



## OROVILLE CITY COUNCIL

Council Chambers  
1735 Montgomery Street  
Regular Meeting

**FEBRUARY 17, 2015**  
**CLOSED SESSION 5:00 P.M.**  
**OPEN SESSION 6:00 P.M.**  
**AGENDA**

*“Oroville - California's best opportunity for a safe and diverse quality of life”*

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### **CLOSED SESSION (5:00 P.M.)**

#### **ROLL CALL**

Council Members Berry, Del Rosario, Hatley, Pittman, Simpson, Vice Mayor Wilcox, Mayor Dahlmeier

### **CONVENE TO CLOSED SESSION (ITEMS LISTED ON PAGE NO. 6 AND 7)**

### **RECONVENE TO OPEN SESSION**

### **OPEN SESSION (6:00 P.M.)**

### **PLEDGE OF ALLEGIANCE**

### **PROCLAMATION / PRESENTATION** - None

### **RECOGNITION OF INDIVIDUALS WHO WISH TO SPEAK ON AGENDA ITEMS**

This is the time the Mayor will invite anyone in the audience wishing to address the Council on a matter that is on the agenda to state your name and the agenda item on which you wish to speak. When that item comes up on the agenda, you will be asked to step to the podium, repeat your name for the record, and make your presentation or ask questions regarding the agenda item. Following your remarks, Council and/or staff may respond to your comments or questions. **Presentations are limited to three minutes per person.** Under Government Code Section 54954.3 the time allotted for presentations may be limited.

## CONSENT CALENDAR

1. **APPROVAL OF THE MINUTES OF THE FEBRUARY 3, 2015 REGULAR MEETING OF THE OROVILLE CITY COUNCIL** – minutes attached
2. **AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT WITH R. L. HASTINGS & ASSOCIATES, LLC.** – staff report

The Council may consider an Amendment to the Professional Services Agreement with Roy L. Hastings & Associates, LLC, relating to Labor Standards Monitoring Services for the Chinese Temple Museum Project, extending the term of the Agreement through February 19, 2016. **(Randy Murphy, City Administrator and Amy Bergstrand, Management Analyst III)**

Council Action Requested: **Adopt Resolution No. 8326 – A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE AN AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH ROY L. HASTINGS AND ASSOCIATES, LLC, EXTENDING THE TERM OF THE AGREEMENT THROUGH FEBRUARY 19, 2016, FOR LABOR STANDARDS MONITORING SERVICES RELATING TO THE REPAIRS AND UPGRADES TO THE CHINESE TEMPLE MUSEUM – (Agreement No. 3004-1).**

3. **NON-FORECLOSURE OF CITY-OWNED PROPERTIES** – staff report

The Council may consider the non-foreclosure of City interest on properties located at 3354 Argonaut Avenue (APN 033-481-015), 3463 Morningside Drive (APN 068-310-014) and 2795 Montgomery Street (APN 013-032-006), Oroville, which are not financially feasible for the City to cure the underlying first loan mortgage defaults and payoff of the first mortgage loans. **(Randy Murphy, City Administrator and Amy Bergstrand, Management Analyst III)**

Council Action Requested: **Authorize the non-foreclosure of City loan interest on the properties located at 3354 Argonaut Avenue (APN 033-481-015), 3463 Morningside Drive (APN 068-310-014) and 2795 Montgomery Street (APN 013-032-006), Oroville.**

4. **AMENDMENT TO AGREEMENT WITH FEATHER RIVER RECREATION AND PARK DISTRICT** – staff report

The Council may consider an Amendment to the Agreement with Feather River Recreation and Park District (FRRPD) relating to the Supplemental Benefits Fund grant to FRRPD for Environmental and Design Elements of a portion of the Brad Freeman Trail. **(Randy Murphy, City Administrator and Bob Marciniak SBF Program Specialist)**

Council Action Requested: **Adopt Resolution No. 8327 - A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE AN AMENDMENT TO THE AGREEMENT BETWEEN THE CITY OF OROVILLE AS FUND ADMINISTRATOR OF THE SUPPLEMENTAL BENEFITS FUND AND FEATHER RIVER RECREATION AND PARK DISTRICT, EXTENDING THE TERM OF THE AGREEMENT TO APRIL 1, 2016 – (Agreement No. 3058-1).**

## PUBLIC HEARINGS

5. **AGREEMENT WITH BUTTE COUNTY FOR COLLECTION OF DEVELOPMENT IMPACT FEES OF JAIL FACILITIES** – staff report

The Council will conduct a public hearing and may consider an Agreement with Butte County for collection of the County's existing Jail Facility Development Impact Fee on behalf of the County for new residential construction within the City limits. **(Randy Murphy, City Administrator)**

Council Action Requested:

1. **Adopt Resolution No. 8328 – A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE AN AGREEMENT WITH THE COUNTY OF BUTTE FOR THE COLLECTION OF DEVELOPMENT IMPACT FEES WITHIN THE INCORPORATED AREA OF THE CITY OF OROVILLE FOR JAIL FACILITIES – (Agreement No. 3104).**
2. **Adopt Resolution No. 8329 – A RESOLUTION OF THE OROVILLE CITY COUNCIL APPROVING A 10% ADMINISTRATIVE FEE RELATED TO THE COLLECTION OF BUTTE COUNTY DEVELOPMENT IMPACT FEES FOR ITS JAIL FACILITIES.**

## **REGULAR BUSINESS**

6. **CITY PARTICIPATION IN WORK EXPERIENCE (WEX) AND SKILLS TRAINING AND EMPLOYMENT PROGRAM (STEP) – staff report**

The Council will receive information and a presentation regarding the City's participation in Work Experience (WEX) and Skills Training and Employment Program (STEP) programs and may consider additional direction to staff. **(Randy Murphy, City Administrator and Liz Ehrenstrom, Human Resource Analyst II)**

Council Action Requested: **Provide additional direction to staff regarding continued participation in the Work Experience and Skills Training and Employment Program programs.**

7. **CREATION OF AN ECONOMIC DEVELOPMENT PARTNERSHIP FOR BETTERMENT OF THE GREATER OROVILLE AREA – staff report**

The Council may consider providing funds to create a Value Proposition to be used in conjunction with Oroville Economic Alliance's (OEA) marketing efforts in order to be better prepared for the opportunities that will result from those efforts. **(Randy Murphy, City Administrator)**

Council Action Requested:

1. **Direct staff to continue to participate and cooperate with the local manufacturing economic development partners; *and***
2. **Authorize the expenditure of up to \$50,000, payable to Oroville Economic Development Corporation, Inc., in order to sponsor the creation of a Value Proposition for the greater Oroville Area; *or***
3. **Direct staff to include the expenditure in the fiscal year 2015/16 budget; *or***
4. **Direct staff, as necessary.**

8. **UTILITY AGREEMENT WITH THERMALITO WATER AND SEWER DISTRICT – staff report**

The Council may consider a Utility Agreement with Thermalito Water and Sewer District, relating to the City's Table Mountain Boulevard Roundabout Project. **(Donald Rust, Director of Community Development and Rick Walls, Interim City Engineer)**

Council Action Requested: **Adopt Resolution No. 8330 – A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE A UTILITY AGREEMENT WITH THE THERMALITO WATER AND SEWER DISTRICT RELATING TO THE CITY’S TABLE MOUNTAIN BOULEVARD ROUNDABOUT PROJECT - (Agreement No. 3105).**

**9. 2120 BIRD STREET UNDERGROUND STORAGE TANK ENVIRONMENTAL INVESTIGATION – staff report**

The Council may consider authoring funds for the completion of an underground storage tank environmental investigation at 2120 Bird Street, Oroville. **(Donald Rust, Director of Community Development and Rick Walls, Interim City Engineer)**

Council Action Requested:

- 1. Authorize staff to prepare and issue a Request for Bids for the completion of an underground storage tank environmental investigation at 2120 Bird Street, Oroville.**
- 2. Provide direction to staff regarding the sharing of environmental investigation cost with the property owner of 2120 Bird Street, Oroville.**

**10. AMENDMENT TO AIRPORT GROUND LEASE AGREEMENT WITH BUTTE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT – staff report**

The Council may consider an Amendment to the Airport Ground Lease Agreement with the Butte County Mosquito and Vector Control District (District). **(Donald Rust, Director of Community Development and Rick Walls, Interim City Engineer)**

Council Action Requested:

- 1. Approve a rental option for the Butte County Mosquito and Vector Control District’s Amended Airport Ground Lease Agreement, as indicated in this staff report, dated February 17, 2015; and**
- 2. Adopt Resolution No. 8331 - A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE AN AMENDMENT TO THE AIRPORT GROUND LEASE AGREEMENT WITH THE BUTTE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT - (Agreement No. 3106).**

**11. FUNDING REQUEST FOR FEATHER FIESTA DAYS BY UPSTATE COMMUNITY ENHANCEMENT FOUNDATION ON BEHALF OF THE FEATHER FIESTA DAYS COMMITTEE – staff report**

The Council may consider a funding request from the Upstate Community Enhancement Foundation, on behalf of the Feather Fiesta Days Committee, in the amount of \$2,000, for media support of the annual Feather Fiesta Days, to be held May 9, 2015. **(Randy Murphy, City Administrator)**

Council Action Requested: **Provide direction to staff, as necessary.**

**12. ASSISTANCE REQUEST BY FEATHER RIVER SENIOR CITIZEN’S ASSOCIATION – staff report (Continued from the February 3, 2015 regular City Council agenda)**

The Council may provide direction to staff regarding providing potential assistance to the Feather River Senior Citizen’s Association, in the amount of \$2,646, for their recent building reroofing project located at 1335 Myers Street. **(Randy Murphy, City Administrator)**

Council Action Requested: **Provide direction, as necessary.**

**13. PURCHASE OF NEW CITY STREET SWEEPER – staff report**

The Council may consider the purchase of a new City street sweeper from Municipal Maintenance Equipment, utilizing the competitive bid program through HGACBuy. **(Donald Rust, Director of Community Development and Rick Walls, Interim City Engineer)**

Council Action Requested: **Authorize the purchase of a 2015 Schwarze street sweeper, from Municipal Maintenance Equipment, utilizing the competitive bid program through HGACBuy, for an amount not to exceed \$262,179, plus a 10% contingency and approve the adjustments to the 2014 - 2015 budget, as indicated in the February 17, 2015 staff report.**

**14. REVIEW OF COUNCIL POLICY FOR PLACING ITEMS ON THE CITY COUNCIL AGENDA – staff report**

The Council may consider Amendments to a Council Policy for placing items on the City Council Agenda. **(Scott Huber, City Attorney)**

Council Action Requested: **Adopt modifications to the Council Policy, or direct staff, as necessary.**

**15. MONTHLY SUMMARY OF INVESTMENTS AND MONTHLY FINANCIAL REPORTS FOR JANUARY 2015 – reports attached**

The Council will receive a copy of the Monthly Summary of Investments and the Monthly Financial Reports for January 2015. **(Ruth Wright, Director of Finance)**

Council Action Requested: **Acknowledge receipt of the January 2015 Monthly Summary of Investments and Monthly Financial Reports.**

**SUCCESSOR AGENCY**

**16. ADOPTION OF THE JULY THROUGH DECEMBER 2015 RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 15-16A) AND THE SUCCESSOR AGENCY ADMINISTRATIVE BUDGET – staff report**

The Successor Agency may consider approving the Recognized Obligation Payment Schedule (ROPS 15-16A) for the July 1, 2015 – December 31, 2015 time period, as well as the Successor Agency Administrative Budget. **(Rick Farley, RDA Coordinator)**

Commission Action Requested:

- 1. Adopt Resolution No. 15-02 - A RESOLUTION OF THE SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF OROVILLE ADOPTING THE JULY THROUGH DECEMBER 2015 RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 15-16A) PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177 (m).**
- 2. Adopt Resolution No. 15-03 - A RESOLUTION OF THE SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF OROVILLE ADOPTING THE JULY 1, 2015 THROUGH JUNE 30, 2016 ADMINISTRATIVE BUDGET PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177 (j).**

## **MAYOR/ COUNCIL REPORTS**

**COUNCIL ANNOUNCEMENTS/COMMITTEE REPORTS** (A verbal report may be given regarding any committee meetings attended.)

Executive Committee Report

Chamber of Commerce

Supplemental Benefits Fund Steering Committee

## **CITY ADMINISTRATOR/ ADMINISTRATION REPORTS**

- Public Safety Department – activity report

## **CORRESPONDENCE**

- Phil Moret, received January 29, 2015
- Pacific Gas & Electric Company, received February 2, 2015
- Butte County Tobacco Prevention Coalition, received February 4, 2015
- California Water Service Company, received February 4, 2015

## **HEARING OF INDIVIDUALS ON NON-AGENDA ITEMS**

This is the time the Mayor will invite anyone in the audience wishing to address the Council on a matter not listed on the agenda to step to the podium, state your name for the record and make your presentation. **Presentations are limited to 3 minutes.** Under Government Code Section 54954.2, The Council is prohibited from taking action except for a brief response by the Council or staff to a statement or question relating to a non-agenda item.

## **CLOSED SESSION**

The Council will hold a Closed Session on the following:

1. Pursuant to Government Code Section 54957(b), the Council will meet with Labor Negotiators and City Attorney to consider the evaluation of performance related to the following position: Director of Community Development.
2. Pursuant to Government Code Section 54957(b), the Council will meet with Labor Negotiators and City Attorney to consider the evaluation of performance related to the following position: Public Safety Director.
3. Pursuant to Government Code Section 54957(b), the Council will meet with Labor Negotiators and City Attorney to consider the evaluation of performance related to the following position: City Administrator.
4. Pursuant to Government Code section 54957.6, the Council will meet with Labor Negotiators and City Attorney to discuss labor negotiations for the following represented groups: Oroville City Employees Association, and Oroville Fire Fighters' Association.

5. Pursuant to Government Code section 54956.9(a), the Council will meet with the City Administrator, Director of Community Development, and City Attorney relating to existing litigation: Americanwest Bank v. Oroville Economic and Community Development Corp., et al., Butte County Superior Court, Case No. 161808.
6. Pursuant to Government Code section 54956.9(a), the Council will meet with the City Administrator, Director of Community Development, Chief of Police, and the City Attorney relating to existing litigation: Pacific Gas and Electric Company v. Save Oroville Trees, et al., Butte County Superior Court, Case No. 163598, and consolidated actions.
7. Pursuant to Government Code section 54956.9(a), the Council will meet with the City Administrator, and the City Attorney relating to existing litigation: Diane MacMillan v. City of Oroville, et al., Butte County Superior Court, Case No. 163806.
8. Pursuant to Government Code section 54956.9(d), the Council will meet with the City Administrator and the City Attorney regarding potential litigation – three cases.

## **ADJOURNMENT**

The meeting will be adjourned. A regular meeting of the Oroville City Council will be held on Tuesday, March 3, 2015 at 5:00 p.m.

*Accommodating Those Individuals with Special Needs* – In compliance with the Americans with Disabilities Act, the City of Oroville encourages those with disabilities to participate fully in the public meeting process. If you have a special need in order to allow you to attend or participate in our public meetings, please contact the City Clerk at (530) 538-2535, well in advance of the regular meeting you wish to attend, so that we may make every reasonable effort to accommodate you. Documents distributed for public session items, less than 72 hours prior to meeting, are available for public inspection at City Hall, 1735 Montgomery Street, Oroville, California.

**CITY COUNCIL MEETING MINUTES  
FEBRUARY 3, 2015 – 5:00 P.M.**

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The agenda for the February 3, 2015 regular meeting of the Oroville City Council was posted on the bulletin board at the front of City Hall and on the City of Oroville's website located at [www.cityoforoville.org](http://www.cityoforoville.org) on Friday, January 30, 2015, at 5:00 p.m.

The February 3, 2015 regular meeting of the Oroville City Council was called to order by Mayor Dahlmeier at 5:04 p.m.

**ROLL CALL**

Present: Council Members Berry, Del Rosario, Hatley, Pittman, Simpson, Vice Mayor Wilcox,  
Mayor Dahlmeier

Absent: None

**Staff Present:**

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Randy Murphy, City Administrator  
Bill La Grone, Director of Public Safety  
Donald Rust, Director of Community Development  
Allen Byers, Assistant Police Chief  
Dean Hill, Jr., Assistant Fire Chief

Scott Huber, City Attorney  
Jamie Hayes, Assistant City Clerk  
Ruth Wright, Director of Finance  
Karolyn Fairbanks, Treasurer

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**PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by Girl Scout Troop 70251 including, Lily Kingsbury, Avielle Worden, Libeay Durbin, Jaidyn Gramps, Taylor Jones and Sydney Edwards.

**PROCLAMATION / PRESENTATION**

Mayor Dahlmeier conducted an Oath of Office for Reserve Police Officer Marnie Gedney. Police Chief Bill La Grone presented Officer Gedney with a Police badge.

Mayor Dahlmeier presented Allysa Cozine, Catalyst Domestic Violence Services, with a Proclamation recognizing February 2015 as Teen Dating Violence Awareness Month.

Jamie Hayes, Assistant City Clerk, gave a presentation relating to the City Clerk's Office.

**RECOGNITION OF INDIVIDUALS WHO WISH TO SPEAK ON AGENDA ITEMS**

Mary Cirnigliaro – Item No. 7

**CONSENT CALENDAR**

A motion was made by Vice Mayor Wilcox, seconded by Council Member Hatley, to approve the following Consent Calendar, with exception to Item No. 2:

- 1. **APPROVAL OF THE MINUTES OF THE JANUARY 20, 2015 REGULAR MEETING OF THE OROVILLE CITY COUNCIL – minutes attached**
- 2. **THIS ITEM WAS REMOVED FROM THE CONSENT CALENDAR (SEE BELOW)**
- 3. **AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT AND REVISED BUDGET WITH PLACEWORKS – staff report**

The Council considered an Amendment to the Professional Services Agreement with PlaceWorks, formerly The Planning Center DC&E, in the amount of \$2,717, for a representative to be present at a public workshop to give a presentation to the City Council and Planning Commission on the Sustainable Code Updates. (Donald Rust, Director of Community Development and Luis Topete, Associate Planner)

Council Action Requested:

- 1. **Adopt Resolution No. 8324 – A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE AN AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH PLACEWORKS, FOR AN ADDITIONAL AMOUNT OF \$2,717, RELATING TO A PUBLIC WORKSHOP PRESENTATION REGARDING SUSTAINABLE CODE UPDATES – (Agreement No. 3019-3); and**
- 2. **Direct staff to reflect any necessary changes to the 2014/15 Final Budget.**

The motion was passed by the following vote:

Ayes: Council Members Berry, Del Rosario, Hatley, Pittman, Simpson, Vice Mayor Wilcox, Mayor Dahlmeier  
 Noes: None  
 Abstain: None  
 Absent: None

**ITEMS REMOVED FROM THE CONSENT CALENDAR**

- 2. **REQUEST FOR USE OF THE POLICE K-9 TRAINING FIELD – staff report**

The Council considered a request by Tiffany Thompson-Damm to access the City’s Police K-9 training field at the Table Mountain Golf Course in exchange for in-kind services of maintenance and repair to the field and its equipment. (Donald Rust, Director of Community Development and Luis Topete, Associate Planner)

At the request of Council Member Hatley, this item was removed from the Consent Calendar for questions, which were answered by staff.

Following discussion, a motion was made by Council Member Hatley, seconded by Council

Member Simpson, to:

**Authorize Tiffany Thompson-Damm to access the City's Police K-9 training field for one (1) year in exchange for in-kind services of maintenance and repairs to the field and equipment.**

The motion was passed by the following vote:

Ayes: Council Members Berry, Del Rosario, Hatley, Pittman, Simpson, Vice Mayor  
Wilcox, Mayor Dahlmeier  
Noes: None  
Abstain: None  
Absent: None

## **PUBLIC HEARINGS**

### **4. STORMWATER MANAGEMENT ORDINANCE – staff report**

The Council conducted a public hearing and considered a draft Stormwater Management Ordinance regarding the addition of Chapter 27 to the Oroville Municipal Code relating to Stormwater Management. **(Donald Rust, Director of Community Development and Rick Walls, Interim City Engineer)**

Mayor Dahlmeier opened the public hearing. Hearing no comments or questions from the audience, the public hearing was closed.

Following discussion, a motion was made by Vice Mayor Wilcox, seconded by Council Member Pittman, to:

**Waive the first reading and introduce by title only, Ordinance No. 1807 – AN ORDINANCE OF THE OROVILLE CITY COUNCIL ADDING CHAPTER 27 TO THE MUNICIPAL CODE OF THE CITY OF OROVILLE RELATING TO STORMWATER MANAGEMENT.**

The motion was passed by the following vote:

Ayes: Council Members Berry, Del Rosario, Hatley, Pittman, Simpson, Vice Mayor  
Wilcox, Mayor Dahlmeier  
Noes: None  
Abstain: None  
Absent: None

## **REGULAR BUSINESS**

### **5. APPOINTMENT TO THE CITY OF OROVILLE'S ARTS COMMISSION – staff report**

The Council may consider appointing a Greater Oroville area resident to the City of Oroville's Arts Commission to fill the vacancy created by former Commissioner Monikah Niemczynowicz. **(Randy Murphy, City Administrator and Jamie Hayes, Assistant City Clerk)**

At the request of staff, this item was continued to the March 3, 2015 regular City Council meeting therefore, no action was taken on the following:

**Council Action Requested: Select an appointment to serve on the City of Oroville's Arts Commission for the remainder of former Commissioner Niemczynowicz's term, ending June 30, 2017.**

**6. FEE WAIVER REQUEST BY BUTTE COUNTY – staff report**

The Council considered a fee waiver request by Butte County, in the amount of \$3,600, relating to a right-of-entry for the installation of a fiber optic communication line at the Butte County Hall of Records Construction Project, located on the corner of Nelson Avenue and Del Oro Avenue. **(Donald Rust, Director of Community Development and Rick Walls, Interim City Engineer)**

Following discussion, Council directed staff to return with additional information relating to the the installation of a fiber optic communication line at the Butte County Hall of Records Construction Project, located on the corner of Nelson Avenue and Del Oro Avenue.

**7. DONATION REQUEST BY FEATHER RIVER SENIOR CITIZEN'S ASSOCIATION – staff report**

The Council provided staff with direction regarding a potential donation to the Feather River Senior Citizen's Association, in the amount of \$2,646, for their recent building reroofing project located at 1335 Myers Street. **(Randy Murphy, City Administrator)**

Mary Cirnigliaro, Feather River Senior Citizen's Association Manager, answered questions pertaining to the recent building reroofing project.

Following discussion, Council directed staff to continue this item to the February 17, 2015 regular City Council meeting for further consideration.

**8. SAMUEL J. NORRIS AWARD FOR EXCELLENCE – staff report**

The Council provided staff with direction on the criteria and location relating to the 2015 Samuel J. Norris Award for Excellence. **(Randy Murphy, City Administrator)**

Following discussion, Council directed staff to limit the retention of nominations to two years and to continue searching for a venue in which to present the annual 2015 Samuel J. Norris Award for Excellence.

**9. WORKSHOP FOR OROVILLE SUSTAINABILITY UPDATES – staff report**

The Council considered directing staff on a time and date to have a joint public workshop between the City Council and Planning Commission for an overview on multiple documents collectively referred to as the "Sustainability Code Updates" which both bodies will be reviewing for a decision within the next two months. **(Donald Rust, Director of Community Development and Luis Topete, Associate Planner)**

Following discussion, Council directed staff to coordinate with the Planning Commission on

a time and date to hold a joint public workshop for an overview on multiple documents collectively referred to as the "Sustainability Code Updates".

**10. CHANGE ORDER FOR PURCHASE OF NEW POLICE VEHICLES, FIRE VEHICLE, AND PUBLIC WORKS VEHICLES – staff report**

The Council considered a change order, in the amount of \$2,585.99, for the vehicle purchase of (1) 2015 Ford F350 Fire vehicle, and (2) 2015 Ford F350 Parks and Trees Dump trucks from Oroville Ford. **(Bill La Grone, Director of Public Safety, Donald Rust, Director of Community Development and Ruth Wright, Director of Finance)**

Following discussion, a motion was made by Vice Mayor Wilcox, seconded by Council Member Berry, to:

**Approve the additional expenditures of \$2,585.99 relating to the vehicle purchase of (1) 2015 Ford F350 Fire vehicle, and (2) 2015 Ford F350 Parks and Trees Dump trucks from Oroville Ford.**

The motion was passed by the following vote:

Ayes: Council Members Berry, Del Rosario, Hatley, Pittman, Simpson, Vice Mayor Wilcox, Mayor Dahlmeier  
Noes: None  
Abstain: None  
Absent: None

**11. ESTABLISHMENT OF ALL CITY OF OROVILLE DEPARTMENT'S TO PARTICIPATE IN THE FEDERAL/STATE SURPLUS PROPERTY PROGRAM – staff report**

The Council considered the establishment of all City of Oroville Department's to participate in the Federal/State Surplus Property Program. **(Donald Rust, Director of Community Development)**

A motion was made by Council Member Pittman, seconded by Council Member Berry, to:

**Adopt Resolution No. 8325 – A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING ALL CITY OF OROVILLE DEPARTMENT'S TO PARTICIPATE IN THE FEDERAL/STATE SURPLUS PROPERTY PROGRAM – (Agreement No. 3103).**

The motion was passed by the following vote:

Ayes: Council Members Berry, Del Rosario, Hatley, Pittman, Simpson, Vice Mayor Wilcox, Mayor Dahlmeier  
Noes: None  
Abstain: None  
Absent: None

**SUCCESSOR AGENCY**

**12. AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT WITH ROSENOW SPEVACEK GROUP, INC. – staff report**

The Commission considered an Amendment to the Professional Services Agreement with Rosenow Spevacek Group, Inc., in an amount not to exceed \$6,500, for administrative and technical services related to the completion of the Housing Element Annual Report for years 2013 and 2014, as well as additional reporting required pursuant to SB 341 – Health and Safety Code 34176.1(f). **(Randy Murphy, City Administrator and Amy Bergstrand, Management Analyst III)**

A motion was made by Commissioner Pittman, seconded by Commissioner Simpson, to:

**Adopt Resolution No. 15-01 – A RESOLUTION OF THE SUCCESSOR AGENCY OF THE FORMER OROVILLE REDEVELOPMENT AGENCY OF THE CITY OF OROVILLE AUTHORIZING AND DIRECTING THE CHAIRPERSON TO EXECUTE AN AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH ROSENOW SPEVACEK GROUP, INC. IN AN AMOUNT NOT TO EXCEED \$6,500, TO PROVIDE ADMINISTRATIVE AND TECHNICAL SERVICES RELATED TO COMPLETING THE 2013 AND 2014 HOUSING ELEMENT ANNUAL REPORT AND IMPLEMENTATION OF SB 341 – (Agreement No. 12-01-03).**

The motion was passed by the following vote:

Ayes:	Commissioners Berry, Del Rosario, Hatley, Pittman, Simpson, Vice Chairperson Wilcox, Chairperson Dahlmeier
Noes:	None
Abstain:	None
Absent:	None

### **MAYOR/ COUNCIL REPORTS**

Council Member Pittman reported his attendance to the Sustainable Groundwater Management Act Workshop and the Butte County Continuum of Care Council meeting.

Vice Mayor Wilcox reported her attendance to the 2015 City Docent Recognition Dinner.

Vice Mayor Wilcox also acknowledged the correspondence letter from the State of California Office of Historic Preservation, relating to the Chinese Temple Museum Complex.

Council Member Hatley made a request for items to be considered at the February 17, 2015 regular City Council meeting.

### **CITY ADMINISTRATOR/ ADMINISTRATION REPORTS**

Director of Public Safety, Bill La Grone, reported that an Annexation meeting would be conducted by Butte County on February 5, 2015

Director of Community Development, Donald Rust, reported that an Annexation meeting would be conducted by Butte County on February 5, 2015 to discuss the City's annexation of South Oroville. In addition, Mr. Rust also announced an Economic Planning and Development Award relating to the Oroville Arts, Culture & Entertainment District from the American Planning Association.

Director of Finance, Ruth Wright gave an update to the City's Credit Card Program and the Accounting Software demonstrations.

City Administrator, Randy Murphy, reported his attendance to the League of California Cities Conference held in San Francisco, CA. Mr. Murphy also reported that the Butte County Selection Committee would be potentially appointing two members to the Airport Land Use Commission on March 12, 2015.

Mr. Murphy made a request for the Council to consider an Ad hoc committee relating to the review of the City Charter.

### **CORRESPONDENCE**

- Butte County Mosquito & Vector Control District, received January 20, 2015
- State of California Office of Historic Preservation, received January 27, 2015
- Housing Authority of the County of Butte, received January 26, 2015

### **RECOGNITION OF INDIVIDUALS WHO WISH TO SPEAK ON NON-AGENDA ITEMS**

Shawn Webber spoke to the Council in regards to the Hope Center volunteering their services to clean-up Hewitt Park.

The following individuals spoke in opposition to the removal of trees along Feather River Boulevard by Pacific Gas & Electric Company:

Bill Williams  
Rob Romaguera  
Judith Elia  
Bill Bynum

Shawn Webber  
Marsha Henderson  
Alan Cartwright  
Gary Sims

Linda Draper  
Don Fultz  
Kevin Thompson  
Greta Howard

### **CLOSED SESSION**

The Council held a Closed Session on the following:

Council Member Berry recused himself from Item No. 3.

Council Member Del Rosario recused herself from Item No. 4.

1. Pursuant to Government Code Section 54957(b), the Council met with Labor Negotiators and City Attorney to consider the evaluation of performance related to the following position: City Administrator.
2. Pursuant to Government Code Section 54956.8, the Council met with Real Property Negotiators, City Administrator and City Attorney, regarding the property identified as 2066 Bird Street, Oroville.
3. Pursuant to Government Code section 54956.9(a), the Council met with the City Administrator, Director of Community Development, and City Attorney relating to existing litigation: Americanwest Bank v. Oroville Economic and Community Development Corp., et al., Butte County Superior Court, Case No. 161808.

4. Pursuant to Government Code section 54956.9(a), the Council met with the City Administrator, Director of Community Development, Chief of Police, and the City Attorney relating to existing litigation: Pacific Gas and Electric Company v. Save Oroville Trees, et al., Butte County Superior Court, Case No. 163598, and consolidated actions.
5. Pursuant to Government Code section 54956.9(b), the Council met with the City Administrator and the City Attorney regarding potential litigation – two cases.

Mayor Dahlmeier announced that no reportable actions had been taken in Closed Session and direction had been given to staff.

### **ADJOURNMENT**

The meeting was adjourned at 9:22 p.m. A regular meeting of the Oroville City Council will be held on Tuesday, February 17, 2015, at 5:00 p.m.

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Randy Murphy, City Clerk

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Linda L. Dahlmeier, Mayor

**OROVILLE CITY COUNCIL  
STAFF REPORT**

**TO: MAYOR AND CITY COUNCIL MEMBERS**

**FROM: RANDY MURPHY, CITY ADMINISTRATOR  
AMY BERGSTRAND, MANAGEMENT ANALYST III**

**RE: AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT WITH R. L.  
HASTINGS & ASSOCIATES, LLC.**

**DATE: FEBRUARY 17, 2015**

**SUMMARY**

The Council may consider an Amendment to the Professional Services Agreement with Roy L. Hastings & Associates, LLC, relating to Labor Standards Monitoring Services for the Chinese Temple Museum Project, extending the term of the Agreement through February 19, 2016.

**DISCUSSION**

On February 19, 2013, Council approved a two (2) year Professional Services Agreement with R.L. Hastings and Associates, LLC., in the amount of \$12,000 to complete the repairs and upgrades to the Chinese Temple Museum. The project was put on hold after the construction bids came in much higher than the Architecture's estimate.

With the funding in place and clearance from the State Office of Historic Properties (SHPO) received, staff is now ready to move the Chinese Temple Museum Project forward.

The current agreement will expire on February 19, 2015. Staff is requesting that the agreement be extended by one (1) year, with the new expiration date of February 19, 2016.

**FISCAL IMPACT**

Funds are available in 2014/15 Fiscal Year Budget in Account No. 150-7000-8559 J13 (CDBG Program Income).

150-7000-8559 - J13                      \$    12,000

## **RECOMMENDATION**

Adopt Resolution No. 8326 – A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE AN AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH ROY L. HASTINGS AND ASSOCIATES, LLC, EXTENDING THE TERM OF THE AGREEMENT THROUGH FEBRUARY 19, 2016, FOR LABOR STANDARDS MONITORING SERVICES RELATING TO THE REPAIRS AND UPGRADES TO THE CHINESE TEMPLE MUSEUM – (Agreement No. 3004-1).

## **ATTACHMENTS**

Resolution No. 8326  
Agreement No. 3004-1

**CITY OF OROVILLE  
RESOLUTION NO. 8326**

**A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE AN AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH ROY L. HASTINGS AND ASSOCIATES, LLC, EXTENDING THE TERM OF THE AGREEMENT THROUGH FEBRUARY 19, 2016, FOR LABOR STANDARDS MONITORING SERVICES RELATING TO THE REPAIRS AND UPGRADES TO THE CHINESE TEMPLE MUSEUM**

**(Agreement No. 3004-1)**

**BE IT HEREBY RESOLVED** by the Oroville City Council as follows:

1. The Mayor is hereby authorized and directed to execute an Amendment to the Professional Services Agreement with R. L. Hastings & Associates, LLC. A copy of the Amendment is attached hereto as Exhibit "A."
  
2. The City Clerk shall attest to the adoption of this Resolution.

**PASSED AND ADOPTED** by the Oroville City Council at a regular meeting on February 17, 2015 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
Linda L. Dahlmeier, Mayor

APPROVED AS TO FORM:

ATTEST:

\_\_\_\_\_  
Scott E. Huber, City Attorney

\_\_\_\_\_  
Randy Murphy, City Clerk

**FIRST AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT NO. 3004  
BETWEEN THE CITY OF OROVILLE AND R.L.HASTINGS AND ASSOCIATES, LLC.**

This First Amendment dated February 17, 2015, is to Agreement No. 3004 between **City of Oroville**, a municipal corporation ("City") and **R. L. Hastings & Associates, LLC**, ("Consultant").

In consideration of the terms and conditions herein, the City and R.L. Hastings and Associates, LLC. agree that Agreement No. 3004 shall be amended as follows:

1. Extension the expiration date by one (1) year to February 19, 2016.
2. Conflicts between the Agreement and this Amendment shall be controlled by this Amendment. All other provisions within Agreement No. 3004 shall remain in full force and effect.

**CITY OF OROVILLE**

**R.L. HASTINGS & ASSOCIATES, LLC**

\_\_\_\_\_  
Linda L. Dahlmeier, Mayor

\_\_\_\_\_  
Roy L. Hastings, Principal

**APPROVED AS TO FORM:**

**ATTEST:**

\_\_\_\_\_  
Scott E. Huber, City Attorney

\_\_\_\_\_  
Randy Murphy, City Clerk

**Agreement No. 3004-1**

**OROVILLE CITY COUNCIL  
STAFF REPORT**

**TO: MAYOR AND CITY COUNCIL**

**FROM: RANDY MURPHY, CITY ADMINISTRATOR  
AMY BERGSTRAND, MANAGEMENT ANALYST III**

**RE: NON-FORECLOSURE OF CITY OWNED PROPERTIES**

**DATE: FEBRUARY 17, 2015**

**SUMMARY**

The Council may consider the non-foreclosure of City interest on properties located at 3354 Argonaut Avenue (APN 033-481-015), 3463 Morningside Drive (APN 068-310-014) and 2795 Montgomery Street (APN 013-032-006), Oroville, which are not financially feasible for the City to cure the underlying first loan mortgage defaults and payoff of the first mortgage loans.

**DISCUSSION**

Staff is seeking authorization from the Council not to take action by initiating foreclosure on these properties where the borrowers obtained a loan through the City of Oroville First Time Home Buyer Program. Due to the fact that there is considerably more owed on these properties than the current market value, it would be better for staff not to pursue curing the defaults. The following are the properties for which staff is presenting for Council consideration:

PROPERTY DESCRIPTION	AMOUNT DUE TO PRIMARY LENDER (includes reinstatement)	AMOUNT OF LOAN	VALUE BASED ON COMPARABLES
Corrine Edwards 3354 Argonaut Avenue	\$124,500	\$93,600	\$145,500
Michael & Tara Beaird 3463 Morningside Drive	\$164,983	\$114,300	\$137,900
Daniel Sanders 2795 Montgomery Street	\$72,300	\$30,489	\$60,500

**FISCAL IMPACT**

There is no general fund impact. The fiscal impact will be the loss of the City loan principal amounts and interest accrued which would have been due at time of payoff, or the principal amounts only which would have been due in 30 years upon maturity of the loan.

CC-3

## **RECOMMENDATIONS**

Authorize the non-foreclosure of City loan interest on the properties located at 3354 Argonaut Avenue (APN 033-481-015), 3463 Morningside Drive (APN 068-310-014) and 2795 Montgomery Street (APN 013-032-006), Oroville.

## **ATTACHMENTS**

2013 – 2015 Non-Foreclosure Totals

## Non-Foreclosures taken to City Council 2013-2015

<b>Date taken to Cc</b>	<b>Borrower</b>	<b>Address</b>	<b>Loan Date</b>	<b>Loan Amt.</b>	<b>Funding Source</b>
<u>2013</u>					
3/15/2013	Love	2 La Cresenta Dr.	9/29/2006	\$50,000.00	RDA
	Martin	1845 Bridge St.	3/16/2006	\$50,000.00	RDA
5/21/2013	Jackson	116 Grand Ave.	9/29/2006	\$96,750.00	HOME PI
10/2/2013	Clyde	110 Pomona Ave.	4/2/2008	\$96,750.00	RDA
	Eller	1645 High St.	3/16/2006	\$50,000.00	RDA
<u>2014</u>					
6/3/2014	Thompson	3040 Clemo Ave.	5/29/2007	\$101,250.00	HOME
6/3/2014	Hamilton	2795 Montgomery St.	11/2/2005	\$90,620.00	HOME
11/18/2014	Braga	2732Spencer Ave.	10/28/2005	\$88,965.00	HOME
11/18/2014	Reynoso	.750 Gardella Ave.	11/15/2005	\$78,750.00	HOME
<u>2015</u>					
2/17/2015	Edwards	3354 Argonaut Ave.	7/13/2006	\$93,600.00	HOME
2/17/2015	Beird	3463 Morningside Dr.	7/24/2007	\$114,300.00	CDBG PI
2/17/2015	Sanders	2795 Montgomery St.	5/27/2003	\$30,489.00	HOME PI
				\$941,474.00	

**OROVILLE CITY COUNCIL  
STAFF REPORT**

**TO: MAYOR AND COUNCIL MEMBERS**

**FROM: RANDY MURPHY, CITY ADMINISTRATOR  
BOB MARCINIAK, SBF PROGRAM SPECIALIST**

**RE: AMENDMENT TO THE AGREEMENT WITH FEATHER RIVER  
RECREATION AND PARK DISTRICT (FRRPD)**

**DATE: FEBRUARY 17, 2015**

**SUMMARY**

The Council may consider an Amendment to the Agreement with Feather River Recreation and Park District (FRRPD) relating to the Supplemental Benefits Fund grant to FRRPD for Environmental and Design Elements of a portion of the Brad Freeman Trail. *(The City Council/Fund Administrator is required to approve the Amendment to the Agreement.)*

**DISCUSSION**

On April 1, 2014, the City authorized an Agreement providing an SBF grant to FRRPD in the amount of \$20,000 for the Environmental and Design Elements of a portion of the Brad Freeman Trail. The Agreement is due to expire on April 1, 2015. FRRPD is requesting consideration to extend the Agreement until April 1, 2016, which will provide ample time to complete the environmental and design elements. The SBF Steering Committee received the request at their February 4, 2015 meeting and recommended approval.

**FISCAL IMPACT**

None – funds have previously been set aside for this grant and approved project.

**RECOMMENDATION**

Adopt Resolution No. 8327 - A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE AN AMENDMENT TO THE AGREEMENT BETWEEN THE CITY OF OROVILLE, AS FUND ADMINISTRATOR OF THE SUPPLEMENTAL BENEFITS FUND, AND FEATHER RIVER RECREATION AND PARK DISTRICT, EXTENDING THE TERM OF THE AGREEMENT TO APRIL 1, 2016 – (Agreement No. 3058-1).

**ATTACHMENTS**

Resolution No. 8327  
Agreement No. 3058-1  
02.04.2015 SBF Minutes Excerpt

CC-4

**CITY OF OROVILLE  
RESOLUTION NO. 8327**

**A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE AN AMENDMENT TO THE AGREEMENT BETWEEN THE CITY OF OROVILLE, AS FUND ADMINISTRATOR OF THE SUPPLEMENTAL BENEFITS FUND, AND FEATHER RIVER RECREATION AND PARK DISTRICT, EXTENDING THE TERM TO APRIL 1, 2016**

**(Agreement No. 3058-1)**

**BE IT HEREBY RESOLVED** by the Oroville City Council as follow:

1. The Mayor is hereby authorized and directed to execute an Amendment to the Agreement with Feather River Recreation and Park District (FRRPD) for a contract extension. A copy of the Amendment is attached as Exhibit "A".
2. The City Clerk shall attest to the adoption of this Resolution.

**PASSED AND ADOPTED** by the Oroville City Council at a regular meeting on February 17, 2015 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
Linda L. Dahlmeier, Mayor

APPROVED AS TO FORM:

ATTEST:

\_\_\_\_\_  
Scott E. Huber, City Attorney

\_\_\_\_\_  
Randy Murphy, City Clerk

**AMENDMENT TO AGREEMENT NO. 3058 BETWEEN THE CITY OF OROVILLE AND FEATHER RIVER RECREATION PARK DISTRICT (FRRPD) FOR ENVIRONMENTAL AND DESIGN ELEMENTS OF A PORTION OF THE BRAD FREEMAN TRAIL (PROJECT)**

This First Amendment dated February 17, 2015 is to Agreement No. 3058 between the City of Oroville ("City") and FRRPD ("Grantee").

In consideration of the terms and conditions herein, the City and FRRPD agree that Agreement No. 3058 shall be amended as follows:

1. Section 3 of the Agreement shall be amended to read: The term of this Agreement will begin on April 1, 2014, and shall terminate on April 1, 2016, or upon completion of the Project, whichever occurs first. The term may be amended only in writing by City and Grantee with the approval of the Supplemental Benefits Fund Steering Committee.
2. Conflicts between the Agreement, the First Amendment, and this Second Amendment shall be controlled by this Second Amendment. All other provisions within Agreement No. 3058 shall remain in full force and effect.

**CITY OF OROVILLE**

**FEATHER RIVER RECREATION & PARKS DISTRICT**

By: \_\_\_\_\_  
Linda L. Dahlmeier, Mayor

By: \_\_\_\_\_  
Ann Willmann, General Manager

**APPROVED AS TO FORM:**

**ATTEST:**

By: \_\_\_\_\_  
Scott E. Huber, City Attorney

By: \_\_\_\_\_  
Randy Murphy, City Clerk

Following discussion, a motion was made by Committee Member Noble, seconded by Committee Member Dahlmeier to nominate Committee Member Victoria Coots as Vice Chairperson.

The motion was passed by the following vote:

Ayes: Committee Members Dahlmeier, Noble, Pittman, Alternate  
Committee Members Emberland and Wilcox.  
Noes: None  
Abstain: None  
Absent: Committee Member Victoria Coots

**CONSENT CALENDAR –**

3. **APPROVAL OF THE MINUTES OF THE OCTOBER 1, 2014, REGULAR MEETING – minutes attached**

COMMITTEE ACTION REQUESTED: **Approve the minutes.**

4. **APPROVAL OF THE MINUTES OF THE JANUARY 8, 2015, REGULAR MEETING – minutes attached**

COMMITTEE ACTION REQUESTED: **Approve the minutes**

5. **REIMBURSEMENT FROM THE SUPPLEMENTAL BENEFITS FUND TO THE CITY OF OROVILLE FOR ADMINISTRATIVE EXPENSES – staff report**

The Committee will consider a request for reimbursement to the City of Oroville, in the amount of \$13,266.20 for the months of October, November and December 2014.

COMMITTEE ACTION REQUESTED: **Authorize the SBF Fund Administrator to sign invoice Transmittal No. 2015-1 for reimbursement in the amount of \$13,266.20.**

6. **REQUEST FROM FEATHER RIVER RECREATION PARK DISTRICT TO EXTEND THE MATURITY OF THE \$20,000 GRANT TO ASSIST IN FUNDING ENVIRONMENTAL AND DESIGN ELEMENTS OF A PORTION OF THE BRAD FREEMAN TRAIL. – minutes attached**

COMMITTEE ACTION REQUESTED: **Approve the request**

**Note:** Item # 6 was pulled by Committee Member Dahlmeier.

After clarification and discussion by Ann Willmann, General Manager FRRPD and Bob Marciniak, SBF Program Specialist of the \$20,000 grant issued on, April 1, 2014, a motion was made by Committee Member Dahlmeier and seconded by Committee Alternate Wilcox to approve the consent calendar.

The motion was passed by the following vote:

Ayes: Committee Members Dahlmeier, (alternate) Wilcox, Noble,  
(alternate) Emberland and Chairperson Pittman  
Noes: None  
Abstain: None  
Absent: Vice Chairperson Coots

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## **REGULAR BUSINESS**

### **7. Review of applications from the 2014 Notice of Funds Available released on November 3, 2014 – staff report (Bob Marciniak, SBF Program Specialist)**

Recognition was given to all speakers who had completed a speaker card for each of the following application requests:

#### **a. Forebay Aquatic Center/Feather River Rowing Club**

Request: Funding of an Event Coordinator and to assist in office expenses for one year

1. Approve the request as submitted (or)
2. Approve the request with modifications (or)
3. Request additional information from the applicant (or)
4. Request a presentation from the applicant at a subsequent meeting(or)
5. Deny the request (or)
6. Provide direction to staff.

#### **b. Table Mountain Golf Course, Inc.**

Request: \$99,166.25 for irrigation improvements to Oroville's largest recreational facility

1. Approve the request as submitted (or)
2. Approve the request with modifications (or)
3. Request additional information from the applicant (or)
4. Request a presentation from the applicant at a subsequent meeting(or)
5. Deny the request (or)
6. Provide direction to staff.

**CITY OF OROVILLE  
STAFF REPORT**

**TO: MAYOR AND CITY COUNCIL MEMBERS**  
**FROM: RANDY MURPHY, CITY ADMINISTRATOR**  
**RE: AGREEMENT WITH BUTTE COUNTY FOR COLLECTION OF  
DEVELOPMENT IMPACT FEES FOR JAIL FACILITIES**  
**DATE: FEBRUARY 17, 2015**

**SUMMARY**

The Council may consider an Agreement with Butte County for collection of the County's existing Jail Facility Development Impact Fee (Jail DIF) on behalf of the County for new residential construction within the City limits.

**DISCUSSION**

The effects of two factors have placed unprecedented pressure on the Butte County Jail. The first is the enacting of the 2011 Public Safety Realignment, which has changed the operation of county jails, including Butte County's, in significant ways. Many offenders who would have previously served their sentence in state prison are now sentenced to County jail, which increases the number of offenders the jail must house. These same offenders who would have prior to the realignment been sent to state prison often have considerably longer sentences than inmates that were typically housed in a county jail, and this decreases the flexibility that the Sheriff has to manage the jail population. This shift in responsibility has pushed the current jail facility beyond its operational limit, and the end result is often that offenders serving time on lesser charges must be released early or given a form of alternative custody in order to make room in the jail for those who have committed more serious offenses. Also, some lower-level offenders who would have served time in the jail before the realignment are booked and released due to insufficient capacity in the facility.

The second factor putting pressure on the Butte County Jail is the population growth of the County. Steady population growth in the County since jail capacity was last expanded in 1994 has resulted in the need for additional housing capacity, even without the effects of the 2011 Public Safety Realignment. When combined, the two factors result in an acute need for additional housing in the jail.

The increased burden that both the realignment and population growth have placed on the County jail has impacted the cities in the County, Oroville included. These factors have hastened an increase in the homeless and transient population in and around the City, as released offenders often have no permanent shelter or prefer to live in an unsupervised environment. Criminals learn that the jail is at capacity and, because of that, may feel that there may be little or no repercussions if they are booked on a misdemeanor, so they may take criminal actions that they otherwise would not. As a result, Citizen's concerns about their personal safety and the safety of their property

have increased and more pressure has been placed on the City's police force. The changes in responsibility brought about by the 2011 Public Safety Realignment are here to stay and the population will continue to increase at a steady rate, so the demands on the current jail facility will only increase over time and further exacerbate the impacts on public safety.

In order to address these public safety issues, the County is developing plans to expand the capacity of the County jail. The County currently collects a Jail DIF on all new residential development in the unincorporated area of the County that will be used to partially fund the eventual jail expansion, but additional ongoing revenue will be required in order to move a project to the construction phase. In order to help fund this project that will benefit all areas of the County, the County has requested that the City of Oroville collect on the County's behalf the County's existing Jail DIF within the City's incorporated limits. The County has also made the same of request of the Town of Paradise and the City of Chico, and plans to make the same request of the cities of Biggs and Gridley in the near future. The Town of Paradise has executed an agreement and the County continues to work with the City of Chico. The principal details of the Agreement are:

- City agrees to collect County's existing Jail DIF within its boundaries on all new residential development
- Agreement only goes into effect once similar agreement executed by each municipality within the County
- Agreement has a ten year term; termination permitted earlier with written notice if County increases fee without the City's written consent

Without an agreement with each municipality in the County to collect the County's Jail DIF, expansion of the jail facility will be decidedly difficult to achieve and the public safety problems caused by insufficient space in which to incarcerate criminals will likely persist and possibly worsen.

Once adopted, City staff must accept the Jail DIF on behalf of the County and remit the funds to them. Consequently, and in keeping with previous Council direction for full cost recovery, staff recommends Council also authorize the addition of a 10% administrative fee in order to help offset the impact to the City's workload.

### **FISCAL IMPACT**

There would be little to no impact to the General Fund if the administrative fee is added. Otherwise, the impact would be for staff time to accept the fee and remit to the County.

## **RECOMMENDATIONS**

1. Adopt Resolution No. 8328 – A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE AN AGREEMENT WITH THE COUNTY OF BUTTE FOR THE COLLECTION OF DEVELOPMENT IMPACT FEES WITHIN THE INCORPORATED AREA OF THE CITY OF OROVILLE FOR JAIL FACILITIES – (Agreement No. 3104).
2. Adopt Resolution No. 8329 – A RESOLUTION OF THE OROVILLE CITY COUNCIL APPROVING A 10% ADMINISTRATIVE FEE RELATED TO THE COLLECTION OF BUTTE COUNTY DEVELOPMENT IMPACT FEES FOR ITS JAIL FACILITIES.

## **ATTACHMENTS**

Resolution No. 8328

Agreement No. 3104

Resolution No. 8329

**CITY OF OROVILLE  
RESOLUTION NO. 8328**

**A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE AN AGREEMENT WITH THE COUNTY OF BUTTE FOR THE COLLECTION OF DEVELOPMENT IMPACT FEES WITHIN THE INCORPORATED AREA OF THE CITY OF OROVILLE FOR JAIL FACILITIES**

**(Agreement No. 3104)**

**BE IT** hereby resolved by the Oroville City Council as follows:

1. The Mayor is hereby authorized and directed to execute an Agreement with the County of Butte for the collection of Development Impact Fees relating to jail facilities. A copy is attached hereto as Exhibit "A".
  
2. The City Clerk shall attest to the adoption of this Resolution.

**PASSED AND ADOPTED** by the Oroville City Council at a regular meeting held on February 17, 2015 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
Linda L. Dahlmeier, Mayor

APPROVED AS TO FORM:

ATTEST:

\_\_\_\_\_  
Scott E. Huber, City Attorney

\_\_\_\_\_  
Randy Murphy, City Clerk

**AGREEMENT BETWEEN THE CITY OF OROVILLE AND THE COUNTY OF BUTTE  
FOR THE COLLECTION OF DEVELOPMENT IMPACT FEES**

**THIS AGREEMENT** is made this 17<sup>th</sup> day of February, 2015, by and between the County of Butte ("County") and the City of Oroville ("City").

**RECITALS:**

**WHEREAS**, the County provides certain public safety services that benefit the residents of both the incorporated and the unincorporated areas of Butte County, including but not limited to incarceration of convicted felons and misdemeanants; and

**WHEREAS**, the County and City wish to ensure adequate public safety facilities including sufficient jail capacity as population increases due to residential development; and

**WHEREAS**, the County has prepared a study that identifies the capacity needs of the county jail now and for a period into the future; and

**WHEREAS**, the County has also prepared a study that reasonably and proportionately relates the cost of jail capacity expansion to residential development in both the unincorporated area of the County and in the incorporated areas of the County and identified the necessary relationships as required by the Mitigation Fee Act (Government Code section 66000 et seq.); and

**WHEREAS**, the County is currently collecting a Development Impact Fee for Jail Facilities upon new residential development within the unincorporated area of the County in order to mitigate impacts on jail facilities resulting from residential development; and

**WHEREAS**, the County and the City desire to address the need to mitigate the impact of new residential growth on the County's jail facility in a manner that is fair and equitable to all residents of the County regardless of where they reside; and

**WHEREAS**, the City finds that residential development within the boundaries of the City contributes to the need for the construction, expansion, and improvement of jail facilities, and that the County has identified said impacts and adopted a development impact fee program for jail facilities that is in conformance with the Mitigation Fee Act; and

**WHEREAS**, the purpose of this agreement is to provide a means for the County to impose Development Impact Fees for Jail Facilities on residential development projects located within the incorporated area of the City to help ensure that the County can adequately meet the jail facility needs of those who reside at such residential developments;

**NOW, THEREFORE**, the parties hereby agree as follows:

## **AGREEMENT**

**I. CONDITION PRECEDENT.** As a condition precedent to this Agreement, County shall have entered into similar agreements with the Town of Paradise, City of Chico, City of Gridley and City of Biggs, municipal corporations within the County of Butte, relating to the collection of the County Development Impact Fee for Jail Facilities.

**II. COUNTY FEE.** Subject to the terms and conditions of this Agreement and the provisions of the Chapter 3, Article II of the Butte County Code, the City agrees that the County may impose the Development Impact Fee for Jail Facilities contained in Chapter 3, Article II of the Butte County Code on all residential development projects within its incorporated boundaries.

**III. FEE AMOUNT; ADJUSTMENT OF FEE.** Exhibit A to this Agreement displays the current fee amount by residential development type as of the date of signing. From time-to-time, County may adjust the amount of the Development Impact Fee for Jail Facilities after documenting that there has been an increase in the cost of acquiring and/or developing jail facilities; in all cases, fee amount collected by City on behalf of County shall be that amount identified in Chapter 3, Article II of the Butte County Code.

**IV. COLLECTION OF COUNTY FEE.** City agrees to collect the Development Impact Fee for Jail Facilities on a City-wide basis at any one of the times permitted by Chapter 3, Article II of the Butte County Code:

- a. The issuance of a building permit for the construction of any new residential building, or for the change in use of a nonresidential building or mobile home to a residential use;
- b. The issuance of an installation or utility connection permit for a mobile home or factory-built home in which such dwelling unit is to be located;  
or
- c. The occupation of such dwelling unit.

City shall transfer to County funds collected pursuant to this agreement on a quarterly basis, beginning after the close of the first entire quarter following the enacting of fee collection.

**V. EXEMPTION FROM FEE.** City agrees to permit exemptions to Fee only in the same manner as County:

- a. Where the structure is owned by a governmental agency;
- b. Where the structure is a building, or is within a building, which is being reconstructed following damage or destruction by fire or other casualty, or the voluntary demolition thereof, provided that the number of structures or the amount of chargeable space in such reconstructed structure is no greater than the number of structures or the amount of

chargeable space in the structure prior to such damage, destruction or demolition;

- c. Where the structure is a temporary mobile home as described in Butte County Code Section 24-295.

**VI. EFFECTIVE DATE.** City shall begin collecting Development Impact Fees for Jail Facilities sixty (60) days from the satisfaction of the condition precedent set forth in Section I of this Agreement.

**VII. SOLE AND EXCLUSIVE METHOD.** This Agreement shall be the sole and exclusive method for imposing and adjusting County Development Impact Fees for Jail Facilities within the incorporated area of the City. The County shall not attempt to impose or collect any Development Impact Fees for Jail Facilities except in accordance with the terms and provisions of this agreement.

**VIII. TERMINATION.** This Agreement shall remain in effect for ten years after the agreement is signed; provided, however, City may terminate this Agreement at any time with a 60 day written notice to County if County increases the Development Impact Fee for Jail Facilities without City's prior written consent.

**IX. INDEMNIFICATION.** Pursuant to Government Code section 895.4, the County agrees to defend, indemnify and hold harmless the City and its elected officials, officers, employees, agents and volunteers from and against any and all claims, damages, demands, losses, defense costs, expenses (including attorneys' fees) and liability of any kind or nature arising out of or alleged to arise out of the performance of this Agreement. In carrying out its obligations under this Section VIII, the County may use legal counsel of its choice.

**X. APPLICABLE LAW AND FORUM.** This Agreement shall be construed and interpreted according to California law and any action to enforce the terms of this Agreement for the breach thereof shall be brought and tried in the County of Butte.

**XI. SUCCESSORS AND ASSIGNS.** This Agreement is binding upon and shall inure to the benefit of the parties hereto and their respective representatives, heirs, predecessors, affiliated entities, transferees, assigns and successors in interest.

**XII. ATTORNEYS' FEES AND COSTS.** In the event of future litigation to enforce this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and costs.

**XIII. SEVERABILITY.** Should any paragraph, clause or provision of this Agreement be construed to be against public policy or determined by a court of competent jurisdiction to be void, invalid or unenforceable, such construction and decisions shall affect only those paragraphs, clauses or provisions so construed or interpreted, and shall in no event affect the remaining paragraphs, clauses or provisions of this Agreement, which shall remain in force.

**XIV. NO THIRD PARTY BENEFICIARIES.** This Agreement is not intended to, and will not be construed to, create any right on the part of any third party to bring an action to enforce any of its terms.

**XV. ENTIRE AGREEMENT; MODIFICATION.** This Agreement is the entire Agreement between the parties with respect to the subject matter hereof and  
**AGREEMENT NO. 3104**

supersedes all prior and contemporaneous oral and written agreements and discussions. This Agreement shall not be amended, except in a writing that is executed by authorized representatives of both parties.

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the day and year first set forth above.

\_\_\_\_\_  
Doug Teeter, Chair  
Butte County Board of Supervisors

\_\_\_\_\_  
Date

\_\_\_\_\_  
Linda L. Dahlmeier, Mayor  
City of Oroville

\_\_\_\_\_  
Date

\_\_\_\_\_  
Randy Murphy, City Clerk  
City of Oroville

\_\_\_\_\_  
Date

Approved as to Form:  
City Attorney

Reviewed for Fiscal Control,  
Subject to Budgetary Appropriation  
Butte County Auditor-Controller

By: \_\_\_\_\_

By: \_\_\_\_\_

Date \_\_\_\_\_

Date \_\_\_\_\_

Approved as to Form:  
County Counsel

By: \_\_\_\_\_

Date \_\_\_\_\_

**EXHIBIT A**

<b>Amount of Impact Fees for Jail Facilities as of the date of Signing:</b>	
<u>Dwelling Unit Type</u>	<u>Fee</u>
Single-Family	\$455.89
Multifamily	\$363.63
Mobile Home	\$372.22

**CITY OF OROVILLE  
RESOLUTION NO. 8329**

**A RESOLUTION OF THE OROVILLE CITY COUNCIL APPROVING A 10% ADMINISTRATIVE FEE RELATED TO THE COLLECTION OF BUTTE COUNTY DEVELOPMENT IMPACT FEES FOR ITS JAIL FACILITIES**

**BE IT** hereby resolved by the Oroville City Council as follows:

1. The Council hereby approves a 10% Administrative Fee to be added to the collection of Jail Impact Fees relating to the Agreement between the City of Oroville and the County of Butte.
2. The City Clerk shall attest to the adoption of this Resolution.

**PASSED AND ADOPTED** by the Oroville City Council at a regular meeting held on February 17, 2015 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
Linda L. Dahlmeier, Mayor

APPROVED AS TO FORM:

ATTEST:

\_\_\_\_\_  
Scott E. Huber, City Attorney

\_\_\_\_\_  
Randy Murphy, City Clerk

**OROVILLE CITY COUNCIL  
STAFF REPORT**

**TO: MAYOR AND COUNCIL MEMBERS**

**FROM: RANDY MURPHY, CITY ADMINISTRATOR  
ELIZABETH EHRENSTROM, HUMAN RESOURCE ANALYST II**

**RE: CITY PARTICIPATION IN WORK EXPERIENCE AND SKILLS TRAINING  
AND EMPLOYMENT PROGRAM**

**DATE: FEBRUARY 17, 2015**

**SUMMARY**

The Council will receive information and a presentation regarding the City's participation in Work Experience (WEX) and Skills Training and Employment Program (STEP) programs and may consider additional direction to staff.

**DISCUSSION**

The City began participating in the WEX and STEP programs during February 2014. There were no known City costs at that time. Participants begin as employees of the program, not the City.

Finance, Parks, Community Development, and Public Safety Departments have been able to participate in these programs. There were seven individuals participating in the City program by the fall of 2014. One former participant also "graduated" to a grant funded City position in the Community Development Department.

Subsequent to our initial entry into the programs staff realized there were some potential costs associated with our continued participation, although within budget and a fraction of the cost of regular City positions. The City will benefit going forward by gaining temporary augmentation to our staff resources at either no cost or a highly subsidized cost.

**Program costs:**

During the first six months, participants receive 100% of their wages and benefits through the WEX program at no City cost. The wage is set at Step A of the most similar City classification. Following the initial six month period, eligible participants may graduate to a program phase which reimburses 100% of their wage for six months, but the City is responsible for some mandatory benefits such as workers compensation, social security, medi-care, and unemployment insurance. There is also a third phase program for the following six months during which, if the participant is retained, the City becomes obligated to pay 50% of the wage and in addition, the same required benefits as the previous phase.

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Staff is also investigating our obligations, if any, under the Affordable Care Act, for participants who are with the City more than one year as well as obligations to PERS for STEP participants in excess of 1,000 hours annually. This will be reported as part of the presentation at the meeting. Staff will also present the number of participants and their status regarding when they would move to the next phase of the program, if retained.

We would be remiss to focus solely on the benefits to the City as these programs are also of great benefit to the participants. Staff has invited current and former participants to briefly describe what these programs have meant to them and their families.

### **FISCAL IMPACT**

There is no fiscal impact for the first six months of the programs. Should Departments wish to continue participation after six months, there will be contributions to the City's Self Insurance Program for unemployment, workers compensation, PERS and other mandatory employer expenses. These costs are estimated at \$300 per participant/per month, exclusive of any additional obligations under the Affordable Care Act. Should a Department plan to extend into the second and third six month periods, every effort will be made to contain the expense within the approved budget, in accordance with Budget Policy No. 16.

Should Supplemental or Budget Adjustments be required, Council action will be required.

### **RECOMMENDATIONS**

Provide additional direction to staff regarding continued participation in the Work Experience and Skills Training and Employment Program programs.

### **ATTACHMENTS**

None

**CITY OF OROVILLE  
STAFF REPORT**

**TO: MAYOR AND CITY COUNCIL MEMBERS**  
**FROM: RANDY MURPHY, CITY ADMINISTRATOR**  
**RE: CREATION OF AN ECONOMIC DEVELOPMENT PARTNERSHIP FOR  
THE BETTERMENT OF THE GREATER OROVILLE AREA**  
**DATE: FEBRUARY 17, 2015**

**SUMMARY**

The Council may consider providing funds to create a Value Proposition to be used in conjunction with Oroville Economic Alliance's (OEA) marketing efforts in order to be better prepared for the opportunities that will result from those efforts.

**DISCUSSION**

As has been previously discussed before the Council, while recognizing that the retail and tourism industries help drive our local economy, the manufacturing industry is the backbone and what sustains it. To that end, several local manufacturing companies have been meeting regularly with City and County staff in order to strategize how best to take our local economy to the next level and finally help Oroville realize its full potential. Ms. Jennifer Macarthy, Butte County Economic and Community Development Manager, is part of the team and will present the attached Powerpoint presentation to the Council, along with a video created by Merlot, the marketing company selected by OEA to help promote the greater Oroville Area.

**FISCAL IMPACT**

There are funds available to allocate the cost between the Community Promotion Fund No. 100 and the Community Economic Enhancement Department.

**RECOMMENDATIONS**

1. Direct staff to continue to participate and cooperate with the local manufacturing economic development partners; *and*
2. Authorize the expenditure of up to \$50,000, payable to Oroville Economic Development Corporation, Inc., in order to sponsor the creation of a Value Proposition for the greater Oroville Area; *or*
3. Direct staff to include the expenditure in the fiscal year 2015/16 budget; *or*
4. Direct staff, as necessary.

**ATTACHMENTS**

Oroville Economic Alliance PowerPoint *(to be received under separate cover)*

**OROVILLE CITY COUNCIL  
STAFF REPORT**

**TO: MAYOR AND COUNCIL MEMBERS  
RANDY MURPHY, CITY ADMINISTRATOR**

**FROM: DONALD RUST, DIRECTOR (530) 538-2433  
RICK WALLS, INTERIM CITY ENGINEER  
COMMUNITY DEVELOPMENT DEPARTMENT**

**RE: UTILITY AGREEMENT WITH THERMALITO WATER AND SEWER  
DISTRICT**

**DATE: FEBRUARY 17, 2015**

**SUMMARY**

The Council may consider a Utility Agreement with Thermalito Water and Sewer District, relating to the City's Table Mountain Boulevard Roundabout Project.

**DISCUSSION**

Design work for the City's Table Mountain Boulevard and Nelson Avenue Roundabout Project (Project) is currently 95% complete. As part of Caltrans' federal grant funding process, utility conflicts and relocations, if present, require an assessment to determine cost liability. The cost for utility relocations can not be paid for using federal grant monies unless the utility company can prove that they have superior right of way occupancy rights.

For the Project, there are three water mains beneath the Project perimeter that the Thermalito Water and Sewer District (TWSD) choose to have removed and replaced. The existing water mains are approaching 100 years of age, and could be damaged during construction, hence the decision to replace. County records show that Table Mountain Boulevard became a public right of way in 1868, prior to when the existing water mains were constructed. Because the City has superior rights for the Table Mountain Boulevard right-of-way, federal law requires that the cost of the water main replacements be paid for by TWSD.

In order for the City to receive a construction funding authorization from Caltrans, a Utility Agreement needs to be executed between the City and TWSD. The attached Utility Agreement outlines the terms under which the utility relocations will occur, which are summarized as follows:

cc-8

1. The water mains will be replaced by the City's roundabout construction contractor based on the City's project plans. TWSD has reviewed and approved the portion of the City's project plans that address the water main replacement work.
2. The water main replacement work will be subject to field inspection by both TWSD and the City.
3. TWSD will pay the City for the actual bid cost of the work to replace the water mains within 90 days after receiving an invoice from the City. In essence, the City will pay the City's roundabout contractor, and the City will be reimbursed by TWSD.

The cost for the water main replacements will be isolated from the remaining Project work as a separate bid item in the Project bid schedule. Although the engineer's estimate for this work is \$86,790, the actual cost based on bids yet received could be somewhat more or less. As stated herein, the City will pay for and be reimbursed by TWSD for only the true and actual bid cost for the work. The attached Utility Agreement contains federally required language and must be used verbatim. Once the Agreement has been executed by the City and TWSD, it will be forwarded to Caltrans as part of the construction funding process.

#### **FISCAL IMPACT**

None at this time. Staff would bring this item back to the Council for funding after the RFB process has been completed and the lowest responsible bid has been selected for the Project.

#### **RECOMMENDATIONS**

Adopt Resolution No. 8330 – A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE A UTILITY AGREEMENT WITH THE THERMALITO WATER AND SEWER DISTRICT RELATING TO THE CITY'S TABLE MOUNTAIN BOULEVARD ROUNDABOUT PROJECT - (Agreement No. 3105).

#### **ATTACHMENTS**

Resolution No. 8330  
Agreement No. 3105

**CITY OF OROVILLE  
RESOLUTION NO. 8330**

**A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING  
THE MAYOR TO EXECUTE A UTILITY AGREEMENT WITH THE THERMALITO WATER  
AND SEWER DISTRICT FOR THE CITY'S TABLE MOUNTAIN BOULEVARD  
ROUNDAABOUT PROJECT**

**(Agreement No. 3105)**

**NOW THEREFORE**, be it hereby resolved by the Oroville City Council as follows:

1. The Mayor is hereby authorized and directed to execute a Utility Agreement with the Thermalito Water and Sewer District for the City's Table Mountain Boulevard Roundabout Project. A copy of the Utility Agreement is attached to this Resolution as "Exhibit A".
  
2. The City Clerk shall attest to the adoption of this Resolution.

**PASSED AND ADOPTED** by the Oroville City Council at a regular meeting on February 17, 2015, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
Linda L. Dahlmeier, Mayor

APPROVED AS TO FORM:

ATTEST:

\_\_\_\_\_  
Scott E. Huber, City Attorney

\_\_\_\_\_  
Randy Murphy, City Clerk

## Exhibit 14-F Utility Agreements

## UTILITY AGREEMENT

CITY OF OROVILLE  
UTILITY AGREEMENT

County	Route	P.M.	Project #
Butte	Table Mt. Blvd.	N/A	CML 5142(032)
Fed. Aid. No. CML 5142(032)			
Owner's File			
FEDERAL PARTICIPATION: On the Project : Yes On the Utilities: No			

## UTILITY AGREEMENT NO. 1

The City of Oroville, hereinafter called "LOCAL AGENCY" proposes to construct a roundabout and other improvements (Project) at the intersection of Table Mountain Boulevard and Nelson Avenue in Oroville, Butte County, California.

And: Thermalito Water and Sewer District

hereinafter called "OWNER," owns and maintains water main facilities; within the limits of LOCAL AGENCY's project that requires relocation of said facilities to accommodate LOCAL AGENCY's project.

It is hereby mutually agreed that:

## I. WORK TO BE DONE:

In accordance with Notice to Owner No. 1 dated February 17, 2015, LOCAL AGENCY shall relocate OWNER's domestic water mains as shown on LOCAL AGENCY's contract plans for the improvement of Table Mountain Boulevard, which by this reference are made a part hereof. OWNER hereby acknowledges review of LOCAL AGENCY's plans for work and agrees to the construction in the manner proposed.

Deviations from the plan described above initiated by either the LOCAL AGENCY or the OWNER, shall be agreed upon by both parties hereto under a Revised Notice to Owner. Such Revised Notices to Owner, approved by the LOCAL AGENCY and acknowledged by the OWNER, will constitute an approved revision of the plan described above and are hereby made a part hereof. No work under said deviation shall commence prior to receipt by the OWNER of the Revised Notice to Owner. Changes in the scope of the work will require an amendment to this Agreement in addition to the revised Notice to Owner. OWNER shall have the right to inspect the work during construction. Upon completion of the work by LOCAL AGENCY, OWNER agrees to accept ownership and maintenance of the constructed facilities and relinquishes to LOCAL AGENCY ownership of the replaced facilities.

## II. LIABILITY FOR WORK

The existing facilities are located within the LOCAL AGENCY's right of way under permit and will be relocated at OWNER's expense under the provisions of Sections (673) and (680) of the Streets and Highways Code.

## III. PERFORMANCE OF WORK

OWNER shall have access to all phases of the relocation work to be performed by LOCAL AGENCY for the purpose of inspection to ensure that the work is in accordance with the specifications contained in the Highway Contract; however, all questions regarding the work being performed will be directed to LOCAL AGENCY's Resident Engineer for their evaluation and final disposition.

Pursuant to Public Works Case No. 2001-059 determination by the California Department of Industrial Relations dated October 25, 2002, work performed by LOCAL AGENCY'S contractor is a public work under the definition of Labor Code Section 1720(a) and is therefore subject to prevailing wage requirements. LOCAL AGENCY shall verify compliance with this requirement in the administration of its contracts referenced above.

## IV. PAYMENT FOR WORK

The OWNER shall pay its share of the actual cost of said work included in the LOCAL AGENCY's highway construction contract within 90 days after receipt of LOCAL AGENCY's bill; compiled on the basis of the actual bid price of said contract. The estimated cost to OWNER for the work being performed by the LOCAL AGENCY's highway contractor is \$86,790.

In the event actual final relocation costs as established herein are less than the sum of money advanced by OWNER to LOCAL AGENCY, LOCAL AGENCY hereby agrees to refund to OWNER the difference between said actual cost and the sum of money so advanced. In the event that the actual cost of relocation exceeds the amount of money advanced to LOCAL AGENCY, in accordance with the provisions of this Agreement, OWNER hereby agrees to reimburse LOCAL AGENCY said deficient costs upon receipt of an itemized bill as set forth herein.

## V. GENERAL CONDITIONS

All costs accrued by OWNER as a result of LOCAL AGENCY's request of 1/13/15 to review, study and/or prepare relocation plans and estimates for the project associated with this Agreement may be billed pursuant to the terms and conditions of this Agreement.

If LOCAL AGENCY's project which precipitated this Agreement is canceled or modified so as to eliminate the necessity of work by OWNER, LOCAL AGENCY will notify OWNER in writing, and LOCAL AGENCY reserves the right to terminate this Agreement by Amendment. The Amendment shall provide mutually acceptable terms and conditions for terminating the Agreement.

It is understood that said highway is a Federal aid highway and accordingly, 23 CFR, Chapter 1, Part 645 is hereby incorporated into this Agreement.

In addition, the provisions of 23 CFR 635.410, Buy America (BA), are also incorporated into this agreement. The BA requirements are further specified in Moving Ahead for Progress in the 21<sup>st</sup> Century (MAP-21), section 1518; 23 CFR 635.410 requires that all manufacturing processes have occurred in the United States for steel and iron products (including the application of coatings) installed on a project receiving funding from the FHWA.

V-11b VENDOR/MANUFACTURER CERTIFICATION METHOD

Owner understands and acknowledges that this project is subject to the requirements of the BA law (23 U.S.C., Section 313) and applicable regulations, including 23 CFR 635.410 and FHWA guidance and will demonstrate BA compliance by collecting written certification(s) from the vendor(s) or by collecting written certification(s) from the manufacturer(s) (the mill test report (MTR)).

All documents obtained to demonstrate BA compliance will be held by the OWNER for a period of three (3) years from the date the final payment was received by the OWNER and will be made available to Caltrans or FHWA upon request.

One set of copies of all documents obtained to demonstrate BA compliance will be attached to, and submitted with, the final invoice.

IN WITNESS WHEREOF, the above parties have executed this Agreement the day and year above written.

**CITY OF OROVILLE**

**THERMALITO WATER AND SEWER DISTRICT**

By: \_\_\_\_\_  
Linda L. Dahlmeier, Mayor

By: \_\_\_\_\_  
Jayme Boucher, General Manager

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**Distribution:** 1) Owner, 2) Utility Coordinator, 3) DLAE –File, 4) District Utility Coordinator – File

**OROVILLE CITY COUNCIL  
STAFF REPORT**

**TO: MAYOR AND COUNCIL MEMBERS  
RANDY MURPHY, CITY ADMINISTRATOR**

**FROM: DONALD RUST, DIRECTOR (530) 538-2433  
RICK WALLS, INTERIM CITY ENGINEER  
COMMUNITY DEVELOPMENT DEPARTMENT**

**RE: 2120 BIRD STREET UNDERGROUND STORAGE TANK  
ENVIRONMENTAL INVESTIGATION**

**DATE: FEBRUARY 17, 2015**

**SUMMARY**

The Council may consider authoring funds for the completion of an underground storage tank environmental investigation at 2120 Bird Street, Oroville.

**DISCUSSION**

As part of the completion of tenant improvements to the building at 2120 Bird Street, in August 2010, an underground fuel oil storage tank (UST) was discovered beneath the sidewalk adjacent to Downer Street. On August 10, 2010, the UST was closed and abandoned in place by the property owner under permit from the Butte County Public Health Department (County). At the time of closure, soil samples were collected beneath the UST for chemical analysis. Because the UST was discovered beneath the public right of way (sidewalk), the County designated the City as the responsible party for the purpose of further investigating hydrocarbons detected in soil during the closure process. The City disagrees with this finding because the City in no way owned, operated or maintained the UST.

The County issued a directive to the City to prepare a Preliminary Site Assessment Workplan to further investigate the hydrocarbon impacts to soil and groundwater. Staff prepared a technical Workplan that has been approved for implementation by the Central Valley Regional Water Control Board (Board). Staff estimates the cost for the work at between \$10,000 and \$13,000. Initially the City was requested to complete the investigation by December 31, 2014. Staff anticipates obtaining a time extension from the Board to complete the investigation after this project is funded.

In order to proceed with the required investigation, staff would issue a Request for Bids (RFB) to licensed environmental engineering firms to complete the investigation work. The approved Workplan calls for the drilling of three (3) soil borings around the old UST

location, the collection of soil and groundwater samples for chemical analyses and the preparation of a summary report of findings.

### **FISCAL IMPACT**

None at this time. If necessary, staff would bring this item back to the Council for funding after the Request for Bids process has been completed and a low responsible bid has been selected.

### **RECOMMENDATIONS**

1. Authorize staff to prepare and issue a Request for Bids for the completion of an underground storage tank environmental investigation at 2120 Bird Street, Oroville.
2. Provide direction to staff regarding the sharing of environmental investigation cost with the property owner of 2120 Bird Street, Oroville.

### **ATTACHMENTS**

None

**OROVILLE CITY COUNCIL  
STAFF REPORT**

**TO: MAYOR AND COUNCIL MEMBERS  
RANDY MURPHY, CITY ADMINISTRATOR**

**FROM: DONALD RUST, DIRECTOR (530) 538-2433  
RICK WALLS, INTERIM CITY ENGINEER  
COMMUNITY DEVELOPMENT DEPARTMENT**

**RE: AMENDMENT TO THE AIRPORT GROUND LEASE WITH THE BUTTE  
COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT**

**DATE: FEBRUARY 17, 2015**

**SUMMARY**

The Council may consider an Amendment to the Airport Ground Lease Agreement with the Butte County Mosquito and Vector Control District (District).

**DISCUSSION**

The District's current 5-acre ground lease at 5117 Larking Road was executed on July 19, 1994 and terminates on July 19, 2019. The District desires a long term lease extension in support of the District's County wide mosquito abatement operations. The District's ground lease is considered aviation as the mosquito abatement operations at the Airport involve the use of three District aircraft.

Under the terms of the existing lease approved by the Council in 1994, rent compensation to the City was provided for in the form of the construction of curb, gutter, sidewalk and storm drain frontage improvements. This work was completed and paid for by the District at a cost of \$54,000. Staff has advised the District that a lease term extension would require the payment of fair market value (FMV) based rent in order to comply with Federal Aviation Administration (FAA) grant assurances.

The most recent Airport appraisal was completed in 2013 in support of the Graphic Packaging International, Inc. land release project. This appraisal concluded that based on the few sales comparables available at that time, that a land value of \$0.63 per square foot (sf) was a reasonable land value to be used to calculate FMV rent. A determination of FMV rent considers the annual return (coupon rate) that can be gained against the value of the land. The appraisal recommended the use of a Corporate Baa bond rate to calculate an annual rate of return. The current Corporate Baa bond rate as of February 2, 2015 is 4.4%. At a land value of \$0.63 per sf, the annual yield would be \$0.63 per sf times 4.4% equals \$0.027 per sf per year. The annual FMV rent for the 5-

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acres occupied by the District would therefore be \$5,881, per year (\$0.027 per sf per year x 5 acres x 43,560 sf/acre), or \$490 per month.

The District is proposing to the City to pay rent of \$350 per month as this amount is within the District's long term budget capacity. Although the \$350 represents about 71% of FMV, because the District's operations are aviation related, and the 2013 appraisal was related to a non-aviation related use, it is staff's opinion that, according to FAA policy, there exists leeway in the assignment of FMV rent for aviation related activities. The District is requesting an extension of the lease term for a period of 30 years.

Chapter 17 of the FAA's Airport Compliance Manual, entitled "Self-Sustainability" addresses the FAA's position on rates charged for aeronautical uses. Section 17.10 states "For aeronautical users, the FAA considers charges that reflect the cost of the services or facilities satisfies the self-sustaining requirement. Accordingly, the FAA does not consider the self-sustaining obligation to require the sponsor to charge fair market value rates to aeronautical users". In addition, Section 17.12 states "Fair market fees for use of the airport are required for nonaeronautical use of the airport and are optional for non-airfield aeronautical use".

The District provides a valuable service to the community in the performance of its mosquito abatement mission. These services, which require the use of District aircraft and the City's Airport in order to succeed, have become significantly important since the discovery of the West Nile virus. The District has conducted operations out of the Airport since 1963.

The amount of ground lease rent being offered by the District is \$140 per month less than the FMV. Although the FAA allows airport sponsors flexibility in the assignment of rent below FMV, only the Council can approve rent below FMV. Staff is providing the Council three rent options to consider for the District as follows:

1. Approve a monthly rental of \$350 with an annual Consumer Price Index (CPI) adjustment of two (2) times the annual CPI. The applicable CPI increase obtained from the United States Department of Labor, Bureau of Labor Statistics (West Urban Area) showed a 1.9% increase for 2014. Under this option, the lease would be subject to a \$13.30 increase in the monthly rent after the first year, or \$159.60 for the year.
2. Approve a monthly rental of \$350 with an annual Consumer Price Index (CPI) adjustment of one (1) times the annual CPI. Under this option, the lease would be subject to a \$6.65 increase in the monthly rent after the first year, or \$79.80 for the year.
3. Approve a monthly rental of \$490 with an annual Consumer Price Index (CPI) adjustment of one (1) times the annual CPI. Under this option, the lease would be

subject to a \$9.31 increase in the monthly rent after the first year, or \$111.72 for the year.

## **FISCAL IMPACT**

Depending on which option the Council chooses, initially the Airport would receive between \$4,200 and \$5,880 in annual rent which would be deposited into the Airport Fund in support of Airport operations. Rents would increase over time based on the applicable CPI adjustment.

## **RECOMMENDATIONS**

1. Approve a rental option for the Butte County Mosquito and Vector Control District's Amended Airport Ground Lease Agreement, as indicated in this staff report, dated February 17, 2015; and
2. Adopt Resolution No. 8331 - A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE AN AMENDMENT TO THE AIRPORT GROUND LEASE AGREEMENT WITH THE BUTTE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT - (Agreement No. 3106)

## **ATTACHMENTS**

Resolution No. 8331  
Agreement No. 3106

**CITY OF OROVILLE  
RESOLUTION NO. 8331**

**A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND  
DIRECTING THE MAYOR TO EXECUTE AN AMENDMENT TO THE AIRPORT  
GROUND LEASE AGREEMENT WITH THE BUTTE COUNTY MOSQUITO  
AND VECTOR CONTROL DISTRICT**

**(Agreement No. 3106)**

**BE IT HEREBY RESOLVED** by the Oroville City Council as follows:

1. The Mayor is hereby authorized and directed to execute an Amendment to the Airport Ground Lease Agreement with the Butte County Mosquito and Vector Control District. A copy of the Amendment is attached to this resolution.
  
2. The City Clerk shall attest to the adoption of this Resolution.

**PASSED AND ADOPTED** by the Oroville City Council at a regular meeting on February 17, 2015 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
Linda L. Dahlmeier, Mayor

APPROVED AS TO FORM:

ATTEST:

\_\_\_\_\_  
Scott E. Huber, City Attorney

\_\_\_\_\_  
Randy Murphy, City Clerk

**AMENDMENT TO THE AIRPORT GROUND LEASE WITH THE BUTTE COUNTY  
MOSQUITO AND VECTOR CONTROL DISTRICT**

**(Agreement No. 3106)**

This First Amendment (Amendment) dated February 17, 2015, is to Agreement No. A244-94 between the City of Oroville ("City") and the Butte County Mosquito and Vector Control District ("District").

In consideration of the terms and conditions herein, the City and District agree that Agreement No. 3101 shall be amended as follows:

1. The term of this lease shall be for a period of thirty (30) years, commencing February 17, 2015 and ending February 17, 2045
2. As and for rent for the use and occupancy of the property, the District shall pay \$\_\_\_\_\_ per month rent to the City.
3. The lease shall be subject to an annual Consumer Price Index (CPI) adjustment of \_\_\_\_\_%. The CPI adjustment will be based on data published by the United States Department of Labor, Bureau of Labor Statistics for the West Urban Area.
3. Conflicts between the Agreement and this Amendment shall be controlled by this Amendment. All other provisions within Agreement No. A244-94 shall remain in full force and effect.

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/  
/  
/

**CITY OF OROVILLE**

**BUTTE COUNTY MOSQUITO AND  
VECTOR CONTROL DISTRICT**

By: \_\_\_\_\_  
Linda L. Dahlmeier, Mayor

By: \_\_\_\_\_  
Title: \_\_\_\_\_

**APPROVED AS TO FORM:**

**ATTEST:**

By: \_\_\_\_\_  
Scott E. Huber, City Attorney

By: \_\_\_\_\_  
Randy Murphy, City Clerk

**OROVILLE CITY COUNCIL  
STAFF REPORT**

**TO: MAYOR AND CITY COUNCIL MEMBERS**

**FROM: RANDY MURPHY, CITY ADMINISTRATOR**

**RE: FUNDING REQUEST FOR FEATHER FIESTA DAYS FROM  
UPSTATE COMMUNITY ENHANCEMENT FOUNDATION ON  
BEHALF OF THE FEATHER FIESTA DAYS COMMITTEE**

**DATE: FEBRUARY 17, 2015**

**SUMMARY**

The Council may consider a funding request from the Upstate Community Enhancement Foundation, on behalf of the Feather Fiesta Days Committee, in the amount of \$2,000, for media support of the annual Feather Fiesta Days, to be held May 9, 2015.

**DISCUSSION**

The City has contributed funding for the Feather Fiesta Days festivities in the past. The Council established a budget for fiscal year 2014/15 which included funding of annual community promotional events.

Over 35,000 people attend the annual events associated with the Feather Fiesta Days. The local business community benefits from the week-long events and Oroville receives tremendous recognition for its \$2,000 contribution. Upstate Community Enhancement Foundation, coordinator of the event, in their request letter, indicated that the funds would be used specifically for promoting Feather Fiesta Days throughout the region via advertising with local radio, TV, Social Media, print ads, brochures and more.

**FISCAL IMPACT**

Funding was budgeted for annual community events in the following account:

Community Promotions    100-7055-7000    xxxx

Approximately \$38,000 is remaining in the fund for this fiscal year.

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**RECOMMENDATION**

Provide direction, as necessary.

**ATTACHMENTS**

Funding Request Letter

February 4, 2015

Oroville Feather Fiesta Days Committee

Dear Randy Murphy, Oroville City Administrator;

As the Event Coordinator's funded by the SBF for major events within the City of Oroville, I am contacting you about the City of Oroville once again contributing beyond the in-kind contributions to the weeklong Feather Fiesta Days Celebration, May 2-9, 2015. This time honored Celebration weaves together the Cities cultural assets, natural beauty and its citizens, creating an economic driver for the local businesses and the City. In 2014 the FFD Committee estimated 18,000 people attended the events. The Exchange Club 'Grand Parade' had over 70 entries making it the largest to date and the ODBA Street Fair had 78 Commercial Booths. On Friday afternoon the Kiwanis 67<sup>th</sup> Annual Club Kiddies Parade had over 1,000 children in attendance with many more parents and adults watching the activities. The reason for the continued growth of this event has been the increase in regional advertising. Below is a list of this year's events that comprise this wonderful celebration to date:

Saturday May 2

Native Sons of the Golden West 10<sup>th</sup> Annual Beer Festival

Wednesday May 6

Chinese Temple Tea & Open House

Oroville Community Concert Band Concert

Friday May 8

68<sup>th</sup> Annual Kiwanis Club Kiddies Parade

Feather Falls Casino 'Show & Shine' Car Show & Chili & Salsa Cook-Off

Saturday May 9

Eagle Pancake Feed

Exchange Club Gold Rush Car Show

St. Thomas Spring Fling

OBDA Gold Rush Street Fair

Oroville Docent's Lott Home Arts & Crafts Fair

Artist of River Town Mothers and Fathers Day Card making activity for kids

OPD & OFD Associations Chili Cook-Off and Concert

Native Sons of the Golden West Beer Garden

Artist of River Town Art Exhibit

These events not only provide Community Pride and reflect positively on Oroville, but bring in thousands of thousands of visitors to Oroville filling the motel and hotel rooms, the restaurants, shops and gas stations adding much needed tax revenue to the Community and the City.

It is in that spirit that I contact you today.

In the past, the City Of Oroville contributed \$2,000.00 to help with advertising and other hard dollar expenses. I am requesting that, if possible, the City once again make a contribution. Any amount would be greatly appreciated and go continuing the growth of this beautiful community celebration. The funds will be used to promote FFD throughout the region viva advertising with local radio, TV, Social Media, print ads, brochures, etc.

In 2014 we were able to negotiate other In-Kind Sponsorship exceeding \$10,000.00 which was used for infrastructure, advertising and marketing.

Please let me know if you have any question. I can also be reached by calling 520-4742. The next FFD planning meeting will be held on Wednesday, February 18 at 9:30 a.m.

Thank you for your time and consideration,

Ray Laager

Event Coordinator

Feather Fiesta Days

**CITY OF OROVILLE  
STAFF REPORT**

**TO: MAYOR AND CITY COUNCIL MEMBERS**  
**FROM: RANDY MURPHY, CITY ADMINISTRATOR**  
**RE: ASSISTANCE REQUEST BY FEATHER RIVER SENIOR CITIZEN'S  
ASSOCIATION (Continued from February 3, 2015)**  
**DATE: FEBRUARY 17, 2015**

**SUMMARY**

The Council may provide staff with direction regarding providing potential assistance to the Feather River Senior Citizen's Association (FRSCA), in the amount of \$2,646, for their recent building reroofing project located at 1335 Myers Street.

**DISCUSSION**

A representative of FRSCA, Mary Cirnigliaro, has approached staff about helping them to payoff the remaining loan of \$2,646 for their recent building reroof project, as further detailed in the attached letter. Staff agreed to seek Council's direction on the matter. If approved, the Council would need to determine that the assistance serves a public purpose.

**FISCAL IMPACT**

Currently, the City has no available CDBG funding available for this project and none will be available for the foreseeable future.

If approved, staff recommends the following funding options:

1. A fiscal impact of \$2,646 from the Community Promotion Fund (approximately \$38,000 available in expenditure appropriations); or
2. A fiscal impact of \$2,646 from the Contingency Fund by a super-majority vote of the Council (fund balance of \$319,067) to the Community Promotion budget.

**RECOMMENDATION**

Provide direction, as necessary.

**ATTACHMENTS**

Letter from May Cirnigliaro, FRSCA, dated January 8, 2015

CC-12



F.R.S.C.A. Inc.

Feather River Senior Citizen's Association, Inc.

1335 Myers St. - Downtown Oroville, California 95965 - (530) 533-8370

January 8, 2015

To the Oroville City Council

We are the Feather River Senior Citizens' Association, INC.(FRSCA). We are a self-sustaining non-profit, all volunteer organization. We survive on dues, donations and fundraisers only. Our association was established in 1975. The city of Oroville deeded us the building at 1335 Myers St. in 1994. I began volunteering here in 2000. At that time Elmer Barkhurst ,(then 90),was the president. From the first day I began, one of the more frustrating things was having to empty buckets from the loft area because we had leaks in the roof. Since 2005 we've patched it 2 or 3 times, but it still leaked. In 2014 we launched our "Raise the Roof" fundraising campaign. We asked for and received a bid from Butte Roofing to replace the roof, since they patched it in the past. They said because of the work they had already done the cost would be just under \$13,000.00. Through generous members' donations and our fundraisers(still ongoing) we raised \$9,000.00. We asked if they would put the new roof on and we pay them the \$9,000.00 now, and then we pay them no less than \$300.00 per month till paid off. They agreed and that's where we are now. The roof was completed in November 2014. As of today we have paid them \$9600.00.

The purpose of this letter is to request that the City of Oroville assist us with the remaining balance of \$2646.00, since the city ultimately benefits from this huge improvement. We have never asked anything from the city until now. We worked so diligently to raise these funds.

FRSCA provides many services for our area-wide seniors. We are open 6 days a week. Senior meals are provided three days a week. If you visit here on any day, you will understand how important this organization is to our seniors. We also provide resource information to all. Through Passages, we offer free legal aid and Medicare information monthly with an appointment. I am attaching a copy of our latest calendar to give you an idea of the programs we offer.

We thank you in advance for your consideration in this matter.

Sincerely,

Mary E. Cirnigliaro for

Our Officers, Board and Members

# January 2015

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				1 CLOSED	2 CLOSED	3 CLOSED
4	5 11:30 Senior Meals 6:30 Al-Anon	6 12:30 Bingo	7 10:00 Pinochle 10:30 Scrapbooking 11:30 Senior Meals	8 12:30 Bingo	9 10:00 Pinochle 11:30 Senior Meals	10 11 – General Membership Meeting 12:30 Bingo
11	12 11:30 Senior Meals 6:30 Al-Anon	13 12:30 Bingo	14 10:00 Pinochle 10:30 Scrapbooking 11:30 Senior Meals	15 12:30 Bingo	16 10:00 Pinochle 11:30 Senior Meals	17 10 – Band 12:30 Bingo
18	19 CLOSED	20 10 Legal Aid 898-5923 12:30 Bingo	21 10:00 Pinochle 10:30 Scrapbooking 11:30 Senior Meals	22 12:30 Bingo	23 10:00 Pinochle 11:30 Senior Meals	24 10 – Band 12:30 Bingo
25 11-5 Fiddler's	26 10 HICAP 898-6716 10:30 St. Thomas Kids 11:30 Senior Meals 6:30 Al-Anon	27 12:30 Bingo	28 10:00 Pinochle 10:30 Scrapbooking 11:30 Senior Meals	29 12:30 Bingo	30 10:00 Pinochle 11:30 Senior Meals	31 10 – Band 12:30 Bingo

**OROVILLE CITY COUNCIL  
STAFF REPORT**

**TO: MAYOR AND COUNCIL MEMBERS  
RANDY MURPHY, CITY ADMINISTRATOR**

**FROM: DONALD RUST, DIRECTOR (530) 538-2433  
RICK WALLS, INTERIM CITY ENGINEER  
COMMUNITY DEVELOPMENT DEPARTMENT**

**RE: PURCHASE OF CITY STREET SWEEPER**

**DATE: FEBRUARY 17, 2015**

**SUMMARY**

The Council may consider the purchase of a new City street sweeper from Municipal Maintenance Equipment, utilizing the competitive bid program through HGACBuy.

**DISCUSSION**

The City's street sweeper is a model 2008 GMC/Schwarze and has reached the end of its useful life. A new street sweeper is needed due to the constant downtime for repairs. Over the last year, the street sweeper has been down about 2 months with no backup sweeper available. The cost of repairs lately has been in the thousands of dollars.

Staff has obtained a purchase quote for a new 2015 street sweeper from Municipal Maintenance Equipment (MME). The quote from MME is through the HGACBuy which acts as a national bid clearinghouse for municipal equipment. The equipment prices obtain through HGACBuy have been previously bid competitively by the various vendors that participate in the program. Based on state air quality regulations, if an order is placed such that delivery is not expected until after July 1, 2015, the cost will increase by about \$16,000 due to the requirement for a fully compliant Tier IV engine, versus an interim compliant Tier IV engine as contained in the HGACBuy quote. Both the interim and fully compliant Tier IV engines will satisfy current air quality regulations moving forward. There is no advantage to delaying the order and paying additional fees for the fully compliant engine.

According to HGACBuy, "all (purchasing) contracts available to participating members of HGACBuy have been awarded by virtue of a public competitive procurement process compliant with state statutes". In order to purchase through HGACBuy, at HGACBuy prices, a purchase order is sent directly to the manufacturer. In this case, the HGACBuy quote received from MME is for a 2015 Schwarze street sweeper priced at \$262,179 including pre-delivery inspection, sales tax, shipping and onsite training provided by MME. The total cost including a 10% contingency is \$288,400.

CC-13

City Finance recommends self financing of this equipment, over a seven year period. This will save the City between \$13,000 and \$23,000 in interest costs over available lease options. The annual cost of the purchase will be charged to the streets department beginning this fiscal year. Research underway may provide a preferable alternative for this urgent purchase order, in which case staff will bring forward alternative funding when appropriate.

Authorize staff to prepare a purchase order to purchase the 2015 Schwarze street sweeper for a not to exceed price of \$262,179, and acceptance of use of Houston-Galveston Area Council (H-GAC)BUY alternative bid process.

### **FISCAL IMPACT**

Transfer from Contingency Fund 165                      \$41,200 + 10% contingency

Street Department Budget

Increase Revenue:

001 – 4959- 3100    \$52,500 (Transfers from other Funds)

Increase Expenditures:

001 – 8400 -3100    \$52,250 (Heavy Equipment)

### **RECOMMENDATIONS**

Authorize the purchase of a 2015 Schwarze street sweeper, from Municipal Maintenance Equipment, utilizing the competitive bid program through HGACBuy, for an amount not to exceed \$262,179, plus a 10% contingency and approve the adjustments to the 2014-2015 budget as indicated in the fiscal impact of this staff report, dated February 17, 2015.

### **ATTACHMENT**

HGACBuy Street Sweeper Quote

# Model A7 Tornado

## ELECTRONIC BUILD SHEET



for office use only:

S/O #:

S/N #:

**Effective Date 1/12/2015**

Complete Dealership Name:

MME

### AUXILIARY ENGINE OPTIONS

SIA7

115HP John Deere Tier III

203P72 \$ 103,220.00

Customer Name:

City of Oroville

115HP John Deere Tier IVI

204D81 \$ 119,515.00

## Optional Equipment

### Standard Features are Highlighted in Blue

Equipment not listed below is either standard or special, see specifications for unit. Use "write-in" area to add options not listed.

#### SWEEP HEAD

<input checked="" type="checkbox"/>	Standard w/rubber blast orifice	204A41	\$	0.00
<input checked="" type="checkbox"/>	Sweep Head Deluge (Must Pick Standard Head)	204H52	\$	365.00

#### HOPPER OPTIONS

<input checked="" type="checkbox"/>	Hopper, Standard (8.4 CuYd)	204K16	\$	0.00
<input type="checkbox"/>	Hopper, W/ Remote DD Screens	204K21	\$	3,925.00
<input type="checkbox"/>	Auto Drop Down Screens**	204H25	\$	3,225.00
<input checked="" type="checkbox"/>	Hopper Drain - None or	203G45	\$	0.00
<input type="checkbox"/>	Hopper Drain, 6"	203643	\$	670.00
<input type="checkbox"/>	Dual Hopper Drain, 6"	204K28	\$	1,350.00
<input type="checkbox"/>	Hopper Sound Suppression	203640	\$	735.00
<input type="checkbox"/>	Hopper Dump Assist Shaker	203639	\$	1,270.00
<input checked="" type="checkbox"/>	Hand Hose- None	203G46	\$	0.00
<input type="checkbox"/>	Hand Hose, 8" Spring Boom	203066	\$	1,270.00
<input type="checkbox"/>	Hand Hose, 8" Power Boom	204H90	\$	2,625.00
<input type="checkbox"/>	Hand Hose, 8" Power Boom HD	204H44	\$	3,495.00
<input type="checkbox"/>	Pendant Control for Power Boom	204J54	\$	290.00
<input type="checkbox"/>	Hand Hose Extension 4 Feet Long	203O68	\$	330.00
<input type="checkbox"/>	Hand Hose Water Nozzle	204K35	\$	260.00
<input checked="" type="checkbox"/>	Hopper Deluge- None	203H59	\$	0.00
<input type="checkbox"/>	Hopper Deluge, Conical Spray	203B77	\$	860.00
<input type="checkbox"/>	Hopper Deluge, 4 Nozzle, Conical Spray	204G28	\$	2,190.00
<input type="checkbox"/>	Load Weight Alarm & Indicator	203532	\$	375.00
<input type="checkbox"/>	Hopper Up Alarm & Indicator	203899	\$	360.00
<input type="checkbox"/>	Hopper Aux. Engine Screen Cover	204A36	\$	580.00
<input type="checkbox"/>	Hopper Door Open Indicator	203G23	\$	290.00
<input type="checkbox"/>	Hopper Dump Switches Exterior Right Side	203C79	\$	450.00
<input type="checkbox"/>	Hopper, Stainless Steel (SS)	204F45	\$	18,070.00
<input type="checkbox"/>	Hopper W/ Remote DD Screens (SS)	204K27	\$	19,885.00
<input type="checkbox"/>	Hopper Drain 6" (SS)	203C35	\$	855.00

\*\* Auto Drop Down Screen option can be chosen for Carbon or Stainless Hoppers

#### GUTTER BROOM OPTIONS

<input type="checkbox"/>	Gutter Broom, Dual	203W42	\$	6,725.00
<input checked="" type="checkbox"/>	Gutter Broom, Tilt Standard Dual or	203C01	\$	0.00
<input type="checkbox"/>	Gutter Broom, Tilt Power Dual	203C02	\$	1,395.00
<input type="checkbox"/>	Gutter Broom, GEO Dual	203M91	\$	2,400.00
<input type="checkbox"/>	Gutter Broom, RH	203X27	\$	4,055.00
<input type="checkbox"/>	Gutter Broom, Tilt Power RH	203C05	\$	710.00
<input type="checkbox"/>	Gutter Broom, GEO RH	203M89	\$	1,235.00
<input type="checkbox"/>	Gutter Broom, LH	203X28	\$	4,055.00
<input type="checkbox"/>	Gutter Broom, Tilt Power LH	203C08	\$	710.00
<input type="checkbox"/>	Gutter Broom, GEO LH	203M90	\$	1,240.00
<input type="checkbox"/>	Gutter Broom, Poly Segments, each	203662	\$	210.00
<input type="checkbox"/>	Gutter Broom, In-Cab Down Pressure	204H40	\$	2,400.00
<input type="checkbox"/>	Standby, Gutter Broom & Head	203N94	\$	1,090.00
<input type="checkbox"/>	Standby, Full w/Throttle Ramp	204B08	\$	1,395.00
<input type="checkbox"/>	Variable Speed Gutter Broom, Single	203V59	\$	570.00
<input type="checkbox"/>	Variable Speed Gutter Broom, Dual	203V60	\$	980.00

#### MISCELLANEOUS OPTIONS

<input type="checkbox"/>	Manual, Sweeper, Additional Copy	203689	\$	130.00
<input type="checkbox"/>	Automatic Lubrication System Vogel	203842	\$	6,790.00
<input type="checkbox"/>	Auto Lube Sys. Vogel Sweeper Only	203G87	\$	3,590.00
<input checked="" type="checkbox"/>	Remote Grease Fittings, Fan	203J02	\$	265.00

#### WATER SYSTEM

<input checked="" type="checkbox"/>	Water Tank, Standard 250G or	203B97	\$	0.00
<input type="checkbox"/>	Water Tank, W/ Add. 350G*		\$	3,510.00
<input type="checkbox"/>	Water Tank Sight Gauge side of tank	203674	\$	205.00
<input type="checkbox"/>	Water Tank Low Level Alarm & Ind.	203676	\$	290.00
<input type="checkbox"/>	Spray Bar, Front	203680	\$	645.00
<input type="checkbox"/>	Spray Bar, Hopper Add. 4 Nozzles	203681	\$	645.00
<input checked="" type="checkbox"/>	Spray Bar, Hopper Add. 7 Nozzles	203939	\$	680.00
<input type="checkbox"/>	High Pressure Washdown Wand W/ Pump		\$	3,090.00
<input type="checkbox"/>	High Pressure Washdown W/ 50' Hose Reel	204H58	\$	4,225.00

\* 350 Gallon Water Tank only Available on Freightliner and Autocar Stock Chassis.

#### AUXILIARY ENGINE OPTIONS

<input type="checkbox"/>	Block Heater, Aux Engine	203060	\$	325.00
<input type="checkbox"/>	Hydraulic Filter Restriction Alarm & Ind	203066	\$	290.00
<input type="checkbox"/>	Low Hydraulic Level Indicator In-Cab	203067	\$	265.00
<input type="checkbox"/>	Alternator, 100 AMP, Aux Engine	203527	\$	290.00
<input type="checkbox"/>	Engine Remote Throttle	203627	\$	325.00
<input type="checkbox"/>	Air Filter Restriction Alarm & Indicator	203064	\$	290.00
<input type="checkbox"/>	Hyd Filter Gauge, In Cab	203528	\$	290.00
<input type="checkbox"/>	Shutdown, Low Hydraulic Level	203P98	\$	155.00

Make note of the following: All prices F.O.B Schwarze Industries, Inc., Huntsville, Al. and are subject to change without notice. All pricing is quoted and to be paid in U.S. funds.

Payment required before release of MSO. Warranties on chassis and auxiliary engine (if required) are provided by their manufacturer and are not covered by Schwarze Industries, Inc.. Dealers are responsible for reviewing, and verifying, all quotes prior to submission in regards to the customers' bid requirements. Write-in options are subject to final approval concerning both structure and price by Schwarze Industries, Inc. management. This Electronic Buildsheet (EBS) is a communication tool between Schwarze

# Model A7 Tornado

## ELECTRONIC BUILD SHEET



Effective Date 1/12/2015

### Optional Equipment (continued):

#### LIGHTING OPTIONS

<input checked="" type="checkbox"/>	Strobe, Rear W/Guard LED (Std) 1 ea or	203Y67	\$	0.00
<input type="checkbox"/>	Strobe, Rear LED 1 each or	20Z271	\$	0.00
<input type="checkbox"/>	Strobe, Cab Cabover LED		\$	450.00
<input type="checkbox"/>	Strobe, Cab Conventional LED	204B50	\$	450.00
<input type="checkbox"/>	Strobe, Cab W/Guard Cabover LED	203Y95	\$	610.00
<input type="checkbox"/>	Strobe, Cab W/Guard Conventional LED	204B51	\$	610.00
<input type="checkbox"/>	Barlight, Cab LED	204B34	\$	710.00
<input type="checkbox"/>	Barlight, Cab W/Guard LED	204B10	\$	830.00
<input type="checkbox"/>	Barlight, Cab Cabover LED		\$	710.00
<input type="checkbox"/>	Barlight, Cab W/Guard, Cabover LED		\$	545.00
<input type="checkbox"/>	Strobe, Dual Rear LED	203Z73	\$	450.00
<input type="checkbox"/>	Strobe, Dual Rear W/Guard LED	203Z74	\$	645.00
<input type="checkbox"/>	Floodlight, LED **	203V45	\$	290.00
<input type="checkbox"/>	Arrowboard, Traffic Guide	203685	\$	765.00
<input checked="" type="checkbox"/>	Arrowboard, Traffic Guide, LED	204C21	\$	1,050.00
<input type="checkbox"/>	Barlight, Rear LED***	203U22	\$	830.00
<input type="checkbox"/>	Barlight, Rear W/Guard LED***	203U21	\$	710.00

#### SWEeper EXTENDED WARRANTIES\*\*

<input checked="" type="checkbox"/>	STANDARD- 1 Year or 1200 hours	\$	0.00
<input type="checkbox"/>	SILVER- 2 Years or 2400 Hours	\$	1,795.00
<input type="checkbox"/>	GOLD- 3 Years or 3600 Hours	\$	4,450.00
<input type="checkbox"/>	PLATINUM- 4 Years or 4800 Hours	\$	6,450.00
<input type="checkbox"/>	DIAMOND- 5 Years or 6000 Hours	\$	8,195.00

\*\*Dealer Discount does not apply to Sweeper Warranties

Schwarze. Chassis and auxiliary power are both separate, and need to be purchased with local dealer/distributors

#### SPECIAL PAINT OPTIONS

<input checked="" type="checkbox"/>	Paint, Standard	204F67	\$	0.00
<input type="checkbox"/>	Paint, Special: Sweeper Unit Only *	203N66	\$	995.00
<input type="checkbox"/>	Paint, Special: Chassis Only *	203N67	\$	3,140.00
<input checked="" type="checkbox"/>	Decal Kit	204E41	\$	0.00

\* Enter DuPont Imron Paint Code Below:

Special Paint Color: \_\_\_\_\_

Special Paint Code: \_\_\_\_\_

\*\* State in Notes Location of Additional Floodlight(s)

\*\*\* Barlight Rear Option is in Lieu of Standard Rear Strobe

### CHASSIS SELECTION:

#### CHASSIS MOUNTING OPTIONS

<input type="checkbox"/>	FL M2 33K 200HP DS 2500 '15	65240	\$	78,250
<input type="checkbox"/>	Peterbilt 220 33K 220HP RH Steer '15	65588	\$	85,560
<input type="checkbox"/>	Peterbilt 220 33K 220HP Dual Steer '15	65333	\$	99,450
<input checked="" type="checkbox"/>	Kenworth K370 33K 220HP RH Steer '16	65611	\$	86,695
<input type="checkbox"/>	Autocar Xpert 33K 200HP 2500 '14	65498	\$	104,390
<input type="checkbox"/>	Customer Chassis Mounting Fee		\$	2,500
<input type="checkbox"/>	Special Order Chassis		\$	-

#### TRUCK KIT OPTION- MUST PICK 1

<input type="checkbox"/>	International 4300	203016	\$	0.00
<input type="checkbox"/>	Freightliner M2	203M06	\$	0.00
<input type="checkbox"/>	Autocar Xpert	204E37	\$	0.00
<input type="checkbox"/>	Peterbilt 220		\$	0.00
<input checked="" type="checkbox"/>	Kenworth K370		\$	0.00

CALL FOR CHASSIS AVAILABILITY BEFORE QUOTING!!!!

Please Refer to Dealer Website for Stock Chassis Specs

Dealer Discount Does not Apply to Chassis Mounting Options

### Customer Supplied Chassis Information:

CHASSIS DELIVERY DATE TO SCHWARZE	CHASSIS DEALER CONTACT NAME
CHASSIS DEALER	CHASSIS DEALER CONTACT NUMBER

Payment required before release of MSO. Warranties on chassis and auxiliary engine (if required) are provided by their manufacturer and are not covered by Schwarze Industries, Inc.. Dealers are responsible for reviewing, and verifying, all quotes prior to submission in regards to the customers' bid requirements. Write-in options are subject to final approval concerning both structure and price by Schwarze Industries, Inc. management. This Electronic Buildsheet (EBS) is a communication tool between Schwarze Industries, Inc. and it's authorized dealer. This EBS is proprietary to Schwarze Industries, Inc. and may not be modified or used for any other purpose without the written consent of Schwarze Industries, Inc.

# Model A7 Tornado

## ELECTRONIC BUILD SHEET



Effective Date 1/12/2015

### CHASSIS OPTIONS:

#### M2 CHASSIS OPTIONS

<input type="checkbox"/>	Mirror, 12" Parabolic, Set	203616	\$	365.00
<input type="checkbox"/>	Seat, Air Ride, Cloth, Each *	203B29	\$	965.00
<input type="checkbox"/>	Seat, Suspension Hiback, Each *	203461	\$	1,090.00
<input type="checkbox"/>	Air Filter Restrict Ind Chassis	203465	\$	290.00
<input type="checkbox"/>	Tire & Rim, Spare M2	203468	\$	1,385.00
<input type="checkbox"/>	Block Heater	203469	\$	340.00
<input type="checkbox"/>	Camera System, Dual	203X82	\$	1,445.00
<input type="checkbox"/>	Camera System, Single	203X81	\$	1,160.00
<input type="checkbox"/>	Horn, Air M2	203C53	\$	160.00
<input type="checkbox"/>	Rim, Spare M2	203620	\$	415.00
<input type="checkbox"/>	Magnet, Bar, 90" FL M2	204A38	\$	1,950.00
<input type="checkbox"/>	Magnet, Bar, 87" Self Dumping, FL M2	203X78	\$	4,550.00

\* State in notes, location of Air Ride Seat

#### IH CHASSIS OPTIONS

<input type="checkbox"/>	Air Dryer, Bendix AD9*	203018	\$	1,240.00
<input type="checkbox"/>	Mirror, 12" Parabolic, Set	203616	\$	365.00
<input type="checkbox"/>	Seat, Air Ride Hiback, Each *	203C55	\$	1,155.00
<input type="checkbox"/>	Seat, Suspension Hiback, Each *	203461	\$	1,090.00
<input type="checkbox"/>	Air Filter Restrict Ind Chassis	203465	\$	290.00
<input type="checkbox"/>	Tire & Rim, Spare IH	203476	\$	1,385.00
<input type="checkbox"/>	Block Heater, IH 4300	203C83	\$	340.00
<input type="checkbox"/>	Tow Hooks, IH	203037	\$	260.00
<input type="checkbox"/>	Camera System, Dual	203X82	\$	1,445.00
<input type="checkbox"/>	Camera System, Single	203X81	\$	1,160.00
<input type="checkbox"/>	Horn, Air IH	203C53	\$	760.00
<input type="checkbox"/>	Rim, Spare IH	203478	\$	225.00
<input type="checkbox"/>	Magnet, Bar, 90" IH	204A37	\$	1,950.00
<input type="checkbox"/>	Magnet, Bar, 87" Self Dumping, IH	204D68	\$	4,550.00

\* 4300 M7 Only, State in notes location of Air Ride Seat

#### CABOVER CHASSIS OPTIONS

<input type="checkbox"/>	Mirror, 12" Parabolic, Set	203616	\$	365.00
<input type="checkbox"/>	1 Camera System, Dual	203X82	\$	1,445.00
<input type="checkbox"/>	Camera System, Single	203X81	\$	1,160.00
<input type="checkbox"/>	1 Magnet, Bar, 90"	204A25	\$	1,950.00
<input type="checkbox"/>	Air Filter Restrict Ind Chassis	203465	\$	185.00
<input type="checkbox"/>	1 Tire & Rim, Spare AutoCar	203X83	\$	1,385.00
<input type="checkbox"/>	Horn, Air Auto Car	203C53	\$	760.00
<input type="checkbox"/>	Seat, Air Ride Hiback, Each *	204G65	\$	1,410.00
<input type="checkbox"/>	Gauge, Transmission Temp	203467	\$	210.00

\* State in notes, location of Air Ride Seat



\* Please select in the drop down Ext. Wty (Extended Warranty), Note, or Option to flag the description of the line item requested.

**TOTAL SPECIAL OPTIONS**

\$ -

*Make note of the following: All prices F.O.B Schwarze Industries, Inc., Huntsville, Al. and are subject to change without notice. All pricing is quoted and to be paid in U.S. funds. Payment required before release of MSO. Warranties on chassis and auxiliary engine (if required) are provided by their manufacturer and are not covered by Schwarze Industries, Inc.. Dealers are responsible for reviewing, and verifying, all quotes prior to submission in regards to the customers' bid requirements. Write-in options are subject to final approval concerning both structure and price by Schwarze Industries, Inc. management. This Electronic Buildsheet (EBS) is a communication tool between Schwarze Industries, Inc. and it's authorized dealer. This EBS is proprietary to Schwarze Industries, Inc. and may not be modified or used for any other purpose without the written consent of Schwarze Industries, Inc.*

# Model A7 Tornado

## ELECTRONIC BUILD SHEET



**Effective Date 1/12/2015**

Sweep Head Options	\$ 365.00	<b>SUB TOTAL UNIT W/OPTIONS</b>	\$ 145,005.00
Broom Options	\$ 8,120.00	<b>DEALER DISCOUNT 20%</b>	\$ (29,001.00)
Miscellaneous Options	\$ 265.00	<b>TOTAL AFTER DEALER DISCOUNT</b>	\$ 116,004.00
Hopper Options	\$ 5,580.00	<b>CHASSIS PRICE</b>	\$ 86,695.00
Water System Options	\$ 5,330.00	<b>SPECIAL OPTION REQUESTS</b>	\$ -
Engine Sweeper Options	\$ -	<b>MOUNTING CUSTOMER CHASSIS</b>	\$ -
Lighting Options	\$ 1,050.00	<b>SWEeper EXTENDED WARRANTY</b>	\$ -
Paint Options	\$ -	<b>TOTAL INVOICE</b>	\$ 202,699.00
M2 Chassis Options	\$ -		
IH Chassis Options	\$ -		
Autocar Chassis Options	\$ 4,780.00		

signature of salesperson submitting quote Quote Date

signature of Schwarze manager approv. quote Approval Date

### A7 TORNADO PURCHASE ORDER

**DELIVERY DAYS A R O or A R C**

If Special Chassis is provided, delivery quotation is After Receipt of Customer Supplied Chassis

Purchase Order Number \_\_\_\_\_

**Freight:**

\*For Schwarze Arranged Freight, please check one

Dealer Name: MME  
 Dealer Address: 2360 Harvard St  
 Sacramento, CA. 95815

- Dealer to Arrange Freight
- Schwarze to Arrange Freight (Enter Amount) \_\_\_\_\_
- LTL Quotation\*
- Full Load Quotation\*

Schwarze Freight is quoted FOB Huntsville and is valid for 60 days from quotation date

Customer Name: City of Oroville  
 Customer Address: 1735 Montgomery St  
 Oroville, CA. 95965  
 Customer Phone: 530-538-2507  
 Customer Email: wallsr@cityoforoville.org

**TERMS: Place X in Appropriate Box**

- C.O.D.
- Net 10
- Net 30
- Irrevocable Letter of Credit
- Other (Please Specify) \_\_\_\_\_

Check ship to:

Ship to different address (complete below):

Company: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Contact & Phone: \_\_\_\_\_

Total Invoice From Above \$ 202,699.00

SSA  
 Total Freight From Above \$ -

Total Purchase Order Amount \$ 202,699.00

*I understand this document is a binding purchase order and is a contract for the purchase of goods. This purchase order can not be amended except in writing by both parties. This agreement constitutes the entire agreement between both parties and there are no other understandings other than those incorporated herein.*

Date:

\_\_\_\_\_  
Signature of Authorized Dealer Representative Submitting Purchase Order

\_\_\_\_\_  
Price Valid 60 Days From Quotation Date

Make note of the following: All prices F.O.B Schwarze Industries, Inc., Huntsville, Al. and are subject to change without notice. All pricing is quoted and to be paid in U.S. funds. Payment required before release of MSO. Warranties on chassis and auxiliary engine (if required) are provided by their manufacturer and are not covered by Schwarze Industries, Inc.. Dealers are responsible for reviewing, and verifying, all quotes prior to submission in regards to the customers' bid requirements. Write-in options are subject to final approval concerning both structure and price by Schwarze Industries, Inc. management. This Electronic Buildsheet (EBS) is a communication tool between Schwarze Industries, Inc. and it's authorized dealer. This EBS is proprietary to Schwarze Industries, Inc. and may not be modified or used for any other purpose without the written consent of Schwarze Industries, Inc.

**OROVILLE CITY COUNCIL  
STAFF REPORT**

**TO: MAYOR AND COUNCIL MEMBERS**

**FROM: SCOTT E. HUBER, CITY ATTORNEY**

**RE: REVIEW OF COUNCIL POLICY FOR PLACING ITEMS ON THE CITY  
COUNCIL AGENDA**

**DATE: FEBRUARY 17, 2015**

**SUMMARY**

The Council may consider Amendments to a Council Policy for placing items on the City Council Agenda.

**DISCUSSION**

In 2012, the Council adopted Rosenberg's Rules of Order to govern the procedures for Council and Committee meetings. Rosenberg's Rules of Order provides, in pertinent part, "The ultimate purpose of rules of procedure is to encourage discussion and to facilitate decision making by the body." (Rosenberg's Rules of Order, p.2.) On June 19, 2012, the Council reviewed and adopted the current procedure for placing items on the Council Agenda.

The Council adopted a policy that generally allows items to be added to the Council Agenda by request of the Mayor, the City Administrator, a Department Head, or by the request of four Council Members.

At the February 3, 2015 Council meeting, the Council requested this item to be placed on the agenda to potentially adjust the policy relative to the number of Council Members required to place an item on a future Council Agenda.

**FISCAL IMPACT**

None

**RECOMMENDATION**

Adopt modifications to the Council Policy, or direct staff, as necessary.

**ATTACHMENTS**

Council Policy Regarding the Placement of Items on the City Council Agenda

## **COUNCIL POLICY REGARDING THE PLACEMENT OF ITEMS ON THE CITY COUNCIL AGENDA**

Pursuant to the Ralph M. Brown Act and other provisions in the California Government Code, City Council Agendas are required to be prepared and posted prior to a regular or special meeting. Matters pertinent to or within the jurisdiction of the City may be placed on the agenda by the following individuals, or in the following manner:

1. By request of the Mayor;
2. By request of a Council Member with the consent of the Mayor;
3. By a vote of majority vote of the City Council;
4. By request of the City Administrator; and
5. By request of a Department Head with the approval of the City Administrator.

The City Administrator, or his or her designee, shall be responsible for the preparation of the Agenda, including any information necessary for consideration by the Council. The closed session portion of the Agenda shall be prepared by the City Attorney, and shall strictly conform to the format specified in the Brown Act. To encourage discussion of items that are pertinent to the City, items placed on the Agenda may not be removed from consideration by the Council except by the request of the individual or group which requested consideration of the item and with the consent of the Council.

**REPORT OF  
INVESTMENTS**

**JANUARY 2015**

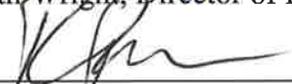
**CITY OF OROVILLE/OROVILLE SUCCESSOR AGENCY  
OROVILLE PUBLIC FINANCING AUTHORITY  
MONTHLY SUMMARY OF INVESTMENTS  
January 2015**

**CERTIFICATION:**

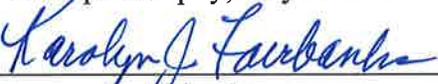
I certify that the information provided above is correct to the best of my knowledge and that (1) all investments are made in accordance with the investment policy and the laws of the State of California and (2) that sufficient funds are available to meet the anticipated expenditures for the next six months.

  
\_\_\_\_\_  
Ruth Wright, Director of Finance

2/10/15  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Randolph Murphy, City Administrator

2-15-15  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Karolyn J. Fairbanks, City Treasurer

2-10-15  
\_\_\_\_\_  
Date



1/31/2015

City of Oroville Investment Portfolio Report				
Summary of Investments				
	Yield	Dec-14	Yield	Jan-15
Local Agency Investment Fund (LAIF)	0.267%	19,475,276	0.262%	22,637,848
Bank of the West			0.040%	11,587
<b>Total Pooled Investments</b>		<b>19,475,276</b>		<b>22,649,435</b>
City Investment Portfolio - Investments Held in Trust				
	Yield to Maturity			Market Value
<b>2002 Tax Allocation Revenue Bonds</b>				
Blackrock Provident Institutional Funds	0.03%			1,438,619
Union Bank				
<b>2004 Series A Tax Allocation Revenue Bonds</b>				
Bayerische Landesbank	4.40%			425,406
Blackrock Provident T Fund	0.03%			9,255
<b>2004 Series B Tax Allocation Revenue Bonds</b>				
Bayerische Landesbank	4.40%			75,973
Blackrock Provident T Fund	0.03%			1,653
<b>Total</b>				<b>1,950,906</b>

**MONTHLY FINANCIAL  
REPORT**

**JANUARY 2015**

**REPORT OF  
BUDGETED APPROPRIATIONS  
VS.  
ACTUAL EXPENDITURES  
AND  
ACTUAL REVENUES**

**JANUARY 2015**



CITY OF OROVILLE, CALIFORNIA  
FINANCIAL SUMMARY  
FOR THE PERIOD ENDED  
January 31, 2015

	REVENUES						EXPENDITURES					
	Actual January 2015	YTD	Budget Total Year 2014-2015	Remaining Budget	42% of year Remaining Actual to Budget	% of year Remaining Last Fiscal Year	Actual January 2015	YTD	Budget Total Year 2014-2015	Remaining Budget	42% of year Remaining Actual to Budget	% of year Remaining Last Fiscal Year
<b>CITY DEPARTMENTS</b>												
<b>GENERAL FUND</b>												
City Council	-	-	-	-	-	-	10,961	55,394	117,343	61,949	53%	47%
Mayor	-	-	-	-	-	-	3,403	17,282	31,663	14,381	45%	52%
City Attorney	-	-	-	-	-	-	20,429	229,304	309,725	80,421	26%	62%
City Clerk	36	37	4	(33)	-	-	13,433	106,500	202,240	95,740	47%	53%
Human Resources	-	-	550	550	100%	-	16,244	75,457	145,839	70,382	48%	50%
City Admin.	-	(27)	-	27	-	-	16,781	116,043	238,186	122,143	51%	34%
Economic Develop./Comm. Enh.	-	-	-	-	-	57%	21,244	49,099	77,178	28,079	36%	64%
Information Technology	-	-	-	-	-	-	16,551	143,125	475,649	332,524	70%	-
Finance	(38)	9,243	19,925	10,682	54%	5%	43,976	343,985	627,673	283,688	45%	54%
Post Employment Costs	376	3,460	91,000	87,540	96%	-	3,868	24,792	90,904	66,112	73%	-
City Treasurer	-	-	-	-	-	-	2,398	15,921	27,088	11,167	41%	47%
Planning	3,814	26,168	525,468	499,300	95%	-	21,862	555,746	704,742	148,996	21%	54%
City Hall	-	29,584	-	(29,584)	-	-	15,058	76,576	144,132	67,556	47%	69%
Arlene Rhyne	1,060	2,337	160	(2,177)	-	-	137	3,518	7,400	3,882	52%	90%
Fire Department	67,544	82,273	53,400	(28,873)	-	3%	127,024	1,014,982	1,967,152	952,170	48%	40%
Police Department	43,309	310,176	683,035	372,859	55%	14%	363,102	2,906,490	5,099,941	2,193,451	43%	43%
Building/Code Enforcement	97,662	267,970	419,204	151,234	36%	42%	25,491	210,171	420,887	210,716	50%	60%
Public Works Admin.	2,656	17,459	163,345	145,886	89%	25%	6,223	65,625	259,671	194,046	75%	44%
Streets/Storm	4,300	381,267	557,730	176,463	32%	44%	46,677	414,625	764,384	349,759	46%	62%
Parks & Trees	5,368	26,394	58,811	32,417	55%	34%	34,053	332,433	534,464	202,031	38%	45%
Pioneer Museum	-	814	1,700	886	52%	47%	307	1,632	4,500	2,868	64%	86%
Bolt's Museum	281	2,519	3,000	481	16%	43%	668	7,383	10,600	3,217	30%	37%
Chinese Temple	-	3,519	9,580	6,062	63%	-	1,214	8,916	31,380	22,464	72%	-
Lott Home	950	3,774	8,340	4,566	55%	-	6,735	21,678	104,600	82,922	79%	-
State Theater	870	4,350	10,400	6,050	58%	-	1,463	3,357	40,400	37,043	92%	-
Liability/Property Insurance	-	-	-	-	-	100%	-	254,666	324,491	69,825	22%	36%
Non Departmental*	3,059,400	6,031,002	10,925,131	4,894,129	45%	49%	6,784	80,536	89,786	9,250	10%	9%
<b>Totals</b>	<b>3,287,589</b>	<b>7,202,318</b>	<b>13,530,783</b>	<b>6,328,465</b>	<b>47%</b>	<b>47%</b>	<b>826,086</b>	<b>7,135,237</b>	<b>12,852,018</b>	<b>5,716,781</b>	<b>44%</b>	<b>40%</b>

\* Revenues include Property Tax, Utility Users, Transient Occupancy, Motor Vehicle, and Proceeds of Property Sales. Expenditures include fees for credit card services and charges for Butte County Services.

## CITY OF OROVILLE

## EXPENSE REPORT ALL BUDGETED FUNDS JANUARY 2015

FUND Description	Actual January 2015	Year To Date Actual	Budget Total Year 2014-2015	Remaining Budget	42% of year Remaining Actual to Budget	% of year Remaining Last Fiscal Year
001 General Fund	826,086	7,135,237	12,852,018	5,716,781	44%	40%
100 Comm. Promotion	2,500	12,645	55,223	42,578	77%	57%
101 Sewer Fund	290,098	1,170,242	3,007,239	1,836,997	61%	60%
104 SWRCON/FEE FUND	250	5,503	5,680	177	3%	100%
105 Drainage Fees	250	5,503	205,580	200,077	97%	87%
106 Park Dev Fees	250	30,601	86,481	55,880	65%	100%
107 NOTTIF	250	5,503	7,580	2,077	27%	100%
108 Traffic Impact	250	13,438	39,015	25,577	66%	79%
109 DRAINAGE/CTYWDE	250	5,503	11,180	5,677	51%	100%
112 GAXTX RSTP FUND	13	376,561	513,000	136,439	27%	100%
113 CANINE FUND	-	2,108	8,500	6,392	75%	100%
116 TECH FEE FUND	207	29,181	40,700	11,519	28%	99%
118 SB1186 C/FUND	-	35	-	(35)	-	-
119 RECYCLING FUND	1,756	9,321	47,069	37,748	80%	73%
120 GTx 2107/2107.5	-	75,222	113,300	38,078	34%	36%
125 Gas 2106 Fund	-	52,060	76,173	24,113	32%	36%
127 Gas Tax 2105	-	153,637	242,330	88,693	37%	35%
130 Spec. Aviation	23,908	229,250	655,409	426,159	65%	30%
140 Housing Admin	32,746	261,102	936,504	675,402	72%	48%
141 HSG PRG FUND	2,480	125,665	700,742	575,077	82%	16%
149 HOME FUND	159,340	643,054	1,011,168	368,115	36%	85%
150 CDBG Fund	175,967	654,741	5,082,539	4,427,798	87%	85%
151 EDBG FUND	28,530	228,862	62,283	(166,579)	-	48%
156 Pub Sfty Aug	-	71,026	142,052	71,026	50%	100%
157 SUPPLAWENFORCMT	-	69,266	138,531	69,266	50%	100%
158 L.L.E.BLOCK GRT	3,588	49,912	117,466	67,554	58%	76%
159 LAW ENF.IMP.FEE	250	5,503	45,580	40,077	88%	100%
160 MISC FUND	25	190,110	329,333	139,223	42%	97%
163 FIRE SUP IMPFEE	250	7,804	25,580	17,776	69%	100%
165 CONTINGENCY FD	-	18,900	-	(18,900)	-	-
166 GRANT-FIRE FUND	34,047	269,368	412,790	143,422	35%	94%
169 GEN GOVT DEVIMP	250	5,503	5,580	77	1%	55%
180 OPFA	-	-	1,400,475	1,400,475	100%	100%
184 LLMD ALL ZONES	992	18,929	39,356	20,427	52%	64%
185 BAD ALL ZONES	114	2,237	2,788	551	20%	97%
186 WESTSIDEPUB/S/F	20	587	1,273	686	54%	63%
187 PUB/SAFETY SERV	20	607	1,272	665	52%	63%
190 SUPPBENEFITFUND	15,157	114,447	419,779	305,332	73%	66%
198 RDA General	6,056	1,439,194	2,217,866	778,672	35%	34%
230 CITY DEBT SERV	-	713,486	727,429	13,943	2%	2%
276 OAD93-1 Dbt Ser	-	-	4,532	4,532	-	-
305 Equip Replcmnt	-	182,876	362,554	179,678	50%	39%
306 New Capital Eqp	-	14,328	28,655	14,328	50%	-
307 CAPITAL PROJ	1,390	267,189	479,703	212,514	44%	96%
320 BLDG/FAC CAPIMP	-	14,192	28,384	14,192	50%	-
397 RDA 95 BOND	-	177,451	177,451	-	0%	99%
410 Local Transit	112,275	409,153	541,700	132,547	24%	29%
440 BUSINESS DEVCTR	636	20,955	53,120	32,165	61%	58%
450 CTY/HOUSG EDRLF	-	113,063	194,175	81,112	-	85%
451 CDBG EcoDev RLF	395	8,584	3,630	(4,954)	-	39%
452 CDBG Hsg RLF	-	49	-	(49)	-	100%
453 MICRO-ENP RLF	107,623	811,968	1,612,086	800,118	50%	31%
454 CAL-HOME RLF	-	33,880	122,325	88,445	72%	100%
458 RBEG	-	-	51,412	51,412	100%	100%
460 City RLF	-	3,120	137,663	134,543	98%	14%
520 Stores Revolv.	1,179	25,948	69,600	43,652	63%	57%
540 Veh Maint Fund	26,011	235,647	527,620	291,973	55%	50%
550 Wrkrs Comp.	70,984	459,581	703,609	244,028	35%	41%
552 UNEMP-SELF INS	-	31,031	75,257	44,226	59%	92%
555 SELF INS VISION	4,514	37,376	70,090	32,714	-	38%
620 Special Deposit	2,500	5,063	-	(5,063)	-	-
705 PLAN RET FUND	-	14	10	(4)	-	100%
710 ANNEXATION FUND	-	2,100	37,424	35,324	94%	100%
Total All Funds	1,933,404	17,055,420	37,067,863	20,012,443	54%	58%

## CITY OF OROVILLE

## REVENUE REPORT ALL BUDGETED FUNDS JANUARY 2015

FUND Description	Actual January 2015	Year To Date Actual	Budget Total Year 2014-2015	Remaining Budget	42% of year Remaining Actual to Budget	% of year Remaining Last Fiscal Year
001 General Fund	3,287,589	7,202,318	13,530,783	6,328,465	47%	47%
100 Comm. Promotion	-	51,100	55,848	4,748	9%	-
101 Sewer Fund	1,348,832	1,670,529	3,189,099	1,518,570	48%	45%
104 SWRCON/FEE FUND	-	51,086	40,500	(10,586)	-	-
105 Drainage Fees	-	2,532	2,470	(62)	-	59%
106 Park Dev Fees	-	39,915	17,191	(22,724)	-	-
107 NOTTIF	-	84	200	116	58%	57%
108 Traffic Impact	-	21,580	108,610	87,030	80%	-
109 DRAINAGE/CTYWDE	-	71,210	29,440	(41,770)	-	31%
111 LOCAL TRANSP	-	23	50	27	55%	71%
112 GAXTX RSTP FUND	-	406	54,182	53,776	99%	5%
113 CANINE FUND	-	64	8,800	8,736	99%	-
116 TECH FEE FUND	1,031	15,439	35,198	19,759	56%	63%
118 SB1186 C/FUND	627	770	-	(770)	-	-
119 RECYCLING FUND	3,250	11,518	21,189	9,671	46%	45%
120 GTx 2107/2107.5	8,847	64,160	96,100	31,950	33%	33%
125 GTx 2106 Fund	4,699	40,164	64,210	24,046	37%	36%
127 Gas Tax 2105	16,317	128,980	242,330	113,350	47%	18%
130 Spec. Aviation	19,930	237,958	558,442	320,484	57%	28%
140 Housing Admin	15,633	238,813	316,700	77,887	25%	45%
141 HSG PRG FUND	8,037	81,715	421,892	340,177	81%	-
149 HOME FUND	2,883	555,246	381,126	(174,120)	-	80%
150 CDBG Fund	3,395	599,227	2,750,000	2,150,773	78%	65%
151 EDBG FUND	28,530	228,862	423,385	194,524	46%	48%
155 Asset Seizure	-	251	40	(211)	-	-
156 Pub Sfty Aug	-	47,739	101,013	53,274	53%	55%
157 SUPPLAWFORCMT	19,471	53,931	98,067	44,136	45%	66%
158 L.L.E.BLOCK GRT	4,257	57,799	-	(57,799)	-	86%
159 LAW ENF.IMP.FEE	27	4,532	2,771	(1,761)	-	7%
160 MISC FUND	2,452	156,434	106,190	(50,244)	-	53%
163 FIRE SUP IMPFEE	4	2,232	1,857	(375)	-	31%
165 CONTINGENCY FD	-	43,498	43,498	-	-	-
166 GRANT-FIRE FUND	-	90,199	318,656	228,457	72%	95%
168 PEG FEE FUND	-	5,756	-	(5,756)	-	-
169 GEN GOVT DEVIMP	20	5,116	2,789	(2,327)	-	-
180 OPFA	-	-	1,400,475	1,400,475	100%	100%
184 LLMD ALL ZONES	19,141	19,159	37,333	18,174	49%	54%
185 BAD ALL ZONES	-	32	70	38	54%	40%
186 WESTSIDE PUB/S/F	20,100	28,829	35,302	6,473	18%	63%
187 PUB/SAFETY SERV	20,100	28,829	35,396	6,567	19%	63%
190 SUPPBENEFITFUND	100,000	154,238	135,021	(19,217)	-	18%
198 RDA General	1,076	8,433	2,187,928	2,179,495	100%	65%
199 RDA Housing	-	100	-	(100)	-	-
230 CITY DEBT SERV	51,803	397,339	639,000	241,661	38%	44%
305 Equip Replcmnt	-	202	-	(202)	-	98%
306 New Capital Eqp	-	16	13	(3)	-	100%
395 2004 CONST.BOND	-	1,408	2,980	1,572	53%	73%
396 BOND FUND 2001	-	185	391	206	53%	66%
410 Local Transit	55,430	321,686	560,870	239,184	43%	17%
440 BUSINESS DEVCTR	-	2,952	-	(2,952)	-	75%
450 CTY/HOUSG EDRLF	4,198	41,285	70,800	29,515	42%	69%
451 CDBG EcoDev RLF	395	8,584	9,440	856	9%	37%
453 MICRO-ENP RLF	32,306	341,879	1,068,037	726,158	68%	-
454 CAL-HOME RLF	-	2,426	200	(2,226)	-	-
455 HOME Hsg RLF	-	53,135	40	(53,095)	-	5%
458 RBEG	793	4,986	51,412	46,426	90%	-
460 City RLF	-	1,857	170	(1,687)	-	-
498 RDA RLF	-	30	25,900	25,870	100%	-
520 Stores Revolv.	2,302	17,409	36,800	19,391	53%	53%
540 Veh Maint Fund	33,390	264,851	600,719	335,868	56%	48%
550 Wrkrs Comp.	152,524	319,641	324,437	4,796	1%	42%
552 UNEMP-SELF INS	2,563	17,872	31,340	13,468	43%	51%
555 SELF INS VISION	3,413	23,243	43,210	19,967	46%	35%
610 Feather Rvr Bif	-	10	-	(10)	-	-
705 PLAN RET FUND	135	2,630	1,949	(681)	-	-
710 ANNEXATION FUND	-	-	40	40	100%	70%
Total All Funds	5,275,497	13,844,421	30,321,899	16,477,478	54%	56%

**OROVILLE SUCCESSOR AGENCY  
STAFF REPORT**

**TO: CHAIRPERSON AND BOARD MEMBERS**

**FROM: RICK FARLEY, RDA COORDINATOR**

**RE: ADOPTION OF THE JULY THROUGH DECEMBER 2015  
RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 15-  
16A) AND THE SUCCESSOR AGENCY ADMINISTRATIVE  
BUDGET**

**DATE: FEBRUARY 17, 2015**

**SUMMARY**

The Successor Agency may consider approving the Recognized Obligation Payment Schedule (ROPS 15-16A) for the July 1, 2015 – December 31, 2015 time period, as well as the Successor Agency Administrative Budget.

**DISCUSSION**

Assembly Bill x1 26, amended by AB 1484 and codified in the California Health & Safety Code requires successor agencies to adopt a Recognized Obligation Payment Schedule (ROPS) before each six-month fiscal period. A ROPS covering the period of July 1, 2015 through December 31, 2015 (ROPS 15-16A) is due by March 3, 2015 pursuant to H&SC Section 34177(m). The ROPS projects necessary payments for each enforceable obligation of the former Oroville Redevelopment Agency for the six-month period. The attached ROPS 15-16A is for the period of July through December 2015 and upon Oversight Board approval, the ROPS will be immediately submitted to the Department of Finance (DOF) for review. The ROPS 15-16A will also be transmitted to the State Controller's Office and the Butte County Auditor-Controller for their review.

***ROPS 15-16A***

The ROPS 15-16A contains a few different enforceable obligations than what was listed on the last ROPS 14-15B. The changes include the following:

- The 2002, 2004 Series A, and 2004 Series B bonds are currently in the process of being refunded. The refunding is scheduled to be completed in March 2015. In anticipation of the completion of the refunding, ROPS 15-16A shows line items #1, #2, and #3, the 2002, 2004 Series A and 2004 Series B bonds, as retired from the ROPS. A new ROPS line item #23 for the 2015 Tax Allocation Revenue Refunding Bonds has been added.
- DOF is currently in the process of reviewing the Long-Range Property Management Plan (LRPMP). Once the review of the plan is complete, the Successor Agency will begin the process of disposing of the properties per the LRPMP. New ROPS line items #24 and #25 have been added for the costs that the Successor Agency will incur to maintain the properties during the disposal process, and the costs associated with the property dispositions. Line item #24 – Pre-disposition Costs includes appraisal fees, environmental due diligence, preliminary title reports,

marketing costs, agent/broker fees, Successor Agency staff costs for administering the disposition of the properties, and other minor costs associated with selling the properties. Line item #25 – Interim Property Management covers costs associated with preparing the sites for sale and on-going maintenance of the properties.

It is important to remember that the ROPS is merely a projection of estimated payments for the ensuing 6-month fiscal period. The actual payments made could be the same or less. The 15-16A ROPS form, which DOF prepares and pre-populates certain sections, includes a reconciliation page called Prior Period Adjustments for the July through December 2014 (ROPS 14-15A) period, which compares the amounts that were authorized, remitted and expended during that time period. The Successor Agency's actual expenditures generally match what was estimated on the ROPS 14-15A, with some slight differences that will result in a Prior Period Adjustment of \$2,662. This amount is deducted from the Successor Agency's request of funds to pay for obligations in the 15-16A time period.

### ***Administrative Budget***

Pursuant to Health and Safety Code Section 34177(j), the Successor Agency is required to prepare a proposed administrative budget and submit it for approval to the Oversight Board. The administrative budget is required to include estimated amounts for Successor Agency administrative costs for the ROPS period as well as the source of payment for the administrative costs. The attached Administrative Budget covers the entire 2015-16 fiscal year and shows \$125,000 of administrative costs for the July through December 2015 time period; and \$125,000 for the January through June 2016 time period, with the Redevelopment Property Tax Trust Fund as the source of payment.

## **FISCAL IMPACT**

Adoption and transmittal of the Recognized Obligation Payment Schedule is necessary to receive money from the Redevelopment Property Tax Trust Fund (RPTTF) to pay ongoing bond payments and other enforceable obligations of the former Redevelopment Agency for the time period of July through December 2015. It is anticipated that there will be enough RPTTF to pay for enforceable obligations for this ROPS 15-16A period.

## **RECOMMENDATIONS**

1. Adopt Resolution No. 15-02 - A RESOLUTION OF THE SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF OROVILLE ADOPTING THE JULY THROUGH DECEMBER 2015 RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 15-16A) PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177 (m).
2. Adopt Resolution No. 15-03 - A RESOLUTION OF THE SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF OROVILLE ADOPTING THE JULY 1, 2015 THROUGH JUNE 30, 2016 ADMINISTRATIVE BUDGET PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177 (j).

## **ATTACHMENTS**

Resolution No. 15-02  
Resolution No. 15-03  
Administrative Budget for FY 2015 -2016  
Recognized Obligation Payment Schedule (ROPS 15-16A)

**SUCCESSOR AGENCY  
RESOLUTION NO. 15-02**

**A RESOLUTION OF THE OROVILLE SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF OROVILLE ADOPTING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 15-16A) FOR JULY THROUGH DECEMBER 2015 PURSUANT TO HEALTH AND SAFETY CODE SECITON 34177 (m)**

**WHEREAS**, pursuant to Health and Safety Code Section 34177 (m) the Successor Agency is required to approve the Recognized Obligation Payment Schedule (ROPS) for the period of July 1, 2015 through December 31, 2015, and

**WHEREAS**, upon Successor Agency approval of the ROPS, the Successor Agency is required to submit the ROPS to the Oversight Board of the Oroville Successor Agency for approval and the Oversight Board is required to submit the ROPS to the Department of Finance and the County Auditor-Controller, no fewer than 90 days before the date of the property tax distribution, and

**BE IT HEREBY RESOLVED** by the Successor Agency as follows:

**SECTION 1.** The Oroville Successor Agency approves the Recognized Obligation Payment Schedule for the period of July 1, 2015 through December 31, 2015.

**SECTION 2.** The Secretary shall attest to the adoption of this Resolution.

**PASSED and ADOPTED** by the Successor Agency to the Oroville Redevelopment Agency at a regular meeting on February 17, 2015 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Linda L. Dahlmeier, Chairperson

APPROVED AS TO FORM:

ATTEST:

\_\_\_\_\_  
Scott E. Huber, City Attorney

\_\_\_\_\_  
Randy Murphy, Secretary

**OROVILLE SUCCESSOR AGENCY  
RESOLUTION NO. 15-03**

**A RESOLUTION OF THE SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF OROVILLE ADOPTING THE JULY 1, 2015 THROUGH JUNE 30, 2016 ADMINISTRATIVE BUDGET PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177 (j)**

**WHEREAS**, pursuant to Health and Safety Code Section 34177 (j) the Oversight Board is required to approve the Successor Agency Administrative Budget; and

**WHEREAS**, the Administrative Budget shall include 1) an estimate of the six month fiscal period, 2) sources of payment for the costs identified, and 3) arrangements for administrative and operations services provided by the City or other agency; and

**BE IT HEREBY RESOLVED** by the Successor Agency as follows:

**SECTION 1.** The Oroville Successor Agency approves the Oroville Successor Agency Administrative Budget for the period of July 1, 2015 through June 30, 2016.

**SECTION 2.** The Secretary shall attest to the adoption of this Resolution.

**PASSED and ADOPTED** by the Successor Agency to the Oroville Redevelopment Agency at a regular meeting on February 17, 2015 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Linda L. Dahlmeier, Chairperson

APPROVED AS TO FORM:

ATTEST:

\_\_\_\_\_  
Scott E. Huber, City Attorney

\_\_\_\_\_  
Randy Murphy, Secretary

**OROVILLE SUCCESSOR AGENCY  
ADMINISTRATIVE BUDGET  
FISCAL YEAR 2015-16  
FOR JULY 1, 2015 to JUNE 30, 2016**

Expense Category	15-16 FY Proposed Budget
<b>Successor Agency Personnel</b>	
Salaries, benefits and payroll taxes – July-Dec 2015	\$96,000
Salaries, benefits and payroll taxes – Jan-June 2016	\$96,000
<b>TOTAL</b>	<b>\$192,000</b>
<b>Maintenance and Operation</b>	
Contracted Services – July-Dec 2015	\$20,000
Contracted Services – Jan-June 2016	\$20,000
Legal Services – July-Dec 2015	\$9,000
Legal Services – Jan-June 2016	\$9,000
<b>TOTAL</b>	<b>\$58,000</b>
<b>Total Expenditures – July-Dec 2015</b>	
	<b>\$125,000</b>
<b>Total Expenditures – Jan-June 2016</b>	
	<b>\$125,000</b>
<b>TOTAL EXPENDITURES FY 2015-16</b>	
	<b>\$250,000</b>

The funding source is the Successor Agency's Administrative Cost Allowance from the Redevelopment Property Tax Trust Fund.

**Recognized Obligation Payment Schedule (ROPS 15-16A) - Summary**

Filed for the July 1, 2015 through December 31, 2015 Period

**Name of Successor Agency:** Oroville  
**Name of County:** Butte

<u>Current Period Requested Funding for Outstanding Debt or Obligation</u>		<u>Six-Month Total</u>
<b>Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding</b>		
<b>A Sources (B+C+D):</b>		<b>\$ -</b>
B Bond Proceeds Funding (ROPS Detail)		-
C Reserve Balance Funding (ROPS Detail)		-
D Other Funding (ROPS Detail)		-
<b>E Enforceable Obligations Funded with RPTTF Funding (F+G):</b>		<b>\$ 2,451,312</b>
F Non-Administrative Costs (ROPS Detail)		2,176,312
G Administrative Costs (ROPS Detail)		275,000
<b>H Current Period Enforceable Obligations (A+E):</b>		<b>\$ 2,451,312</b>

<u>Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding</u>		
I Enforceable Obligations funded with RPTTF (E):		2,451,312
J Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)		(2,662)
<b>K Adjusted Current Period RPTTF Requested Funding (I-J)</b>		<b>\$ 2,448,650</b>

<u>County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding</u>		
L Enforceable Obligations funded with RPTTF (E):		2,451,312
M Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)		-
<b>N Adjusted Current Period RPTTF Requested Funding (L-M)</b>		<b>2,451,312</b>

Certification of Oversight Board Chairman:  
Pursuant to Section 34177 (m) of the Health and Safety code, I  
hereby certify that the above is a true and accurate Recognized  
Obligation Payment Schedule for the above named agency.

_____	_____
Name	Title
/s/ _____	
Signature	Date

**Recognized Obligation Payment Schedule (ROPS 15-16A) - ROPS Detail**  
**July 1, 2015 through December 31, 2015**  
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K					O	P							
										L							M	N	O	P			
										Funding Source											Non-Admin	Admin	Six-Month Total
										Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)													
Item #	Project Name / Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	Six-Month Total								
1	2002 Tax Allocation Bonds (Tax - Exempt)	Bonds Issued On or Before 12/31/10	10/1/2002	9/15/2030	Union Bank	Bonds issue to fund non-housing projects	Oroville RDA Project Area #1	\$ 29,267,272	Y	\$ -	\$ -	\$ -	\$ 2,176,312	\$ 275,000	\$ 2,451,312								
2	2004 Tax Allocation Bonds, Series A (Tax - Exempt)	Bonds Issued On or Before 12/31/10	7/1/2004	9/15/2026	Union Bank	Bonds issue to fund non-housing projects	Oroville RDA Project Area #1	-	Y	-	-	-	-	-	\$ -								
3	2004 Tax Allocation Bonds, Series B	Bonds Issued On or Before 12/31/10	7/1/2004	9/15/2026	Union Bank	Bonds issue to fund non-housing projects	Oroville RDA Project Area #1	-	Y	-	-	-	-	-	\$ -								
4	Fiscal Agent Fees, and Arbitrage Rebate Services	Fees	3/1/2012	9/15/2030	Union Bank - Willdan	Fees for fiscal agent services	Oroville RDA Project Area #1	192,000	N	-	-	-	6,000	-	\$ 6,000								
8	*Levee Investigation	Professional Services	6/21/2011	6/21/2012	HDR Engineering	Professional Services Agreement with HDR, FEMA Levee Certification Project	Oroville RDA Project Area #1	-	N	-	-	-	-	-	\$ -								
9	Oroville Enterprise Zone	Professional Services	12/10/2007	6/30/2021	City of Oroville	MOU between the State of California - HCD and the City to perform Enterprise Zone Activities	Oroville RDA Project Area #1	-	N	-	-	-	-	-	\$ -								
10	Oroville Inn Code Enforcement Legal Services	Professional Services	4/6/2010	9/15/2030	Cota Cole	Professional Services Agreement with Cota Cole for Code Enforcement Legal Services	Oroville RDA Project Area #1	-	N	-	-	-	-	-	\$ -								
12	*Successor Agency Administrative Allowance	Admin Costs	2/1/2012	9/15/2031	City of Oroville	Staffing costs overhead, building, insurance, utility costs, equipment, etc	Oroville RDA Project Area #1	4,000,000	N	-	-	-	-	125,000	\$ 125,000								
20	Robert M Taylor Corporation Participation Agreement	OPA/DDA/Construction	12/15/1986	1/1/2021	City of Oroville	Developer Participation Agreement dated December 15, 1986, whereby the Oroville RDA agrees to reimburse the participant a portion of the assessed value of the underlying developed property on an annual basis through the tax year 2021.	Oroville RDA Project Area #1	24,892	N	-	-	-	2,092	-	\$ 2,092								
21	City of Oroville Loan	City/County Loans On or Before 6/27/11	10/19/1987	12/31/2030	City of Oroville	Loan from City to former RDA to provide seed money for CIP projects and property acquisition		-	N	-	-	-	960,812	-	\$ 960,812								
22	Housing Successor Entity Administrative Cost Allowance	Admin Costs	2/18/2014	9/15/2030	Oroville Housing Successor Entity	Administrative cost allowance for the housing successor entity permitted by Assembly Bill 471, codified in HSC Section 34171(p)		-	N	-	-	-	-	150,000	\$ 150,000								
23	2015 Tax Allocation Revenue Refunding Bonds	Bonds Issued On or Before 12/31/10	3/12/2015	9/15/2031	Union Bank	Refunding of 2002, 2004A and 2004B tax allocation bonds issued to fund non-housing projects	Oroville RDA Project Area #1	25,010,380	N	-	-	-	1,167,408	-	\$ 1,167,408								
24	Pre-Disposition Costs - Property Disposition by Successor Agency	Property Dispositions	1/1/2015	9/15/2031	Appraisers, Brokers/ Agents, Environmental consultants, Title companies, Escrow, City of Oroville	Preparation of properties for disposition by Successor Agency - Disposition documentation, title and escrow services, environmental due diligence, appraisal fees, broker and agent fees, other pre-disposition costs associated with disposition of properties.	Oroville RDA Project Area #1	25,000	N	-	-	-	25,000	-	\$ 25,000								
25	Interim Property Management - Property Disposition by Successor Agency	Property Dispositions	1/1/2015	9/15/2031	Property Agents, City of Oroville, Maintenance Contractors	Preparation and maintenance of agency properties for disposition by Successor Agency - Interim Property Management	Oroville RDA Project Area #1	15,000	N	-	-	-	15,000	-	\$ 15,000								
26									N						\$ -								
27									N						\$ -								
28									N						\$ -								
29									N						\$ -								
30									N						\$ -								
31									N						\$ -								
32									N						\$ -								
33									N						\$ -								
34									N						\$ -								

**Recognized Obligation Payment Schedule (ROPS 15-16A) - Report of Cash Balances**

(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see [https://rad.dof.ca.gov/rad-sa/pdf/Cash\\_Balance\\_Agency\\_Tips\\_Sheet.pdf](https://rad.dof.ca.gov/rad-sa/pdf/Cash_Balance_Agency_Tips_Sheet.pdf).

A	B	C	D	E	F	G	H	I	
		<b>Fund Sources</b>							
		<b>Bond Proceeds</b>		<b>Reserve Balance</b>		<b>Other</b>	<b>RPTTF</b>		
	<b>Cash Balance Information by ROPS Period</b>	Bonds Issued on or before 12/31/10	Bonds Issued on or after 01/01/11	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, Grants, Interest, Etc.	Non-Admin and Admin	<b>Comments</b>	
<b>ROPS 14-15A Actuals (07/01/14 - 12/31/14)</b>									
1	<b>Beginning Available Cash Balance (Actual 07/01/14)</b>	5,323,808		88,861		76,155	111,532		
2	<b>Revenue/Income (Actual 12/31/14)</b> RPTTF amounts should tie to the ROPS 14-15A distribution from the County Auditor-Controller during June 2014	1,593				7,357	1,612,238		
3	<b>Expenditures for ROPS 14-15A Enforceable Obligations (Actual 12/31/14)</b> RPTTF amounts, H3 plus H4 should equal total reported actual expenditures in the Report of PPA, Columns L and Q						1,650,129		
4	<b>Retention of Available Cash Balance (Actual 12/31/14)</b> RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	1,950,825							
5	<b>ROPS 14-15A RPTTF Prior Period Adjustment</b> RPTTF amount should tie to the self-reported ROPS 14-15A PPA in the Report of PPA, Column S	No entry required						2,662	
6	<b>Ending Actual Available Cash Balance</b> C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ 3,374,576	\$ -	\$ 88,861	\$ -	\$ 83,512	\$ 70,979		
<b>ROPS 14-15B Estimate (01/01/15 - 06/30/15)</b>									
7	<b>Beginning Available Cash Balance (Actual 01/01/15)</b> (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	\$ 5,325,401	\$ -	\$ 88,861	\$ -	\$ 83,512	\$ 73,641		
8	<b>Revenue/Income (Estimate 06/30/15)</b> RPTTF amounts should tie to the ROPS 14-15B distribution from the County Auditor-Controller during January 2015						289,925		
9	<b>Expenditures for ROPS 14-15B Enforceable Obligations (Estimate 06/30/15)</b>			88,861		76,155	360,925		
10	<b>Retention of Available Cash Balance (Estimate 06/30/15)</b> RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	1,950,825							
11	<b>Ending Estimated Available Cash Balance (7 + 8 - 9 - 10)</b>	\$ 3,374,576	\$ -	\$ -	\$ -	\$ 7,357	\$ 2,641		





**OROVILLE CITY COUNCIL  
MONTHLY REPORT**

**TO: MAYOR AND CITY COUNCIL MEMBERS AND  
RANDY MURPHY, CITY ADMINISTRATOR**

**FROM: BILL LAGRONE, POLICE AND FIRE CHIEF**

**RE: POLICE DEPARTMENT MONTHLY REPORT FOR JANUARY 2015  
FIRE DEPARTMENT MONTHLY REPORT FOR JANUARY 2015**

**DATE: FEBRUARY 17, 2015**

**SUMMARY**

The Council will receive a monthly report regarding the activities, revenues, and general information for the Police and Fire Departments.

**Staffing:**

<b>Positions</b>	<b>Total staffed</b>	<b>Total Authorized</b>	<b>Total Vacant/Frozen</b>
Police Officer	17	26	7/2
Dispatcher	9	9	0
Community Service Officers / Evidence	2	3	0/1
Administrative Personnel	2	4	0/2

<b>Positions</b>	<b>Total staffed</b>	<b>Total Authorized</b>	<b>Total Vacant/Frozen</b>
Firefighters	7	7	0/0
Fire Engineer	3	6	0/3
Fire Captain	3	3	0/0
Administrative Personnel	3	3	0/0

**Police Overtime YTD:**

Overtime Budgeted	Overtime Expended YTD	Percentage Expended
\$ 179,979.00	\$ 209,042.00	116%

**Fire Overtime YTD:**

Overtime Budgeted	Overtime Expended YTD	Percentage Expended
\$200,000.00	\$87,364.00	44%

**Department Activity:**

Events Year to Date 2015	Average Response Time for Crimes against persons <small>*Priority 1 crimes</small>	Average Response Time for all types of calls for Service	National Average Response Time
2,554	7:31	6:43 minutes	8 - 11 minutes

**Downtown Foot and Park Patrols:**

	Park Patrols	Downtown Patrols
January 2015	144	60
Year to Date	144	60

**Parking Enforcement Citations Issued:**

January 2015	Year to Date 2015	January 2014	Year to date 2014
6	6	19	19

**Police Activity:**

	January 2014	January 2015	Year to date 2014	Year to date 2015
<b>Arrest</b>				
<b>Misdemeanor</b>	194	144	194	144
<b>Felony</b>	78	36	78	36

	January 2014	January 2015	Year to date 2014	Year to date 2015
<b>Citations</b>				
	199	113	199	113

**Uniform Crime Reporting:**

Crimes of Violence	January 2015	Year to Date January – December
Homicide	1	1
Rape	1	1
Robbery	1	1
Aggravated Assault	2	2

Population per 2010 Census 15,000  
 Violent Crimes YTD 5  
 Violent Crime Rate 0.0003

**Fire Department Activity:**

Incidents	January 2015
Fallen no injury / Medical Alarm	13
Dumpster Fire / Unoccupied Vehicle Fire	3
Vegetation Fire	2
1, 2, or 3 Family Homes	6
Minor Hazardous Spill etc.	3
Water Flow Alarm	1
Gas Odor/Power Lines Down	2
Alarm Sounding / Smoke / Fireworks	13
Medical Aid / non CPR	249
Special Assignment	1
Traffic Collision	19
<b>Total Incidents</b>	<b>312</b>

Events Year to Date 2015	Average Response Time (Dispatch to Arrival)
312	4:59 minutes

**Fire Marshall Inspections:**

	January 2015	2015 Year to Date	January 2014	2014 Year to Date
Plan Checks	0	0	7	7
Occupancy	10	10	16	16
Fire Inspections	4	4	5	5

**Fire Intern Hours:**

	Intern Hours	Total Hours Worked in Fiscal 14/15	Funds Used Fiscal Year to Date
January 2015	0	941	\$10,010.00

## SPCA Statics:

### Service Calls by Priority:

Priority Level	Number of Calls	Total Minutes per call type	Average response times
Urgent	3	15	5.00
Priority	51	416	8.15
At Officer Convenience	46	300	6.53
After Hours	9	90	10.00

### Animal Intake and Outcome Stats:

Total Animals taken in from City	Total Animals outgoing	Cats	Dogs	Other	Bird	Livestock
70	71	20	44	2	1	3

\*The remaining difference from intakes to outcome total represents animals that have not yet had an outcome and are still in the facility.

### Animal Outcomes:

Outcome Type	Outcome Total
Adoption	10- (5 Dogs) (3 Cats) (1 Livestock) (1 Bird)
Died	1 - (1 Cat)
Disposal	9 - (1 Dog) (3 Cats) (1 Bird) (4 Other)
Euthanasia	35 - (18 Dogs) (13 Cats) (2 Birds) (2 Other)
Foster	1 - (1 Dog)
RTO	14 - (11 Dogs) (1 Cat) (2 Livestock)
Transfer	1 - (Dog)

\*Others are wild animals such as bats, skunks, snakes, possums, etc....

### SPCA After-hours call outs:

January 2015	Fiscal Year to Date
9	9

### Shoes for Kids:

Shoes Provided	Socks Provided
22	132

This program provides shoes and socks for children of our Community. This program is funded by Department member donations and community donations.

## **Volunteers:**

### **Total Number of V.I.P.S. Volunteer Hours for 2015:**

#### **Volunteer Hours converted to dollar amount:**

Value of Volunteer hour in California \$21.36

$$382.5 \times 21.36 = \mathbf{\$8,170.20}$$

### **Total Number of Staff Volunteer Hours for 2015:**

#### **Volunteer Hours converted to dollar amount:**

Value of Volunteer hour in California \$21.36

$$114.7 \times \$21.36 = \mathbf{\$2,449.99}$$

## **FISCAL IMPACT**

No impact to the General Fund.

## **RECOMMENDATIONS**

Receive and file the January, 2015, monthly report regarding the activities, revenues, and other general information of the Public Safety Department.

1/26/15

Phil Moret  
Oroville citizen  
6051 Upper Palermo Road  
Oroville, CA 95966

Randy Murphy  
City Administrator  
1735 Montgomery Street  
Oroville, CA 95966

City of Oroville  
JAN 29 2015  
Administration

**Hello again Randy**

Several months ago I sent you a letter about how I've been enjoying our city from a bicyclist's point of view, and how I have been finding my way through this tough economy. I am constantly trying to re-invent myself in every way I can think of. One thing I have been doing which began as an act of community service that I'm currently completing, is a men's group that I attend. It's at the African American Family Cultural Center in South Oroville. I'm not sure how much the city of Oroville has to do with the A.A.F.C.C. (given S. O's. recent incorporation to the city) but I believe the program is being funded through "Youth for Change". Anyway this men's group has had a great impact on my life. It's a place where adult males can sit down and express themselves for about an hour and a half each week on different subjects. Here are some examples of past topics...

10 things a man or a woman can do to please their spouse  
How to be a better father figure to your son/daughter  
How to end the pain and shame of racism  
Political discussions with liberal and conservative viewpoints

Those last two topics about race and politics got pretty intense at times as you might imagine, there was yelling back and forth and this is why these meetings need to be kept private. Some discussions are about very personal and painful subjects, that's why strict protocols need to be in place to ensure children are not witness to any such adult discussion. The person in charge of the "Men's Group" should be responsible for keeping the peace when two or more testosterone fueled males engage in argument. I spoke with Bobby Jones who runs the Center and he has assured me that there will be no children allowed in the Men's Group from now on.

In closing I would like to say how important it is to have a men's group because the adult male seems to be a segment of society that is either ridiculed or just ignored altogether and even though it's not perfect and mistakes have been made, I consider the Men's Group a valuable work in progress.

P.S. If there is ever a position open for a new team member at City Hall, I would love to be considered.

Sincerely

Phil Moret



**Randy Murphy**

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**From:** Wilson, Joe (Gov Rel) [J8WE@pge.com]  
**Sent:** Monday, February 02, 2015 9:09 AM  
**To:** Wilson, Joe (Gov Rel)  
**Subject:** PG&E CPUC Notification  
**Attachments:** ALJ 274 15-01-001.pdf; ALJ 274 15-01-002.pdf; ALJ 274 15-01-004.pdf

Good Morning:

On Friday, January 23, 2015, PG&E received two citations from the California Public Utilities Commission (CPUC) based upon audits performed in 2010 and 2012. Additionally, the CPUC issued a citation on Friday, January 30, 2015 for an audit performed in 2013; copies of all three citations are attached to this email. There was no specific mention of your City or County within these citations, but in accordance with CPUC policy PG&E is notifying all City and County administrators in its gas service territory.

The safety of our customers, employees and the communities we serve is always our top priority. Please know that since these audits took place, PG&E has made significant process improvements addressing the findings. The company is working to resolve the issues to the satisfaction of the CPUC.

Our goal is to become the safest and most reliable gas company in the nation. As part of this, we are committed to ensuring full compliance with all applicable requirements, including communicating citations of this type to local communities.

If you have any questions about the report or would like additional information about our progress on pipeline safety, I am available to discuss these matters and, if desired, we can make a member of our Gas Operations team available to answer any technical questions.

Sincerely,

Joe Wilson  
Governmental Relations  
Pacific Gas and Electric  
350 Salem St.  
Chico, CA. 95926  
530-896-4289

Call 811 Before You Dig  
[www.pge.com/digsafely](http://www.pge.com/digsafely)

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PG&E is committed to protecting our customers' privacy.  
To learn more, please visit <http://www.pge.com/about/company/privacy/customer/>

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2/2/2015



**Public Utilities Commission**  
STATE OF CALIFORNIA

Citation Date: January 23, 2015

Citation #: ALJ 274 15-01-001

Operator ID#: 15007

**CITATION FOR VIOLATION(S)  
ISSUED PURSUANT TO RESOLUTION ALJ-274  
OF GENERAL ORDER 112-E**

**Gas Corporation (Operator):** Pacific Gas & Electric Company  
*To Which Citation Is Issued*

**RESPONDENT:**

Mr. Jesus Soto, Vice President  
Pacific Gas & Electric Company  
6111 Bollinger Canyon Road, Room 4590-D  
San Ramon, CA 94583

**CITATION:**

Operator is hereby cited for two violations resulting in a financial penalty of \$50,000 for each violation, for a total fine amount of \$100,000.

**VIOLATIONS:**

Operator is cited for violating General Order (GO) 112-E, as described below. SED discovered these violations during the GO 112-E Operator Qualification (OQ) program audit conducted in 2012.

**1. 49 CFR §192.805**

*"Each operator shall have and follow a written qualification program. The program shall include provisions to:*

*(a) Identify covered tasks.*

PG&E did not identify some applicable covered tasks in its OQ Plan. These tasks include welding, non-destructive testing, excavation, compressor station maintenance, meter installation and maintenance, regulator installation and maintenance, backfilling, service line installation and repair.



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**2. 49 CFR §192.805**

*"Each operator shall have and follow a written qualification program. The program shall include provisions to:*

*(f) Communicate changes that affect covered tasks to individuals performing those covered tasks"*

PG&E's OQ Plan, Section 1.7.1, "Communicate Changes" does not include a provision to identify how changes to the procedures, tools standards and other elements used by individuals in performing covered tasks are communicated to its contractors and how these changes are implemented in the evaluation process.

**ENCLOSURES:**

The following enclosures were used to establish the findings of fact:

1. *Enclosure 1 - SED Investigation Report, dated 8/25/14*
2. *Enclosure 2 - SED 2012 PG&E OQ Audit Report, dated 11/07/2013*
3. *Enclosure 3 - PG&E Response to OQ Audit Report, dated 01/10/2014*

**STATEMENT OF FACTS:**

The above violations are documented in the attached *Enclosure 1 – SED Investigation Report* which is based on one or more of the following: SED's review of the 2012 PG&E OQ program Audit, PG&E's response to the audit findings, Operator's records and/or substantiating documents obtained from other sources, or other reasons as stated in the attached report.



**Public Utilities Commission**  
STATE OF CALIFORNIA

Citation Date: January 23, 2015

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Operator ID#: 15007

**SED CITATION ANALYSIS**

<b>Element of Sentencing Schedule</b>	<b>Staff Finding</b>
Number of violation (s) and duration of violation(s)	<i>Two violations of Title 49 CFR §192.805(a) and §192.805(f) found in 2012</i>
Severity of the offense: overall level of risk of violation(s)	<i>Two violations which did not create significant hazardous conditions, each for \$50,000, resulting in total fine amount of \$100,000</i>
The conduct of the utility before, during, and after the offense	<i>The utility is being cooperative and has undertaken corrective actions</i>
Previous occurrence of similar violations by the utility	<i>N/A</i>
Self-reporting of the violation	<i>Not self-reported. Violations found as a result of GSRB 2012 PG&amp;E OQ Audit</i>
Indication of the violation (s) being willful	<i>No</i>
Actions taken by the utility to address the violation	<i>Refer to Enclosures 1 thru 3</i>
Associated safety related condition	<i>N/A</i>
Financial resources of the utility	<i>4.3 Million customers, \$715 Million Revenue requirement</i>
The totality of the circumstances	<i>(1) Missing identification of several covered tasks - 49CFR192.805(a); and (2) Excluding contractors from communication of changes in the program - 49CFR192.805(f). Both violations affect PG&amp;E's entire gas system</i>
Other factors deemed relevant by SED	<i>Utility cooperative with staff, calculated citation amount based on number of offenses (2).</i>



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**STATE OF CALIFORNIA**

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<b>Resultant Citation Taking All Of These Factors Into Account</b>	<b>\$100,000.00</b>
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**Public Utilities Commission**  
**STATE OF CALIFORNIA**

**Citation Date:** January 23, 2015

**Citation #:** ALJ 274 15-01-001

**Operator ID#:** 15007

**RESPONSE:**

Respondent is hereby called upon to provide a response to this Citation by: **5:00 PM (PST) on February 2, 2015.**

By way of such response, Respondent, **within 10 calendar days**, may either:

- (1) Correct the violations with any immediate safety hazard requiring immediate correction as soon as feasible, and/or submit a Compliance Plan to the Director of SED for correcting those violations requiring more than 10 days to correct, **and** pay a fine pursuant to Pub. Util. Code § 2107. (Submit a check payable to California Public Utilities Commission using the attached *Citation Payment Form*. Upon payment, the fine will be deposited in the State Treasury to the credit of the General Fund and this citation will become final); **or**
- (2) Confirm that the violation(s) noted in this Citation have been corrected and/or otherwise do not present an on-going safety hazard to the Operator's employees and the general public, and/or submit a Compliance Plan to the Director of SED for correcting those violations requiring more than 10 days to correct, **and** contest this citation by completing and submitting a *Notice of Appeal Form*. Please see the attached document, "Directions For Submitting An Appeal To A Citation Issued Pursuant To Resolution ALJ-274" for information on the appeals process and the attached "Notice of Appeal Form". Also attached is a copy of Resolution ALJ-299 including Appendices A and B.

Respondent's failure to provide a response, as noted above, within 10 calendar days from the date the citation is served, will place Respondent in default of the citation and will result in forfeiture of the Respondent's rights to appeal the citation. A late payment will be subject to a penalty of 10% per year, compounded daily and to be assessed beginning the calendar day following the payment-due date. The Commission may take additional action to recover any unpaid fine and ensure compliance with applicable statutes and Commission orders.

**NOTIFICATION TO PUBLIC AGENCIES:**

As soon as is reasonable and necessary, and no later than 10 calendar days after service of the citation is effected, Respondent must provide a notification to the City Manager or similar local agency authority in the city and county where the citation is issued. Within 10 days of providing such notification, Respondent must serve an affidavit to the Director of SED, attesting that the local authorities have been notified; the date(s) for when notification was provided; and the name(s) and contact information for each local authority so notified.



**Public Utilities Commission**  
STATE OF CALIFORNIA

**Citation Date:** January 23, 2015

**Citation #:** ALJ 274 15-01-001

**Operator ID#:** 15007

The CPUC expects Operators to take actions, as soon as feasible, to correct, mitigate, or otherwise make safe all violations noted on the Citation regardless of the Operator's intentions to accept or appeal the violation(s) noted in the Citation.

A handwritten signature in black ink, appearing to read "Elizaveta Malashenko", written over a horizontal line.

**Elizaveta Malashenko**  
Deputy Director  
Office of Utility Safety and Reliability  
Safety and Enforcement Division  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102  
[elizaveta.malashenko@cpuc.ca.gov](mailto:elizaveta.malashenko@cpuc.ca.gov)



**Public Utilities Commission**  
STATE OF CALIFORNIA

Citation Date: January 23, 2015  
Citation #: ALJ 274 15-01-001  
Operator ID#: 15007

**CITATION PAYMENT FORM**

I (we) \_\_\_\_\_ hereby agree to comply with this citation dated \_\_\_\_\_, and have corrected/mitigated the violation(s) noted in the citation on \_\_\_\_\_ and no later than \_\_\_\_\_, all work to make permanent corrections to any mitigated, or otherwise remaining concerns related to the violation(s) will be completed as noted in the Compliance Plan we have submitted to the Director of SED and, herewith, pay a fine in the amount of \$ \_\_\_\_\_ as included in the citation.

Signature of Gas Corporation's Treasurer,  
Chief Financial Officer, or President/CEO, or  
delegated Officer thereof

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Printed Name and Title)

Payment with a check must be made payable to the **California Public Utilities Commission** and sent to the below address. Please include the citation number on the memorandum line of the check to ensure your payment is properly applied.

**California Public Utilities Commission**  
**Attn: Fiscal Office**  
**505 Van Ness Avenue**  
**San Francisco, CA 94102-3298**

NOTE: A copy of the completed Citation Payment Form must be sent to the Director of the Safety and Enforcement Division, via email or regular mail, to the addresses provided on the Citation.



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STATE OF CALIFORNIA

Citation Date: January 23, 2015

Citation #: ALJ 274 15-01-001

Operator ID#: 15007

**DIRECTIONS FOR SUBMITTING AN APPEAL TO A CITATION  
ISSUED PURSUANT TO RESOLUTION ALJ-274**

Within 10 calendar days of the Respondent being served with a **CITATION FOR VIOLATION(S) ISSUED PURSUANT TO RESOLUTION ALJ-274**, Respondent may appeal the citation. Beyond 10 calendar days of being served with the citation, Respondent is in default and, as a result, is considered as having forfeited rights to appeal the citation. The Respondent must still correct the violation(s) as feasible unless, within 10 calendar days from the date of service of the citation, the Respondent submits to the Director of SED, a Compliance Plan that provides a detailed description of when the violation(s) will be corrected, the methodology to be utilized, and a statement, supported by an affidavit from the Gas Corporation's Chief Executive Officer, that in the Respondent's best judgment, the time necessary to correct the violation(s) will not affect the integrity of the operating system or unduly endanger the public.

To appeal the citation, Appellant must file a Notice of Appeal (including a completed title page complying with Rule 1.6 of the Commission's Rules of Practice and Procedure, and attached Notice of Appeal Form) along with copies of any materials the Appellant wants to provide in support of its appeal with the Commission's Docket Office **and** must be served, at a minimum, on

- 1) The Chief Administrative Law Judge (with an electronic copy to:  
[ALJ\\_Div\\_Appeals\\_Coordinator@cpuc.ca.gov](mailto:ALJ_Div_Appeals_Coordinator@cpuc.ca.gov)),
- 2) The Director of Safety and Enforcement Division
- 3) The Executive Director
- 4) General Counsel
- 5) The Director of the Division of Ratepayer Advocates

within 10 calendar days of the date on which the Appellant is served the Citation at the address listed below. The Appellant must file a proof of service to this effect at the same time the Appellant files the Notice of Appeal. The Notice of Appeal must at a minimum state: (a) the date of the citation that is appealed; and (b) the rationale for the appeal with specificity on all grounds for the appeal of the citation.

**California Public Utilities Commission**  
**505 Van Ness Ave,**  
**San Francisco, CA 94102**  
**Attn: <Insert Title>**

**NOTE:** Submission of a *Notice of Appeal Form* in no way diminishes Appellant's responsibility for correcting the violation described in the citation, or otherwise ensuring the safety of facilities or conditions that underlie the violations noted in the Citation.



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**STATE OF CALIFORNIA**

**Citation Date:** January 23, 2015

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**Operator ID#:** 15007

Ex Parte Communications as defined by Rule 8.1(c) of the Commission's Rules of Practice and Procedure, are prohibited from the date the citation is issued through the date a final order is issued on the citation appeal.

After SED receives the Appellant's *Notice of Appeal Form*, a hearing will be convened before an Administrative Law Judge. At least ten business days before the date of the hearing, the Appellant will be notified and provided with the location, date, and time for the hearing. At the hearing,

- (a) Appellant may be represented by an attorney or other representative, but any such representation shall be at the sole expense of the Respondent;
- (b) Appellant may request a transcript of the hearing, but must pay for the cost of the transcript in accordance with the Commission's usual procedures;
- (c) Appellant is entitled to the services of an interpreter at the Commission's expense upon written request to the Chief Administrative Law Judge not less than five business days prior to the date of the hearing; and
- (d) Appellant may bring documents to offer in evidence (Rule 13.6 (Evidence) of the Commission's Rules of Practice and Procedure applies) and/or call witnesses to testify on Respondent's behalf. At the Commission's discretion, the hearing in regard to the Appellant's appeal can be held in a hearing room at either of the offices of the CPUC at the following locations:

**San Francisco:**  
505 Van Ness Avenue  
San Francisco, CA 94102

**Los Angeles:**  
320 West 4<sup>th</sup> Street, Suite 500  
Los Angeles, CA 90013

The hearing(s) held in regard to the Appellant's appeal will be adjudicated in conformance with all applicable Public Utilities Code requirements.



**Public Utilities Commission**  
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**Notice of Appeal Form**

**Appeal of PG&E from Citation ALJ 274 15-01-001 issued by Safety and Enforcement Division (For A Citation Issued Pursuant to Resolution ALJ-274)**

**Appellant:**

Name  
Vice President, Gas Operations  
Gas Utility Name  
Mailing Address  
City, CA Zip

Citation Date:

Citation #: \_\_\_\_ - \_\_\_\_ - \_\_\_\_

Operator ID#:

Appeal Date: \_\_\_\_\_

"Appeal of [insert Operator Name] from [insert Citation number] issued by Safety and Enforcement Division"

Statements supporting Appellant's Appeal of Citation (You may use additional pages if needed and/or attach copies of supporting materials along with this form).



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**Enclosures to Accompany Utility Appeal**

*Utility to add Enclosures as appropriate*



**Public Utilities Commission**  
STATE OF CALIFORNIA

Citation Date: January 23, 2015

Citation #: ALJ 274 15-01-002

Operator ID#: 15007

**CITATION FOR VIOLATION(S)  
ISSUED PURSUANT TO RESOLUTION ALJ-274  
OF GENERAL ORDER 112-E**

**Gas Corporation (Operator):** Pacific Gas & Electric Company  
*To Which Citation Is Issued*

**RESPONDENT:**

Mr. Jesus Soto, Vice President  
Pacific Gas & Electric Company  
6111 Bollinger Canyon Road, Room 4590-D  
San Ramon, CA 94583

**CITATION:**

Operator is hereby cited for three violations from 2004-2012 resulting in a financial penalty of \$430,000

**VIOLATIONS:**

Operator is cited with having violated General Order 112-E, as described below. These violations occurred during the period 2004 through 2012.

**1. Title 49, CFR §192.925 What are the requirements for using External Corrosion Direct Assessment (ECDA)?**

*(a) Definition. ECDA is a four-step process that combines preassessment, indirect inspection, direct examination, and post assessment to evaluate the threat of external corrosion to the integrity of a pipeline.*

*(b) General requirements. An operator that uses direct assessment to assess the threat of external corrosion must follow the requirements in this section, in ASME/ANSI B31.8S (incorporated by reference, see §192.7), section 6.4, and in NACE SP0502-2008 (incorporated by reference, see §192.7). An operator must develop and implement a direct assessment plan that has procedures addressing preassessment, indirect examination, direct examination, and post-assessment. If the ECDA detects pipeline coating damage, the operator must also integrate the data from the ECDA with other information from the data integration (§192.917(b)) to evaluate the covered segment for the threat of third party damage, and to address the threat as required by §192.917(e)(1).*



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*(3) Direct examination. In addition to the requirements in ASME/ANSI B31.8S section 6.4 and NACE SP0502-2008, section 5, the plan's procedures for direct examination of indications from the indirect examination must include—*

*(i) Provisions for applying more restrictive criteria when conducting ECDA for the first time on a covered segment;*

*Section 5.9.1.2 of NACE RP0502-2002 states "When ECDA is applied for the first time, the pipeline operator should not downgrade any indications that were originally placed in the immediate or scheduled priority category to a lower priority category."*

*Section 5.2 Prioritization of NACE RP0502-2002 states in part:*

*"5.2.1 The pipeline operator shall establish criteria for prioritizing the need for direct examination of each indication found during the Indirect Inspection Step.*

*5.2.1.1 Prioritization, as used in this standard, is the process of estimating the need for direct examination of each indication based on the likelihood of current corrosion activity plus the extent and severity of prior corrosion."*

SED noted that for the first time ECDA, PG&E reclassifies some of the immediate indications found as a result of indirect assessment based on some of its direct examinations. The NACE standard states that all immediate indications should be excavated if found as a result of indirect examination when ECDA is applied for the first time. If it is a first time ECDA, PG&E cannot use a sample of the immediate indications as a basis for reclassifying all the remaining immediate indications without conducting a direct examination of all identified immediate indications.

PG&E must directly examine all immediate indications found as a result of indirect assessment for the first time ECDA unless PG&E has a documented technical justification for not implementing the NACE recommendation.

**2. Title 49, CFR §192.935 What additional preventive and mitigative measures must an operator take?**

*(a) General requirements. An operator must take additional measures beyond those already required by Part 192 to prevent a pipeline failure and to mitigate the consequences of a pipeline failure in a high consequence area. An operator must base the additional measures on the threats the operator has identified to each pipeline segment. (See §192.917) An operator must conduct, in accordance with one of the risk assessment approaches in ASME/ANSI B31.8S (incorporated by reference, see §192.7), section 5, a risk analysis of its pipeline to identify additional measures to protect the high consequence area and enhance public safety. Such additional measures include, but are not limited to, installing Automatic Shut-off Valves or Remote Control Valves, installing computerized monitoring and leak detection systems, replacing pipe segments with pipe of heavier wall thickness, providing additional training to personnel on response procedures, conducting drills*



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*with local emergency responders and implementing additional inspection and maintenance programs.*

PG&E established its procedure RMP-17, LTIMP to identify acceptable preventive and mitigative (P&M) measures for pipeline segments. The LTIMP provides details about how to perform a continual evaluation on PG&E's covered segments of pipeline. PG&E may also use the procedure as a basis for selection of P&M measures on selected non-covered segments with similar characteristics and threat susceptibility.

RMP-17 states that "The LTIMP process includes conducting a review following an integrity assessment, identifying P&M measures, and performing continual evaluations. The integrity assessment review integrates data and develops P&M measures based on threats identified for each pipe segment."

V-1 SED reviewed several LTIMP reports and found that PG&E did not generate many of them in a timely manner.

SED noted that since PG&E did not create the LTIMP reports in a timely manner after it completed the assessments, PG&E might have not addressed and promptly communicated to the responsible work groups some P&M measures for implementation.

During the audit, PG&E provided a copy of its LTIMP summary report which shows all pending LTIMP reports along with P&M work activity measures identified as a result of integrity management assessments.

As of September 2012, PG&E had a total of approximately 610 pending LTIMP projects. PG&E categorized approximately one third of these (229) as Priority 1 projects. This summary report also indicated that PG&E generated more than one third of all its pending LTIMP projects (258) for the assessments conducted prior to 2006 and based approximately 50% (116) of the pending Priority 1 projects on the inspections it conducted prior to 2006.

SED noted that as of September 2012, PG&E has only completed 17% of LTIMPs based on its 2004 baseline assessment mileage. It appears that since PG&E generated LTIMPs several years after the completion of integrity assessments, by the time PG&E started implementing the P&M measures, in some cases, covered segments were due for a reassessment.

SED determined that PG&E RMP-17 neither specifies any timeframe to create an LTIMP after PG&E completes an assessment nor does it require an allowed time interval to complete the implementation of P&M measures.

Therefore, PG&E must establish provisions in its RMP-17 for not only creating LTIMP reports but also implementing P&M measures with specific timeframes after conducting integrity assessments.



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V-2 SED also determined that PG&E does not have an effective method of providing the Risk Management group with the results of the LTIMPs.

PG&E must clear its LTIMP backlog and establish procedures for implementing its LTIMP process in a timely manner.

SED has concluded that PG&E must do the following:

- PG&E must initiate the LTIMP process immediately after it completes the assessments to ensure timely implementation of P&M measures.
- PG&E must prioritize the P&M measures and schedule the highest priority ones for implementation promptly for each assessed segment and record them in the database.
- PG&E's IM group must improve its communication with PG&E's other departments in order to take remedial actions in a timely manner.
- PG&E must improve its LTIMP database to track the progress of projects and completed work and to update the status of each project.
- PG&E's LTIMP team must provide documentation for project time extensions in order to justify the need for the extension and to ensure that it would not affect the integrity of the pipeline adversely.

**3. Title 49, CFR, §192.937 What is a continual process of evaluation and assessment to maintain a pipeline's integrity?**

*(a) General. After completing the baseline integrity assessment of a covered segment, an operator must continue to assess the line pipe of that segment at the intervals specified in §192.939 and periodically evaluate the integrity of each covered pipeline segment as provided in paragraph (b) of this section. An operator must reassess a covered segment on which a prior assessment is credited as a baseline under §192.921(e) by no later than December 17, 2009. An operator must reassess a covered segment on which a baseline assessment is conducted during the baseline period specified in §192.921(d) by no later than seven years after the baseline assessment of that covered segment unless the evaluation under paragraph (b) of this section indicates earlier reassessment.*

*(b) Evaluation. An operator must conduct a periodic evaluation as frequently as needed to assure the integrity of each covered segment. The periodic evaluation must be based on a data integration and risk assessment of the entire pipeline as specified in §192.917. For plastic transmission pipelines, the periodic evaluation is based on the threat analysis specified in 192.917(d). For all other transmission pipelines, the evaluation must consider the past and present integrity assessment results, data integration and risk assessment information (§192.917), and decisions about remediation (§192.933) and additional preventive and mitigative actions (§192.935). An operator must use the results from this evaluation to identify the threats specific to each covered segment and the risk represented by these threats.*

SED did not find any documentation to verify that PG&E has performed continual evaluation for establishing reassessment methods and schedules by considering all



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information relevant and required to determining risk associated with pipeline operations in HCAs as required by CFR, §192.937(b). SED noted, at the time of the audit that PG&E recently developed a Continual Evaluation Form; however, PG&E had not implemented the form for usage.

PG&E must prioritize and implement P&M measures identified in the LTIMPs based on their risk score and complete all remedial actions before the next reassessment of the covered segments.

PG&E must improve its procedure for continual evaluation in Section 7 of RMP-17, by providing additional specificity to improve the clarity and repeatability of the process. Additionally, PG&E must improve the procedure by adding robustness and missing pieces of information to meet the requirements of CFR, §192.937(b).

During the audit, it was unclear to SED what events and data PG&E needed to complete its "Continual Evaluation Form". PG&E needs to clearly define in its procedures that process for filling-out this form.



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**ENCLOSURES:**

The following enclosures were used to establish the findings of fact:

1. *Enclosure 1 – SED Investigation Report, dated August 29, 2014*
2. *Enclosure 2 – SED 2013 PG&E Transmission Integrity Management Program Audit, dated December 17, 2013*
3. *Enclosure 3 – PG&E Response to Transmission Integrity Management Program Audit Report, dated February 18, 2014*
4. *Enclosure 4 – CPUC, Transmission Integrity Management Program Audit Report, dated October 21, 2010*
5. *Enclosure 5 – PG&E Response to Transmission Integrity Management Program Audit Report and Attachment A, dated December 16, 2010*

**STATEMENT OF FACTS:**

The above violations are documented in the attached *Enclosure 1 – SED's Investigation Report* which is based on one or more of the following: SED's review of the 2012 PG&E Transmission Integrity Management Program (TIMP) Audit, PG&E's response to the audit findings, Operator's records and/or substantiating documents obtained from other sources, or other reasons as stated in the attached report.



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STATE OF CALIFORNIA

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Citation #: ALJ 274 15-01-002

Operator ID#: 15007

**SED CITATION ANALYSIS**

<b>Element of Sentencing Schedule</b>	<b>Staff Finding</b>
Number of violation (s) and duration of violation (s) since inception	<i>Three violations total; Title 49 CFR §192.925(b)(3), §192.935(a), and §192.937(a)(b) from 2004 through 2012</i>
Severity of the offense: overall level of risk of violation(s)	These violations contributed unnecessary risk to the utility's operations prior to corrective action
The conduct of the utility before, during, and after the offense	<i>The utility was cooperative</i>
Previous occurrence of similar violations by the utility	<i>2010 TIMP audit finding</i>
Self-reporting of the violation	<i>Not self-reported. Violations found as a result of SED 2012 PG&amp;E TIMP Audit</i>
Indication of the violation (s) being willful	<i>No</i>
Actions taken by the utility to address the violation	<i>Refer to Enclosures 3 and 5</i>
Associated safety related condition	<i>N/A</i>
Financial resources of the utility	<i>4.3 Million customers, \$715 Million Revenue requirement</i>
The totality of the circumstances	SED used annual compounding in accordance with Public Utilities Code § 2108 and considered the factors of Public Utilities Code § 2104.5 in its determination of the citation amount
Other factors deemed relevant by SED	<i>See Enclosure 1</i>
<b>Resultant Citation Taking All Of These Factors Into Account</b>	<b>\$430,000.00</b>



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**RESPONSE:**

Respondent is hereby called upon to provide a response to this Citation by: **5:00 PM (PST) on February 2, 2015.**

By way of such response Respondent, **within 10 calendar days**, may either:

- (1) Correct the violations with any immediate safety hazard requiring immediate correction as soon as feasible, and/or submit a Compliance Plan to the Director of SED for correcting those violations requiring more than 10 days to correct, **and** pay a fine pursuant to Pub. Util. Code § 2107. (Submit a check payable to California Public Utilities Commission using the attached *Citation Payment Form*. Upon payment, the fine will be deposited in the State Treasury to the credit of the General Fund and this citation will become final); **or**
- (2) Confirm that the violation(s) noted in this Citation have been corrected and/or otherwise do not present an on-going safety hazard to the Operator's employees and the general public, and/or submit a Compliance Plan to the Director of SED for correcting those violations requiring more than 10 days to correct, **and** contest this citation by completing and submitting a *Notice of Appeal Form*. Please see the attached document, "Directions For Submitting An Appeal To A Citation Issued Pursuant To Resolution ALJ-274" for information on the appeals process and the attached "Notice of Appeal Form". Also attached is a copy of Resolution ALJ-299 including Appendices A and B.

Respondent's failure to provide a response, as noted above, within 10 calendar days from the date the citation is served, will place Respondent in default of the citation and will result in forfeiture of Respondent's rights to appeal the citation. A late payment will be subject to a penalty of 10% per year, compounded daily and to be assessed beginning the calendar day following the payment-due date. The Commission may take additional action to recover any unpaid fine and ensure compliance with applicable statutes and Commission orders.

**NOTIFICATION TO PUBLIC AGENCIES:**

As soon as is reasonable and necessary, and no later than 10 calendar days after service of the citation is effected, Respondent must provide a notification to the City Manager or similar local agency authority in the city and county where a citation is issued. Within 10 days of providing such notification, Respondent must serve an affidavit to the Director of SED, at the mail or e-mail address noted below, attesting that the local authorities have been notified; the date(s) for when notification was provided; and the name(s) and contact information for each local authority so notified.



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STATE OF CALIFORNIA

**Citation Date:** January 23, 2015

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The CPUC expects Operators to take actions, as soon as feasible, to correct, mitigate, or otherwise make safe all violations noted on the Citation regardless of the Operator's intentions to accept or appeal the violation(s) noted in the Citation.

A handwritten signature in cursive script, appearing to read "Elizaveta Malashenko", written over a horizontal line.

***Elizaveta Malashenko***

Deputy Director

Office of Utility Safety and Reliability

Safety and Enforcement Division

California Public Utilities Commission

505 Van Ness Avenue

San Francisco, CA 94102

[elizaveta.malashenko@cpuc.ca.gov](mailto:elizaveta.malashenko@cpuc.ca.gov)



**Public Utilities Commission**  
STATE OF CALIFORNIA

Citation Date: January 23, 2015

Citation #: ALJ 274 15-01-002

Operator ID#: 15007

**CITATION PAYMENT FORM**

I (we) \_\_\_\_\_ hereby agree to comply with this citation dated \_\_\_\_\_, and have corrected/mitigated the violation(s) noted in the citation on \_\_\_\_\_ and no later than \_\_\_\_\_, all work to make permanent corrections to any mitigated, or otherwise remaining concerns related to the violation(s) will be completed as noted in the Compliance Plan we have submitted to the Director of SED and, herewith, pay a fine in the amount of \$ \_\_\_\_\_ as included in the citation.

Signature of Gas Corporation's Treasurer,  
Chief Financial Officer, or President/CEO, or  
delegated Officer thereof

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Printed Name and Title)

Payment with a check must be made payable to the **California Public Utilities Commission** and sent to the below address. Please include the citation number on the memorandum line of the check to ensure your payment is properly applied.

**California Public Utilities Commission**  
**Attn: Fiscal Office**  
**505 Van Ness Avenue**  
**San Francisco, CA 94102-3298**

NOTE: A copy of the completed Citation Payment Form must be sent to the Director of the Safety and Enforcement Division, via email or regular mail, to the addresses provided on the Citation.



**Public Utilities Commission**  
STATE OF CALIFORNIA

Citation Date: January 23, 2015

Citation #: ALJ 274 15-01-002

Operator ID#: 15007

**DIRECTIONS FOR SUBMITTING AN APPEAL TO A CITATION  
ISSUED PURSUANT TO RESOLUTION ALJ-274**

Within 10 calendar days of the Respondent being served with a **CITATION FOR VIOLATION(S) ISSUED PURSUANT TO RESOLUTION ALJ-274**, Respondent may appeal the citation. Beyond 10 calendar days of being served with the citation, Respondent is in default and, as a result, is considered as having forfeited rights to appeal the citation. The Respondent must still correct the violation(s) as feasible unless, within 10 calendar days from the date of service of the citation, the Respondent submits to the Director of SED, a Compliance Plan that provides a detailed description of when the violation(s) will be corrected, the methodology to be utilized, and a statement, supported by an affidavit from the Gas Corporation's Chief Executive Officer, that in the Respondent's best judgment, the time necessary to correct the violation(s) will not affect the integrity of the operating system or unduly endanger the public.

To appeal the citation, Appellant must file a Notice of Appeal (including a completed title page complying with Rule 1.6 of the Commission's Rules of Practice and Procedure, and attached Notice of Appeal Form) along with copies of any materials the Appellant wants to provide in support of its appeal with the Commission's Docket Office **and** must be served, at a minimum, on

- 1) The Chief Administrative Law Judge (with an electronic copy to:  
[ALJ\\_Div\\_Appeals\\_Coordinator@cpuc.ca.gov](mailto:ALJ_Div_Appeals_Coordinator@cpuc.ca.gov)),
- 2) The Director of Safety and Enforcement Division
- 3) The Executive Director
- 4) General Counsel
- 5) The Director of the Division of Ratepayer Advocates

within 10 calendar days of the date on which the Appellant is served the Citation at the address listed below. The Appellant must file a proof of service to this effect at the same time the Appellant files the Notice of Appeal. The Notice of Appeal must at a minimum state: (a) the date of the citation that is appealed; and (b) the rationale for the appeal with specificity on all grounds for the appeal of the citation.

**California Public Utilities Commission**  
**505 Van Ness Ave,**  
**San Francisco, CA 94102**  
**Attn: <Insert Title>**

**NOTE:** Submission of a *Notice of Appeal Form* in no way diminishes Appellant's responsibility for correcting the violation described in the citation, or otherwise ensuring the safety of facilities or conditions that underlie the violations noted in the Citation.



**Public Utilities Commission**  
**STATE OF CALIFORNIA**

**Citation Date:** January 23, 2015

**Citation #:** ALJ 274 15-01-002

**Operator ID#:** 15007

Ex Parte Communications as defined by Rule 8.1(c) of the Commission's Rules of Practice and Procedure, are prohibited from the date the citation is issued through the date a final order is issued on the citation appeal.

After SED receives the Appellant's *Notice of Appeal Form*, a hearing will be convened before an Administrative Law Judge. At least ten business days before the date of the hearing, the Appellant will be notified and provided with the location, date, and time for the hearing. At the hearing,

- (a) Appellant may be represented by an attorney or other representative, but any such representation shall be at the sole expense of the Respondent;
- (b) Appellant may request a transcript of the hearing, but must pay for the cost of the transcript in accordance with the Commission's usual procedures;
- (c) Appellant is entitled to the services of an interpreter at the Commission's expense upon written request to the Chief Administrative Law Judge not less than five business days prior to the date of the hearing; and
- (d) Appellant may bring documents to offer in evidence (Rule 13.6 (Evidence) of the Commission's Rules of Practice and Procedure applies) and/or call witnesses to testify on Respondent's behalf. At the Commission's discretion, the hearing in regard to the Appellant's appeal can be held in a hearing room at either of the offices of the CPUC at the following locations:

**San Francisco:**

505 Van Ness Avenue  
San Francisco, CA 94102

**Los Angeles:**

320 West 4<sup>th</sup> Street, Suite 500  
Los Angeles, CA 90013

The hearing(s) held in regard to the Appellant's appeal will be adjudicated in conformance with all applicable Public Utilities Code requirements.



**Public Utilities Commission**  
**STATE OF CALIFORNIA**

**Citation Date:** January 23, 2015

**Citation #:** ALJ 274 15-01-002

**Operator ID#:** 15007

**Notice of Appeal Form**

**Appeal of PG&E from Citation ALJ 274 15-01-002 issued by Safety and Enforcement Division (For A Citation Issued Pursuant to Resolution ALJ-274)**

**Appellant:**

Name  
Vice President, Gas Operations  
Gas Utility Name  
Mailing Address  
City, CA Zip

Citation Date:

Citation #: \_\_\_\_\_

Operator ID#:

Appeal Date: \_\_\_\_\_

"Appeal of [insert Operator Name] from [insert Citation number] issued by Safety and Enforcement Division"

Statements supporting Appellant's Appeal of Citation (You may use additional pages if needed and/or attach copies of supporting materials along with this form).



**Public Utilities Commission**  
**STATE OF CALIFORNIA**

**Citation Date:** January 23, 2015

**Citation #:** ALJ 274 15-01-002

**Operator ID#:** 15007

**Enclosures to Accompany Utility Appeal**

*Utility to add Enclosures as appropriate*



**Public Utilities Commission**  
STATE OF CALIFORNIA

Citation Date: January 30, 2015

Citation #: ALJ 274 15-01-004

Operator ID#: 15007

**CITATION FOR VIOLATION(S)  
ISSUED PURSUANT TO RESOLUTION ALJ-274  
OF GENERAL ORDER 112-E**

**Gas Corporation (Operator):** Pacific Gas & Electric Company  
*To Which Citation Is Issued*

**RESPONDENT:**

Mr. Jesus Soto, Vice President  
Pacific Gas & Electric Company  
6111 Bollinger Canyon Road, Room 4590-D  
San Ramon, CA 94583

**CITATION:**

Operator is hereby cited for three violations for a total citation of \$150,000.

**VIOLATIONS:**

Operator is cited with having violated General Order 112-E, as described below. These violations occurred during the period 2001 through 2012.

- 1. Title 49, CFR, § 192.605 Procedural manual for operations, maintenance, and emergencies.**

*(b) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.*

*(8) Periodically reviewing the work done by operator personnel to determine the effectiveness, and adequacy of the procedures used in normal operation and maintenance and modifying the procedures when deficiencies are found.*

Safety and Enforcement Division (SED) noted that Pacific Gas & Electric (PG&E) does not currently have a written quality control (QC) and quality assurance (QA) procedures which its personnel follow for normal operation and maintenance activities conducted to assure safe and reliable gas service. PG&E explained that it is in the process of establishing a Gas Compliance Assurance Program (GasCAP) Procedure to provide a uniform process for implementing the Gas Compliance Program for the Distribution and Transmission Divisions and Districts within the Gas Maintenance and Construction Organization.



**Public Utilities Commission**  
STATE OF CALIFORNIA

Citation Date: January 30, 2015

Citation #: ALJ 274 15-01-004

Operator ID#: 15007

PG&E must establish written QC and QA procedures and implement the GasCAP to ensure that all necessary normal operations, maintenance, inspections, and testing activities it performs are in accordance with the applicable rules and standards and within allowed timeframes. Moreover, PG&E must ensure that it properly trains all of its affected employees to execute the GasCAP effectively and efficiently throughout the organization.

PG&E must implement this program throughout the company consistently and document the outcome of QC activities and compliance of the rules. Additionally, PG&E must ensure that corrective actions are taken to improve the quality of all field activities and corresponding record keeping and that the affected programs, manuals, plans, rules, standards, and procedures are complied with.

**2. Title 49, CFR, § 192.605 Procedural manual for operations, maintenance, and emergencies.**

*(c) Abnormal operation. For transmission lines, the manual required by paragraph (a) of this section must include procedures for the following to provide safety when operating design limits have been exceeded:*

*(1) Responding to, investigating, and correcting the cause of:*

*(i) Unintended closure of valves or shutdowns;*

*(ii) Increase or decrease in pressure or flow rate outside normal operating limits;*

*(iii) Loss of communications;*

*(iv) Operation of any safety device; and*

*(v) Any other foreseeable malfunction of a component, deviation from normal operation, or personnel error, which may result in a hazard to persons or property.*

*(2) Checking variations from normal operation after abnormal operation has ended at sufficient critical locations in the system to determine continued integrity and safe operation.*

*(3) Notifying responsible operator personnel when notice of an abnormal operation is received.*

*(4) Periodically reviewing the response of operator personnel to determine the effectiveness of the procedures controlling abnormal operation and taking corrective action where deficiencies are found.*

PG&E refers to its Gas Safety and Emergency Response Plan (GERP) as addressing the requirements of abnormal operation procedures for transmission lines required by Title 49, CFR §192.605(c). PG&E's GERP addresses emergency response procedures; however, it does not satisfy the procedural requirements of transmission line abnormal operations per Title 49, CFR §192.605(c).



**Public Utilities Commission**  
**STATE OF CALIFORNIA**

**Citation Date:** January 30, 2015

**Citation #:** ALJ 274 15-01-004

**Operator ID#:** 15007

SED determined that the guidance materials provided by PG&E do not specifically and adequately address each type of abnormal operation defined by Title 49, CFR §192.605(c), nor do they clearly provide the appropriate response based on the situation and facilities involved.



**Public Utilities Commission**  
STATE OF CALIFORNIA

Citation Date: January 30, 2015

Citation #: ALJ 274 15-01-004

Operator ID#: 15007

**ENCLOSURES:**

The following enclosures were used to establish the findings of fact:

1. *Enclosure 1 – SED Investigation Report, dated August 27, 2014*
2. *Enclosure 2 – SED 2013 PG&E Operation, Maintenance, and Emergency Audit, dated June 27, 2013*
3. *Enclosure 3 – PG&E Response to Operation, Maintenance, and Emergency Audit Report, dated July 29, 2013*

**STATEMENT OF FACTS:**

The above violations are documented in the attached *Enclosure 1 – SED's Investigation Report* which is based on one or more of the following: SED's review of the 2013 PG&E Operation, Maintenance, and Emergency Plan Audit, PG&E's response to the audit findings, Operator's records and/or substantiating documents obtained from other sources, or other reasons as stated in the attached report.



**Public Utilities Commission**  
STATE OF CALIFORNIA

Citation Date: January 30, 2015

Citation #: ALJ 274 15-01-004

Operator ID#: 15007

**SED CITATION ANALYSIS**

<b>Element of Sentencing Schedule</b>	<b>Staff Finding</b>
Number of violation (s) and duration of violation (s) since inception	Two violations of Title 49 CFR §192.605(b)(8) and one violation of §192.605(c)
Severity of the offense: overall level of risk of violation(s)	These violations contributed unnecessary risk to the utility's operations prior to corrective action
The conduct of the utility before, during, and after the offense	The utility is being cooperative and has undertaken corrective actions
Previous occurrence of similar violations by the utility	N/A
Self-reporting of the violation	Not self-reported. Violations found as a result of SED 2013 PG&E OM&E Audit
Indication of the violation (s) being willful	No
Actions taken by the utility to address the violation	Please see Enclosure 2
Associated safety related condition	N/A
Financial resources of the utility	4.3 Million customers, \$715 Million Revenue requirement
The totality of the circumstances	SED considered the factors of Public Utilities Code § 2104.5 in its citation determination
Other factors deemed relevant by SED	See Enclosure 1
<b>Resultant Citation Taking All Of These Factors Into Account</b>	<b>\$150,000.00</b>



**Public Utilities Commission**  
**STATE OF CALIFORNIA**

**Citation Date:** January 30, 2015

**Citation #:** ALJ 274 15-01-004

**Operator ID#:** 15007

**RESPONSE:**

Respondent is hereby called upon to provide a response to this Citation by: **5:00 PM (PST) on February 9, 2015.**

By way of such response Respondent, **within 10 calendar days**, may either:

- (1) Correct the violations with any immediate safety hazard requiring immediate correction as soon as feasible, and/or submit a Compliance Plan to the Director of SED for correcting those violations requiring more than 10 days to correct, and pay a fine pursuant to Pub. Util. Code § 2107. (Submit a check payable to California Public Utilities Commission using the attached *Citation Payment Form*. Upon payment, the fine will be deposited in the State Treasury to the credit of the General Fund and this citation will become final); or
- (2) Confirm that the violation(s) noted in this Citation have been corrected and/or otherwise do not present an on-going safety hazard to the Operator's employees and the general public, and/or submit a Compliance Plan to the Director of SED for correcting those violations requiring more than 10 days to correct, and contest this citation by completing and submitting a *Notice of Appeal Form*. Please see the attached document, "Directions For Submitting An Appeal To A Citation Issued Pursuant To Resolution ALJ-274" for information on the appeals process and the attached "Notice of Appeal Form". Also attached is a copy of Resolution ALJ-299 including Appendices A and B.

Respondent's failure to provide a response, as noted above, within 10 calendar days from the date the citation is served, will place Respondent in default of the citation and will result in forfeiture of Respondent's rights to appeal the citation. A late payment will be subject to a penalty of 10% per year, compounded daily and to be assessed beginning the calendar day following the payment-due date. The Commission may take additional action to recover any unpaid fine and ensure compliance with applicable statutes and Commission orders.

**NOTIFICATION TO PUBLIC AGENCIES:**

As soon as is reasonable and necessary, and no later than 10 calendar days after service of the citation is effected, Respondent must provide a notification to the City Manager or similar local agency authority in the city and county where a citation is issued. Within 10 days of providing such notification, Respondent must serve an affidavit to the Director of SED, at the mail or e-mail address noted below, attesting that the local authorities have been notified; the date(s) for when notification was provided; and the name(s) and contact information for each local authority so notified.



**Public Utilities Commission**  
STATE OF CALIFORNIA

Citation Date: January 30, 2015

Citation #: ALJ 274 15-01-004

Operator ID#: 15007

The CPUC expects Operators to take actions, as soon as feasible, to correct, mitigate, or otherwise make safe all violations noted on the Citation regardless of the Operator's intentions to accept or appeal the violation(s) noted in the Citation.

A handwritten signature in cursive script, appearing to read "Elizaveta Malashenko", is written over a horizontal line.

**Elizaveta Malashenko**  
Deputy Director  
Office of Utility Safety and Reliability  
Safety and Enforcement Division  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102  
[elizaveta.malashenko@cpuc.ca.gov](mailto:elizaveta.malashenko@cpuc.ca.gov)



**Public Utilities Commission**  
STATE OF CALIFORNIA

Citation Date: January 30, 2015  
Citation #: ALJ 274 15-01-004  
Operator ID#: 15007

**CITATION PAYMENT FORM**

I (we) \_\_\_\_\_ hereby agree to comply with this citation dated \_\_\_\_\_, and have corrected/mitigated the violation(s) noted in the citation on \_\_\_\_\_ and no later than \_\_\_\_\_, all work to make permanent corrections to any mitigated, or otherwise remaining concerns related to the violation(s) will be completed as noted in the Compliance Plan we have submitted to the Director of SED and, herewith, pay a fine in the amount of \$ \_\_\_\_\_ as included in the citation.

Signature of Gas Corporation's Treasurer,  
Chief Financial Officer, or President/CEO, or  
delegated Officer thereof

\_\_\_\_\_  
(Signature) (Date)

\_\_\_\_\_  
(Printed Name and Title)

Payment with a check must be made payable to the **California Public Utilities Commission** and sent to the below address. Please include the citation number on the memorandum line of the check to ensure your payment is properly applied.

**California Public Utilities Commission**  
**Attn: Fiscal Office**  
**505 Van Ness Avenue**  
**San Francisco, CA 94102-3298**

NOTE: A copy of the completed Citation Payment Form must be sent to the Director of the Safety and Enforcement Division, via email or regular mail, to the addresses provided on the Citation.



**Public Utilities Commission**  
**STATE OF CALIFORNIA**

Citation Date: January 30, 2015

Citation #: ALJ 274 15-01-004

Operator ID#: 15007

**DIRECTIONS FOR SUBMITTING AN APPEAL TO A CITATION  
ISSUED PURSUANT TO RESOLUTION ALJ-274**

Within 10 calendar days of the Respondent being served with a **CITATION FOR VIOLATION(S) ISSUED PURSUANT TO RESOLUTION ALJ-274**, Respondent may appeal the citation. Beyond 10 calendar days of being served with the citation, Respondent is in default and, as a result, is considered as having forfeited rights to appeal the citation. The Respondent must still correct the violation(s) as feasible unless, within 10 calendar days from the date of service of the citation, the Respondent submits to the Director of SED, a Compliance Plan that provides a detailed description of when the violation(s) will be corrected, the methodology to be utilized, and a statement, supported by an affidavit from the Gas Corporation's Chief Executive Officer, that in the Respondent's best judgment, the time necessary to correct the violation(s) will not affect the integrity of the operating system or unduly endanger the public.

To appeal the citation, Appellant must file a Notice of Appeal (including a completed title page complying with Rule 1.6 of the Commission's Rules of Practice and Procedure, and attached Notice of Appeal Form) along with copies of any materials the Appellant wants to provide in support of its appeal with the Commission's Docket Office and must be served, at a minimum, on

- 1) The Chief Administrative Law Judge (with an electronic copy to:  
[ALJ\\_Div\\_Appeals\\_Coordinator@cpuc.ca.gov](mailto:ALJ_Div_Appeals_Coordinator@cpuc.ca.gov));
- 2) The Director of Safety and Enforcement Division
- 3) The Executive Director
- 4) General Counsel
- 5) The Director of the Division of Ratepayer Advocates

within 10 calendar days of the date on which the Appellant is served the Citation at the address listed below. The Appellant must file a proof of service to this effect at the same time the Appellant files the Notice of Appeal. The Notice of Appeal must at a minimum state: (a) the date of the citation that is appealed; and (b) the rationale for the appeal with specificity on all grounds for the appeal of the citation.

**California Public Utilities Commission**  
**505 Van Ness Ave,**  
**San Francisco, CA 94102**  
**Attn: <Insert Title>**

**NOTE:** Submission of a *Notice of Appeal Form* in no way diminishes Appellant's responsibility for correcting the violation described in the citation, or otherwise ensuring the safety of facilities or conditions that underlie the violations noted in the Citation.



**Public Utilities Commission**  
**STATE OF CALIFORNIA**

**Citation Date:** January 30, 2015

**Citation #:** ALJ 274 15-01-004

**Operator ID#:** 15007

Ex Parte Communications as defined by Rule 8.1(c) of the Commission's Rules of Practice and Procedure, are prohibited from the date the citation is issued through the date a final order is issued on the citation appeal.

After SED receives the Appellant's *Notice of Appeal Form*, a hearing will be convened before an Administrative Law Judge. At least ten business days before the date of the hearing, the Appellant will be notified and provided with the location, date, and time for the hearing. At the hearing,

- (a) Appellant may be represented by an attorney or other representative, but any such representation shall be at the sole expense of the Respondent;
- (b) Appellant may request a transcript of the hearing, but must pay for the cost of the transcript in accordance with the Commission's usual procedures;
- (c) Appellant is entitled to the services of an interpreter at the Commission's expense upon written request to the Chief Administrative Law Judge not less than five business days prior to the date of the hearing; and
- (d) Appellant may bring documents to offer in evidence (Rule 13.6 (Evidence) of the Commission's Rules of Practice and Procedure applies) and/or call witnesses to testify on Respondent's behalf. At the Commission's discretion, the hearing in regard to the Appellant's appeal can be held in a hearing room at either of the offices of the CPUC at the following locations:

**San Francisco:**

505 Van Ness Avenue  
San Francisco, CA 94102

**Los Angeles:**

320 West 4<sup>th</sup> Street, Suite 500  
Los Angeles, CA 90013

The hearing(s) held in regard to the Appellant's appeal will be adjudicated in conformance with all applicable Public Utilities Code requirements.



**Public Utilities Commission**  
STATE OF CALIFORNIA

Citation Date: January 30, 2015  
Citation #: ALJ 274 15-01-004  
Operator ID#: 15007

**Notice of Appeal Form**

**Appeal of PG&E from Citation ALJ 274 15-01-003 issued by Safety and Enforcement Division (For A Citation Issued Pursuant to Resolution ALJ-274)**

**Appellant:**

Name  
Vice President, Gas Operations  
Gas Utility Name  
Mailing Address  
City, CA Zip

Citation Date:  
Citation #: \_\_\_\_-\_\_-\_\_\_\_  
Operator ID#:  
Appeal Date: \_\_\_\_\_  
\_\_\_\_\_

"Appeal of [insert Operator Name] from [insert Citation number] issued by Safety and Enforcement Division"

Statements supporting Appellant's Appeal of Citation (You may use additional pages if needed and/or attach copies of supporting materials along with this form).



**Public Utilities Commission**  
STATE OF CALIFORNIA

Citation Date: January 30, 2015

Citation #: ALJ 274 15-01-004

Operator ID#: 15007

**Enclosures to Accompany Utility Appeal**

*Utility to add Enclosures as appropriate*

Our Mission: The Butte County Tobacco Prevention Coalition consists of a broad-based cross-section of community members and organizations dedicated to protecting and preserving the health and well-being of the people of Butte County from the harmful effects of tobacco and tobacco smoke. The Coalition seeks to promote a tobacco-free environment through culturally proficient prevention, education, cessation services, advocacy for public policy, cultural competency, and broad-based community support for tobacco control activities.



Four Winds of Indian Education



January 21, 2015

Mayor Dahlmeier and Councilors  
 c/o City of Oroville Administration  
 1735 Montgomery Street  
 Oroville, CA 95965

City of Oroville  
 FEB 04 2015  
 Administration

Mayor Dahlmeier and Council Members,

We were pleased with your decision to keep intact your tobacco retailer licensing policy in November. The timing of your decision comes at a critical time for protecting youth from electronic cigarettes.

When faced with a brazen request that you undermine your tobacco retailer licensing policy that defines the number of tobacco-only retailers, you unanimously said no. We applaud the decision to hold the line on the e-cigarette proliferation front!

The decision was timely in the wake of findings to a study released in December 2014 that point to e-cigarette use among teens surpassing traditional cigarette use. The alarming findings come from the University of Michigan's Monitoring the Future study. The study documents substance use trends among students in 8<sup>th</sup>, 10<sup>th</sup> and 12<sup>th</sup> grades nationally. The survey asked students whether they had used an e-cigarette or a tobacco cigarette in the past 30 days.

Use in last 30 days?	% Using E-Cigarettes	% Using Tobacco Cigarette
8 <sup>th</sup>	9	4
10 <sup>th</sup>	16	7
12 <sup>th</sup>	17	14

As you can see in the table above, it is troubling that e-cigarette use among 8<sup>th</sup> and 10<sup>th</sup> graders is more than double tobacco cigarette use. Even though the gap is narrower among older teens, it is equally problematic that 12<sup>th</sup> grader e-cigarette use surpassed the use of tobacco cigarettes. The findings imply that e-cigarettes could become the entryway to nicotine addiction for young teens and could solidify nicotine addiction in older teens.

As other jurisdictions grapple to address e-cigarette proliferation by licensing e-cigarette sellers as tobacco retailers and defining the number of tobacco-only retailers, we're appreciative you already did. That, combined with prohibiting e-cigarette use in public places as you also did, has the power to preserve the de-normalization of smoking and tobacco product use of all kinds in Oroville for good public health.

Sincerely,

Deanna Reed, Chair  
 Enloe Medical Center  
 1531 Esplanade, Chico, CA 95926  
 (530) 332-7329

Dolores Vasquez, Co-Chair  
 California Health Collaborative  
 25 Jan Court, Suite 130 Chico, CA 95928  
 (530) 345-2483, ext. 210



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**CALIFORNIA WATER SERVICE COMPANY**

1905 HIGH STREET • OROVILLE, CA 95965-4938  
(530) 533-4034 • FAX (530) 533-4085

February, 3, 2015

Mr. Randy Murphy  
Administrator, City of Oroville  
1735 Montgomery Street  
Oroville, CA 95965

Dear Mr. Murphy:

I am pleased to inform you about an improved, streamlined approach California Water Service Company (Cal Water) has implemented in our construction master contract bid process and announce the selection of a new construction master contractor for our Oroville District.

This effort created a highly competitive process in order to ensure we are receiving quality services at the best price. It also supports our ongoing goal of providing excellent, affordable service to customers. Further, because these contracted costs are reflected in water rates, the savings resulting from this effort will benefit our customers in Oroville.

In addition to being consistent with our core values (integrity, service, value, health & safety, corporate citizenship, and respect & collaboration), this new, improved approach is consistent with the California Public Utilities Commission's rules regarding transparency and competition in the marketplace.

As a result of this process, we have awarded Beebe Diversified Construction a three-year contract to conduct underground construction work in our northern districts, including Oroville, Marysville, Willows, Chico, and Dixon.

We plan to have a transitionary period over the next 90 days that provides for some overlap for both the incoming and outgoing contractors.

We wish to emphasize that we highly value our relationship with our current contractor, West Valley Construction, and in fact have awarded West Valley Construction contracts to continue providing similar services in other Cal Water districts. We will continue inviting West Valley Construction to bid on other non-master contract jobs.

If you have any questions or concerns, please do not hesitate to contact me at 533-4034.

Sincerely,

Toni Ruggle  
District Manager

Cc: The Honorable Linda Dahlmeier, Mayor, City of Oroville  
The Honorable Members, Oroville City Council  
Mr. Don Rust, Public Works Director, City of Oroville