and described herein, the City Council may adopt this

Report (as submitted or amended), approve the assessment diagram (District Diagram), and confirm the new assessments as presented herein. In such case, the assessments as approved shall be submitted to the Merced County Auditor/Controller for inclusion on the property tax roll for each affected parcel commencing in Fiscal Year 2016/2017.

Each subsequent fiscal year, a Consolidated Engineer's Report for the Lighting and Drainage Maintenance Districts including this District shall be prepared and presented to the City Council to address any proposed changes to the improvements, budget and assessments for that fiscal year. The City Council shall hold a noticed public hearing regarding these matters prior to approving and ordering the levy of such assessments.

Report Content Summary

This Report consists of five (5) parts:

Part I

Plans and Specifications: A description of the District (general location of the District and the parcels therein) and the proposed improvements associated with the District. The District is being formed with a single benefit zone encompassing all properties within the Juniper Meadows II residential development.

Part II

Method of Apportionment: A discussion of benefits the improvements and services provide to parcels within the District and the method of calculating the proportional special benefits and annual assessment. This section also identifies and outlines an Assessment Range Formula that provides for an annual adjustment to the maximum assessment rate identified in this Report.

Part III

District Budgets: An estimate of the annual costs to operate, maintain and service the street lighting and storm drainage improvements and facilities installed and constructed in connection the development of property within the District and/or previously installed but would otherwise be required for the development such properties. This budget includes an estimate of anticipated maintenance costs and incidental expenses including, but not limited to administration expenses and the collection of appropriate fund balances to establish an initial maximum assessment to be approved by the property owners of record. The special benefit assessments are based on the overall operation costs minus any costs that are considered general benefit. The proposed assessments for the first fiscal year (2016/2017), and each subsequent year shall be based on the estimated net annual cost of operating, maintaining and servicing the District improvements for that fiscal year as well as funds that may be collected in installments to perform maintenance activities that cannot be reasonably collected in a single fiscal year's assessments. The proposed maximum assessment (Rate per Equivalent Benefit Unit) identified in the budget of this Report establishes the initial maximum assessment rate for the District in fiscal year 2016/2017 and this maximum assessment rate shall be adjusted annually by the Assessment Range Formula described in the method of apportionment.

Part IV

District Diagram: A Diagram showing the exterior boundaries of the District is provided in this Report and includes the parcels that will receive special benefits from the improvements. Parcel identification, the lines and dimensions of each lot and parcel of land within the District, is inclusive of all parcels as shown on the Merced County Assessor Parcel Maps as they existed at the time this Report was prepared and submitted to the City Council in conjunction with the Resolution of Intention, and shall include all subsequent subdivisions, lot-line adjustments or parcel changes therein. Reference is hereby made to The Juniper Meadows II residential development plans on file with the City and the Merced County Assessor's maps for a detailed description of the lines and dimensions of each lot and parcel of land within the District.

Part V

Assessment Roll: A listing of the maximum assessment amount that may be assessed on each parcel within the District for Fiscal Year 2016/2017, based on the method of apportionment and budgets described herein. This amount represents each parcel's maximum special benefit assessment obligation and proportional weighted assessment amount being balloted. The actual proposed amount to be levied for Fiscal Year 2016/2017 is also identified on this assessment roll, which is less than balloted amounts.

Part I — Plans and Specifications

Benefiting Properties within the District

The territory within this District consists of all lots and parcels of land within the proposed residential (single family residential) development identified and known as the Juniper Meadows II, which encompasses an area of land totaling approximately two (2.33) acres located on the north side of East Juniper Avenue; west of Rancho Del Rey Drive; and generally south of Marvis Drive and east of Schaffer Road.

At the time this Report was prepared, the Juniper Meadows Phase II residential development has been fully subdivided into the twelve residential lots identified as Assessor Parcel Numbers 004-052-022-000 through 004-052-033-000.

Funding authorized by the 1982 Act

As generally defined by the Benefit Assessment Act of 1982 and applicable to this District, the City may impose a benefit assessment to finance the maintenance, operation and servicing costs for the following improvements:

- Drainage and Flood Control
- Street Lighting;

In addition to imposing a benefit assessment for the annual maintenance and operation of the District improvements, the City may also authorize an assessment or utilize existing assessment revenues to finance the installation, construction or replacement of drainage and flood control facilities as well as the street lighting improvements (with some limitations). While such activities are permitted under the 1982 Act, the proposed budget and assessments for this District are intended to fund only the regular maintenance and operation of the District improvements and not major capital costs. Since most major rehabilitation or reconstruction projects for such improvements typically result from unforeseen damages, the extent and cost of such projects are not easily predicted and to accumulate funds as part of the annual assessments is not considered to be appropriate or practical at this time. If such funding becomes necessary in the future, the City may present a new or increased assessment to the property owners to support and fund such projects. However, as part of the annual assessments, the District may collect and accumulate a reserve fund for cash flow purposes and/or to address periodic maintenance needs.

Description of Improvements and Services

The purpose of this District is to fund the activities necessary to maintain and service the local street lighting improvements and the storm drainage systems associated with development of properties within Juniper Meadows II pursuant to approved development plans and agreements. The improvements may consist of all or a portion of the public street lighting and drainage facilities associated with the development and the maintenance of these improvements may include but are not limited to all materials, equipment, labor, utilities and incidental expenses deemed necessary to keep these improvements in satisfactory condition. The maintenance of the improvements and related activities shall be funded entirely or in part through the District assessments.

Detailed maps and descriptions of the location and extent of the specific improvements to be maintained by the District are on file in the Office of Public Works and by reference are made

part of this Report. Those portions of the District improvements that may be identified as general benefit or will be funded in whole or in part by other revenue sources as part of the approved development agreements, will not be included as part of the District assessments. The net annual cost to provide and maintain the improvements determined to be of special benefit shall be allocated to each property in proportion to the special benefits received. The District improvements and services are generally described as:

Street Lights

The streetlights associated with the District and for which parcels receive special benefit are located within the public street right-of-ways within or near the Juniper Meadows II residential development and dedicated to the City for maintenance. These street light improvements include, but are not limited to: two (2) planned on-site 70-watt street lights to be installed as part of the development located on Pollitt Court and at the corner of East Juniper Avenue at Pollitt Court; and two (2) existing street lights including a 70-watt street light on Rancho Del Rey Drive and a 150-watt street light at the corner of East Juniper Avenue and Rancho Del Rey Drive which are shared with and funded in part by adjacent developments/districts.

The specific activities and timing of various street lighting maintenance services shall be determined by the City's Public Works Department as necessary to ensure the proper functioning and operation of the street lights and to extend the life of the streets lights or to improve traffic circulation and safety as available funding permits. These activities may include but are not limited to:

- Regular inspection, maintenance and servicing the street lights and related equipment as required including repair and/or replacement of street light bulbs and fixtures;
- The furnishing of electric current or other illuminating agent;
- Periodic servicing of the street lights and related equipment as required or deemed necessary by the City including but not limited to inspection and repair of ground wires, meters, conduits, and electrical cables as well as cleaning, sandblasting, repainting of poles and equipment to remove or cover graffiti or to prevent corrosion.
- Specifically, not included as part of the street light maintenance program are the costs associated with major repairs, replacements or reconstruction of the street lights or electrical system. Although the District assessments will provide funding for regular maintenance and servicing of the improvements as well as periodic repairs that will extend the useful life of the street lights and associated electrical system, the assessments are not intended to fund major repairs, replacements or reconstruction of the street lighting facilities. The cost of such projects and activities is significantly more than the amount that can reasonably be collected annually under the provisions of the 1982 Act. If and when such repairs or activities are deemed necessary, the City may consider various financing options including new or increased assessments for property owner approval.

Drainage

The drainage system associated with the District and for which parcels will be assessed to maintain is specifically the development's proportional share of an existing off-site storm drainage basin and related infrastructure (Albiani Park which serves as a dual use drainage basin and park). This off-site storm drain basin currently serves the overall development of properties in the area that includes Juniper Meadows II. This basin is located within Wildwood Estates District and by reference the plans and specifications for this facility, which are on file in the Office of Public Works, are made part of this Report. There are no other off-site drainage system improvements or on-site drainage facilities to be constructed and installed in connection with the Juniper Meadows II development other than the curbs and gutters installed as part of the development to direct the flow of storm water runoff from the properties to the off-site basin.

As it relates to all drainage improvements, the Public Works Department shall authorize and schedule all operational activities and maintenance of the storm drain infrastructure, facilities and services as necessary to ensure the proper functioning and operation of the storm drainage system and facilities which may incorporate additional improvements, equipment, facilities or services mandated or required by Federal, State or County regulations for water pollution control as available funding permits. Generally, the maintenance and services include, but is not limited to:

- Annual mechanized vegetation maintenance of the drainage basin (Typical Disk once a year);
- Soil testing of the storm drain basin (Generally scheduled for twice every five years);
- Debris removal and pest control in and around the storm drain facilities as needed;
- Minor repairs and maintenance of the storm drain catch basins and outlets as needed; and
- All appurtenant, equipment, materials, service contracts, and operational expenses related to the aforementioned improvements and facilities including regulatory fees, inspections, permits, stencil maintenance and documentation of facilities.

As noted in the preceding sections, some services and activities for both street lights and drainage are not performed on an annual basis but rather on a periodic basis. The funds necessary for these activities are collected in installments as part of the annual assessments (annualized costs) and the monies collected each year for these services will be accumulated in a special fund (Reserve Fund or Improvement Fund). The monies accumulated for these activities shall be spent as needed to perform the services deemed necessary by the City. This process of accumulating funds (installments) shall continue until such time the City determines that such funding procedures require modification. Changes in the process of accumulating funds that would result in an increase to the annual assessment rate must be presented to the property owners for approval prior to imposing such an increase.

In addition to the maintenance and servicing of the improvements, the District assessments include the cost of incidental expenses related to the administration of the District and collection of assessments including City overhead, preparation of reports and/or documentation and county fees.

Part II — Method of Apportionment

Legislative Authority

1982 Act Provisions

The 1982 Act permits the establishment of assessment districts by agencies for the purpose of providing for the maintenance, operation and servicing of drainage and flood control improvements as well as street lighting and appurtenant facilities. The 1982 Act further requires that the cost of these improvements be levied according to benefit rather than assessed value:

"The amount of the assessment imposed on any parcel of property shall be related to the benefit to the parcel which will be derived from the provision of the service."

Furthermore:

"The annual aggregate amount of the assessment shall not exceed the estimated annual cost of providing the service, except that the legislative body may, by resolution, determine that the estimated cost of work authorized … is greater than can be conveniently raised from a single annual assessment and order that the estimated cost shall be raised by an assessment levied and collected in installments…. The revenue derived from the assessment shall not be used to pay the cost of any service other than the service for which the assessment was levied.'

Constitutional Compliance (Proposition 218)

In conjunction with the provisions of the 1982 Act, the California Constitution Article XIIID addresses several key criteria for the levy of assessments, notably:

Article XIIID Section 2d defines District as:

"District means an area determined by an agency to contain all parcels which will receive a special benefit from a proposed public improvement or property-related service."

Article XIIID Section 2i defines Special Benefit as:

"Special benefit" means a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large. General enhancement of property value does not constitute "special benefit."

Article XIIID Section 4a defines proportional special benefit assessments as:

"An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed. The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel."

Benefit Analysis

In reviewing the improvements that have been constructed or will be constructed in conjunction with the development of properties within Juniper Meadows II (the District), it is evident that the improvements are local improvements installed in connection with the development of the parcels within the District or would otherwise be required for the development of those parcels. Collectively, the street lighting and storm drainage improvements to be maintained through the District assessments have been identified as necessary and essential components for the orderly development of those properties to their full potential, consistent with the development plans and applicable portions of the City General Plan. Since the parcels to be assessed within the District could not be developed in the absence of these improvements and facilities (either as private or public improvements), each parcel has a direct investment in the proper maintenance of those improvements that is over and above any general benefits that may be conferred by such improvements and services.

The improvements (both street lighting and drainage) serve the parcels within the development and are clearly considered a direct and shared responsibility (collective responsibility) of those individual properties, similar to any other privately funded and maintained common area or on-site amenities. Like many other development-related improvements and infrastructure, the lighting and drainage improvements to be maintained and funded through special benefit assessments collectively serve as a direct physical extension of the parcels and would otherwise not be necessary or provided by the City, if not for the development of the parcels. The fact that these improvements are located within public right-of-ways or easements and will be maintained by the City through assessment district revenues rather than privately by the individual property owners or an association, does not make these improvements less of a direct and special benefit to the parcels. In addition, simply because the improvements may be identified or termed "public improvements" or are improvements that may in part be shared by other developments or parcels does necessarily mean that those improvements must also have a benefit to the City or to the public at large. Like the installation of the improvements themselves, clearly the ongoing maintenance and servicing of the District improvements is an integral part of the use, protection and preservation of the properties within the District and the services and activities to be funded by annual assessments confer a particular and distinct special benefit to those parcels.

If such improvements were provided and maintained privately through a property association or by individual property owners, the cost of similar maintenance and services would likely be much greater in part because of the limited scale of the improvements to be maintained (the City achieves an economy of scale and cost savings through multiple districts with similar services). Likewise, privately maintained lighting and drainage facilities generally have greater overhead costs in large part due to the cost of liability insurance coverage. In addition, through the utilization of exiting public infrastructure, the drainage basin required for development can be located off-site, but a privately owned and maintained drainage basin would most likely need to be constructed on-site which would have limited the development of the properties within the District.

Street Light Benefits

Clearly the street lights associated with this District (localized street lighting) provides direct special benefits to these residential parcels not only by allowing such parcels to be developed to their full and best use, but also by ensuring the safe and efficient access to the properties and enhanced security afforded by well lighted surroundings.

The street lighting for this District is primarily useful for illuminating the sidewalks and parking lanes on the streets used specifically to access the properties and/or is adjacent to those

properties that comprise the District. These localized street lights tend to be more closely spaced and of a lower intensity than street lights installed primarily for traffic safety such as those found on many major thoroughfares or intersections. These low-level, lower-intensity street lights associated with this District provide three main special benefits: (i) property security benefit, (ii) pedestrian safety benefit, and (iii) parkway/roadway egress benefit. Because traffic within and adjacent to the District is primarily limited to local traffic consisting of residents and residents' guests, it is reasonable to assume that essentially all pedestrians and parking vehicles in the lit areas will, after dark, be directly associated with an assessed parcel (either in this District or by an adjacent district for those lights that may be shared).

However, it is also recognized that the street lights on the perimeter of this development or lights shared with other developments arguably provide some illumination that extends beyond the boundaries of this District and this lighting may enhance the safety of members of the public unassociated with any assessed parcel. Although these street lights like those within the development exist solely because of the development of residential parcels in the area, they may inherently provide some level of general traffic circulation benefits in addition to the special benefits provided to the assessed parcels in this District or parcels assessed in the adjacent districts. We estimate that this general benefit constitutes not more than 25% of the benefit associated with such perimeter or shared lighting. Based on this analysis we have determined the special benefit allocation of these street light costs are as follows:

- The internal street light on Pollitt Court is allocated as 100% special benefit to parcels within the District;
- The perimeter light at the corner of East Juniper Avenue at Pollitt Court is allocated 25% as general benefit and 75% as special benefit to parcels within the District; and
- The shared street light located on Rancho Del Rey Drive and the street light at the corner of East Juniper Avenue and Rancho Del Rey Drive are each allocated 25% as general benefit and 75% as special benefit, but the parcels in the District are allocated only ½ of that 75% special benefit or 35% of the cost to operate and maintain these two lights.

Drainage Benefits

The drainage improvements associated with this District and the ongoing maintenance of the drainage improvements (to be funded in part through this District's assessments) are intended to ensure proper control of excess water runoff from the properties during periods of rain, which is essential to preservation and protection of property within the District. Unlike the street light improvements which may in part provide some measure of benefit to other properties, the drainage system and infrastructure associated with Juniper Meadows II is part of an overall storm water drainage system necessary for the development of these parcels as well as other developments in the area that are assessed for those drainage improvements. The overall drainage system in this area which Juniper Meadows II is a part, was specifically designed to control the storm water runoff from the developed parcels to an off-site drainage basin (Albiani park/basin) located within the Wildwood Estates District. Those developments and parcels that contribute storm water runoff to this basin proportionately benefit and financially contribute to the maintenance of that facility and related development specific drainage infrastructure through special benefit assessments. Therefore, it is reasonable to conclude that the ongoing maintenance and operation of this drainage basin provides no quantifiable general benefits to properties that are not assessed nor to the public at large.

Assessment Methodology

The City annually levies and collects special benefit assessments in order to maintain and service the improvements. The estimated annual cost to maintain the improvements are identified in the budget section of this Report, including the estimated annual maintenance expenditures; funding for periodic repairs, replacement and rehabilitation costs; incidental expenses necessary to operate and support the District improvements including administration and authorized reserve funding and any revenues from other sources or deficit funding that would adjust the amount to be assessed.

In accordance with the provisions of the California Constitution Article XIIID, the proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the maintenance and operation expenses of a public improvement and each parcel's assessment may not exceed the reasonable cost of the proportional special benefit conferred to that parcel. The method of apportionment (method of assessment) established herein is based on the premise that each assessed property receives special benefits from the improvements, services and activities to be funded by such assessments, and the assessment obligation for each parcel reflects that parcel's proportional special benefits as compared to other properties that receive special benefits from those improvements services and activities. The proposed assessment revenues to be collected for the District provides a means by which property owners can collectively and effectively fund the cost of shared local improvements that provide a particular and distinct benefit to those properties. The District special benefit assessments will support the operation and maintenance of the District improvements and shall be used for only that purpose, consistent with the intent of the 1982 Act and the California Constitution. The benefit formula used to determine the proportional assessment obligation for each parcel in the Districts is therefore based upon the entirety of the estimated annual expenses to operate and maintain the improvements that provide special benefits to the parcels therein and those costs are allocated to the parcels based on a method of apportionment that reflects the proportional special benefit conferred to each parcel.

Equivalent Benefit Units:

To proportionally and equitably assess the special benefits to each parcel, it is necessary to correlate each parcel's proportional benefit to other parcels that benefit from the improvements and services being funded. The method of apportionment established for this District as well as similar districts in the City utilizes a weighted methodology of apportionment commonly referred to as an Equivalent Benefit Unit (EBU) methodology to reflect the proportional special benefit of each parcel based on its land use as of March 1st, preceding the fiscal year. This method of apportionment establishes the single-family residential home site as the basic unit of assessment. A single-family residential unit or lot is assigned one (1.0) Equivalent Benefit Unit (EBU) and other property types (land uses) are proportionately weighted (weighted EBU) based on the acreage of the property.

This District (Juniper Meadows II) is comprised of only Assessor Parcel Numbers (APNs) that are identified as single-family residential parcels.

Single-Family Residential — is defined as a fully subdivided residential home site with or without a structure. For purposes of establishing the proportional special benefits and equivalent benefit units for other land uses in this District, the single-family residential land use is designated as the basic unit of assessment and shall be assigned 1.000 EBU per parcel.

Exempt Property (Parcel) —This land use classification may include but is not limited to:

- Lots or parcels identified as public streets and other roadways (typically not assigned an APN by the County);
- Dedicated public easements including open space areas, utility rights-of-way, greenbelts, parkways, or other publicly-owned or utility-owned land that serves the community or general public. This includes the landscape areas within the District whether such parcels are assigned an APN or not.

Calculation of Assessments

The benefit formula applied to parcels within this District as well as similar districts in the City is based on the preceding EBU discussion. Each parcel's EBU correlates the parcel's special benefit received as compared to the other parcels benefiting from the District improvements.

The following formulas are used to calculate each parcel's proportional special benefit:

1 Single-Family Residential Lot = 1 EBU

or

Parcel Acres = Parcel EBU

An assessment amount per EBU ("Assessment Rate") is established by taking the total cost of the improvements and dividing that amount by the total number of EBUs for parcels benefiting from such improvements.

Total Balance to Levy / Total EBUs = Levy per EBU ("Assessment Rate")

This Assessment Rate is then applied back to each parcel's individual EBU to determine each parcel's proportional special benefit and assessment obligation.

Assessment Rate x Parcel EBU = Parcel Levy Amount

Assessment Range Formula

Any new or increased assessment requires certain noticing and meeting requirements by law. Prior to the passage of Proposition 218 (California Constitution Articles XIIIC and XIIID), legislative changes in the Brown Act defined a "new or increased assessment" to exclude certain conditions. These conditions included "any assessment that does not exceed an assessment formula or range of assessments previously adopted by the agency or approved by the voters in the area where the assessment is imposed." This definition and conditions were later confirmed through Senate Bill 919 (the Proposition 218 implementing legislation).

Recognizing that the cost of maintaining the improvements will increase over time due to inflation, establishing an assessment range formula provides for reasonable increases and inflationary adjustment to the annual assessments without requiring costly noticing and mailing procedures, which would add to a District's administrative costs and assessments. As part of the District formation, property owners are required to be balloted for the new assessments to be imposed pursuant to the Article XIIID Section 4 and this new assessment (Maximum Assessment to be authorized) will include an annual inflationary adjustment. The balloted Maximum Assessment for this District is based on the Maximum Assessment Rate identified in Part III (District Budgets) of this Report, which is $170.00 per Equivalent Benefit Unit, and includes a fixed 4.0% annual inflationary adjustment (Assessment Range Formula).

Beginning in the second fiscal year (fiscal year 2017/2018) and each fiscal year thereafter, the Maximum Assessment Rate will be recalculated and a new Maximum Assessment Rate established for the fiscal year utilizing the Assessment Range Formula described above. The adoption of this Maximum Assessment Rate and the Assessment Range Formula does not mean that the annual assessments will be levied at the maximum assessment rate nor does it mean that the annual assessments will increase each year by the inflationary adjustment. The Maximum Assessment Rate shall be calculated independent of the District's annual budget and assessment. In fact, the proposed District Assessments for Fiscal Year 2016/2017 and the assessments proposed herein for the District is less than the Maximum Assessment being presented to the property owners as part of this Ballot Proceeding. Although the Maximum Assessment Rate that may be levied each fiscal year shall be adjusted (inflated) by 4.0% each year, the actual amount to be assessed will be based on the estimated costs (budget) for that fiscal year.

Part III — District Budget

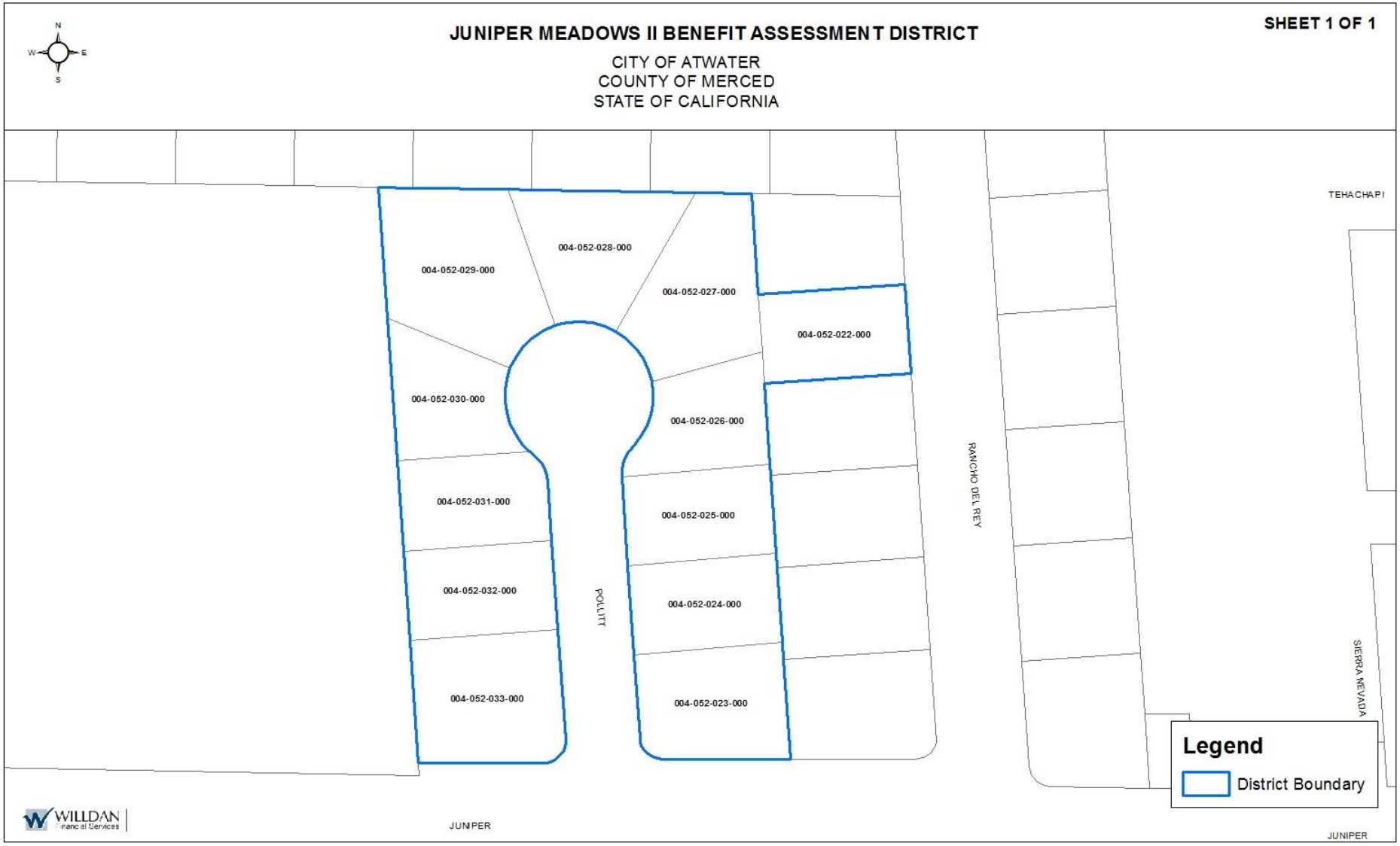
The following budget table outlines the estimated annual costs to maintain the improvements within the District for a full fiscal year, assuming all the improvements have been installed and accepted for maintenance for Fiscal Year 2016/2017. This "Maximum Assessment Budget" results in an Assessment Rate per EBU that establishes the Maximum Assessment Rate that is being balloted. This budget table also includes the estimated budget and assessment rate to be assessed in the District for Fiscal Year 2016/2017, which is based on the improvements being accepted for maintenance for half of the fiscal year.

BUDGET ITEMS	LDMD Juniper Meadows II Maximum Assessment Budget	LDMD Juniper Meadows II Fiscal Year 2016/2017 Budget
DIRECT ANNUAL MAINTENANCE & OPERATING EXPENSES		
Street Lighting Maintenance (Labor & Equipment)	$ 122	$ 61
Street Light Energy & Materials	401	201
Annual Lighting Maintenance and Operation Expenses	$ 523	$ 262
Storm Drain Pump Maintenance	$ 203	$ 101
Drainage Basin Maintenance	254	127
Annual Drainage Maintenance and Operation Expenses	$ 456	$ 228
TOTAL DIRECT ANNUAL MAINTENANCE & OPERATING EXPENSES	$ 979	$ 490
REHAB-RENOVATION FUNDING AND CAPITAL EXPENDITURES		
Lighting Rehab-Renovation Funding	$ 26	$ 13
Drainage Rehab-Renovation Funding	1,120	560
Total Rehab-Renovation Funding	$ 1,147	$ 573
Total Planned Capital Expenditures (This Fiscal Year)	$ -	$ -
TOTAL REHAB-RENOVATION FUNDING & CAPITAL EXPENDITURES	$ 1,147	$ 573
DIRECT ANNUAL MAINTENANCE & OPERATING EXPENSES	$ 2,126	$ 1,063
GENERAL BENEFIT EXPENSES		
Lighting General Benefit — City Funded	$ (87)	$ (44)
Drainage Facility General Benefit — City Funded	(324)	(162)
Total General Benefit — City Funded	$ (412)	$ (206)
TOTAL DIRECT ANNUAL SPECIAL BENEFIT EXPENSES	$ 1,714	$ 857
ANNUAL INCIDENTAL EXPENSES		
Operational Reserves (Collection)	$ 193	$ 86
District Administration	120	120
County Administration Fee	12	12
Total Incidental Expenses	$ 325	$ 218
BALANCE TO LEVY	$ 2,040	$ 1,075
DISTRICT STATISTICS		
Total Parcels	12	12
Total Assessable Parcels	12	12
Total Benefit Units	12.00	12.00
Calculated Assessment Per EBU	$169.98	$89.58
Maximum Assessment Rate (Fiscal Year 2016/2017)	$170.00	$170.00
Estimated Beginning Fund Balance	$ -	$ -
Operational Reserve & Rehabilitation Funding Collected	1,340	659
Estimated Ending Fund Balance	$ 1,340	$ 659

Part IV — District Diagram

The parcels within the Lighting and Drainage Maintenance District No. 31 ("District") consist of all lots and parcels of land located in the planned residential (single family residential) development identified as Juniper Meadows II.

The following District Diagram is based on the Merced County Assessor Parcel Maps and consists of all parcels of land within the District, as the same existed at the time this Report was prepared. The combination of this map and the Assessment Roll contained in this Report constitute the District Assessment Diagram. The maximum assessment rate, assessment range formula and the proposed assessment amount for each parcel within the District as described herein, shall be presented to the property owners of record for approval or protest in accordance with the provisions of the California Constitution.


JUNIPER MEADOWS II BENEFIT ASSESSMENT DISTRICT
CITY OF ATWATER
COUNTY OF MERCED
STATE OF CALIFORNIA
SHEET 1 OF 1
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004-052-029-000
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004-052-027-000
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004-052-030-000
004-052-026-000
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004-052-023-000
POLLITT
RANCHO DEL REY
TEHACHAPI
SIERRA NEVADA
JUNIPER
JUNIPER
Legend
District Boundary
WILLDAN Financial Services

Part V — Assessment Roll

Parcel identification for each lot or parcel within the District is based on the boundaries set forth in the District Diagram presented herein in Part IV of this Report and the corresponding parcels as shown on Merced County Secured Roll and Assessor Parcel Maps for the Fiscal Year 2016/2017.

The following is a list of the lots and parcels of land (parcels) within the District along with the corresponding Maximum Assessments being balloted and the Assessments for Fiscal Year 2016/2017 as determined by the assessment rate and method of apportionment described herein:

Assessor Parcel Number	Land Use	EBUs	Balloted Maximum Assesments	FY16-17 Proposed Assessments
004-052-022-000	Residential Single-Family	1.000	$170.00	$89.58
004-052-023-000	Residential Single-Family	1.000	$170.00	$89.58
004-052-024-000	Residential Single-Family	1.000	$170.00	$89.58
004-052-025-000	Residential Single-Family	1.000	$170.00	$89.58
004-052-026-000	Residential Single-Family	1.000	$170.00	$89.58
004-052-027-000	Residential Single-Family	1.000	$170.00	$89.58
004-052-028-000	Residential Single-Family	1.000	$170.00	$89.58
004-052-029-000	Residential Single-Family	1.000	$170.00	$89.58
004-052-030-000	Residential Single-Family	1.000	$170.00	$89.58
004-052-031-000	Residential Single-Family	1.000	$170.00	$89.58
004-052-032-000	Residential Single-Family	1.000	$170.00	$89.58
004-052-033-000	Residential Single-Family	1.000	$170.00	$89.58
Total		**12.000**	**$2,040.00**	**$1,074.96**

Approval of this Report (as submitted or as modified) confirms the method of apportionment and the maximum assessments to be balloted to the property owners of record within the District; and the assessments to be levied and collected on the property tax rolls for each eligible parcel for Fiscal Year 2016/2017.

City of Atwater
Engineer's Annexation Report
Juniper Meadows
Landscape Maintenance District

Annexation of
Juniper Meadows Phase II

Intent Meeting: June 13, 2016
Public Hearing: June 27, 2016

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ENGINEER'S ANNEXATION REPORT AFFIDAVIT

Atwater Juniper Meadows Landscape Maintenance District

Annexation of Territory, Juniper Meadows Phase II for Fiscal Year 2016/2017

City of Atwater,

Merced County, State of California

As part of the Resolution of Intention packet presented for the consideration of the Atwater City Council, this Report and the enclosed budgets, diagrams, and descriptions outline the proposed annexation of territory into the Atwater, Juniper Meadows Landscape Maintenance District and the resulting establishment of assessments related thereto commencing in Fiscal Year 2016/2017. Said annexation territory includes all parcels of land within the residential development identified and known as Juniper Meadows Phase II

Reference is hereby made to the Merced County Assessor Parcel Maps for a detailed description of the lines and dimensions of each parcel within the annexation territory. The undersigned respectfully submits the enclosed Report as directed by the City Council.

Dated this _____ day of _____, 2016.

Willdan Financial Services
Assessment Engineer
On Behalf of the City of Atwater

By: _____

Jim McGuire
Principal Consultant

By: _____

Richard Kopecky
R.C.E. # 16742

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Introduction

The City of Atwater County of Merced, State of California ("City"), annually levies and collects special benefit assessments in order to fund the maintenance and servicing of landscaping improvements within nineteen (19) Landscape Maintenance Districts located within the City. These Districts were formed between 1994 and 2013 and are levied annually pursuant to the provisions of the *Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code* ("1972 Act").

In Fiscal Year 2005/2006, the City established the assessment district designated as the:

Juniper Meadows Landscape Maintenance District

(hereafter referred to as the "District"), pursuant to the provisions of the 1972 Act and in compliance with the substantive and procedural requirements of the *California State Constitution, Articles XIIID* ("California Constitution").

The Atwater City Council being the legislative body for the District, may pursuant to the 1972 Act, annex territory and levy annual assessments for the special benefit expenses associated with the maintenance and operation of improvements including incidental expenses authorized under the 1972 Act. Section 22608 of the 1972 Act states in part "In annexation proceedings, the resolutions, report, notices of hearing, and right of majority protest shall be limited to the territory proposed to be annexed…".

In addition, the 1972 Act further allows various areas to be annexed into an existing District or zone of benefit ("Zone"), when the territory to be annexed receives substantially the same proportional special benefits from the improvements provided as other properties in the District/Zone, or established the annexation territory as a separate Zone if the proportional special benefits from the improvements provided are different. The costs associated with the installation, maintenance, and servicing of the improvements may be assessed to those properties, which are benefited by the installation, maintenance, and servicing of such improvements.

By resolution, the City Council has ordered the preparation of this Engineer's Report ("Report") in connection with the proceedings for the annexation of approximately two (2.33) acres of territory into the District for Fiscal Year 2016/2017 identified as Juniper Meadows II, located on the north side of East Juniper Avenue; west of and adjacent to the existing District (Juniper Meadows Phase I) boundaries and Rancho Del Rey Drive; and generally south of Marvis Drive and east of Schaffer Road and is referred to hereafter as the:

"Annexation Territory"

This Annexation Territory includes all lots and parcels of land that will receive special benefits from the maintenance, servicing and operation of landscaping improvements associated with, constructed, and installed in connection with the development of the parcels within the planned residential development identified as Juniper Meadows Phase II. This development consists of twelve (12) planned single-family residential units, which are in addition to the five (5) single-family residential units already developed in the existing District (Juniper Meadows Phase I). As part of the development of Juniper Meadows Phase II, additional landscaping improvements within the public right-of-ways will be installed (similar to those improvements associated with Juniper Meadows Phase I) and the special benefit costs associated with the ongoing annual maintenance of these improvements are to be levied and collected through the District. At build-

out, the improvements installed in connection with both Juniper Meadows Phase I and Phase II will be contiguous and similar in nature and the properties within these two residential developments will proportionately receive special benefit from those collective improvements.

However, it is also recognized that the improvements for Juniper Meadows Phase I have already been installed and are being maintained, but the improvements to be installed and maintained in connection with the Annexation Territory (Juniper Meadows Phase II) may not be installed and maintained for the entire 2016/2017 Fiscal Year. Therefore, for administrative purposes and to ensure an equitable apportionment of the annual maintenance and operation expenses for Fiscal Year 2016/2017, Juniper Meadows Phase II will be annexed to the District and initially designated as Zone 02 with the original District development (Juniper Meadows Phase I) being considered for the purposes of this Report as Zone 01. These Zone designations are only temporary and allow the cost of maintaining the improvements to be proportionately allocated to the existing District and Annexation Territory based on the timing of the improvements being installed and maintained for the District. This initial Zone structure and designation does not affect the annual assessments to be adopted for the existing District parcels in Fiscal Year 2016/2017 as part of the annual levy approval process for the existing Landscape Maintenance Districts. By Fiscal Year 2017/2018 it is anticipated that all the District improvements will be installed and maintained for the entire fiscal year and the temporary Zone designations established for purposes of this Report will be administratively dissolved and both the parcels in Juniper Meadows Phase I and Juniper Meadows Phase II will be proportionately assessed for the combined District improvements.

This Report has been prepared pursuant to Chapter 1, Article 4 of the 1972 Act and shall serve as the detailed engineer's report regarding the annexation of this designated Annexation Territory (Juniper Meadows Phase II) into the Juniper Meadows Landscape Maintenance District and the proposed new assessments to be levied on the properties therein commencing in Fiscal Year 2016/2017 for the proportional special benefits the properties within the Annexation Territory will receive from the maintenance and servicing of the landscaping improvements associated with and/or resulting from the development of properties within the District and Annexation Territory.

The City Council proposes to annex the Annexation Territory, including each lot, parcel, and subdivision of land therein into the District and to levy and collect annual special benefit assessments on the County tax rolls to provide ongoing funding for the direct expenditures, incidental expenses, and fund balances that are necessary to service and maintain the landscaping improvements associated with and resulting from the development of property within the District and Annexation Territory. The improvements described in this Report for the Annexation Territory are based on the initial improvement and development plans for Juniper Meadows Phase II and are subject to change and modifications when the specific improvement plans and specifications are finalized and by reference those plans and specifications are made part of this Report. The estimated budget provided herein is based on the City's estimate of the improvements and services to be provided to maintain the improvements to be installed in connection with the development of properties within the District and Annexation Territory. The resulting annual assessments are calculated utilizing the method of apportionment previously established for the District and are made pursuant to the 1972 Act and the substantive and procedural provisions of the California Constitution.

The word "parcel," for the purposes of this Report, refers to an individual property assigned its own Assessor Parcel Number (APN) by the Merced County Assessor's Office. The Merced County Auditor/Controller uses Assessor Parcel Numbers and specific Fund Numbers to identify properties to be assessed on the tax roll for the special benefit assessments.

Annexation and Ballot Proceedings

As part of this District annexation, pursuant to Pursuant to the provisions of Article XIIID, Section 4 of the California Constitution, the City shall conduct a property owner protest ballot proceeding (referred to as "Ballot Proceeding") for the proposed levy of new assessments as described in this Report. In conjunction with this Ballot Proceeding, the City Council will conduct a noticed public hearing to consider public testimonies, comments and written protests regarding the annexation of parcels to the District and levy of the proposed new assessments. Upon conclusion of the public hearing, property owner protest ballots received will be opened and tabulated to determine whether majority protest exists in accordance with Article XIIID, Section 4(e) of the California Constitution which in part states:

"A majority protest exists if, upon the conclusion of the hearing, ballots submitted in opposition to the assessment exceed the ballots submitted in favor of the assessment. In tabulating the ballots, the ballots shall be weighted according to the proportional financial obligation of the affected property."

After completion of the ballot tabulation, the City Council will confirm the results of the balloting. If majority protest exists for the proposed assessments, further proceedings to annex the Annexation Territory and implement the new assessments shall be abandoned at this time. If tabulation of the ballots indicate that majority protest does not exist for the proposed new assessments and the assessment range formula presented and described herein, the City Council may adopt this Report (as submitted or amended), approve the assessment diagram (Annexation Diagram), and confirm the new assessments as presented herein. In such case, the assessments as approved shall be submitted to the Merced County Auditor/Controller for inclusion on the Fiscal Year 2016/2017 property tax roll for each affected parcel.

Each subsequent fiscal year, a Consolidated Engineer's Report for the Landscape Maintenance Districts including the Juniper Meadows District and this Annexation Territory shall be prepared and presented to the City Council to address any proposed changes to the improvements, budget and assessments for that fiscal year. The City Council shall hold a noticed public hearing regarding these matters prior to approving and ordering the levy of such assessments.

Report Content Summary

This Report consists of five (5) parts:

Part I

Plans and Specifications: Provides an overall description of the District and the improvements to be provided including those improvements associated with the Annexation Territory being addressed by this Report. The Zones (temporary Zones) established herein as part of this annexation proceedings are based on the improvements and services to be provide to properties within the District and Annexation Territory for Fiscal Year 2016/2017.

Part II

Method of Apportionment: A discussion of benefits the improvements and services provide to properties within the District and the method of calculating each property's proportional special benefit and annual assessment. This section also identifies and outlines an Assessment Range Formula that provides for an annual adjustment to the maximum assessment rate established by this Report. This Assessment Range Formula limits increases on future assessments, but

also provides for reasonable cost adjustments due to inflation without the added expense of additional property owner protest ballot proceedings.

Part III

District/Annexation Territory Budget: An estimate of the annual expenditures and revenues budgeted for the maintenance and servicing of the landscaping improvements installed and constructed in connection with the development of properties within the Annexation Territory and/or shared with other properties in the District that benefit from similar improvements (Full Year Budget). This section of the Report also outlines the proposed expenditures and assessment rate for the Annexation Territory for Fiscal Year 2016/2017. These budget(s) include an estimate of anticipated direct maintenance costs and incidental expenses associated with the improvements, including but not limited to administration expenses and the collection of appropriate fund balances. The maximum assessment rate for the Annexation Territory (Rate per Benefit Unit) is based on the maximum assessment rate previously established for the District and shall be presented to the property owners in the Annexation Territory for approval in a protest ballot proceeding and this maximum assessment includes an assessment range formula that provides for an annual percentage adjust to the maximum rate.

Part IV

Annexation Diagram: A Diagram showing the exterior boundaries of the Annexation Territory that encompasses each parcel determined to receive special benefits from the improvements. Parcel identification, the lines and dimensions of each lot and parcel of land within the Annexation Territory, is inclusive of all parcels as shown on the Merced County Assessor Parcel Maps as they existed at the time this Report was prepared and submitted to the City Council in conjunction with the Resolution of Intention, and shall include all subsequent subdivisions, lot-line adjustments or parcel changes therein.

Part V

Annexation Territory Assessment Roll: A listing of the maximum assessment amount that may be assessed on each parcel being annexed to the District for Fiscal Year 2016/2017, based on the method of apportionment and budgets described herein. This amount represents each parcel's maximum special benefit assessment obligation and proportional weighted assessment amount being balloted. The actual proposed amount to be levied for Fiscal Year 2016/2017 is also identified on this assessment roll, which is less than the balloted amounts.

Part I — Plans and Specifications

District Overview

Description of the Existing District

The Juniper Meadows Landscape Maintenance District was originally formed in Fiscal Year 2005/2006 incorporating the residential subdivision identified as Juniper Meadows Phase I. This residential subdivision consists of five (5) residential lots located on the west side of Rancho Del Rey Drive and the north side of East Juniper Avenue. The parcels within this residential development are identified by Assessor Parcel Numbers 004-052-016-000 through 004-052-020-000.

Description of the Annexation Territory

As directed by the City Council, this Report addresses the proposed annexation of territory to the District for Fiscal Year 2016/2017, consisting of the following development including all the lots and parcels of land therein and generally described as:

Juniper Meadows Phase II: This tract is planned to be developed as twelve (12) single-family residential parcels at build-out. This residential tract is located on the west side of Rancho Del Rey Drive and the north side of East Juniper Avenue adjacent to and west of the existing District boundaries (Juniper Meadows Phase I). At the time this Report was prepared, the Juniper Meadows Phase II residential development has been fully subdivided into the twelve residential lots identified as Assessor Parcel Numbers 004-052-022-000 through 004-052-033-000.

Improvements and Services

The purpose of this District is to ensure the ongoing maintenance, operation and servicing of local landscaping improvements and related amenities established or installed in connection with development of the properties within the District. The specific improvements to be maintained are identified in various plans and documents associated with Juniper Meadows Phase I (existing District) and Juniper Meadows Phase II (Annexation Territory) which are on file with the City and by reference these plans and documents are made part of this Report. With the inclusion of the Annexation Territory, these improvements generally include landscaping and landscaping irrigation systems, masonry block walls, bike paths and related amenities and services in the public right-of-way along the north side of East Juniper Avenue adjacent to Juniper Meadows Phase I and Juniper Meadows Phase II. Through annual special benefit assessments, properties within the District will fund in whole or in part the estimated costs associated with the maintenance, operation, and servicing of the landscaping improvements installed in connection with and for the special benefits of the properties within the District. The cost of the improvements determined to be of special benefit and assessed to properties may include the estimated expenditures for regular annual maintenance and repairs, incidental expenditures related to the operation and administration of the District, deficits or surpluses from prior years, revenues from other sources, and the collection of adequate funds for operational reserves and periodic expenditures for repairs and rehabilitation of the improvements.

The improvements for the District may include, but are not limited to turf, ground cover, shrubs and plants, natural vegetation, trees, irrigation and landscape drainage systems, masonry walls, hardscapes including bike paths, and associated appurtenant facilities located adjacent to the landscape areas and/or within the public right-of-way. The maintenance and servicing of the improvements generally include, but are not limited to all materials, equipment, utilities, labor

and incidental expenses including administrative expenses required for the annual operation of the District as well as the performance of periodic repairs, replacement and expanded maintenance activities as needed to provide for the growth, health, and beauty of landscaping and/or the proper operation and functioning of the irrigation system as well as the maintenance and servicing (including graffiti abatement) of the associated hardscape amenities such as masonry walls and bike paths located adjacent to the landscape areas and/or within the public right-of-way.

Existing District Improvements

Juniper Meadows Phase I

Approximately 210 square feet of landscaped area located on the north side of East Juniper Avenue from the western boundary of Juniper Meadows Phase I (Southwest corner of Lot 5) east to Rancho Del Rey Drive, including the corner return within the public right-of-way adjacent to Lot 5;

Approximately 560 square feet of asphalt bike path located between the sidewalk and landscaping on the north side of East Juniper Avenue from the western boundary of Juniper Meadows Phase I (Southwest corner of Lot 5) east to Rancho Del Rey Drive;

Approximately 84 linear feet of block wall adjacent to the landscaped area located on the north side of East Juniper Avenue from the western boundary of Juniper Meadows Phase I (Southwest corner of Lot 5) east along East Juniper Avenue and Juniper Meadows Phase I Lot 5, towards Rancho Del Rey Drive.

Annexation Territory Improvements

Juniper Meadows Phase II

At the time this Report was prepared, the specific plans and specifications for the Juniper Meadows Phase II landscape improvements have not been finalized and are subject to change. However, such changes if any, are not anticipated to be of a sufficient nature to change the proportional special benefit or assessments described in this Report. Based on the available improvement information, it is anticipated that the improvement to be installed in connection with Juniper Meadows Phase II (the Annexation Territory) include the following.

Approximately 220 square feet of landscaped area located on the north side of East Juniper Avenue from the eastern boundary of Juniper Meadows Phase II (Southeast corner of Lot 2 and also being the southwest corner of Juniper Meadows Phase I Lot 5) west to Pollitt Court, including the corner return within the public right-of-way adjacent to Lot 2;

Approximately 580 square feet of asphalt bike path located between the sidewalk and landscaping on the north side of East Juniper Avenue from the eastern boundary of Juniper Meadows Phase II (Southeast corner of Lot 2) west to Pollitt Court;

Approximately 87 linear feet of block wall adjacent to the landscaped area located on the north side of East Juniper Avenue from the eastern boundary of Juniper Meadows Phase II (Southeast corner of Lot 2) west along East Juniper Avenue and Juniper Meadows Phase II Lot 2, towards Pollitt Court;

Approximately 220 square feet of landscaped area located on the north side of East Juniper Avenue from the western boundary of Juniper Meadows Phase II (Southwest corner of Lot 12) east to Pollitt Court, including the corner return within the public right-of-way adjacent to Lot 12;

Approximately 570 square feet of asphalt bike path located between the sidewalk and landscaping on the north side of East Juniper Avenue from the western boundary of Juniper Meadows Phase II (Southwest corner of Lot 12) east to Pollitt Court;

Approximately 84 linear feet of block wall adjacent to the landscaped area located on the north side of East Juniper Avenue from the western boundary of Juniper Meadows Phase II (Southwest corner of Lot 12) east along East Juniper Avenue and Juniper Meadows Phase II Lot 12, towards Pollitt Court.

Excluded Improvements

Not included as District improvements are improvements located on private property. Such improvements and facilities including street trees shall be provided and maintained by the individual property owners.

Part II — Method of Apportionment

Legislative Authority

1972 Act Provisions

The 1972 Act permits the establishment of assessment districts by agencies for the purpose of providing certain public improvements, including the acquisition, construction, installation and servicing of landscape improvements and related facilities. The 1972 Act requires that the cost of these improvements be levied according to benefit rather than assessed value:

Section 22573 defines the net amount to be assessed as follows:

"The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements."

Section 22574 provides for zones as follows:

"The diagram and assessment may classify various areas within an assessment district into different zones where, by reason of variations in the nature, location, and extent of the improvements, the various areas will receive differing degrees of benefit from the improvements. A zone shall consist of all territory which will receive substantially the same degree of benefit from the improvements."

The formulas used for calculating assessments and the designation of Zones (in this case, temporary Zones) reflect the composition of parcels within the District and the improvements and activities to be provided, and have been designed to fairly apportion in relationship to the entirety of the capital cost of the local public improvements and the maintenance and operation expenses of such improvements based on a determination of the proportional special benefits to each parcel, consistent with the requirements of the 1972 Act and the provisions of Article XIIID of the California Constitution (Proposition 218).

Constitutional Compliance (Proposition 218)

The improvements provided and for which properties are to be assessed both for the District and Annexation Territory are identified as local landscaping improvements and related amenities installed in connection with the development of those properties. The assessments and method of apportionment is based on the premise that these improvements would otherwise not have been required without the development of those parcels.

Article XIIID Section 2i defines Special Benefit as follows:

"Special benefit" means a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large. General enhancement of property value does not constitute "special benefit."

Article XIIID Section 4a defines proportional special benefit assessments as follows:

"An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed. The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel."

Benefit Analysis

Special Benefit

The local improvements provided by this District and for which properties within the Annexation Territory will be assessed have been identified as necessary, desired and required for the orderly development of the properties to their full potential, consistent with the development plans and applicable portions of the City's General Plan.

The ongoing maintenance of these local public improvement areas provides aesthetic benefits to the properties within the District and provides a more pleasant environment to walk, drive, and live. The primary function of these landscape improvements and related amenities is to serve as an aesthetically pleasing enhancement and green space for the benefit of the immediately adjacent development and the properties therein for which the improvements were constructed and installed. These improvements are an integral part of the physical appearance of those parcels providing enhanced property and neighborhood appearance which results from well-maintained landscaped areas, graffiti and debris control on the perimeter and entryways to the development, and if the improvements are not properly maintained, it is these parcels that would be aesthetically burdened. In addition, the landscaping and related amenities serve as both a physical buffer as well as a sound reduction buffer between the roadways and the properties associated with those improvements. As a result, the maintenance of the District landscaped improvements (both those installed as part of Juniper Meadows I and those of Juniper Meadows II) are a particular and distinct benefit to the properties and developments within the District and Annexation Territory providing long term economic and environmental advantages to properties including the enhanced presentation and marketability of properties that have such improvements, reduce traffic noise and dust, and the long-term cost-efficiency of services being provided by the City (economy of scale) as well as the regulatory restrictions on future cost increases .

General Benefit

Based on the parameters of special benefit as outlined by the California Constitution, general benefit may be described as an overall and similar benefit to the public in general resulting from the improvements, activity or service to be provided for which an assessment is levied. Although the District improvements are located on public streets that are visible to the general public, it is clear that the ongoing maintenance of these improvements are only necessary for the appearance and advantage of the properties within the District and Annexation Territory, and are not required nor necessarily desired by any properties outside the District boundary. In as much as the improvements and the services to be provided are specific to the developments and properties within the District (including the Annexation Territory) and these improvements and services do not extend beyond the District boundaries (The District encompasses all properties receiving special benefits), any access or proximity to these improvements by other nearby properties or developments would be considered incidental.

It is therefore evident that the maintenance these improvements and the level of maintenance provided only has a direct and particular impact on those properties (special benefit) and such maintenance beyond that which is required to ensure the safety and protection of the general public and property in general, has no identifiable benefit to the public at large or properties outside the District.

In the absence of a special funding District, the maintenance of the landscape improvement areas within the District would likely be limited to those services and activities necessary to ensure the safety and protection of vehicular traffic, the general public, and property in general and the City's maintenance of these areas would likely be limited abatement and erosion control services. These services ("baseline level of service") would typically be provided on an as needed basis (likely no more than twice annually). This baseline level of service would provide for public safety and avoid negative impacts on adjacent properties, roadways and vehicles traveling on those roadways, but would clearly result in a far less visually pleasing environment than is created with the enhanced levels of services associated with the District and which can be provided with the support of District special benefit assessments. Based on industry standard service costs the cost to provide this baseline level of service is estimated to be less than $0.02 per square foot for streetscape areas. Unlike the enhanced aesthetic services funded by District assessments, this baseline services, would provide benefits to the general public and possibly properties outside of the District, and the cost of providing this baseline level of service is identified as the general benefit cost associated with the improvements. Utilizing this cost per square foot ($0.02 per square foot) and the square footages of the improvement area in the District (approximately 2,360 square feet of total improvement surface area) this general benefit cost would be less than $50.00 per year.

Assessment Methodology

The City annually levies and collects special benefit assessments in order to maintain and service the improvements. The estimated annual cost to maintain the improvements are identified in the budget section of this Report, including the estimated annual maintenance expenditures; funding for periodic repairs, replacement and rehabilitation costs; incidental expenses necessary to operate and support the District improvements including administration and authorized reserve funding and any revenues from other sources or deficit funding that would adjust the amount to be assessed.

In accordance with the provisions of the California Constitution Article XIIID, the proportionate special benefit derived by each identified parcel shall be determined in relationship to the

entirety of the maintenance and operation expenses of a public improvement and each parcel's assessment may not exceed the reasonable cost of the proportional special benefit conferred to that parcel. The method of apportionment (method of assessment) established herein is based on the premise that each assessed property receives special benefits from the improvements, services and activities to be funded by such assessments, and the assessment obligation for each parcel reflects that parcel's proportional special benefits as compared to other properties that receive special benefits from those improvements services and activities. The proposed assessment revenues to be collected for the District provides a means by which property owners can collectively and effectively fund the cost of shared local improvements that provide a particular and distinct benefit to those properties. The District special benefit assessments will support the operation and maintenance of the District improvements and shall be used for only that purpose, consistent with the intent of the 1972 Act and the California Constitution. The benefit formula used to determine the proportional assessment obligation for each parcel in the Districts is therefore based upon the entirety of the estimated annual expenses to operate and maintain the improvements that provide special benefits to the parcels therein and those costs are allocated to the parcels based on a method of apportionment that reflects the proportional special benefit conferred to each parcel.

Zones of Benefit

Landscape improvements, like most public improvements, may provide varying degrees of benefit (whether they be general or special) based on several factors including the location of the improvements in relationship to properties, the extent of such improvements, the different types of properties associated with those improvements and the reason or need for such improvements as it relates to individual properties. In an effort to address differences in the location, extent and type of improvements and or services to be provided and to ensure an appropriate allocation of the estimated annual cost to provide various improvements based on proportional special benefits, assessment districts are often times established with benefit zones ("Zones") as authorized pursuant to Chapter 1 Article 4, Section 22574 of the 1972 Act:

"The diagram and assessment may classify various areas within an assessment district into different zones where, by reason of variations in the nature, location, and extent of the improvements, the various areas will receive differing degrees of benefit from the improvements. A zone shall consist of all territory which will receive substantially the same degree of benefit from the improvements."

While the California Constitution Article XIIID Section 4a requires that "The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement or the maintenance and operation expenses of a public improvement…"; it is often times the case that certain improvements may benefit most if not all properties within a district while other improvements may only provide special benefits to specific parcels or portions of a district.

Based on the location and type of improvements associated both Juniper Meadows Phase I (Existing District) and Juniper Meadows Phase II (Annexation Territory) it is evident that at build-out these two developments and the parcels therein will collectively and proportionately receive special benefit from the combined landscaping improvements installed in connection with both developments. However, it is also recognized that the improvements associated Juniper Meadows Phase I have already been installed and are being maintained through the District, but the improvements to be installed as part of the Juniper Meadows Phase II development are not anticipated to be installed and maintained by the District until mid-year of Fiscal Year 2016/2017. Therefore, for administrative purposes and to ensure an equitable apportionment of

the annual maintenance and operation expenses, the Annexation Territory will initially be treated as a separate, but temporary benefit zone for Fiscal Year 2016/2017 with a budget and assessments that reflects only half of the regular annual maintenance expenses to fully maintain the improvements to be installed in connection with that development. Ultimately when all improvements have been installed and accepted by the City for a full year's maintenance (commencing in Fiscal Year 2017/2018), all parcels with the District (both Juniper Meadows Phase I and Juniper Meadows Phase II) will be proportionately assessed for the combined improvements provided in the District and this initial temporary Zone established for the Annexation Territory will be eliminated.

A diagram showing the boundaries of the District including the Annexation Territory is provided in Part IV (District Diagram) of this Report.

Equivalent Benefit Units

In addition to the temporary Zone structure discussed above, the method of apportionment established for this District as well as similar districts in the City utilizes a weighted methodology of apportionment commonly referred to as an Equivalent Benefit Unit (EBU) methodology to reflect the proportional special benefit of each parcel based on its land use as of March 1st, preceding the fiscal year. This method of apportionment establishes the single-family residential home site as the basic unit of assessment. A single-family residential unit or lot is assigned one (1.0) Equivalent Benefit Unit (EBU) and other property types (land uses) are proportionately weighted (weighted EBU) based on the acreage of the property.

This Report specifically addresses the Annexation Territory and the Juniper Meadows Landscape Maintenance District as a whole, which is comprised only Assessor Parcel Numbers (APNs) that are identified as single-family residential parcels.

Single-Family Residential — is defined as a fully subdivided residential home site with or without a structure. For purposes of establishing the proportional special benefits and equivalent benefit units for other land uses in this District, the single-family residential land use is designated as the basic unit of assessment and shall be assigned 1.000 EBU per parcel.

Exempt Property (Parcel) —This land use classification may include but is not limited to:

- Lots or parcels identified as public streets and other roadways (typically not assigned an APN by the County);
- Dedicated public easements including open space areas, utility rights-of-way, greenbelts, parkways, or other publicly-owned or utility-owned land that serves the community or general public. This includes the landscape areas within the District whether such parcels are assigned an APN or not.

Calculation of Assessments

The benefit formula applied to parcels within this District as well as similar districts in the City is based on the preceding EBU discussion. Each parcel's EBU correlates the parcel's special benefit received as compared to the other parcels benefiting from the District improvements.

The following formulas are used to calculate each parcel's proportional special benefit:

1 Single-Family Residential Lot = 1 EBU

or

Parcel Acres = Parcel EBU

An assessment amount per EBU ("Assessment Rate") is established by taking the total cost of the improvements and dividing that amount by the total number of EBUs for parcels benefiting from such improvements.

Total Balance to Levy / Total EBUs = Levy per EBU ("Assessment Rate")

This Assessment Rate is then applied back to each parcel's individual EBU to determine each parcel's proportional special benefit and assessment obligation.

Assessment Rate x Parcel EBU = Parcel Levy Amount

Assessment Range Formula

Any new or increased assessment requires certain noticing and meeting requirements by law. Prior to the passage of Proposition 218 (California Constitution Articles XIIIC and XIIID), legislative changes in the Brown Act defined a "new or increased assessment" to exclude certain conditions. These conditions included "any assessment that does not exceed an assessment formula or range of assessments previously adopted by the agency or approved by the voters in the area where the assessment is imposed." This definition and conditions were later confirmed through Senate Bill 919 (the Proposition 218 implementing legislation).

Recognizing that the cost of maintaining the improvements will increase over time due to inflation, establishing an assessment range formula provides for reasonable increases and inflationary adjustment to the annual assessments without requiring costly noticing and mailing procedures, which would add to a District's administrative costs and assessments. As part of this annexation of the Annexation Territory, property owners are required to be balloted for the new assessments to be imposed pursuant to the Article XIIID Section 4 and this new assessment (Maximum Assessment to be authorized) includes an annual inflationary adjustment. The balloted Maximum Assessment for this annexation is based on the Maximum Assessment previously established for the Juniper Meadows Landscape Maintenance District, which is $802.2403 per EBU for Fiscal Year 20016/2017, and includes a fixed 4.0% annual inflationary adjustment (Assessment Range Formula).

The adoption of this Maximum Assessment Rate and the Assessment Range Formula does not mean that the annual assessments will be levied at the maximum assessment rate nor does it mean that the annual assessments will increase each year by the inflationary adjustment. The Maximum Assessment Rate shall be calculated independent of the District's annual budget and assessment. In fact, the proposed District Assessments for Fiscal Year 2016/2017 and the

assessments proposed herein for the Annexation Territory are significantly less than the allowable Maximum Assessment currently authorized for the District and being presented to the property owners within the Annexation Territory as part of this Ballot Proceeding. Although the Maximum Assessment rate that may be levied each fiscal year shall be adjusted (inflated) by 4.0% each year, the actual amount to be assessed will be based on the estimated costs (budget) for that year.

Part III — District / Annexation Territory Budget

The following budget table outlines the estimated annual costs to maintain the improvements within the District (including the Annexation Territory) for a full fiscal year based on the costs and expenses to maintain the improvements within the existing District for Fiscal Year 2016/2017. This estimated budget results in an Assessment Rate per EBU that is less than the District's authorized Maximum Assessment Rate that is being balloted. This budget table also includes the estimated budget and assessment rate to be assessed in the Annexation Territory for Fiscal Year 2016/2017, which is based on the improvements being accepted for maintenance for half of the fiscal year.

BUDGET ITEMS	LMD Juniper Meadows Full Year Budget Juniper Meadows I & Juniper Meadows II	LMD Annexation Territory Fiscal Year 2016/2017 Budget
DIRECT ANNUAL MAINTENANCE & OPERATING EXPENSES		
Landscape Maintenance Expenses (Contract Services)	$ 300	$ 79
Tree Maintenance Expenses	38	14
Appurtenant Improvements/Services (Equipment, Facilities, Abatement, etc.)	275	97
Landscape Water Expenses	130	46
Landscape Irrigation Electricity	7	2
Landscape Irrigation Maintenance & Repair	53	1
TOTAL DIRECT ANNUAL MAINTENANCE & OPERATING EXPENSES	**$ 803**	**$ 239**
REHAB-RENOVATION FUNDING AND CAPITAL EXPENDITURES		
Landscape Rehab-Renovation Funding	$ 30	$ 11
Tree Rehab-Renovation Funding	30	11
Irrigation Rehab-Renovation Funding	11	4
Total Rehab-Renovation Funding	**$ 71**	**$ 25**
Total Planned Capital Expenditures (This Fiscal Year)	**$ -**	**$ -**
TOTAL REHAB-RENOVATION FUNDING & CAPITAL EXPENDITURES	**$ 71**	**$ 25**
DIRECT ANNUAL MAINTENANCE & OPERATING EXPENSES	**$ 874**	**$ 265**
GENERAL BENEFIT EXPENSES		
General Benefit Landscape Improvement Costs	$ (47)	$ (17)
Other Landscape General Benefit (% of Maintenance)	-	-
Landscaping General Benefit — City Funded	(47)	(17)
Total General Benefit — City Funded	**$ (47)**	**$ (17)**
TOTAL DIRECT ANNUAL SPECIAL BENEFIT EXPENSES	**$ 827**	**$ 248**
ANNUAL INCIDENTAL EXPENSES		
Operational Reserves (Collection)	$ 1,391	$ 612
District Administration	100	70
County Administration Fee	17	12
Total Incidental Expenses	**$ 1,508**	**$ 695**
BALANCE TO LEVY	**$ 2,335**	**$ 943**
DISTRICT STATISTICS		
Total Parcels	17	12
Total Assessable Parcels	17	12
Total Benefit Units	17.00	12.00
Calculated Assessment Per EBU	**$137.37**	**$78.55**
Authorized Maximum Assessment Rate (Fiscal Year 2016/2017)	$802.24	$802.24
Estimated Beginning Fund Balance	$ (8,987)	$ -
Operational Reserve & Rehabilitation Funding Collected	1,463	638
Estimated Ending Fund Balance	$ (7,524)	$ 638

Part IV — Annexation Diagram

The lots and parcels of land within the Annexation Territory consist of the lots and parcels within and associated with the planned residential development known as Juniper Meadows II. These lots and parcels of land are inclusive of the Merced County Assessor Parcel Map as Book 004; Page 052, Parcels 022 through 033, and by reference this Assessor Parcel Map and the lines and dimensions defined therein are made part of this Report. The Annexation Diagram (boundary map) on the following page outlines the boundaries of the Juniper Meadows Landscape Maintenance District including the Annexation Territory and encompasses both residential developments identified as Juniper Meadows Phase I (existing District) and Juniper Meadows Phase II (Annexation Territory). The combination of the Annexation Diagram and the Annexation Territory Assessment Roll contained in Part V of this Report constitutes the Assessment Diagram for this annexation of territory into the Juniper Meadows Landscape Maintenance District.

JUNIPER MEADOWS LANDSCAPE MAINTENANCE DISTRICT
CITY OF ATWATER
COUNTY OF MERCED
STATE OF CALIFORNIA
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004-052-029-000
004-052-028-000
004-052-027-000
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004-052-019-000
004-052-033-000
004-052-023-000
004-052-020-000
POLLITT
RANCHO DEL REY
SIERRA NEVADA
JUNIPER
Legend
Annexation Area
Improvement
District Boundary
WILLDAN Financial Services

Part V — Annexation Territory Assessment Roll

Parcel identification for each lot or parcel within the District and Annexation Territory is based on the boundaries set forth in the District Diagram presented herein in Part IV of this Report and the corresponding parcels as shown on Merced County Secured Roll and Assessor Parcel Maps for the Fiscal Year 2016/2017.

The following is a list of the lots and parcels of land (parcels) within the Annexation Territory along with the corresponding Maximum Assessments being balloted and the Assessments for Fiscal Year 2016/2017 as determined by the assessment rate and method of apportionment described herein:

Assessor Parcel Number	Land Use	EBUs	Balloted Maximum Assesments	FY16-17 Proposed Assessments
004-052-022-000	Residential Single-Family	1.000	$802.24	$78.55
004-052-023-000	Residential Single-Family	1.000	$802.24	$78.55
004-052-024-000	Residential Single-Family	1.000	$802.24	$78.55
004-052-025-000	Residential Single-Family	1.000	$802.24	$78.55
004-052-026-000	Residential Single-Family	1.000	$802.24	$78.55
004-052-027-000	Residential Single-Family	1.000	$802.24	$78.55
004-052-028-000	Residential Single-Family	1.000	$802.24	$78.55
004-052-029-000	Residential Single-Family	1.000	$802.24	$78.55
004-052-030-000	Residential Single-Family	1.000	$802.24	$78.55
004-052-031-000	Residential Single-Family	1.000	$802.24	$78.55
004-052-032-000	Residential Single-Family	1.000	$802.24	$78.55
004-052-033-000	Residential Single-Family	1.000	$802.24	$78.55
Total		**12.000**	**$9,626.88**	**$942.60**

Approval of this Report (as submitted or as modified) confirms the method of apportionment and the maximum assessments to be balloted to the property owners of record within the District; and the assessments to be levied and collected on the property tax rolls for each eligible parcel for Fiscal Year 2016/2017.

CITY COUNCIL
OF THE
CITY OF ATWATER

RESOLUTION NO. 2905-16

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ATWATER, DECLARING THE RESULTS OF THE PROPERTY OWNER PROTEST BALLOT PROCEEDING CONDUCTED FOR THE LEVY OF ASSESSMENTS RELATED TO THE FORMATION OF THE ATWATER LIGHTING AND DRAINAGE MAINTENANCE DISTRICT NO. 31 (JUNIPER MEADOWS II), COMMENCING IN FISCAL YEAR 2016/2017 AND APPROVING CERTAIN RELATED ACTIONS

WHEREAS, the City Council called and duly held a property owner protest ballot proceeding for the formation of Lighting and Drainage Maintenance District No. 31 (Juniper Meadows II) ("District) pursuant to the provisions of the Benefit Assessment Act of 1982 being Chapter 6.4, Division 2, Title 5 of the Government Code of the State of California commencing with Section 54703 (the "Act"), and the California Constitution Article XIIID (the "Constitution"), for the purpose of presenting to the qualified property owners within the proposed District, the annual levy of assessments for the improvements connected therewith. The proposed District is comprised of the 12 single-family residential parcels in the Juniper Meadows II residential development, located on the north side of East Juniper Avenue; west of Rancho Del Rey Drive; and generally south of Marvis Drive and east of Shaffer Road. The annual levy of assessments commencing in fiscal year 2016/2017, as presented to the affected property owners of record in this ballot proceeding, included and identified the initial maximum assessment rate and the proportional assessment amount balloted for each respective parcel, as well as the annual inflationary adjustment applicable to future assessments and the total amount balloted for the District. These assessments as presented are intended to fund the special benefit costs and expenses related to the ongoing operation, maintenance and servicing of the street lighting and drainage improvements and appurtenant facilities related thereto; and,

WHEREAS, the landowner(s) of record within the proposed District as of the close of the Public Hearing held on June 27, 2016 did cast their ballots, weighted by the proportional financial obligation of each ballot, the results of which are illustrated below:

Total Ballots Cast	Yes Total	No Total
$ _____	$ _____	$ _____

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

SECTION 1. The above recitals are true and correct.

SECTION 2. The protest proceedings for the proposed District was conducted pursuant to the provisions of the Constitution with ballots presented to the affected property owner(s) for receipt by the City Clerk prior to the conclusion of the Public Hearing on June 27, 2016, with each ballot weighted according to the proportional financial obligation of the affected property.

SECTION 3. The tabulation and canvass of the property owner protest ballots was conducted by the City Clerk or their designee, with all valid protest ballots returned by the affected property owners being counted, the results of which as shown herein, have been presented to the City Council and are hereby confirmed.

SECTION 4. The City Clerk is hereby directed to enter this Resolution into the minutes of the City Council, which shall constitute the official declaration of the result of such property owner protest proceeding.

SECTION 5. This Resolution shall become effective immediately upon its adoption and the City Clerk shall certify the adoption of this Resolution

The foregoing resolution is hereby adopted this 27th day of June, 2016.

AYES:
NOES:
ABSENT:

APPROVED:

_____
JAMES E. PRICE, MAYOR

ATTEST:

_____
JEANNA DEL REAL, CMC
CITY CLERK

CITY COUNCIL
OF THE
CITY OF ATWATER

RESOLUTION NO. 2906-16

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ATWATER, CALIFORNIA CONFIRMING THE FORMATION OF THE ATWATER LIGHTING AND DRAINAGE MAINTENANCE DISTRICT NO. 31 (JUNIPER MEADOWS II), THE DIAGRAM AND ASSESSMENTS RELATED THERETO, OVERRULING ALL PROTESTS CONCERNING THE ASSESSMENTS, AND ORDERING THE LEVY AND COLLECTION OF ASSESSMENTS FOR FISCAL YEAR 2016/2017

WHEREAS, pursuant to the provisions of the Benefit Assessment Act of 1982 being Chapter 6.4, Division 2, Title 5 of the Government Code of the State of California commencing with Section 54703 (the "Act"), the City Council by previous resolution, initiated proceedings and ordered the preparation of an Engineer's Report in connection with the formation of the Atwater Lighting and Drainage Maintenance District No. 31 (Juniper Meadows II) ("District") comprised of the 12 single-family residential parcels in the Juniper Meadows II residential development, located on the north side of East Juniper Avenue; west of Rancho Del Rey Drive; and generally south of Marvis Drive and east of Shaffer Road, to fund the special benefit costs and expenses for the ongoing maintenance, operation and servicing of the lighting and drainage improvements and appurtenant facilities related thereto; and,

WHEREAS, after fully considering the Engineer's Report presented, the City Council by resolution approved and filed said Engineer's Report, declared its intention to form the District, to conduct a property owner protest ballot proceeding for the proposed new assessments related thereto in accordance with the provisions of Article XIIID of the California Constitution (the "Constitution") and Government Code §§ 53750 et seq., and set the Public Hearing to be noticed pursuant to applicable law for June 27, 2016 at 6:00 p.m.; and,

WHEREAS, notices and ballots were mailed to the property owners of record regarding the formation of the District and the new assessments as described in the Engineer's Report, pursuant to the applicable laws and regulations governing majority protest proceedings for return receipt prior to the close of the public hearing on June 27, 2016; and

WHEREAS, on June 27, 2016, the City Council held the duly noticed Public Hearing, to consider all oral statements and written protests, objections, and communication made or filed by any interested person regarding the formation of the District and the proposed new assessments; and to receive and accept all protest ballots from the property owners of record within the proposed District; and,

WHEREAS, at the conclusion of the Public Hearing, a tabulation and canvass of the property owner protest ballots was conducted by the City Clerk or their designee, with all valid protest ballots returned by the affected property owners being counted; and,

WHEREAS, by resolution the City Council confirmed the results of the ballot tabulation and property owner protest proceeding conducted in accordance with the provisions of the Constitution, the results of which indicated that majority protest did not exist for the new assessments as presented and to be levied on properties within the District commencing fiscal year 2016/2017.

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

SECTION 1. The above recitals are true and correct.

SECTION 2. Following notice duly given, the City Council has held a full and fair public hearing regarding the formation of Lighting and Drainage Maintenance District No. 31 (Juniper Meadows II), the levy and collection of assessments, and has considered all public testimony and written statements, protests and communications made or filed by interested persons.

SECTION 3. In accordance with the provisions of the Constitution, the City Council has evaluated the results of the property owner protest ballot proceedings, and has determined that majority protest of the proposed new assessments did not exist and overrules all oral or written protests that may have been presented concerning the annual assessments for the District commencing in Fiscal Year 2016/2017.

SECTION 4. Based upon its review of the facts presented and the Engineer's Report that has been filed with the City Clerk, the City Council hereby finds and determines that:

(4a.) The land within the District will receive special benefit from the operation, maintenance and servicing of the improvements to be provided by the District as described in the Engineer's Report.

(4b.) The District as defined by the Assessment Diagram contained in the Engineer's Report, includes all of the lands receiving such special benefit.

(4c.) The net amount to be assessed upon the lands within the District has been apportioned by a formula and method which fairly distributes the net amount among all eligible parcels in proportion to the special benefit to be received by each parcel from the improvements and services to be provided commencing with fiscal year 2016/2017.

SECTION 5. The adoption of this Resolution constitutes the formation of the District, the boundaries of the District and any Zones therein as contained in the Assessment Diagram presented in the Engineer's Report; the establishment of the maximum assessment rate and assessment range formula connected therewith; and the assessments to be levied for the fiscal year commencing July 1, 2016 and ending June 30, 2017, as described in the Engineer's Report and adopted by the City Council.

SECTION 6. The City Council hereby orders the District improvements to be made for fiscal year 2016/2017 as outlined by the Engineer's Report and by these proceedings.

SECTION 7. Pursuant to applicable law, City staff or their designee is hereby authorized and directed to file the levy of assessments for fiscal year 2016/2017 as approved herein with the Merced County Auditor/Controller along with a certified copy of this Resolution; and/or as may be required by the County Auditor/Controller or County Assessor, copies of the Engineer's Report or Assessment Diagram confirmed by this Resolution.

SECTION 8. The City Clerk shall certify to the passage and adoption of this Resolution, and the minutes of this meeting shall so reflect the City Council's approval of the formation of the District; the confirmation of the Assessment Diagram; and the establishment of the maximum assessment rates, assessment range formula, and the assessments for Fiscal Year 2016/2017 as outlined in the Engineer's Report and approved in these proceedings.

The foregoing resolution is hereby adopted this 27th day of June, 2016.

AYES:
NOES:
ABSENT:

APPROVED:

_____
JAMES E. PRICE, MAYOR

ATTEST:

_____
JEANNA DEL REAL, CMC
CITY CLERK

CITY COUNCIL
OF THE
CITY OF ATWATER

RESOLUTION NO. 2907-16

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ATWATER, DECLARING THE RESULTS OF THE PROPERTY OWNER PROTEST BALLOT PROCEEDING CONDUCTED FOR THE LEVY OF ASSESSMENTS RELATED TO THE ANNEXATION OF JUNIPER MEADOWS II (ANNEXATION TERRITORY) INTO THE JUNIPER MEADOWS LANDSCAPE MAINTENANCE DISTRICT, COMMENCING IN FISCAL YEAR 2016/2017 AND APPROVING CERTAIN RELATED ACTIONS

WHEREAS, the City Council called and duly held a property owner protest ballot proceeding for the annexation of territory known and designated as Juniper Meadows II ("Annexation Territory") into the Juniper Meadows Landscape Maintenance District ("District") pursuant to the provisions of the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code ("1972 Act"), and the California Constitution Article XIIID (the "Constitution"), for the purpose of presenting to the qualified property owners within the proposed Annexation Territory, the annual levy of assessments for the improvements connected therewith. The proposed Annexation Territory is comprised of the 12 single-family residential parcels in the Juniper Meadows II residential development, located on the north side of East Juniper Avenue; west of Rancho Del Rey Drive; and generally south of Marvis Drive and east of Shaffer Road. The annual levy of assessments commencing in fiscal year 2016/2017, as presented to the affected property owners of record in this ballot proceeding, included and identified the initial maximum assessment rate and the proportional assessment amount balloted for each respective parcel, as well as the annual inflationary adjustment applicable to future assessments and the total amount balloted for the District. These assessments as presented are intended to fund the special benefit costs and expenses related to the ongoing operation, maintenance and servicing of the landscaping improvements and appurtenant facilities related thereto; and,

WHEREAS, the landowner(s) of record within the proposed Annexation Territory as of the close of the Public Hearing held on June 27, 2016 did cast their ballots, weighted by the proportional financial obligation of each ballot, the results of which are illustrated below:

Total Ballots Cast	Yes Total	No Total
$ _____	$ _____	$ _____

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

SECTION 1. The above recitals are true and correct.

SECTION 2. The protest proceedings for the proposed Annexation Territory was conducted pursuant to the provisions of the Constitution with ballots presented to the affected property owner(s) for receipt by the City Clerk prior to the conclusion of the Public Hearing on June 27, 2016, with each ballot weighted according to the proportional financial obligation of the affected property.

SECTION 3. The tabulation and canvass of the property owner protest ballots was conducted by the City Clerk or their designee, with all valid protest ballots returned by the affected property owners being counted, the results of which as shown herein, have been presented to the City Council and are hereby confirmed.

SECTION 4. The City Clerk is hereby directed to enter this Resolution into the minutes of the City Council, which shall constitute the official declaration of the result of such property owner protest proceeding.

SECTION 5. This Resolution shall become effective immediately upon its adoption and the City Clerk shall certify the adoption of this Resolution

The foregoing resolution is hereby adopted this 27th day of June, 2016.

AYES:
NOES:
ABSENT:

APPROVED:

_____
JAMES E. PRICE, MAYOR

ATTEST:

_____
JEANNA DEL REAL, CMC
CITY CLERK

CITY COUNCIL
OF THE
CITY OF ATWATER

RESOLUTION NO. 2908-16

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ATWATER, CALIFORNIA CONFIRMING THE ANNEXATION OF JUNIPER MEADOWS II (ANNEXATION TERRITORY) INTO THE ATWATER JUNIPER MEADOWS LANDSCAPE MAINTENANCE DISTRICT, THE DIAGRAM AND ASSESSMENTS RELATED THERETO, OVERRULING ALL PROTESTS CONCERNING THE ASSESSMENTS, AND ORDERING THE LEVY AND COLLECTION OF ASSESSMENTS FOR FISCAL YEAR 2016/2017

WHEREAS, pursuant to the provisions of the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code ("1972 Act"), the City Council by previous resolution, initiated proceedings and ordered the preparation of an Engineer's Report in connection with the annexation of the Juniper Meadows II development ("Annexation Territory") comprised of the 12 single-family residential parcels, located on the north side of East Juniper Avenue; west of Rancho Del Rey Drive; and generally south of Marvis Drive and east of Shaffer Road, into the Atwater Juniper Meadows Landscape Maintenance District ("District") to fund the special benefit costs and expenses for the ongoing maintenance, operation and servicing of the landscaping improvements and appurtenant facilities related thereto; and,

WHEREAS, after fully considering the Engineer's Report presented, the City Council by resolution approved and filed said Engineer's Report, declared its intention to annex the Annexation Territory into the District, to conduct a property owner protest ballot proceeding for the proposed new assessments related thereto in accordance with the provisions of Article XIIID of the California Constitution (the "Constitution") and Government Code §§ 53750 et seq., and set the Public Hearing to be noticed pursuant to applicable law for June 27, 2016 at 6:00 p.m.; and,

WHEREAS, notices and ballots were mailed to the property owners of record regarding the annexation of the Annexation Territory into the District and the new assessments as described in the Engineer's Report, pursuant to the applicable laws and regulations governing majority protest proceedings for return receipt prior to the close of the public hearing on June 27, 2016; and

WHEREAS, on June 27, 2016, the City Council held the duly noticed Public Hearing, to consider all oral statements and written protests, objections, and communication made or filed by any interested person regarding the annexation of the Annexation Territory into the District and the proposed new assessments; and to receive and accept all protest ballots from the property owners of record within the proposed Annexation Territory; and,

WHEREAS, at the conclusion of the Public Hearing, a tabulation and canvass of the property owner protest ballots was conducted by the City Clerk or their designee, with all valid protest ballots returned by the affected property owners being counted; and,

WHEREAS, by resolution the City Council confirmed the results of the ballot tabulation and property owner protest proceeding conducted in accordance with the provisions of the Constitution, the results of which indicated that majority protest did not exist for the new assessments as presented and to be levied on properties within the Annexation Territory commencing fiscal year 2016/2017.

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

SECTION 1. The above recitals are true and correct.

SECTION 2. Following notice duly given, the City Council has held a full and fair public hearing regarding the annexation of Juniper Meadows II (Annexation Territory) into the Juniper Meadows Landscape Maintenance District, the levy and collection of assessments, and has considered all public testimony and written statements, protests and communications made or filed by interested persons.

SECTION 3. In accordance with the provisions of the Constitution, the City Council has evaluated the results of the property owner protest ballot proceedings, and has determined that majority protest of the proposed new assessments did not exist and overrules all oral or written protests that may have been presented concerning the annual assessments for the District commencing in Fiscal Year 2016/2017.

SECTION 4. Based upon its review of the facts presented and the Engineer's Report that has been filed with the City Clerk, the City Council hereby finds and determines that:

(4a.) The land within the Annexation Territory and District will receive special benefit from the operation, maintenance and servicing of the improvements to be provided by the District as described in the Engineer's Report.

(4b.) The Annexation Territory and District as defined by the Assessment Diagram contained in the Engineer's Report, includes all of the lands receiving such special benefit.

(4c.) The net amount to be assessed upon the lands within the Annexation Territory and District has been apportioned by a formula and method which fairly distributes the net amount among all eligible parcels in proportion to the special benefit to be received by each parcel from the improvements and services to be provided commencing with fiscal year 2016/2017.

SECTION 5. The adoption of this Resolution constitutes the annexation of the Annexation Territory into the District, the boundaries of the Annexation Territory, District and any Zones therein as contained in the Assessment Diagram presented in the Engineer's Report; the establishment of the maximum assessment rate and assessment range formula connected therewith; and the assessments to be levied for the Annexation Territory for the fiscal year commencing July 1, 2016 and ending June 30, 2017, as described in the Engineer's Report and adopted by the City Council.

SECTION 6. The City Council hereby orders the Annexation Territory and District improvements to be made for fiscal year 2016/2017 as outlined by the Engineer's Report and by these proceedings.

SECTION 7. Pursuant to applicable law, City staff or their designee is hereby authorized and directed to file the levy of assessments for fiscal year 2016/2017 as approved herein with the Merced County Auditor/Controller along with a certified copy of this Resolution; and/or as may be required by the County Auditor/Controller or County Assessor, copies of the Engineer's Report or Assessment Diagram confirmed by this Resolution.

SECTION 8. The City Clerk shall certify to the passage and adoption of this Resolution, and the minutes of this meeting shall so reflect the City Council's approval of the annexation of the Annexation Territory into the District; the confirmation of the Assessment Diagram; and the establishment of the maximum assessment rates, assessment range formula, and the assessments for Fiscal Year 2016/2017 as outlined in the Engineer's Report and approved in these proceedings.

The foregoing resolution is hereby adopted this 27th day of June, 2016.

AYES:
NOES:
ABSENT:

APPROVED:

_____
JAMES E. PRICE, MAYOR

ATTEST:

_____
JEANNA DEL REAL, CMC
CITY CLERK

June 20, 2016

Honorable Mayor and Members
of the Atwater City Council

City Council Meeting
of June 27, 2016

REVIEW PRIOR ON CALL ENGINEERING COSTS AND AUTHORIZE A CONTRACT WITH NORTH STAR ENGINEERING GROUP INC. FOR ON CALL GENERAL ENGINEERING SERVICES

RECOMMENDATION:

It is recommended that the City Council consider:

1. Review prior "On Call" Professional Services Agreement for Engineering Services; and

2. Approve a contract for professional services with North Star Engineering Group Inc. (North Star) for on call general engineering services; and,

3. Authorize and direct the City Manager to execute the agreement on behalf of the City of Atwater.

BACKGROUND:

The proposed "On Call" Engineering Services Agreement with North Star Engineering was discussed at the Council Meeting held on June 13, 2016. The item was continued to the meeting of June 27, 2016. Additionally there was a request to review costs for prior agreements with "On Call" engineering companies.

The City uses a standardize form for Professional Services. The Scope of Work in the agreement is Exhibit A and the Fee(s) is included as Exhibit B. Attached to this Staff Report the City' Clerk's Office is including Hourly Rates, Exhibit B, to the specific executed contracts. They include Exhibit B's the following current agreements;

- Golden Valley Engineering
- Quad Knopf FPP
- Mid Valley Engineering
- VVH Consulting Engineers

ANALYSIS

The City has "On Call" engineering, plan checking, and other services with several local companies. These contracts are necessary for services which can no longer be provided internally but are necessary to comply with demands for services, special projects, and compliance with state laws.

By having a "tool kit" of available firms it allows the City to select a firm that can provide the services in the most expedient time or in some cases allow for quotes on work to yield the best value. Having multiple opportunities allows for work to be designated to providers that can respond in the best interests of the City.

The City's current Purchasing Policy does not specifically require the issuance of a Request for Proposals (RFP) or Request for Qualifications (RFQ) with regard to professional services that would be provided on an on-going basis or for continuing services. The "On Call" agreements have no expiration dates and are intended to be used to augment or in some cases act in a capacity where previously the city had staff members performing the work.

Excerpt from Purchasing Policy:

<u>Selection of Consultants for Professional Services for Continuing Services</u>
The following shall apply to the selection or professional services which are needed on a continuous or project by project basis. Professional firms providing engineering, plan checking, land surveying, transit, planning, environmental, economic development, auditing, landscape architecture or other services may be retained on a continuing basis to provide professional services.

The City Department Head, with the approval of the City Manager, may contract on a project-by-project or on a retainer basis for additional work/services without going through the RFP and selection process.

In many instances when the funding source requires the issuance of an RFP or RFQ for engineering or similar services the city's procedures are followed and the City Council makes the final approval on the professional services agreement. Examples include the recent award for the Congestion Mitigation Air Quality (CMAQ) grant for design and engineering of the new traffic signal at Olive Ave. and Winton Way. In the near future the council will be asked to approve a contract for the design and engineering of the signal modification at Shaffer Rd and Juniper Ave. The Highway Safety Improvement Program (HSIP) grant requires an RFP or RFQ to select the firm to perform the work.

Specific to the proposed North Star agreement, the firm has contracts with several valley communities and also works on private projects. They provide all forms of engineering, surveying, and technical engineering services. One of the main services they provide is design engineering, cost estimates, and value engineering for infrastructure type projects – water piping, storm drain, sewer, etc.

The proposed contract is general in nature to allow flexibility. The services requested by the City may include review of parcel maps, plan check of private development projects, preparation of legal descriptions, and preparation of plans and specifications for other future capital projects. There are currently no identified projects or activities being considered for their assignment. However by having the "On Call" agreement in

place is allows the City to ask for quotes on projects and expedite the assignment of future work if assigned. A proposed Scope of Work is attached, **(EXHIBIT A),** the hourly rates are also attached, **(EXHIBIT B)**.

FISCAL IMPACT:

No budget amendment is requested at this time. There are adequate funds in several existing professional services sections of the adopted budget. The services will be paid for the existing budget under professional services in Community Development, Sewer, Water, Streets – Gas Tax, and other existing sources depending on the type of work. For plan check, map check, and other services in support of a private development projects funding comes in the form of private plan check fees and reimbursements. Funding can also be provided by dedicated project design and engineering allocations to specific projects, for example CMAQ grants.

CONCLUSION:

This staff report is submitted for City Council consideration and possible action.

Respectfully submitted,

_____

Scott McBride
Community Development Director

EXHIBIT B

Quad Knopf

FEE SCHEDULE

2014 Charge Rate Schedule

Office:		
Technical Services		
Project Assistant	**$66**	**/hour**
Project Administrator	**$88**	**/hour**
Assistant CADD Technician/Designer /GIS Technician	**$83**	**/hour**
Associate CADD Technician/Designer /GIS Technician	**$97**	**/hour**
Senior Associate CADD Technician/Designer/ GIS Analyst	**$112**	**/hour**
Senior CADD Technician/Designer /GIS Analyst	**$127**	**/hour**
Professional Services		
Engineering/Survey		
Assistant Engineer/Surveyor	**$110**	**/hour**
Associate Engineer/Surveyor	**$133**	**/hour**
Senior Associate Engineer/Surveyor	**$156**	**/hour**
Senior Traffic Designer	**$156**	**/hour**
Senior Engineer/Surveyor	**$180**	**/hour**
Principal Engineer	**$199**	**/hour**
Planning/Environmental/Entitlement/Landscape Architecture		
Assistant Planner/Environmental Scientist	**$77**	**/hour**
Associate Planner/Environmental Scientist	**$97**	**/hour**
Senior Associate Planner/Environmental Scientist	**$121**	**/hour**
Senior Planner/Environmental Scientist/Entitlement Specialist/Landscape Architect	**$142**	**/hour**
Principal Planner/Environmental Scientist/Entitlement Specialist	**$157**	**/hour**
Senior Principal Planner/Environmental Scientist	**$187**	**/hour**
Field:		
Construction Management		
Assistant Construction Manager	**$110**	**/hour**
Associate Construction Manager	**$129**	**/hour**
Senior Associate Construction Manager	**$148**	**/hour**
Senior Construction Manager	**$165**	**/hour**
Field Construction Observer	**$99**	**/hour**
Associate Field Construction Observer	**$118**	**/hour**
Senior Field Construction Observer	**$138**	**/hour**
Surveying		
One-Person Survey Crew	**$121**	**/hour**
Two-Person Survey Crew	**$198**	**/hour**
Three-Person Survey Crew	**$240**	**/hour**

Fees are based on the median hourly pay rate for employees in each classification, plus indirect costs, overhead, and profit.

Expenses:	
Plotting, In-house Printing and Reproduction, Equipment Rentals, Laboratory Analyses	**1.15 x Cost**
Transportation and per diem	**1.15 x Cost**
Mileage	**$0.63/mile**
Off-road vehicles	**$50.00/day**
Communication expenses (telephone, parcel post, etc.)	**1.15 x Cost**
Other Expenses – Including Subconsultants & Purchased Services through Subcontracts	**1.15 x Cost**

RatesareeffectivethroughDecember31,2014.Ifcontractassignmentextendsbeyondthatdate,anewrateschedulemaybeaddedtothecontract.Litigationsupportwillbebilledat$300perhour.Ratesbasedon"PrevailingWage"(PW)forConstructionSurveyingwillbedetermined by project and County per California law.

EXHIBIT "B"

2015 RATE SCHEDULE

DESCRIPTION:	PER HOUR
Principal	$180.00
Associate	$160.00
Senior Professional	$150.00
Professional	$135.00
Assistant Professional	$125.00
Graphic Designer	$105.00
CADD	$90.00
1-Man Survey Crew	$135.00 (Nor CA/NV) / $150.00 (So CA/NV)
2-Man Survey Crew	$195.00 (Nor CA/NV) / $210.00 (So CA/NV)
HD-3D Laser Scanning	Projects Vary – Contact for Proposal
Administrative Support	$55.00
Clerical	$45.00
Expert Witness	$250.00
Reimbursables	Actual Cost + 15%

The above rate schedule is effective as of December 1, 2014 and is subject to adjustment December 1, 2015.

EXHIBIT B

FEE SCHEDULE

Effective date: January 1, 2015

CHARGE RATE SCHEDULE

STRUCTURAL/CIVIL ENGINEER - PRINCIPAL	$	150.00/HR.
LICENSED LAND SURVEYOR - PRINCIPAL	$	150.00/HR.
LICENSED ARCHITECT	$	100.00/HR.
LICENSED LAND SURVEYOR - CHIEF	$	110.00/HR.
LICENSED CIVIL ENGINEER	$	100.00/HR.
STRUCTURAL ENGINEERING DESIGNER	$	85.00/HR.
BUILDING DESIGNER	$	85.00/HR.
CIVIL ENGINEERING DESIGNER	$	85.00/HR.
DRAFTSMAN	$	65.00/HR.
SURVEY CREWS (NON PREVAILING WAGE)	$	150.00/HR.
SURVEY CREWS (PREVAILING WAGE)	$	225.00/HR.
CLERICAL	$	30.00/HR
BLUE PRINTS (24X36)	$	1.80/SHT
BLUE PRINTS (30X42)	$	2.60/SHT
PLOTTING SERVICE (24X36)	$	12.00/SHT
PLOTTING SERVICE (30X42)	$	15.00/SHT
COLOR PRINTS (8 1/2X11)	$	2.00/SHT
COLOR PRINTS (24X36)	$	100.00/SHT
COLOR PRINTS (36X48)	$	150.00/SHT
COLOR PRINTS (36X96)	$	250.00/SHT
OUTSIDE SERVICES	COST + 10%	

CONSULTING ENGINEERS

Exhibit "B"

2016 FEE SCHEDULE

Effective January 1, 2016

Title / Position	Hourly Billing Rate
Principal	$160.00
Senior Project Manager	$145.00
Project Manager	$125.00
Senior Civil Engineer	$145.00
Civil Engineer	$125.00
Senior Land Surveyor	$145.00
Land Surveyor	$125.00
Senior Designer	$115.00
Designer	$105.00
Drafter	$85.00
Administrative / Clerical	$80.00
1-Person Survey Crew	$120.00
2-Person Survey Crew	$175.00
3-Person Survey Crew	$235.00
Investigative / Expert Witness*	$300.00
Professional Consultation*	$300.00

Expense Item	Billing Rate
Additional Bond Plot, Black & White	$0.30 / sf
Additional Bond Plot, Color	$0.50 / sf
Additional Vellum Plot, Black & White	$1.00 / sf
Additional Mylar° Plot, Black & White	$5.00 / sf
U.S. Mail Transmittal	No Fee
FedEx, UPS, or Other Courier Transmittal	Cost + 10%
Vehicle Mileage (excludes survey crews)	Current IRS Standard Rate + 10%

* Fees for investigative services, expert witness, and professional consultation are generally not applicable to projects involving the preparation of plans or specifications for construction projects.

PROFESSIONAL SERVICES AGREEMENT BETWEEN
THE CITY OF ATWATER AND
NORTHSTAR ENGINEERING GROUP, INC.

This Professional Services Agreement ("Agreement") for consulting services is made by and between the City of Atwater ("City") and NORTHSTAR ENGINEERING GROUP, INC. ("Consultant") as of - _____ (the "Effective Date"). City and Consultant shall be referred to herein separately as a "Party" and collectively as "Parties".

Section 1. SERVICES. Subject to the terms and conditions set forth in this Agreement, Consultant shall provide to City the Engineering Services described in the Scope of Services attached hereto and incorporated herein as Exhibit "A", at the time and place and in the manner specified therein. In the event of a conflict in or inconsistency between the terms of this Agreement and Exhibit "A", the Agreement shall prevail.

1.1 Term of Services. The term of this Agreement shall begin on the Effective Date and shall remain in effect until cancelled by either Party or amended by the Parties, Consultant shall complete the work described in Exhibit "A", unless the term of the Agreement is otherwise terminated or extended, as provided for in Section 8.

1.2 Standard of Performance. Consultant shall perform all services required pursuant to this Agreement according to the standards observed by a competent practitioner of the profession in which Consultant is engaged.

1.3 Assignment of Personnel. Consultant shall assign only competent personnel to perform services pursuant to this Agreement. In the event that City, in its sole discretion, at any time during the term of this Agreement, desires the reassignment of any such persons, Consultant shall, immediately upon receiving notice from City of such desire of City, reassign such person or persons.

1.4 Time. Consultant shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary to meet the standard of performance provided in Section 1.1 above and to satisfy Consultant's obligations hereunder.

Section 2. COMPENSATION. City hereby agrees to pay Consultant a sum not to exceed the hourly rates described in Exhibit "B", notwithstanding any contrary indications that may be contained in Consultant's proposal, for services to be performed and reimbursable costs incurred under this Agreement. In the event of a conflict between this Agreement and Consultant's Scope of Services, attached as Exhibit "A", regarding the amount of compensation, the Agreement shall prevail. City shall pay Consultant for services rendered pursuant to this Agreement at the time and in the manner set forth herein. The payments specified below shall be the only payments from City to Consultant for services rendered pursuant to this Agreement. Consultant shall submit all invoices to City in the manner specified herein. Except as specifically authorized by City in writing, Consultant shall not bill City for duplicate services performed by more than one person.

Consultant and City acknowledge and agree that compensation paid by City to Consultant under this Agreement is based upon Consultant's estimated costs of providing the services required hereunder, including salaries and benefits of employees and subcontractors of Consultant. Consequently, the parties further agree that compensation hereunder is intended to include the costs of contributions to any pensions and/or annuities to which Consultant and its employees, agents, and subcontractors may be eligible. City therefore has no responsibility for such contributions beyond compensation required under this Agreement.

2.1 Invoices. Consultant shall submit invoices, not more often than once a month during the term of this Agreement, based on the cost for services performed and reimbursable costs incurred prior to the invoice date. Invoices shall contain the following information:

- Serial identifications of progress bills; i.e., Progress Bill No. 1 for the first invoice, etc.;
- The beginning and ending dates of the billing period;
- A Task Summary containing the original contract amount, the amount of prior billings, the total due this period, the balance available under the Agreement, and the percentage of completion (a Fixed fee proposal);
- At City's option, for each work item in each task, a copy of the applicable time entries or time sheets shall be submitted showing the name of the person doing the work, the hours spent by each person, a brief description of the work, and each reimbursable expense;
- The total number of hours of work performed under the Agreement by Consultant and each employee, agent, and subcontractor of Consultant performing services hereunder;
- The Consultant's signature;
- Consultant shall give separate notice to the City when the total number of hours worked by Consultant and any individual employee, agent, or subcontractor of Consultant reaches or exceeds the number of hours allowed under this Agreement and any other agreement between Consultant and City. Such notice shall include an estimate of the time necessary to complete work described in Exhibit "A" and the estimate of time necessary to complete work under any other agreement between Consultant and City, if applicable.

2.2 Monthly Payment. City shall make monthly payments, based on invoices received, for services satisfactorily performed, and for authorized reimbursable costs incurred. City shall have 30 days from the receipt of an invoice that complies with all of the requirements above to pay Consultant.

2.3 Final Payment. City shall pay the last 10% of the total sum due pursuant to this Agreement within 60 days after completion of the services and submittal to City of a final invoice, if all services required have been satisfactorily performed.

2.4 Total Payment. City shall pay for the services to be rendered by Consultant pursuant to this Agreement. City shall not pay any additional sum for any expense or cost whatsoever

incurred by Consultant in rendering services pursuant to this Agreement. City shall make no payment for any extra, further, or additional service pursuant to this Agreement.

In no event shall Consultant submit any invoice for an amount in excess of the maximum amount of compensation provided above either for a task, task order issued by City or for the entire Agreement, unless the Agreement is modified prior to the submission of such an invoice by a properly executed change order or amendment.

2.5 Hourly Fees. Fees for work performed by Consultant on an hourly basis shall not exceed the amounts shown on the Fee Schedule attached hereto as Exhibit "B".

2.6 Reimbursable Expenses. Reimbursable expenses are specified in Exhibit "B", and shall not exceed the amounts described in Exhibit "B". Expenses not listed in Exhibit "B" are not chargeable to City. Reimbursable expenses are included in the total amount of compensation provided under this Agreement that shall not be exceeded.

2.7 Payment of Taxes. Consultant is solely responsible for the payment of employment taxes incurred under this Agreement and any similar federal or state taxes.

2.8 Payment upon Termination. In the event that the City or Consultant terminates this Agreement pursuant to Section 8, the City shall compensate the Consultant for all outstanding costs and reimbursable expenses incurred for work satisfactorily completed as of the date of written notice of termination. Consultant shall maintain adequate logs and timesheets to verify costs incurred to that date.

2.9 Authorization to Perform Services. The Consultant is not authorized to perform any services or incur any costs whatsoever under the terms of this Agreement until receipt of authorization from the Contract Administrator.

Section 4. INSURANCE REQUIREMENTS. Before beginning any work under this Agreement, Consultant, at its own cost and expense, unless otherwise specified below, shall procure the types and amounts of insurance listed below against claims for injuries to persons or damages to property that may arise from or in connection with the performance of the work hereunder by the Consultant and its agents, representatives, employees, and subcontractors. Consistent with the following provisions, Consultant shall provide proof satisfactory to City of such insurance that meets the requirements of this section and under forms of insurance satisfactory in all respects, and that such insurance is in effect prior to beginning work to the City. Consultant shall maintain the insurance policies required by this section throughout the term of this Agreement. The cost of such insurance shall be included in the Consultant's bid. Consultant shall not allow any subcontractor to commence work on any subcontract until Consultant has obtained all insurance required herein for the subcontractor(s) and provided evidence that such insurance is in effect to City. Verification of the required insurance shall be submitted and made part of this Agreement prior to execution. Consultant shall maintain all required insurance listed herein for the duration of this Agreement.

4.1 Workers' Compensation. Consultant shall, at its sole cost and expense, maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any

and all persons employed directly or indirectly by Consultant. The Statutory Workers' Compensation Insurance and Employer's Liability Insurance shall be provided with limits of not less than $1,000,000 per accident. In the alternative, Consultant may rely on a self-insurance program to meet those requirements, but only if the program of self-insurance complies fully with the provisions of the California Labor Code. Determination of whether a self-insurance program meets the standards of the Labor Code shall be solely in the discretion of the Contract Administrator.

4.2 Commercial General and Automobile Liability Insurance.

4.2.1 General requirements. Consultant, at its own cost and expense, shall maintain commercial general and automobile liability insurance for the term of this Agreement in an amount not less than $1,000,000 per occurrence, combined single limit coverage for risks associated with the work contemplated by this Agreement. If a Commercial General Liability Insurance or an Automobile Liability form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit. Such coverage shall include but shall not be limited to, protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from activities contemplated under this Agreement, including the use of owned and non-owned automobiles.

4.2.2 Minimum scope of coverage. Commercial general coverage shall be at least as broad as Insurance Services Office Commercial General Liability occurrence form CG 0001 (most recent edition) covering comprehensive General Liability on an "occurrence" basis. Automobile coverage shall be at least as broad as Insurance Services Office Automobile Liability form CA 0001 (most recent edition), Code 1 (any auto). No endorsement shall be attached limiting the coverage.

4.2.3 Additional requirements. Each of the following shall be included in the insurance coverage or added as a certified endorsement to the policy:

a. The Insurance shall cover on an occurrence or an accident basis, and not on a claims-made basis.

b. City, its officers, officials, and employees, are to be covered as additional insured as respects: liability arising out of work or operations performed by or on behalf of the Consultant; or automobiles owned, leased, hired, or borrowed by the Consultant

c. For any claims related to this Agreement or the work hereunder, the Consultant's insurance covered shall be primary insurance as respects the City, its officers, officials, and employees,. Any insurance or self-

insurance maintained by the City, its officers, officials, or employees shall be excess of the Consultant's insurance and shall not contribute with it.

d. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after prior written notice has been provided to the City per standard ISO ACORD form wording.

4.3 Professional Liability Insurance.

4.3.1 General requirements. Consultant, at its own cost and expense, shall maintain for the period covered by this Agreement professional liability insurance for licensed professionals performing work pursuant to this Agreement in an amount not less than $1,000,000 covering the licensed professionals' negligent errors and omissions. Any deductible or self-insured retention shall not exceed $150,000 per claim.

4.3.2 Claims-made limitations. The following provisions shall apply if the professional liability coverage is written on a claims-made form:

a. The retroactive date of the policy must be shown and must be before the date of the Agreement.

b. Insurance must be maintained and evidence of insurance must be provided for at least two years after completion of the Agreement or the work, so long as commercially available at reasonable rates.

c. If coverage is canceled or not renewed and it is not replaced with another claims-made policy form with a retroactive date that precedes the date of this Agreement, Consultant must purchase an extended period coverage for a minimum of two years after completion of work under this Agreement.

4.4 All Policies Requirements.

4.4.1 Acceptability of insurers. All insurance required by this section is to be placed with insurers with a Bests' rating of no less than A:VII.

4.4.2 Verification of coverage. Prior to beginning any work under this Agreement, Consultant shall furnish City with certificates of insurance evidencing required policies delivered to Consultant by the insurer, including complete copies of all endorsements attached to those certificates. If the City does not receive the required insurance documents prior to the Consultant beginning work, it shall not waive the Consultant's obligation to provide them. The City reserves the right to require complete copies of all required insurance policies in the event of a claim.

4.4.3 Deductibles and Self-Insured Retentions. Consultant shall disclose to and obtain the written approval of City for the self-insured retentions and deductibles before beginning any of the services or work called for by any term of this Agreement.

4.4.4 Wasting Policies. Except for Professional Liability insurance policy, no policy required by this Section 4 shall include a "wasting" policy limit (i.e. limit that is eroded by the cost of defense).

4.4.5 Waiver of Subrogation. With respect to Commercial General and Auto Liability insurance coverage only, Consultant hereby agrees to waive subrogation which any insurer or contractor may require from vendor by virtue of the payment of any loss. Consultant agrees to obtain any endorsements that may be necessary to affect this waiver of subrogation.

4.4.6 Subcontractors. Consultant shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

4.5 Remedies. In addition to any other remedies City may have if Consultant fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, City may, at its sole option exercise any of the following remedies, which are alternatives to other remedies City may have and are not the exclusive remedy for Consultant's breach:

- Obtain such insurance and deduct and retain the amount of the premiums for such insurance from any sums due under the Agreement;
- Order Consultant to stop work under this Agreement or withhold any payment that becomes due to Consultant hereunder, or both stop work and withhold any payment, until Consultant demonstrates compliance with the requirements hereof; and/or
- Terminate this Agreement.

Section 5. INDEMNIFICATION AND CONSULTANT'S RESPONSIBILITIES.

Consultant shall indemnify, defend, and hold harmless City and its officers, officials, employees, and authorized agents from and against any and all liability, loss, damage, claims, expenses, and costs (including without limitation, attorney's fees and costs and fees of litigation) (collectively, "Liability") to the extent caused by Consultant's negligence or willful misconduct in its performance of the Services or its failure to comply with any of its obligations contained in this Agreement, except such Liability caused by the negligence or willful misconduct of City.

The Consultant's obligation to defend and indemnify, to the extent caused by Consultant's negligence or willful misconduct, shall not be excused because of the Consultant's inability to evaluate Liability or because the Consultant evaluates Liability and determines that the Consultant is not liable to the claimant. The Consultant must respond within 30 days, to the tender of any claim for defense and indemnity by the City, unless this time has been extended by the City. If the Consultant fails to accept or reject a tender of defense and indemnity within 30 days, in addition to any other remedy authorized by law, so much of the money due the Consultant under and by virtue of this Agreement as shall reasonably be considered necessary by the City, may be retained by the City until disposition has been made of the claim or suit for damages, or until the Consultant accepts or rejects the tender of defense, whichever occurs first.

Neither party to this Agreement shall be liable to the other party or any third party claiming through the other respective party, for any special, incidental, indirect, punitive, liquidated, delay or consequential damages of any kind including but not limited to lost profits or use of property, facilities or resources, that may result from this Agreement, or out of any goods or services furnished hereunder.

Notwithstanding the forgoing, to the extent this Agreement is a "construction contract" as defined by California Civil Code Section 2782, as may be amended from time to time, such duties of consultant to indemnify shall not apply when to do so would be prohibited by California Civil Code Section 2782.

In the event that Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of City, Consultant shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

Section 6. STATUS OF CONSULTANT.

6.1 Independent Contractor. At all times during the term of this Agreement, Consultant shall be an independent contractor and shall not be an employee of City. City shall have the right to control Consultant only insofar as the results of Consultant's services rendered pursuant to this Agreement and assignment of personnel pursuant to Subparagraph 1.3; however, otherwise City shall not have the right to control the means by which Consultant accomplishes services rendered pursuant to this Agreement. Notwithstanding any other City, state, or federal policy, rule, regulation, law, or ordinance to the contrary, Consultant and any of its employees, agents, and subcontractors providing services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in the California Public Employees Retirement System (PERS) as an employee of City and entitlement to any contribution to be paid by City for employer contributions and/or employee contributions for PERS benefits.

6.2 Consultant Not an Agent. Except as City may specify in writing, Consultant shall have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an

agent. Consultant shall have no authority, express or implied, pursuant to this Agreement to bind City to any obligation whatsoever.

Section 7. LEGAL REQUIREMENTS.

7.1 Governing Law. The laws of the State of California shall govern this Agreement.

7.2 Compliance with Applicable Laws. Consultant and any subcontractors shall comply with all laws applicable to the performance of the work hereunder.

7.3 Other Governmental Regulations. To the extent that this Agreement may be funded by fiscal assistance from another governmental entity, Consultant and any subcontractors shall comply with all applicable rules and regulations to which City is bound by the terms of such fiscal assistance program.

7.4 Licenses and Permits. Consultant represents and warrants to City that Consultant and its employees, agents, and any subcontractors have all licenses, permits, qualifications, and approvals of whatsoever nature that are legally required to practice their respective professions. Consultant represents and warrants to City that Consultant and its employees, agents, any subcontractors shall, at their sole cost and expense, keep in effect at all times during the term of this Agreement any licenses, permits, and approvals that are legally required to practice their respective professions. In addition to the foregoing, Consultant and any subcontractors shall obtain and maintain during the term of this Agreement valid Business Licenses from City.

7.5 Nondiscrimination and Equal Opportunity. Consultant shall not discriminate, on the basis of a person's race, religion, color, national origin, age, physical or mental handicap or disability, medical condition, marital status, sex, or sexual orientation, against any employee, applicant for employment, subcontractor, bidder for a subcontract, or participant in, recipient of, or applicant for any services or programs provided by Consultant under this Agreement. Consultant shall comply with all applicable federal, state, and local laws, policies, rules, and requirements related to equal opportunity and nondiscrimination in employment, contracting, and the provision of any services that are the subject of this Agreement, including but not limited to the satisfaction of any positive obligations required of Consultant thereby.

Consultant shall include the provisions of this Subsection in any subcontract approved by the Contract Administrator or this Agreement.

Section 8. TERMINATION AND MODIFICATION.

8.1 Termination. City may cancel this Agreement at any time and without cause upon written notification to Consultant.

Consultant may cancel this Agreement upon 30 days' written notice to City and shall include in such notice the reasons for cancellation.

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

8.2 Extension. City may, in its sole and exclusive discretion, extend the end date of this Agreement beyond that provided for in Subsection 1.1. Any such extension shall require a written amendment to this Agreement, as provided for herein. Consultant understands and agrees that, if City grants such an extension, City shall have no obligation to provide Consultant with compensation beyond the maximum amount provided for in this Agreement. Similarly, unless authorized by the Contract Administrator, City shall have no obligation to reimburse Consultant for any otherwise reimbursable expenses incurred during the extension period.

8.3 Amendments. The parties may amend this Agreement only by a writing signed by all the parties.

8.4 Assignment and Subcontracting. City and Consultant recognize and agree that this Agreement contemplates personal performance by Consultant and is based upon a determination of Consultant's unique personal competence, experience, and specialized personal knowledge. Moreover, a substantial inducement to City for entering into this Agreement was and is the professional reputation and competence of Consultant. Consultant may not assign this Agreement or any interest therein without the prior written approval of the Contract Administrator. Consultant shall not subcontract any portion of the performance contemplated and provided for herein, other than to the subcontractors noted in the proposal, without prior written approval of the Contract Administrator.

8.5 Survival. All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating liability between City and Consultant shall survive the termination of this Agreement.

8.6 Options upon Breach by Consultant. If Consultant materially breaches any of the terms of this Agreement, City's remedies shall include, but not be limited to, the following:

8.6.1 Immediately terminate the Agreement;

8.6.2 Retain the plans, specifications, drawings, reports, design documents, and any other work product prepared by Consultant pursuant to this Agreement;

8.6.3 Retain a different consultant to complete the work described in Exhibit "A" not finished by Consultant; or

8.6.4 Charge Consultant the difference between the cost to complete the work described in Exhibit "A" that is unfinished at the time of breach and the amount that City would have paid Consultant pursuant to Section 2 if Consultant had completed the work.

Section 9. KEEPING AND STATUS OF RECORDS.

9.1 Records Created as Part of Consultant's Performance. All reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that Consultant prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder shall be the property of the City. Consultant hereby agrees to deliver those documents to the City upon termination of the Agreement. It is understood and agreed that the documents and other materials, including but not limited to those described above, prepared pursuant to this Agreement are prepared specifically for the City and are not necessarily suitable for any future or other use. City and Consultant agree that, until final approval by City, all data, plans, specifications, reports and other documents are confidential and will not be released to third parties without prior written consent of both parties. Consultant not liable for any re-use of documents other than their intended purpose.

9.2 Consultant's Books and Records. Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services or expenditures and disbursements charged to the City under this Agreement for a minimum of 3 years, or for any longer period required by law, from the date of final payment to the Consultant to this Agreement.

9.3 Inspection and Audit of Records. Any records or documents that Section 9.2 of this Agreement requires Consultant to maintain shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of the City. Under California Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds $10,000.00, the Agreement shall be subject to the examination and audit of the State Auditor, at the request of City or as part of any audit of the City, for a period of 3 years after final payment under the Agreement.

Section 10 MISCELLANEOUS PROVISIONS.

10.1 Attorneys' Fees. If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.

10.2 Venue. In the event that either party brings any action against the other under this Agreement, the parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of Merced or in the United States District Court for the Eastern District of California.

10.3 Severability. If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

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

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

10.6 Use of Recycled Products. Consultant shall prepare and submit all reports, written studies and other printed material on recycled paper to the extent it is available at equal or less cost than virgin paper.

10.7 Conflict of Interest. Consultant may serve other clients, but none whose activities within the corporate limits of City or whose business, regardless of location, would place Consultant in a "conflict of interest," as that term is defined in the Political Reform Act, codified at California Government Code Section 81000 *et seq.*

Consultant shall not employ any City official in the work performed pursuant to this Agreement. No officer or employee of City shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.*

Consultant hereby warrants that it is not now, nor has it been in the previous 12 months, an employee, agent, appointee, or official of the City. If Consultant was an employee, agent, appointee, or official of the City in the previous twelve months, Consultant warrants that it did not participate in any manner in the forming of this Agreement. Consultant understands that, if this Agreement is made in violation of Government Code § 1090 *et seq.*, the entire Agreement is void and Consultant will not be entitled to any compensation for services performed pursuant to this Agreement, including reimbursement of expenses, and Consultant will be required to reimburse the City for any sums paid to the Consultant. Consultant understands that, in addition to the foregoing, it may be subject to criminal prosecution for a violation of Government Code § 1090 and, if applicable, will be disqualified from holding public office in the State of California.

10.8 Solicitation. Consultant agrees not to solicit business at any meeting, focus group, or interview related to this Agreement, either orally or through any written materials.

10.9 Contract Administration. This Agreement shall be administered by *Community Development Director McBride* ("Contract Administrator"). All correspondence shall be directed to or through the Contract Administrator or his or her designee.

10.10 Notices. Any written notice to Consultant shall be sent to:

NORTHSTAR ENGINEERING GROUP, INC.
620 12th Street
Modesto, CA 95354

Any written notice to City shall be sent to:

Community Development Director
Scott McBride
750 Bellevue Road
Atwater, CA 95301

10.11 Professional Seal. Where applicable in the determination of the contract administrator, the first page of a technical report, first page of design specifications, and each page of construction drawings shall be stamped/sealed and signed by the licensed professional responsible for the report/design preparation. The stamp/seal shall be in a block entitled "Seal and Signature of Registered Professional with report/design responsibility," as in the following example.

_____ Seal and Signature of Registered Professional with report/design responsibility.

10.12 Integration. This Agreement, including the Scope of Services attached hereto and incorporated herein as Exhibit "A" and the Fee Schedule attached hereto and incorporated herein as Exhibit "B", represents the entire and integrated agreement between City and Consultant and supersedes all prior negotiations, representations, or agreements, either written or oral.

10.13 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

[SIGNATURES ON FOLLOWING PAGE]

The Parties have executed this Agreement as of the Effective Date.

CITY OF ATWATER

_____
Frank Pietro,
City Manager

Attest:

_____
Jeanna Del Real, CMC
City Clerk

Approved as to Form:

_____
Thomas Terpstra,
City Attorney

CONSULTANT

_____
NORTHSTAR ENGINEERING GROUP, Inc.

Scope of Services

City of Atwater
On-Call General Engineering Services

Background

The City of Atwater (City) has requested for NORTHSTAR ENGINEERING GROUP, INC., Inc. to provide on-call general engineering services to the City.

Scope of Services

Engineering services to be performed by NORTHSTAR ENGINEERING GROUP, INC., Inc. on an as-needed basis as provided herein may include, but are not limited to:

Professional Services:

Civil Engineering

- Plan checking for new residential subdivisions, commercial, and industrial improvement projects.
- Hydraulic analysis of the City's water, sewer, and storm drainage facilities.
- Evaluating the City's utilities.
- Engineering services or field engineering work on the City's public facility construction projects.
- Mapping and surveying.
- Preparing engineering calculations and analyses.
- Opinion of probable construction costs.
- Special study work on specific projects.
- Engineering work related to construction projects, including design, surveying, office engineering services during construction, and construction contract administration or construction management.
- Performing inspections.
- Street and Road Design.
- Infrastructure Master Plans and Fee Studies.

Construction Related Services

- Construction Management.
- Construction Observation (No Testing).
- Project Coordination.
- Contract Administration.
- Scheduling and Cost Estimating.

Survey

- Topographic, ALTA, Boundary Surveys.
- Construction Staking.
- Right-of-way Acquisitions.
- Parcels Maps.
- Aerial Photography Coordination.

Compensation for Services

NORTHSTAR ENGINEERING GROUP, INC. will perform the services described above on a time and materials basis in accordance with the attached Hourly Rate Schedule. The City will be billed monthly for all work performed during the previous month using the attached Hourly Rate Schedule, (Exhibit B) which is attached hereto and made a part of this Agreement.

Opinions of Probable Construction Cost

Any opinion of probable construction cost prepared by the NORTHSTAR ENGINEERING GROUP, INC. represents a judgment as a professional and is supplied for the general guidance of the City. Since NORTHSTAR ENGINEERING GROUP, INC. has no control over the cost of labor and material, or over competitive bidding or market conditions, NORTHSTAR ENGINEERING GROUP, INC. does not guarantee the accuracy of such opinions as compared to contractor bids or actual cost to the City.

Right to Rely

Consistent with the professional standard of care, NORTHSTAR ENGINEERING GROUP, INC. shall be entitled to rely upon the accuracy of data and information provided by the City or others without independent review or evaluation unless specifically required in the Scope of Services. NORTHSTAR ENGINEERING GROUP, INC. will identify areas of potential conflict between existing facilities and points of connection or conflict with proposed improvements. If points of connection or extent of conflict cannot be ascertained from record drawings or by visual observation, the City will pothole the utility and provide information concerning the location of the existing facilities to NORTHSTAR ENGINEERING GROUP, INC.. This information will be incorporated into the design of the improvements.

Disk Files

Disk files or CD-ROM files delivered to the City shall not include the professional stamp or signature of an engineer. The City agrees that NORTHSTAR ENGINEERING GROUP, INC. shall not be liable for claims, liabilities or losses arising out of, or connected with (a) the modification or misuse by the City or anyone authorized by the City of such files; (b) the decline of accuracy or readability of such files due to inappropriate storage conditions or duration; or (c) any use by the City or anyone authorized by the City of such files for any other project, excepting only such use as is authorized, in writing, by NORTHSTAR ENGINEERING GROUP, INC..

Asbestos or Hazardous Material

In providing its services described herein, NORTHSTAR ENGINEERING GROUP, INC. shall not be responsible for identification, handling, containment, abatement, or in any other respect, for any asbestos or hazardous material if such is present in connection with the project. However, in the event that NORTHSTAR ENGINEERING GROUP, INC. becomes aware of the presence of asbestos or hazardous material at the jobsite, NORTHSTAR ENGINEERING GROUP, INC. shall immediately notify the City, who

shall then be entitled to cease any of its services that may be affected by such presence, without any liability to the City arising therefrom.

Construction Safety

The City agrees that in accordance with generally accepted construction practices, the construction contractor will be required to assume sole and complete responsibility for job site conditions during the course of construction of the project, including safety of all persons and property, and that this requirement shall be made to apply continuously and not be limited to normal working hours. NORTHSTAR ENGINEERING GROUP, INC. shall not have control over or charge of, and shall not be responsible for, construction means, methods, techniques, sequences or procedures, as these are solely the responsibility of the construction contractor. NORTHSTAR ENGINEERING GROUP, INC. shall not have the authority to stop or reject the work of the construction contractor.

Contractor Indemnification/Insurance

The City will include in the general conditions of any construction contract, language which states that the construction contractor is required to hold harmless and defend the City, NORTHSTAR ENGINEERING GROUP, INC., and their agents, employees and consultants, from all suits and actions, including attorneys' fees, and all costs of litigation and judgments of any nature and description arising out of or incidental to the performance of the construction contract or work performed thereunder. The City, NORTHSTAR ENGINEERING GROUP, INC., their agents, employees and consultants shall also be named as additional insureds in any construction contractor's insurance policies.

Additional Services

NORTHSTAR ENGINEERING GROUP, INC. shall be compensated by City for additional services provided by NORTHSTAR ENGINEERING GROUP, INC. as requested in writing by City in accordance with the Hourly Rate Schedule in effect at the time of performance of the additional services and subject to any maximum amount mutually agreed to in writing.

Client's Initials_____ Consultant's Initials_____

NorthStar Engineering Group, Inc.
620 12th Street
Modesto, CA 95354
(209) 524-3525 Phone
(209) 524-3526 Fax

RATE SCHEDULE

Engineering:

PRINCIPAL	$165.00
CIVIL ENGINEER	$135.00
PROJECT MANAGER	$135.00
DESIGNER III	$115.00
DESIGNER II	$110.00
DESIGNER I	$105.00
DRAFTER / CAD III	$100.00
DRAFTER/CAD II	$95.00
DRAFTER/CAD I	$90.00

Surveying:

PRINCIPAL	$165.00
LAND SURVEYOR	$135.00
LAND SURVEYOR ASSISTANT	$125.00
SURVEY CREW COORDINATOR	$110.00
ONE-MAN SURVEY CREW	$155.00
TWO-MAN SURVEY CREW	$215.00

Planning:

PRINCIPAL	$165.00
PLANNER	$135.00

Field Services:

CONSTRUCTION OBSERVATION	$145.00

Administration:

CLERICAL	$80.00

Materials:

COST PLUS 10 PERCENT

The above rate schedule is effective through December 31, 2016 and is subject to adjustment January 1, 2017.

NOTE: Overtime and Saturday work will be billed at time and a half and Sunday work will be billed at double time.