



CITY OF MERCED

Amended

Meeting Agenda

City Council Chamber
Merced Civic Center
2nd Floor
678 W. 18th Street
Merced, CA 95340

City Council/Public Finance and Economic Development Authority/Parking Authority

Monday, November 4, 2019

6:00 PM

Council Chambers, 2nd Floor, Merced Civic
Center, 678 W. 18th Street, Merced, CA 95340

Study Session at 5:00 PM / Regular Meeting at 6:00 PM

NOTICE TO PUBLIC

WELCOME TO THE MEETING OF THE MERCED CITY COUNCIL

At least 72 hours prior to each regular City Council meeting, a complete agenda packet is available for review on the City's website at www.cityofmerced.org or at the City Clerk's Office, 678 W. 18th Street, Merced, CA 95340. All public records relating to an open session item that are distributed to a majority of the Council will be available for public inspection at the City Clerk's Office during regular business hours. Spanish and Hmong translation is available at every regular meeting.

PUBLIC COMMENT: OBTAIN SPEAKER CARD FROM THE CITY CLERK

Members of the audience who wish to address the City Council are requested to complete a speaker card available at the podium against the right-hand side of the Council Chamber. Please submit the completed card to the City Clerk before the item is called, preferably before the meeting begins.

INDIVIDUALS WITH DISABILITIES

Accommodation for individuals with disabilities may be arranged by contacting the City Clerk at (209) 388-8650. Assisted hearing devices are available for meetings held in the Council Chamber.

A. STUDY SESSION ROLL CALL

B. STUDY SESSION

- B.1.** 19-665 **SUBJECT:** Study Session to Discuss and Provide Direction Regarding the City of Merced Employee Compensation Study

REPORT IN BRIEF

Study Session for an employee compensation study.

RECOMMENDATION

Provide staff direction as needed.

C. CALL TO ORDER

C.1. Invocation - Carol Madruga, Congregation of Etz Chaim

C.2. Pledge of Allegiance to the Flag

D. ROLL CALL

D.1. In accordance with Government Code 54952.3, it is hereby announced that the City Council sits either simultaneously or serially as the Parking Authority and the Public Financing and Economic Development Authority. City Council members receive a monthly stipend of \$20.00 by Charter for sitting as the City Council; and the Mayor receives an additional \$50.00 each month as a part of the adopted budget and Resolution 1975-37. The members of the Parking Authority and the Public Financing and Economic Development Authority receive no compensation.

E. SPECIAL PRESENTATIONS

E.1. [19-669](#) **SUBJECT: Presentation From the Merced County Association of Governments**

REPORT IN BRIEF

Merced County Association of Governments Executive Director Stacie Dabbs Guzman will give a presentation.

F. WRITTEN PETITIONS AND COMMUNICATIONS

G. ORAL COMMUNICATIONS

Members of the public who wish to speak on any matter not listed on the agenda may speak during this portion of the meeting and will be allotted 5 minutes. The Mayor may, at his discretion, reduce the time to 3 minutes if there are more than 3 speakers, in order to accommodate as many speakers as possible. State law prohibits the City Council from acting at this meeting on any matter raised during the public comment period. Members of the public who wish to speak on a matter that is listed on the agenda will be called upon to speak during discussion of that item.

H. CONSENT CALENDAR

Adoption of the Consent Calendar may be made by one motion of the City Council, provided that any Council member, individual, or organization may request removal of an item from the Consent Calendar for separate consideration. If a request for removal of an item from the Consent Calendar has been received, the item will be discussed and voted on separately.

H.1. [19-605](#) **SUBJECT:** Reading by Title of All Ordinances and Resolutions

REPORT IN BRIEF

Ordinances and Resolutions which appear on the public agenda shall be determined to have been read by title and a summary title may be read with further reading waived.

RECOMMENDATION

City Council - Adopt a motion waiving the reading of Ordinances and Resolutions, pursuant to Section 412 of the Merced City Charter.

H.2. [19-623](#) **SUBJECT:** Information-Only Contracts for the Month of October 2019

REPORT IN BRIEF

Notification of awarded Non-Public Works contracts under \$32,000 and of Public Works contracts under \$70,939.

H.3. [19-649](#) **SUBJECT:** Information Only - Planning Commission Meeting Minutes of June 5, 2019

RECOMMENDATION

For information only.

H.4. [19-670](#) **SUBJECT:** Approval of City Council/Public Financing and Economic Development/Parking Authority Meeting Minutes of October 7, 2019

REPORT IN BRIEF

Official adoption of previously held meeting minutes.

RECOMMENDATION

City Council/Public Financing and Economic Development/Parking Authority - Adopt a motion approving the meeting minutes of October 7, 2019.

H.5. [19-635](#) **SUBJECT:** Adoption of Resolution Amending the Classification and Pay Plan, Approving the New Job Classification of Housing Program Manager and Adding the Wastewater Treatment Plan Operator Trainee Back to the Classification Plan Along with Changing the Job Title of Mechanic III to Lead Mechanic

REPORT IN BRIEF

Considers approving the new job classification of Housing Program

Manager, deleting the classification of Housing Program Supervisor and adding back the Wastewater Treatment Plant Operator Trainee which was inadvertently deleted during the approval of the Citywide Classification Study and Re-Titling the Mechanic III as Lead Mechanic.

RECOMMENDATION

City Council - Adopt a motion:

- A. Adopting **Resolution 2019-74**, a Resolution of the City Council of the City of Merced, California amending the classification plan by amending the personnel allocation in the Housing Division by deleting one Housing Program Supervisor and adding one Housing Program Manager Position, and adding the job description and establishing the salary range for Housing Program Manager; and,
- B. Approving a Supplemental Appropriation in the amount of \$25,000 from Fund 017-Development Services as a direct service charge to Fund 070-Housing Administration for the new Housing Manager's time spent on non-grant housing related activities; and,
- C. Approving the addition of the Wastewater Treatment Plant Operator Trainee position back in to the City's job classifications; and,
- D. Approving the new title of Lead Mechanic which will replace the title of Mechanic III in the City's job classification.

H.6. [19-603](#)

SUBJECT: Acceptance of a One-Time Payment of \$2,250 for the Initial Fifteen (15) Year Conduit Lease of 50 Linear Feet on Canal Street from CVIN, LLC dba VAST NETWORKS, a Competitive Local Exchange Carrier with the Option to Renew the Contract in 5 Year Increments

REPORT IN BRIEF

Considers entering into a fifteen (15) year conduit lease agreement to CVIN, LLC dba VAST NETWORKS, a Competitive Local Exchange Carrier with the option to renew the contract in 5-year increments and the acceptance of a one-time payment in the amount of \$2,250.

RECOMMENDATION

City Council - Adopt a motion:

- A. Approving the lease agreement with CVIN, LLC dba VAST NETWORKS; and,

B. Increasing the revenue budget in account 672-0403-360-01-01 by \$2,250 and appropriating the same to account 672-0403-512-29-00; and,

C. Authorizing the City Manager or the Assistant City Manager to execute the necessary documents.

H.7. [19-596](#)

SUBJECT: Acceptance of Department of Justice 2019 Bulletproof Vest Partnership Grant in the Amount of \$21,118.00 to Cover 50% of the Purchase Cost of New Vests and Authorization to Utilize the Use of Pooled Cash to Cover the Purchase Cost Which will be Reimbursed from the Grant Proceeds

REPORT IN BRIEF

Accept grant award for reimbursement of bulletproof vest expenses.

RECOMMENDATION

City Council - Adopt a motion:

A. Accepting and increasing the revenue budget in the amount of \$21,118 in account 061-1026-324-37-00 and appropriating the same amount in grant funds to account 061-1026-522.29-00 for 50% of the costs associated with the purchase of bulletproof vests; and,

B. Authorizing the use of pooled cash to cover the appropriation until grant funds are reimbursed; and,

C. Authorizing the Police Department and the City Manager to execute the necessary documents.

H.8. [19-645](#)

SUBJECT: Approval of Street Closure Request Submitted by Merced Main Street Association for the 2019 Annual Christmas Parade on December 7, 2019 From 12:00 P.M. Until 7:00 P.M.

REPORT IN BRIEF

Considers allowing the use of City streets on December 7, 2019 for the Christmas Parade.

RECOMMENDATION

City Council - Adopt a motion approving the street closures of East Main Street, from Cedar Avenue to "G" Street, West Main Street, from "G" to "O" Streets, "O" Street from West Main Street to 20th Street including side streets. An alternate route due to possible road closure for the El Capitan

project will be East Main Street, from Cedar Avenue to "G" Street, West Main Street, from "G" to Canal Street, Canal Street from West Main Street to West 18th Street and West 18th Street from Canal Street to "O" Street including side streets as requested by Mike Waite of the Merced Main Street Association for the 2019 Christmas Parade on Saturday, December 7, 2019.

H.9. [19-622](#)

SUBJECT: First Amendment to the Professional Services Agreement with Dudek Consulting and First Amendment to the Deposit and Reimbursement Agreement with University Village Merced, LLC for the Preparation of the Environmental Impact Report (EIR) for the Proposed Annexation at the Northeast Corner of Yosemite Avenue and Gardner Road

REPORT IN BRIEF

Considers the first amendment to the Professional Services Agreement with Dudek Consulting and the Deposit and Reimbursement Agreement with University Village Merced, LLC for the preparation of the Environmental Impact Report for the proposed annexation at the northwest corner of Yosemite Avenue and Gardner Road.

RECOMMENDATION

City Council - Adopt a motion

- A. Approving the First Amendment to the Professional Services Agreement with Dudek Consulting; and,
- B. Approving the First Amendment to the Deposit and Reimbursement Agreement with University Village Merced, LLC; and,
- C. Approving an increase in revenue in the amount of \$7,044 to account 0017-0804-360-1-02 and appropriation the same to account 017-0804-512-17-001 Professional Services for payment to Dudek Consulting for planning services; and,
- D. Authorizing the City Manager or the Assistant City Manager to execute the necessary documents.

H.10. [19-629](#)

SUBJECT: Adoption of Resolution Denying the Appeal Filed by Joe Englanoff on Behalf of Merced Holdings, L.P. of the Planning Commission's Decision to Deny Conditional Use Permit #1231 to Allow the Construction of 428 Efficiency Dwelling Units and 18,000 Square Feet of Retail at the Southeast Corner of Yosemite Avenue and McKee

Road

REPORT IN BRIEF

Provides Resolution for adoption to deny the appeal filed by Joe Englanoff, on behalf of Merced Holdings, L.P., of the Planning Commission's denial of Conditional Use Permit #1231 per City Council direction on October 7, 2019.

RECOMMENDATION

City Council - Adopt a motion adopting **Resolution 2019-75**, a Resolution of the City Council of the City of Merced, California, denying an appeal by Joe Englanoff on behalf of Merced Holdings, L.P., concerning the action of the Planning Commission resulting in the denial of Conditional Use Permit #1231, and making certain findings in connection therewith.

H.11. [19-624](#)

SUBJECT: Approval of a First Amendment to an Agreement for Legal Services with Lozano Smith, LLP, in an Amount not to Exceed \$90,000

REPORT IN BRIEF

Considers approving a first amendment to an agreement for legal services with Lozano Smith, LLP, in an amount not to exceed \$90,000.

RECOMMENDATION

City Council - Adopt a motion:

A. Approving a First Amendment to an agreement for legal services with Lozano Smith, LLP in an amount not to exceed \$90,000; and,

B. Approving a supplemental appropriation from the unreserved, unencumbered General Fund balance in the amount of \$30,000; and,

C. Authorizing the Finance Officer to make the necessary budget adjustment and City Manager or the Assistant Manager to execute the necessary documents.

H.12. [19-632](#)

SUBJECT: Approval of Professional Legal Services Agreement with Goldman, Magdalin & Krikes and Yruegui & Roberts for Workers' Compensation Litigation Matters in an Amount not to Exceed the Approved Budget Allocation

REPORT IN BRIEF

Considers approval of Professional Legal Services Agreements with 1)

Goldman, Magdalin & Krikes and 2) Yrulegui & Roberts for workers' compensation litigation matters.

RECOMMENDATION

City Council - Adopt a motion:

- A. Approving the Professional Legal Services Agreement with Goldman, Magdalin & Krikes; and,
- B. Approving the Professional Legal Services Agreement with Yrulegui & Roberts; and,
- C. Authorizing the Finance Officer to make the necessary budget adjustments; and,
- D. Authorizing the City Manager or the Assistant City Manager to execute the Professional Legal Services Agreements with 1) Goldman, Magdalin & Krikes and 2) Yrulegui & Roberts.

H.13. [19-673](#)

This item was
added late.

SUBJECT: Approval of a Supplemental Appropriation from Fund 074, Economic Development Opportunity Fund, in the Amount of \$20,000.00 to Project 119063 to Secure and Complete the Abatement at 636 W. Main Street and Authorization for the City Manager or Designee to Take the Necessary Action(s) to Complete the Abatement

REPORT IN BRIEF

Staff is asking Council to consider adding \$20,000.00 to Project 119063 to secure the site and complete the abatement of all nuisance conditions including, backfilling a pit where the building once stood at 636 W. Main Street.

RECOMMENDATION

City Council - Adopt a motion:

- A. Approving the Supplemental Appropriation from the unreserved and unencumbered balance of Economic Development Opportunity-Fund 074, in an amount not to exceed \$20,000.00 to Project 119063; and,
- B. Authorizing the Finance Officer to make the necessary budget adjustments; and,
- C. Authorizing the City Manager or Designee to take the necessary action(s) to complete the abatement.

I. PUBLIC HEARINGS

Members of the public who wish to speak on public hearings listed on the agenda will be heard when the Public Hearing is opened, except on Public Hearing items previously heard and closed to public comment. After the public has commented, the item is closed to further public comment and brought to the Council for discussion and action. Further comment will not be received unless requested by the Council.

- I.1. [19-664](#) **SUBJECT:** Public Hearing and Potential Introduction of Ordinance to Revise Park Hours and Amending Section 14.04.070 - Hours - Permits to Reflect Approved New Park Hours

REPORT IN BRIEF

Public Hearing regarding revision of park hours and update of Code of Ordinances Title 14, Chapter 14.04, Amending Section 14.04.070 - Hours - Permits.

RECOMMENDATION

City Council - Adopt a motion introducing **Ordinance 2505**, an Ordinance of the City Council of the City of Merced, California, amending Section 14.04.070, "Hours - Permit," of the Merced Municipal Code regarding City parks.

- I.2. [19-572](#) **SUBJECT:** Public Hearing for Introduction of Ordinances Adopting Title 24, Parts 1-12 of the California Code of Regulation as the 2019 California Building and Fire Codes, and Local Amendments, for the City of Merced

REPORT IN BRIEF

Introduce Ordinances adopting Title 24, Parts 1-12 of the California Code of Regulations, referred to as the California Building Code, as the referenced Building and Fire Codes for the City of Merced.

RECOMMENDATION

City Council - Adopt a motion:

A. Introducing **Ordinance 2506**, an Ordinance of the City Council of the City of Merced, California, Amending Chapter 17.04, 'Building Code,' Article I Title, Sections 17.04.010, 17.04.050, 17.04.110, 17.04.120, 17.05.010, 17.06.010, 17.07.010, 17.09.010, 17.10.010, 17.12.010, 17.20.010, 17.24.010, 17.28.020, and 17.34.010 of the Merced Municipal Code to Adopt by Reference the 2019 California Building Code, 2019 Residential Code, 2019 Existing Building Code, 2019 Green Buildings

Standards Code, 2019 Historical Code, 2019 Energy Code, 2019 California Administrative Code, 2019 California Administrative Code, 2019 California Electrical, 2019 California Electrical Code, 2019 California Mechanical Code, 2019 California Plumbing Code, and 2019 Referenced Standards Code; and

B. Introducing **Ordinance 2507**, an Ordinance of the City Council of the City of Merced, California, Amending Chapter 17.32, "Fire Prevention Code", of the Merced Municipal Code.

J. REPORTS

J.1. [19-592](#)

SUBJECT: Authorization to Issue Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced, 2019 Special Tax Refunding Bonds, in the Aggregate Principal Amount not to Exceed \$4,500,000, Authorizing the Sale of Such Bonds Upon Certain Terms and Conditions, Approving an Official Statement, Approving the Execution and Delivery of a Fiscal Agent Agreement, an Escrow Agreement, a Bond Purchase Agreement and a Continuing Disclosure Agreement, and Authorizing the Execution of Necessary Documents and Certificates and Related Actions

REPORT IN BRIEF

Considers refunding bonds for Moraga of Merced.

RECOMMENDATION

City Council - Acting as the Legislative Body of Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced, adopt a motion:

A. Adopting **Resolution 2019-76**, a Resolution of the City Council of the City of Merced, California, acting as the legislative body of Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced authorizing the issuance of Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced, 2019 special tax refunding bonds, in the aggregate principal amount not to exceed \$4,500,000, authorizing the sale of such bonds upon certain terms and conditions, approving an official statement, approving the execution and delivery of a fiscal agent agreement, an escrow agreement, a bond purchase agreement and a continuing disclosure agreement, and authorizing the execution of necessary documents and certificates and related actions; and,

B. Authorizing the City Manager or the Assistant City Manager or the City Attorney or the Finance Officer or the Mayor to execute necessary documents, certificates and related actions; and,

C. Authorizing the Finance Officer to make necessary budget adjustments.

J.2. [19-638](#)

SUBJECT: Draft Report of the Solid Waste Collection and Related Services Rate Study with R3 Consulting Group, Inc., and Request to Set a Public Hearing Following the Proposition 218 Notification

REPORT IN BRIEF

Presentation of the Draft Solid Waste Collection and Related Services Rate Study.

RECOMMENDATION

City Council - Adopt a motion:

A. Approving the Solid Waste Collection and Related Services Rate Study Report; and,

B. Selecting Scenario 3 and specifying with OR without an additional litter abatement program; and,

C. Authorizing staff to proceed with the Public Notification process following Proposition 218 guidelines; and,

D. Setting a Public Hearing for February 3, 2020, at 6:00 PM to approve the amended rates.

K. BUSINESS

K.1. [19-658](#)

SUBJECT: Council Member Echevarria's Request to Discuss Vaping Regulations and Sales in the City of Merced

REPORT IN BRIEF

Council Member Echevarria's Request to Discuss Vaping Regulations in accordance with Council Administrative Policies and Procedures C-1.

RECOMMENDATION

It is requested Council give staff direction on this item.

K.2. [19-614](#)

SUBJECT: Appointment - Regional Airport Authority

REPORT IN BRIEF

Consider appointing Robert Scoble to the Regional Airport Authority.

RECOMMENDATION

City Council - Adopt a motion appointing Robert Scoble to serve as a member of the Regional Airport Authority, to a seat with a term expiration of July 1, 2023.

K.3. [19-607](#)

SUBJECT: Request to Add Item to Future Agenda

REPORT IN BRIEF

Provides members of the City Council to request that an item be placed on a future City Council agenda for initial consideration by the City Council.

K.4. [19-609](#)

SUBJECT: City Council Comments

REPORT IN BRIEF

Provides an opportunity for the Mayor and/or Council Member(s) to make a brief announcement on any activity(ies) she/he has attended on behalf of the City and to make a brief announcement on future community events and/or activities. The Brown Act does not allow discussion or action by the legislative body under this section.

L. CLOSED SESSION

L.1. [19-667](#)

SUBJECT: CONFERENCE WITH REAL PROPERTY NEGOTIATORS - Property: APN 059-240-081; Agency Negotiator: Frank Quintero, Director, Economic Development; Negotiating Parties: Mark Persico, Merced Designated Local Authority and City of Merced and; Under Negotiation: Price and Terms of Payment

M. REPORT OUT OF CLOSED SESSION

N. ADJOURNMENT



CITY OF MERCED

Merced Civic Center
678 W. 18th Street
Merced, CA 95340

ADMINISTRATIVE REPORT

Agenda Item B.1.

Meeting Date: 11/4/2019

SUBJECT: Study Session to Discuss and Provide Direction Regarding the City of Merced Employee Compensation Study

REPORT IN BRIEF

Study Session for an employee compensation study.

RECOMMENDATION

Provide staff direction as needed.

City of Merced Total Compensation Study

November 4, 2019

Project Summary

- May 20 – Council awarded contract
- June 18 – Staff kick-off meeting
- Sept 17 – Draft results of comparison agencies
- Oct. 11 – 1st Union coalition meeting
- Oct. 21 – 2nd Union coalition meeting
- Nov. 4 – Study Session for Council direction
 - Comparable agencies
 - 5 policy items
- Jan – Draft report completed

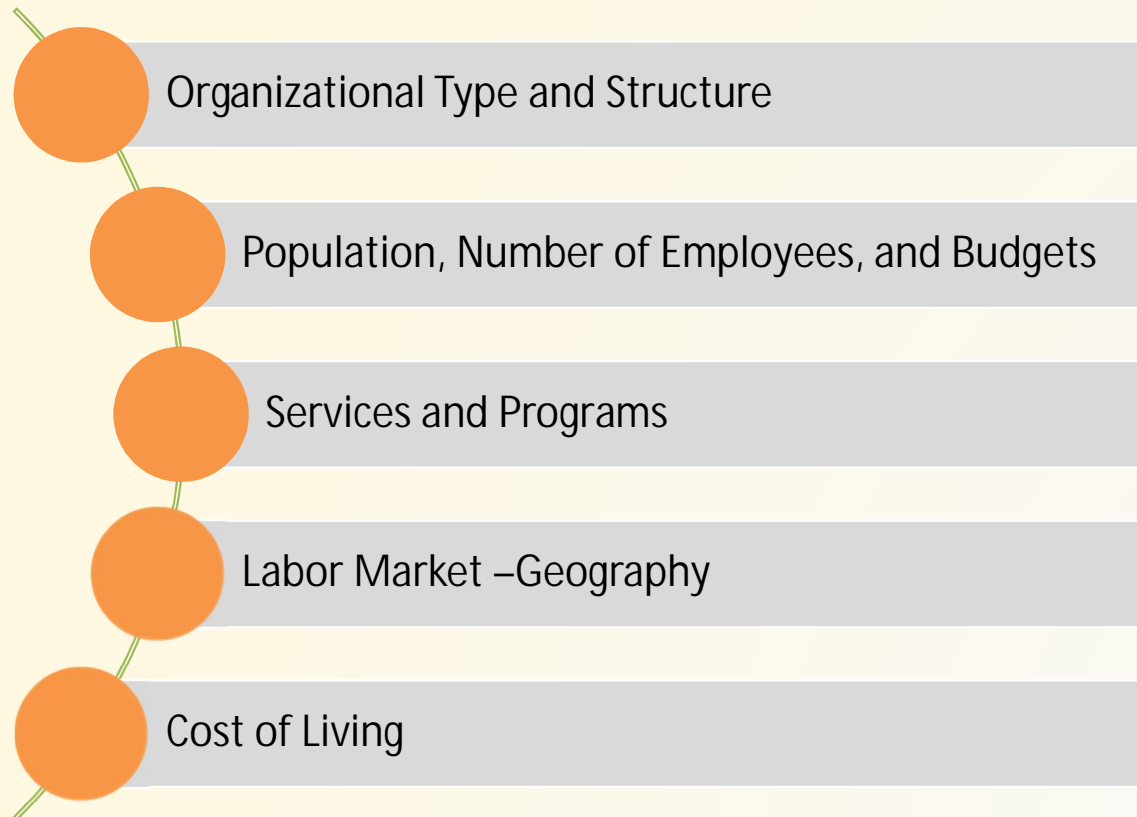
Survey Elements

Comparator Agencies

Benchmark Classifications

Benefit Data

Comparator Agency Criteria



Each Factor
Analyzed, Ranked,
Scored

Total Score
Determines Level
of Similarity

Comparator Agency Recommendations

Ranking	Comparator Agency	Overall Criteria Comparison Score
	City of Merced	6
1	City of Turlock	36
2	City of Manteca	36
3	City of Madera	43
4	City of Lodi	45
5	City of Clovis	47
6	City of Tracy	48
7	City of Chico	56
8	City of Folsom	57
9	City of Fresno	61
10	City of Davis	61
11	City of San Luis Obispo	62
12	City of Santa Maria	62
	City of Modesto	64
	City of Visalia	66
	County of Merced	70
	City of Santa Cruz	70
	City of Stockton	73
	City of Sacramento	81

Demographic Profile

- Classic Tier
- Five Year Employee
- Employee plus Family

Benchmark Classifications

- Reflect a broad spectrum of class levels
 - Journey-level of a classification series
 - Single-level classifications
 - Supervisors and Management
- Most likely to be exist
 - Sufficient valid data sample; 4 matches
- ~60-65% of all classifications

Internal Relationships

- Surveyed Classifications with Lack of Data
- Non-Surveyed Classifications
- Whole Position Analysis
 - Same Class Series
 - Scope of Work
 - Organizational “Worth”
 - Past Internal Relationships
- Implementation and Strategy Development
 - Plan Development, Potentially Multi-Year

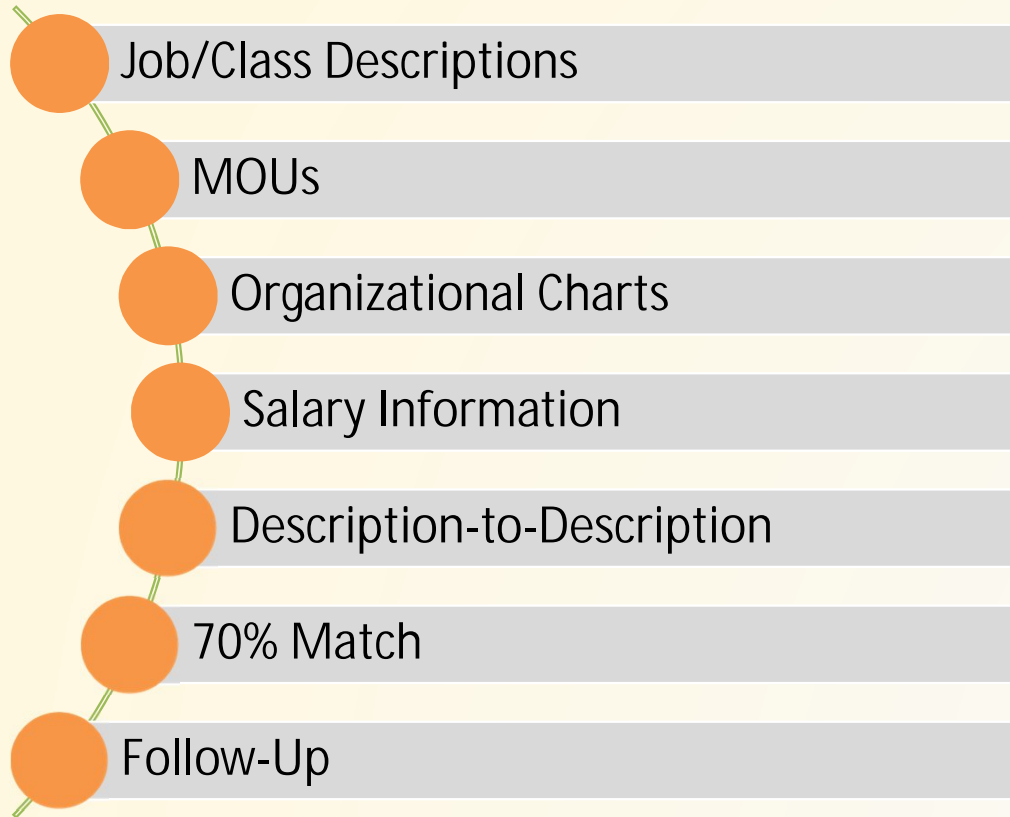
Benefits Data

- Retirement & Annuities
 - PERS; Social Security; Deferred Compensation
- Insurances
 - Flexible Benefit and/or Health, Dental, Vision
- Leaves
 - Holidays, Vacation, Administrative/Personal
- Other

Policy Items

- Education Pay
- Certification Pay
- Uniform Allowance
- Sick Leave Payout
- Specialty Pay:
 - Included – yes or no
 - Capped amount – yes or no

Data Collection



ALL ANALYSES
COMPLETED
IN-HOUSE

NO
QUESTIONNAIRES

Salary Data

- Top of Published Range
- Monthly Dollar Amounts
- Data is Normalized
- Effective Dates
- Next Increases (if known)
- Differences Noted

Comparator Agency Recommendations

Ranking	Comparator Agency	Overall Criteria Comparison Score
	City of Merced	6
1	City of Turlock	36
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4	City of Lodi	45
5	City of Clovis	47
6	City of Tracy	48
7	City of Chico	56
8	City of Folsom	57
9	City of Fresno	61
10	City of Davis	61
11	City of San Luis Obispo	62
12	City of Santa Maria	62
	City of Modesto	64
	City of Visalia	66
	County of Merced	70
	City of Santa Cruz	70
	City of Stockton	73
	City of Sacramento	81

Policy Items

- Education Pay
- Certification Pay
- Uniform Allowance
- Sick Leave Payout
- Specialty Pay:
 - Included – yes or no
 - Capped amount – yes or no

Questions & Comments

Thank you!



CITY OF MERCED

Merced Civic Center
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ADMINISTRATIVE REPORT

Agenda Item E.1.

Meeting Date: 11/4/2019

SUBJECT: Presentation From the Merced County Association of Governments

REPORT IN BRIEF

Merced County Association of Governments Executive Director Stacie Dabbs Guzman will give a presentation.



Stacie Dabbs Guzman
Executive Director
November 4, 2019



- 52 year old Joint Powers Authority
- Serves a multitude of regional roles: transportation planning, public transit, regional waste management
- Member agencies include Cities of Atwater, Merced, Livingston, Gustine, Los Banos and Dos Palos and the County of Merced
- Governing Board: One elected from each City and all 5 County Supervisors
- Technical Review Board: All 6 City Managers and County CEO
- Citizens Advisory Committee
 - Student, Small Business, Water positions are open!



Core Function: Transportation Planning

- Plan for future transportation needs 20-25 years in advance
- Help deliver local and regional transportation projects through funding programs and partnerships
 - Hwy 99 Widening in Livingston: $\$5.5\text{m} + \$70\text{m} = \$75.5\text{m}$
 - Atwater-Merced Expressway: $\$20\text{m} + \$26\text{m} = \$46\text{m}$





Key Updates to Share

- Anna Maria Fuentes Scholarship application now open
- 2020 One Voice program
 - Councils to appoint 2 delegates by Dec 2019
 - First delegate meeting in January 2020
 - Trip is May 5-8, 2020
- DBE workshop – November 15, Merced Civic Center
- Annual Open House – December 19, 2019 at 5pm

MeasureV

- ½ Cent Transportation Sales Tax Program (2016)
- Estimated \$15 million in new revenue annually for local transportation needs (\$42m to date)
- Must be spent in Merced County
- Must be spent accordingly:
 - 50% to local jurisdictions – local decision making authority
 - 44% to regional projects (27% East Side, 17% West Side) – MCAG decides
 - 5% to transit – MCAG decides
 - 1% to MCAG for administration costs





Updates for Merced

- Local projects 50% of all revenue
 - City of Merced has received: \$4.4m
 - Total local project funding received: \$21m
- Regional projects 44% of all revenue (East 27%)
 - Highway 59 Black Rascal Bridge Project: \$4,090,000
 - Highway 59 Widening Phase 1: \$5,944,580
 - Atwater-Merced Expressway Phase 1B: \$10,980,000



- Transit Joint Powers Authority for Merced County
- Fixed route and paratransit services countywide
- Annual ridership of nearly 1 million (and on the rise!)
- Free Fare Program for Seniors, Veterans and ADA Eligible Passengers through Measure V (211,884)
- Free for All programs during the summer (220,231)
- The Bus Live app
- www.mercedthebus.com

@mercedthebus





Key Updates to Share

- Partnerships with UC Merced and Merced College
- Stuff The Bus campaign – Nov 30, Barnes & Noble
- First electric bus coming soon! (THANK YOU!)
- Transitioning to new contractor in 2020
- Fleet assessment and disposal policy
- Studies to examine transit service connectivity to rail, potential commuter service over the hill, and service efficiencies with UC Merced transit system





- Yosemite Area Regional Transportation System
- Key partner to help reduce congestion in Yosemite
- Operates from 6 counties during the summer months: Merced, Mariposa, Madera, Fresno, Tuolumne and Mono
- Roundtrip service from Merced to Yosemite Valley year-round for \$32 (includes gate fee)
- Online reservations system used by thousands across the world
- www.yarts.com



Key Updates to Share

- Celebrating 20th Anniversary in 2019-2020
- Exploring shuttle services in and around the Park
- Reduced fares available for Merced County residents (2 per household, while supplies last) \$7.50
- Free service on Hwy 140 November 10 & 11, 2019
- Exploring transition to electric vehicles

@rideyarts





- Manages the landfilling, recycling and composting of waste in Merced County
- 2 Locations: Hwy 59 (Merced) and Billy Wright (Los Banos)
- Free community clean up days and household hazardous waste collection events
- Free disposal of mattresses, recyclables, asphalt, clean concrete
- Products available to purchase: compost, fill dirt, wood chips/shreds
- www.mcrwma.org

@MCRWMA





Key Updates to Share

- New RWA Director: Eric Zetz
- Partnerships with UC Merced
 - Methane Detection Drone
 - Landfill Gas to Energy Project
- Consultant to assist jurisdictions on organics diversion



Questions?

Thank you!



Stacie Dabbs Guzman

Executive Director

(209) 723-3153 x 109

stacie.dabbs@mcagov.org



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678 W. 18th Street
Merced, CA 95340

ADMINISTRATIVE REPORT

Agenda Item H.1.

Meeting Date: 11/4/2019

SUBJECT: Reading by Title of All Ordinances and Resolutions

REPORT IN BRIEF

Ordinances and Resolutions which appear on the public agenda shall be determined to have been read by title and a summary title may be read with further reading waived.

RECOMMENDATION

City Council - Adopt a motion waiving the reading of Ordinances and Resolutions, pursuant to Section 412 of the Merced City Charter.



CITY OF MERCED

Merced Civic Center
678 W. 18th Street
Merced, CA 95340

ADMINISTRATIVE REPORT

Agenda Item H.2.

Meeting Date: 11/4/2019

Report Prepared by: Kirkland Greene, Records Clerk II

SUBJECT: Information-Only Contracts for the Month of October 2019

REPORT IN BRIEF

Notification of awarded Non-Public Works contracts under \$32,000 and of Public Works contracts under \$70,939.

AUTHORITY

Pursuant to the authority delegated to the City Manager on behalf of the City by Article XI, Section 1109, of the Merced City Charter to execute Public Works contracts under the adjusted FY 2019-2020 threshold of \$70,939.00, and Chapter 3.04.080 - 3.04.110 of the Merced Municipal Code to execute Non-Public Works contracts under the adjusted FY 2019-2020 threshold of \$32,000.00, the contracts listed on the attached table were entered into by the City.

ATTACHMENTS

1. "Information-Only" Contracts Table for October 2019

Exhibit 1 – Table of Contracts11/4/2019 City Council Meeting

Page 1 of 2

Department/Division	Vendor	Purpose/Location	Amount
0301 – City Attorney	Stantec Consulting Services, Inc.	Joint Defense & Common Interest Agreement to Create a Legally-Defensible Environmental Document for the Wastewater Collection System Sewer Master Plan Update.	(No funds.)
0201 – City Manager	Merced County Office of Education	Agreement for Professional Services to Provide Video Production Services in Connection With the 2020 "State of the City" Event, to Be Held on February 7, 2020.	\$ 2,000.00
1102 – Public Works	Examinetics, Inc.	Service Agreement for On-Site Audiometric (Hearing) Testing at Public Works.	\$ 3,070.00
2002 – Economic Development	Lyons Investments Management, LLC (Lyons Investments, LP)	Lease Agreement for a Portion of the Property Adjacent to Grogan Avenue (Lot L), to Be Used as Parking for the Public Works Corporation Yard.	\$ 6,000.00
0403 – Information Technology	Monsido, Inc.	Software-as-a-Service (SaaS) Agreement for the Online Web Governance Tool Suite to Provide Website Quality Assurance, Accessibility, Search Engine Optimization, and Web Governance (three-year term).	\$ 9,561.00
0701 – Finance	Fieldman, Rolapp & Associates, Inc.	First Amendment to the Agreement for Professional Services to Provide Municipal Advisory Services in Connection With a General Obligation Bond Ballot Measure and Subsequent Bond Financing.	\$10,000.00
0803 – Engineering	Kleinfelder, Inc.	Perform compaction testing for all new sidewalk, curb, gutter, paving, and FDR section on "M" St. from 16th to 18 th Streets, and on Main St. from "N" to "M" Streets. (Project No. 119002) Statement of Services (PO #136140).	\$13,000.00
1104 – PW - Streets	J & B Fencing, Inc.	Install 584 LF of chain link fencing, including two double gates on Stretch and Santa Fe Roads, and two single gates on Andregg Avenue. (Statement of Services, PO #136391.)	\$13,400.00
1301 – Housing	Sierra Saving Grace	Subrecipient Agreement for a Homeless Assistance/Subsistence Payments Program, Using Community Development Block Grant (CDBG) Funds.	\$15,000.00

Exhibit 1 – Table of Contracts (Continued)

11/4/2019 City Council Meeting

Page 2 of 2

Department/Division	Vendor	Purpose/Location	Amount
1301 – Housing	Merced Rescue Mission, Inc.	Subrecipient Agreement for Administering an Activity Grant to Provide a Warming Center (November 1, 2019 through April 30, 2020), Using Community Development Block Grant (CDBG) Funds.	\$20,000.00
0201 – City Manager	Merced Lao Family Community, Inc.	Agreement for Professional Services - Hmong Language Translation and Hmong Community Outreach Consultant Services for Fiscal Year 2019-2020.	\$22,416.00



CITY OF MERCED

Merced Civic Center
678 W. 18th Street
Merced, CA 95340

ADMINISTRATIVE REPORT

Agenda Item H.3.

Meeting Date: 11/4/2019

Report Prepared by: Taylor Gates, Administrative Assistant I, Planning Division

SUBJECT: Information Only - Planning Commission Meeting Minutes of June 5, 2019

RECOMMENDATION

For information only.

ATTACHMENTS

1. Minutes

CITY OF MERCED
Planning Commission

MINUTES

Merced City Council Chambers
Wednesday, June 5, 2019

Chairperson DYLINEA called the meeting to order at 7:02 p.m., followed by a moment of silence and the Pledge of Allegiance.

ROLL CALL

Commissioners Present: Mary Camper, Scott G. Drexel, Michael Harris, Peter Padilla, Sam Rashe, and Chairperson Robert Dylina

Commissioners Absent: None (One Vacancy)

Staff Present: Director of Development Services McBride, Principal Planner Hren, Interim City Engineer Beltran, Attorney Flores, and Recording Secretary Hensley

1. **APPROVAL OF AGENDA**

M/S PADILLA-HARRIS, and carried by unanimous voice vote (one vacancy), to approve the Agenda as submitted.

2. **MINUTES**

M/S PADILLA-RASHE, and carried by unanimous voice vote (one vacancy), to approve the Minutes of May 8, 2019, as submitted.

3. **COMMUNICATIONS**

None.

4. **ITEMS**

4.1 Consent) Vacation #19-02, initiated by Bright Development, to abandon a 20-foot-wide temporary access easement on Lot 137 within the Summer Creek Subdivision, generally located west of McKee Road at Silverstone Drive.

4.2 (Consent) Vacation #19-03, initiated by Jose and Maria Morales, property owners, to abandon a street light easement and storm drain easement within 1368 Griffin Street.

Secretary's Note: The Planning Commission decided to vote on Items 4.1 and 4.2 simultaneously.

M/S HARRIS-RASHE, and carried by the following vote, to find that the proposed Vacations #19-02 (to abandon a 20-foot-wide temporary access easement on Lot 137 within the Summer Creek Subdivision) and #19-03 (to abandon a street light easement and storm drain easement within 1368 Griffin Street), are consistent with the *Merced Vision 2030 General Plan*.

AYES: Commissioners Camper, Drexel, Harris, Padilla, Rashe, and Chairperson Dylina

NOES: None

ABSENT: None (one vacancy)

ABSTAIN: None

4.3 Fiscal Year 2019-2020 Capital Improvement Program (CIP)

Interim City Engineer BELTRAN provided a brief overview of the Fiscal Year 2019-2020 Capital Improvement Plan.

Director of Development Services MCBRIDE clarified that the decision tonight was focused on finding consistency with the General Plan.

M/S DREXEL-HARRIS, and carried by the following vote, to find that the proposed Fiscal Year 2019-2020 Capital Improvement Program (CIP) is consistent with the *Merced Vision 2030 General Plan*.

AYES: Commissioners Camper, Drexel, Harris, Padilla, Rashe,
and Chairperson Dyline
NOES: None
ABSENT: None (one vacancy)
ABSTAIN: None

4.4 Commercial Cannabis Business Permit #18-14R, initiated by Harvest of Merced, LLC., on property owned by Stephen G. Tinetti, trustee. This application is a request to permit the operation of a Retail Dispensary, including delivery services, for both medicinal and adult use cannabis and cannabis-related products on a 0.36 acre parcel in the General Commercial (C-G) Zone at 863 W. 15th Street.

Chairperson DYLINE recused himself.

Principal Planner HREN reviewed the report on this item. For further information, refer to Staff Report #19-16.

Public testimony was opened at 7:25 p.m.

Speaker from the Audience in Favor:

DOUGLAS SMURR, Applicant, Sacramento

There were no speakers from the audience in opposition to the project.

Public testimony was completed at 7:27 p.m.

M/S HARRIS-RASHE, and carried by the following vote, to approve the Provisional Zoning Clearance for 863 W. 15th Street as a retail sales dispensary for cannabis and cannabis-related products, and Commercial Cannabis Business Permit (CCBP) #18-14R, subject to the Findings and twenty-one (21) Conditions set forth in Staff Report #19-16 (RESOLUTION #4021):

AYES: Commissioners Camper, Drexel, Harris, Padilla, and Rashe

NOES: None

ABSENT: None (one vacancy)

ABSTAIN: Chairperson Dylina

- 4.5 Commercial Cannabis Business Permit #18-21R, initiated by Canna Corn, Inc., DBA Medallion Wellness, on property owned by Brian and Beverly Morse, trustees. This application is a request to permit the operation of a Retail Dispensary, including delivery services, for both medicinal and adult use cannabis and cannabis-related products on a 0.55 acre parcel in the General Commercial (C-G) Zone at 808 W. 16th Street.

Chairperson DYLINEA recused himself.

Principal Planner HREN reviewed the report on this item. For further information, refer to Staff Report #19-17.

Commissioners PADILLA and HARRIS inquired about the distance between three dispensaries and if staff had any concerns about their proximity to one another.

Mr. HREN clarified that the ordinance did not specify distance requirements between dispensaries, and that there were no staff concerns expressed.

Speaker from the Audience in Favor:

ZACH DRIVON, Applicant, Stockton

There were no speakers from the audience in opposition to the project.

Public testimony was closed at 7:44 p.m.

M/S HARRIS-RASHE, and carried by the following vote, to adopt a Categorical Exemption regarding Environmental Review #18-34, and to approve the Provisional Zoning Clearance for 808 W. 16th Street as

a retail sales dispensary for cannabis and cannabis-related products, and Commercial Cannabis Business Permit (CCBP) #18-21R, subject to the Findings and twenty (20) Conditions set forth in Staff Report #19-17 (RESOLUTION #4022):

AYES: Commissioners Camper, Drexel, Harris, Padilla, and Rashe

NOES: None

ABSENT: None (one vacancy)

ABSTAIN: Chairperson Dylina

Chairperson DYLINEA returned to the dais.

4.6 Cancellation of June 19, 2019, Planning Commission Meeting due to a lack of items and July 3, 2019, Planning Commission Meeting due to the Holiday

M/S PADILLA-CAMPER, and carried by unanimous voice vote (one vacancy), to cancel the Planning Commission meetings of June 19 and July 3, 2019.

5. **INFORMATION ITEMS**

5.1 Calendar of Meetings/Events

Director of Development Services MCBRIDE briefed the Planning Commission on the progress of approved projects. He also invited them to attend the Builders Forum on July 24, 2019.

Chairperson DYLINEA inquired about the existence of a budget for Planning Commissioners to attend educational seminars.

6. **ADJOURNMENT**

There being no further business, Chairperson DYLINEA adjourned the meeting at 7:57 p.m.

Planning Commission Minutes

Page 6

June 5, 2019

Respectfully submitted,



KIM ESPINOSA, Secretary
Merced City Planning Commission

APPROVED:



ROBERT DYLINE, Chairperson
Merced City Planning Commission

CITY OF MERCED
Planning Commission

Resolution #4021

WHEREAS, the Merced City Planning Commission at its scheduled meeting of June 5, 2019, held a public hearing and considered **Commercial Cannabis Business Permit #18-14R**, initiated by Harvest of Merced, LLC., on a property owned by Stephen G. Tinetti, trustee. This application is a request to permit the operation of a Retail Dispensary, including delivery services, for both medicinal and adult use cannabis and cannabis-related products on a 0.36 acre parcel in the General Commercial (C-G) Zone at 863 W. 15th Street.; also known as Assessor's Parcel No. 031-173-012; and,

WHEREAS, the Merced City Planning Commission concurs with Findings A through N of Staff Report #19-16; and,

NOW THEREFORE, the Merced City Planning Commission does resolve to hereby approve Commercial Cannabis Business Permit #18-14R, subject to the Conditions set forth in Exhibit A attached hereto and incorporated herein by this reference.

Upon motion by Commissioner HARRIS, seconded by Commissioner RASHE, and carried by the following vote:

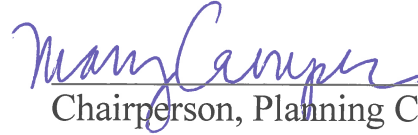
AYES: Commissioners Camper, Drexel, Harris, Padilla, and Rashe
NOES: None
ABSENT: None (one vacancy)
ABSTAIN: Chairperson Dyline

PLANNING COMMISSION RESOLUTION # 4021

Page 2


June 5, 2019

Adopted this 5th day of June 2019



Chairperson, Planning Commission of
the City of Merced, California

ATTEST:



Secretary

Attachment:

Exhibit A – Conditions of Approval

Conditions of Approval
Planning Commission Resolution #4021
Commercial Cannabis Business Permit #18-14R

1. The proposed project shall be constructed/designed as shown on Exhibit 1 (site plan), Attachment C of Staff Report #19-16, and Exhibit 2 (floor plan), Attachment D of Staff Report #19-16, except as modified by the conditions.
2. All conditions and requirements contained in Merced Municipal Code (MMC) Section 20.44.170/Ordinance #2498 (Attachment J) shall apply. Particular attention shall be paid to MMC 20.44.170(F) “Additional Regulations for Dispensary and Retail Sales of Cannabis” and MMC 20.44.170(G) “Additional Regulations for Commercial Cannabis Delivery Services.”
3. The proposed project shall comply with all standard Municipal Code and Subdivision Map Act requirements as applied by the City Engineering Department.
4. All other applicable codes, ordinances, policies, etc. adopted by the City of Merced shall apply.
5. The developer/applicant shall indemnify, protect, defend (with counsel selected by the City), and hold harmless the City, and any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof, from any and all claims, actions, suits, proceedings, or judgments against the City, or any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof to attack, set aside, void, or annul, an approval of the City, or any agency or instrumentality thereof, advisory agency, appeal board, or legislative body, including actions approved by the voters of the City, concerning the project and the approvals granted herein. Furthermore, developer/applicant shall indemnify, protect, defend (with counsel selected by the City), and hold harmless the City, or any agency or instrumentality thereof, against any and all claims, actions, suits, proceedings, or judgments against any governmental entity in which developer/applicant’s project is subject to that other governmental entity’s approval and a condition of such approval is that the City indemnify and defend such governmental entity. City shall promptly notify the developer/applicant of any claim, action, or proceeding. City shall further cooperate fully in the defense of the action. Should the City fail to either promptly notify or cooperate fully,

EXHIBIT A
OF PLANNING COMMISSION RESOLUTION # 4021

the developer/applicant shall not thereafter be responsible to indemnify, defend, protect, or hold harmless the City, any agency or instrumentality thereof, or any of its officers, officials, employees, or agents.

6. The developer/applicant shall construct and operate the project in strict compliance with the approvals granted herein, City standards, laws, and ordinances, and in compliance with all State and Federal laws, regulations, and standards. In the event of a conflict between City laws and standards and a State or Federal law, regulation, or standard, the stricter or higher standard shall control. State Law shall prevail in regards to cannabis activities as permitted by State Law.
7. The proposed project shall comply with all applicable regulations of the State of California including, but not limited to, those found in the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA).
8. The applicants shall meet the standards of the City of Merced's "Commercial Building Permit Application Submittal Requirements" (Attachment K of Staff Report #19-16) at the time of submittal for building permits for tenant improvement.
9. The details of the property's fencing (if any), security, and screening are to meet the approval of the Director of Development Services and Chief of Police prior to the issuance of a Certificate of Occupancy.
10. The applicants shall keep on the premises of the proposed project site a physical copy of the approved plans, to be annotated and updated accordingly with any notes, changes, or requirements determined to be necessary by representatives of the City of Merced or any contractors that the City of Merced may employ for the purpose of site inspections. These plans shall be made available to the City's representatives, employees, agents, inspectors, or contractors upon request.
11. Fire sprinklers shall be modified or installed to accommodate the building configuration and process configuration prior to occupancy if required by the Chief Building Official.
12. Regulatory Fees, as per Resolution #2017-67, are to be paid prior to the issuance of a Certificate of Occupancy and annually thereafter on or before the anniversary date. The Regulatory Fee may be amended from time to time based upon actual costs. The amount of the fees shall be adjusted annually to account for inflation by using the Consumer Price

Index (CPI). In no event shall the fees in any year be less than the preceding year.

13. A Commercial Cannabis Business Permit is valid for one year or until December 31 of each year, unless sooner revoked. Applications for the renewal of a permit shall be filed with the Director of Development Services, in accordance with 20.44.170(L).4, "Commercial Cannabis Business Permit Renewal (All Types)", at least sixty (60) calendar days before the expiration of the current permit. If the permittee allows their permit to lapse, they shall be required to submit a new application, pay corresponding fees and be subject to all aspects of the selection process.
14. As per Ordinance #2498, the use of vending machines to dispense cannabis is strictly prohibited. Any vending machines on the property must not contain cannabis or cannabis-based products.
15. The applicants shall provide or cause to be provided a trash enclosure on the property such that all waste is securely stored until it is removed from the premises. The details, including elevations, roofing, siting, and orientation of the enclosure, shall be responsive to input from the City's Department of Public Works, to whom access to this enclosure shall be provided.
16. Key access and/or a Knox Box to the perimeter fence shall be provided to the City of Merced Fire Department, Department of Public Works, and Police Department.
17. As required by Merced Municipal Code Section 17.04.050 and 17.04.060, full public improvements shall be installed/repared if the permit value of the project exceeds \$100,000. Public improvements may include, but not be limited to, repairing/replacing the sidewalk, curb, gutter, and street corner ramp(s), so that they comply with ADA standards and other relevant City of Merced/State standards and regulations.
18. The parking lot shall be repaved and restriped in compliance with the City of Merced's City Standard Designs.
19. If the applicants are unable to provide a FEMA flood elevation certificate showing that the top of the bottom floor and all equipment are at the required height as to not mandate mitigation measures if applicable, flood mitigation measures shall be required to meet the approval of the City flood plain manager and City Engineer.

20. There shall be no shared access to the building sharing a common wall with 863 W. 15th Street. Any existing shared access point must be sealed prior to the issuance of a Certificate of Occupancy.
21. The details of the final design of the exterior elevations and any signage shall be approved by Planning staff prior to issuance of a Certificate of Occupancy.

n:shared:planning:PC Resolutions: CCBP #18-14R Exhibit A

CITY OF MERCED
Planning Commission

Resolution #4022

WHEREAS, the Merced City Planning Commission at its scheduled meeting of June 5, 2019, held a public hearing and considered **Commercial Cannabis Business Permit #18-21R**, initiated by Canna Corn, Inc., DBA Medallion Wellness, on property owned by Brian and Beverly Morse, trustees. This application is a request to permit the operation of a Retail Dispensary, including delivery services, for both medicinal and adult use cannabis and cannabis-related products on a 0.55 acre parcel in the General Commercial (C-G) Zone at 808 W. 16th Street; also known as Assessor's Parcel Number (APN) 031-173-006; and,

WHEREAS, the Merced City Planning Commission concurs with Findings A through M of Staff Report #19-17; and,

NOW THEREFORE, after reviewing the City's Draft Environmental Determination, and discussing all the issues, the Merced City Planning Commission does resolve to hereby adopt a Categorical Exemption regarding Environmental Review #18-34 and approve Commercial Cannabis Business Permit #18-21R, subject to the Conditions set forth in Exhibit A attached hereto and incorporated herein by this reference.

Upon motion by Commissioner HARRIS, seconded by Commissioner RASHE, and carried by the following vote:

AYES: Commissioners Camper, Drexel, Harris, Padilla, and Rashe
NOES: None
ABSENT: None (one vacancy)
ABSTAIN: Chairperson Dylina

PLANNING COMMISSION RESOLUTION # 4022

Page 2

June 5, 2019

Adopted this 5th day of June 2019



Chairperson, Planning Commission of
the City of Merced, California

ATTEST:



Secretary

Attachment:

Exhibit A – Conditions of Approval

n:\shared\planning\PC Resolutions: CCBP #18-21R (Medallion Wellness)

Conditions of Approval
Planning Commission Resolution # 4022
Commercial Cannabis Business Permit #18-21R

1. The proposed project shall be constructed/designed as shown on Exhibit 1 (site plan), Attachment C of Staff Report #19-17, and Exhibit 2 (floor plan), Attachment D of Staff Report #19-17, except as modified by the conditions.
2. All conditions and requirements contained in Merced Municipal Code (MMC) Section 20.44.170/Ordinance #2498 (Attachment I) shall apply. Particular attention shall be paid to MMC 20.44.170(F) "Additional Regulations for Dispensary and Retail Sales of Cannabis" and MMC 20.44.170(G) "Additional Regulations for Commercial Cannabis Delivery Services."
3. The proposed project shall comply with all standard Municipal Code and Subdivision Map Act requirements as applied by the City Engineering Department.
4. All other applicable codes, ordinances, policies, etc. adopted by the City of Merced shall apply.
5. The developer/applicant shall indemnify, protect, defend (with counsel selected by the City), and hold harmless the City, and any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof, from any and all claims, actions, suits, proceedings, or judgments against the City, or any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof to attack, set aside, void, or annul, an approval of the City, or any agency or instrumentality thereof, advisory agency, appeal board, or legislative body, including actions approved by the voters of the City, concerning the project and the approvals granted herein. Furthermore, developer/applicant shall indemnify, protect, defend (with counsel selected by the City), and hold harmless the City, or any agency or instrumentality thereof, against any and all claims, actions, suits, proceedings, or judgments against any governmental entity in which developer/applicant's project is subject to that other governmental entity's approval and a condition of such approval is that the City indemnify and defend such governmental entity. City shall promptly notify the developer/applicant of any claim, action, or proceeding. City shall further cooperate fully in the defense of the action.

EXHIBIT A
OF PLANNING COMMISSION RESOLUTION # 4022

Should the City fail to either promptly notify or cooperate fully, the developer/applicant shall not thereafter be responsible to indemnify, defend, protect, or hold harmless the City, any agency or instrumentality thereof, or any of its officers, officials, employees, or agents.

6. The developer/applicant shall construct and operate the project in strict compliance with the approvals granted herein, City standards, laws, and ordinances, and in compliance with all State and Federal laws, regulations, and standards. In the event of a conflict between City laws and standards and a State or Federal law, regulation, or standard, the stricter or higher standard shall control. State Law shall prevail in regards to cannabis activities as permitted by State Law.
7. The proposed project shall comply with all applicable regulations of the State of California including, but not limited to, those found in the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA).
8. The applicants shall meet the standards of the City of Merced's "Commercial Building Permit Application Submittal Requirements" (Attachment K of Staff Report #19-17) at the time of submittal for building permits for tenant improvement.
9. The details of the property's fencing (if any), security, and screening are to meet the approval of the Director of Development Services and Chief of Police prior to the issuance of a Certificate of Occupancy.
10. The applicants shall keep on the premises of the proposed project site a physical copy of the approved plans, to be annotated and updated accordingly with any notes, changes, or requirements determined to be necessary by representatives of the City of Merced or any contractors that the City of Merced may employ for the purpose of site inspections. These plans shall be made available to the City's representatives, employees, agents, inspectors, or contractors upon request.
11. Fire sprinklers shall be modified or installed to accommodate the building configuration and process configuration prior to occupancy. A plan for the modification of the existing building's sprinkler system shall be provided and must meet the approval of the Chief Building Official.
12. Regulatory Fees, as per Resolution #2017-67, are to be paid prior to the issuance of a Certificate of Occupancy and annually thereafter on or before the anniversary date. The Regulatory Fee may be amended from

EXHIBIT A

OF PLANNING COMMISSION RESOLUTION # 4022

Page 2

time to time based upon actual costs. The amount of the fees shall be adjusted annually to account for inflation by using the Consumer Price Index (CPI). In no event shall the fees in any year be less than the preceding year.

13. A Commercial Cannabis Business Permit is valid for one year or until December 31 of each year, unless sooner revoked. Applications for the renewal of a permit shall be filed with the Director of Development Services, in accordance with 20.44.170(L).4, "Commercial Cannabis Business Permit Renewal (All Types)", at least sixty (60) calendar days before the expiration of the current permit. If the permittee allows their permit to lapse, they shall be required to submit a new application, pay corresponding fees and be subject to all aspects of the selection process.
14. As per Ordinance #2498, the use of vending machines to dispense cannabis is strictly prohibited. Any vending machines on the property must not contain cannabis or cannabis-based products.
15. The applicants shall provide or cause to be provided a trash enclosure on the property such that all waste is securely stored until it is removed from the premises. Access to this enclosure shall be provided to the City's Department of Public Works.
16. Key access and/or a Knox Box to the perimeter fence, if one exists, shall be provided to the City of Merced Fire Department, Department of Public Works, and Police Department.
17. As required by Merced Municipal Code Section 17.04.050 and 17.04.060, full public improvements shall be installed/repared if the permit value of the project exceeds \$100,000. Public improvements may include, but not be limited to, repairing/replacing the sidewalk, curb, gutter, and street corner ramp(s), so that they comply with ADA standards and other relevant City of Merced/State standards and regulations.
18. The parking lot shall comply with the City of Merced's City Standard Designs, including repaving and restriping if necessary.
19. If the applicants are unable to provide a FEMA flood elevation certificate showing that the top of the bottom floor and all equipment are at the required height as to not mandate mitigation measures if applicable, flood mitigation measures shall be required to meet the approval of the City flood plain manager and City Engineer.

EXHIBIT A
OF PLANNING COMMISSION RESOLUTION # 4022

20. The details of the final design of the exterior elevations and any signage shall be approved by Planning staff prior to issuance of a Certificate of Occupancy.



CITY OF MERCED

Merced Civic Center
678 W. 18th Street
Merced, CA 95340

ADMINISTRATIVE REPORT

Agenda Item H.4.

Meeting Date: 11/4/2019

SUBJECT: Approval of City Council/Public Financing and Economic Development/Parking Authority Meeting Minutes of October 7, 2019

REPORT IN BRIEF

Official adoption of previously held meeting minutes.

RECOMMENDATION

City Council/Public Financing and Economic Development/Parking Authority - Adopt a motion approving the meeting minutes of October 7, 2019.

ALTERNATIVES

1. Approve as recommended; or,
2. Approve, subject to amendments.

ATTACHMENTS

1. Minutes of October 7, 2019



CITY OF MERCED

City Council Chamber
Merced Civic Center
2nd Floor
678 W. 18th Street
Merced, CA 95340

Minutes

City Council/Public Finance and Economic Development Authority/Parking Authority

Monday, October 7, 2019

6:00 PM

A. CLOSED SESSION ROLL CALL

Present: 7 - Mayor Pro Tempore Anthony Martinez, Mayor Mike Murphy, Council Member Kevin Blake, Council Member Jill McLeod, Council Member Matthew Serratto, Council Member Delray Shelton, and Council Member Fernando Echevarria

Absent: 0

B. CLOSED SESSION

Mayor MURPHY called the Closed Session to order at 5:30 PM.

B.1.

SUBJECT: CONFERENCE WITH LEGAL COUNSEL - INITIATION OF LITIGATION Initiation of Litigation pursuant to Government Code section 54956.9(d)(4): (1) case

Clerk's Note: Council adjourned from Closed Session at 5:45 PM.

C. CALL TO ORDER

Mayor MURPHY called the Regular Meeting to order at 6:01 PM.

C.1. Invocation - Bruce Metcalf, Merced Rescue Mission

The invocation was delivered by Bruce METCALF from Merced Rescue Mission.

C.2. Pledge of Allegiance to the Flag

Council Member SHELTON led the Pledge of Allegiance to the Flag.

D. ROLL CALL

Present: 7 - Mayor Pro Tempore Anthony Martinez, Mayor Mike Murphy, Council Member Kevin Blake, Council Member Jill McLeod, Council Member Matthew Serratto, Council Member Delray Shelton, and Council Member Fernando Echevarria

Absent: 0

D.1. In accordance with Government Code 54952.3, it is hereby announced that the City Council sits either simultaneously or serially as the Parking Authority and the Public Financing and Economic Development Authority. City Council members receive a monthly stipend of \$20.00 by Charter for sitting as the City Council; and the Mayor receives an additional \$50.00 each month as a part of the adopted budget and Resolution 1975-37. The members of the Parking Authority and the Public Financing and Economic Development Authority receive no compensation.

E. REPORT OUT OF CLOSED SESSION

There was no report.

F. CEREMONIAL MATTERS

F.1. **SUBJECT:** Proclamation - Domestic Violence Awareness Month

REPORT IN BRIEF

Received by a representative of the Valley Crisis Center.

Mayor MURPHY presented the Domestic Violence Awareness Month Proclamation to Valley Crisis Center Program Director Chee YANG.

F.2. **SUBJECT:** Proclamation - Hispanic Heritage Month

REPORT IN BRIEF

Received by Rene Gutierrez, President of the Hispanic Chamber of Commerce.

Mayor MURPHY presented the Hispanic Heritage Month Proclamation to the President of the Hispanic Chamber of Commerce Rene GUTIERREZ.

G. WRITTEN PETITIONS AND COMMUNICATIONS

There were none.

H. ORAL COMMUNICATIONS

Anne TRESSLER, Merced - invited Council to the Gateway Quilters Guild event.

Susan HAMMON, Merced - spoke on the Gateway Quilters Guild.

Dennis EVANS, Merced - spoke on ending homelessness.

Fernando AGUILARA, Merced - presented a video on the 209th Mexican Independence celebration.

Tashelle & Colby WRIGHT, Merced - spoke on the dangers of using

e-cigarettes and vaping.

Steve ROUSSOS, Merced - spoke on the tobacco sales trends.

Stephanie GONZALEZ, Health Collaborative, Merced - spoke on the dangers of flavored tobacco and the smoking rate in Merced County.

Amalia MADRIGAL-HERNANDEZ, Merced - spoke on the youth's use of flavored tobacco and vaping.

Robin SIMINOFF, Merced - spoke on her concern for the youth vaping trend and use of flavored tobacco.

Annis FRAGOSO, Merced - spoke on the on-going issue with the shared trash can use with multiple businesses.

Juan MARTINEZ, Merced - spoke on the vaping issue and requested Council restrict tobacco sales.

Anna SONG, Merced - spoke on the dangers of vaping and tobacco use. She also spoke on instituting a tobacco flavor ban.

Monica VILLA, Merced - spoke on the G.L.O.W Carnival and the Merced Homeless Connect event.

I. CONSENT CALENDAR

Items I.8. Authorization to Modify the Personnel/Budget Allocation in the City Attorney's Department to Reflect a City Attorney, a Deputy City Attorney, a Deputy/Senior Deputy City Attorney, an Office Administrator/Paralegal and a Legal Administrative Assistant, I.9. Approval of the First Amendment to the Agreement with the Lew Edwards Group in the Additional Amount of \$53,000 and the Total not to Exceed Contracted Amount of \$82,000 to Develop a Public Education Strategy Related to the Possible Extension of Measure C, and I.13. Approval of Recreation and Parks Commission's Recommendation to Accept a Donation of a Tile Mosaic Artwork Installation at the Applegate Park Merced Open Air Theater (MOAT) by Monika Modest; were pulled for separate consideration.

Approval of the Consent Agenda

A motion was made by Council Member Blake, seconded by Council Member McLeod, to approve the Consent Agenda. The motion carried by the following vote:

Aye: 7 - Mayor Pro Tempore Martinez, Mayor Murphy, Council Member Blake, Council Member McLeod, Council Member Serratto, Council Member Shelton, and Council Member Echevarria

No: 0

Absent: 0

I.1. SUBJECT: Reading by Title of All Ordinances and Resolutions

REPORT IN BRIEF

Ordinances and Resolutions which appear on the public agenda shall be determined to have been read by title and a summary title may be read with further reading waived.

RECOMMENDATION

City Council - Adopt a motion waiving the reading of Ordinances and Resolutions, pursuant to Section 412 of the Merced City Charter.

This Consent Item was approved.

I.2. SUBJECT: Information-Only Contracts for the Month of September 2019

REPORT IN BRIEF

Notification of awarded Non-Public Works contracts under \$32,000 and of Public Works contracts under \$70,939.

This Consent Item was approved.

I.3. SUBJECT: Approval of City Council/Public Financing and Economic Development/Parking Authority Meeting Minutes of September 3, 2019

REPORT IN BRIEF

Official adoption of previously held meeting minutes.

RECOMMENDATION

City Council/Public Financing and Economic Development/Parking Authority - Adopt a motion approving the meeting minutes of September 3, 2019.

This Consent Item was approved.

I.4. SUBJECT: Authorization to Set a Public Hearing for November 4,

2019 for Introduction of Ordinances, Adopting the 2019 California Building and Fire Codes with Amendments, if Any

REPORT IN BRIEF

Set a Public Hearing for November 4, 2019 for the purpose of introducing and adopting the 2019 California Building and Fire Codes with Amendments, if any.

RECOMMENDATION

City Council - Adopt a motion setting a Public Hearing on November 4, 2019, to consider introducing and adopting the 2019 California Building and Fire Codes and Amendments thereto.

This Consent Item was approved.

I.5.

SUBJECT: Award of Bid and Approval of Construction Contract with Phase 1 Construction for the Cooper Avenue Sanitary Sewer Lift Station Construction, Project No. 114004, in the Amount of \$755,825 and Approval of a Professional Services Agreement with Provost and Pritchard Engineering Group, Inc., for Engineering Design Services in the Amount of \$23,694

REPORT IN BRIEF

Considers awarding a contract in the amount of \$755,825 to Phase 1 Construction to perform the Cooper Avenue sanitary sewer lift station construction and approving the professional services agreement with Provost and Pritchard Engineering Group, Inc. for engineering design services in the amount of \$23,694.

RECOMMENDATION

City Council - Adopt a motion:

A. Awarding the bid for the Cooper Avenue Sanitary Sewer Lift Station Construction, Project No. 114004, to Phase 1 Construction in the amount of \$755,825; and,

B. Approving an amendment to an agreement for professional services with Provost and Pritchard Engineering Group, Inc., in the amount of \$23,694 for engineering design services; and,

C. Authorizing the City Manager or the Assistant City Manager to execute the necessary documents and to approve change orders not to exceed 10% of the total construction contract.

This Consent Item was approved.

I.6.

SUBJECT: Approval of Professional Services Agreement with Gaetke Medical Corporation and 1582, LLC to Provide Comprehensive Occupational Medical Physicals in an Amount Not to Exceed \$60,000 and Waiving the Competitive Bidding Requirement

REPORT IN BRIEF

Considers entering into a three year agreement with Gaetke Medical Corporation and 1582, LLC for the purpose of providing comprehensive occupational medical physicals of fire suppression personnel and waiving the competitive bidding requirements.

RECOMMENDATION

City Council - Adopt a motion:

A. Approving a professional services agreement with Gaetke Medical Corporation and 1582, LLC in an amount not to exceed \$60,000, for the purpose of providing comprehensive occupational medical physicals of fire suppression personnel for a three year term, with a one year renewal option; and,

B. Authorizing the City Manager or the Assistant City Manager to execute the necessary documents; and,

C. Waiving the competitive bidding requirements.

This Consent Item was approved.

I.7.

SUBJECT: Acceptance and Appropriation of Settlement Funding in the Amount of \$3,092.84 from the LexisNexis Coplogic Solutions to Assist with Communication Needs of the Police Department

REPORT IN BRIEF

Considers accepting and appropriating settlement funding in the amount of \$3,092.84 from LexisNexis Coplogic Solutions to assist with communication needs of the Police Department.

RECOMMENDATION

City Council - Adopt a motion accepting settlement funds from the LexisNexis Coplogic Solutions and increasing revenue in account

001-1006-360.01-01 in the amount of \$3,093 and appropriating the same to account 001-1006-522.12-00.

This Consent Item was approved.

I.10.

SUBJECT: Approval of First Amendment to Elevator Maintenance Agreement with ThyssenKrupp Elevator Corporation in the Amount of \$1,015 Monthly for the Term Ending June 30, 2020 for Maintenance of Seven Elevators Located at the Civic Center, Ralph Shannon Parade, Merced Center Parking Garage, and Police Station

REPORT IN BRIEF

Considers approving a First Amendment with ThyssenKrupp Elevator Corporation in the amount of \$1,015 monthly and extending the agreement term through June 30, 2020, for maintenance of seven elevators located at the Civic Center, Ralph Shannon Parade, Merced Center Parking Garage, and Police Station.

RECOMMENDATION

City Council - Adopt a motion approving the first amendment to elevator maintenance agreement with ThyssenKrupp Elevator Corporation in the amount of \$1,015 monthly, and authorizing the City Manager or the Assistant City Manager to execute the necessary documents.

This Consent Item was approved.

I.11.

SUBJECT: Acceptance and Appropriation of Grant Funding in the Amount of \$1,000 for FY 2020 Merced County First Five Community Engagement Event Sponsorship Program for Tiny Tots 4th Annual Halloween Pumpkin Party

REPORT IN BRIEF

Considers accepting and appropriating grant funding in the amount of \$1,000 from Merced County First Five for the 4th Annual Tiny Tots Halloween Pumpkin Party.

RECOMMENDATION

City Council - Adopt a motion:

A. Accepting grant funds from Merced County First Five and increasing revenue in account 024-1226-360-02-01 - Creative Skills-Contributions

and Donations in the amount of \$1,000; and,

B. Appropriating the same to account 024-1226-542-29-00 - Creative Skills-Supplies and Services; and,

C. Authorizing the City Manager or the Assistant City Manager to execute the necessary documents.

This Consent Item was approved.

I.12.

SUBJECT: Authorization to Accept Volunteer Labor and 21 Donated Trees Valued at Approximately \$2,300 from Clean Earth a Harsco Company at the Applegate Park and Zoo on October 19, 2019 for Clean Earth Day Tree Planting Event

REPORT IN BRIEF

Considers approving acceptance of labor and materials valued at approximately \$2,300 for new trees at Applegate Park and Zoo from Clean Earth a Harsco Company for their Clean Earth Day tree planting event on October 19, 2019.

RECOMMENDATION

City Council - Adopt a motion accepting a donation from Clean Earth a Harsco Company for volunteer labor and 21 trees valued at approximately \$2,300 at Applegate Park and Zoo on October 19, 2019 for Clean Earth Day tree planting event.

This Consent Item was approved.

I.14.

SUBJECT: Approval of Recreation and Parks Commission's Recommendation to Grant a Request by the Deaf and Hard of Hearing Service Center for the Co-Sponsored Rental Rate for the Merced Senior Community Center on December 14, 2019 for its Annual Holiday Celebration

REPORT IN BRIEF

Considers approving the Recreation and Parks Commission's recommendation to approve a request for the co-sponsored rate for the rental of the Merced Senior Community Center by the Deaf and Hard of Hearing Service Center to hold its annual Holiday Celebration on December 14, 2019.

RECOMMENDATION

City Council - Adopt a motion approving the Recreation and Park Commission's recommendation to rent the Merced Senior Community Center to the Deaf and Hard of Hearing Service Center (DHHSC) on December 14, 2019, at the co-sponsored rental rate.

This Consent Item was approved.

I.15.

SUBJECT: Second Reading and Final Adoption of Ordinance Amending Section 9.08.020 Regarding Cardrooms and Amending CUP #1216, Merced Poker Room, and CUP #1219, Poker Flats Casino (AKA Golden Valley Casino) to Reflect the Number of Card Tables Allowed Pursuant to State Regulations

REPORT IN BRIEF

Second reading and final adoption of an Ordinance amending the number of card tables allowed within the City of Merced from sixteen (16) to twelve (12) in compliance with state regulations.

RECOMMENDATION

City Council - Adopt a motion adopting **Ordinance 2503**, an Ordinance of the City Council of the City of Merced, California, amending Section 9.08.020 "Cardrooms," of the Merced Municipal Code.

This Consent Item was approved.

I.8.

SUBJECT: Authorization to Modify the Personnel/Budget Allocation in the City Attorney's Department to Reflect a City Attorney, a Deputy City Attorney, a Deputy/Senior Deputy City Attorney, an Office Administrator/Paralegal and a Legal Administrative Assistant

REPORT IN BRIEF

Modification to the Personnel/Budget Allocation in the City Attorney's Department.

RECOMMENDATION

City Council - Adopt a motion adopting **Resolution 2019-64**, A Resolution of the City Council of the City of Merced, California, Amending the Personnel/Budget Allocation in the City Attorney Department to Reflect a City Attorney, a Deputy City Attorney, a Deputy/Senior Deputy City Attorney, a Legal Administrative Assistant and a Paralegal Office Administrator to be filled by the incumbent Paralegal effective June 21, 2019.

Council Member MCLEOD pulled this item for a staff report.

City Attorney Phaedra NORTON explained the need for the re-organization of the City Attorney Department to reflect the current operational need. She also suggested a slight modification to the Council action to become effective immediately.

A motion was made by Council Member McLeod, seconded by Council Member Blake, to authorize this item and amending the start time to October 7, 2019. The motion carried by the following vote:

Aye: 7 - Mayor Pro Tempore Martinez, Mayor Murphy, Council Member Blake, Council Member McLeod, Council Member Serratto, Council Member Shelton, and Council Member Echevarria

No: 0

Absent: 0

I.9.

SUBJECT: Approval of the First Amendment to the Agreement with the Lew Edwards Group in the Additional Amount of \$53,000 and the Total not to Exceed Contracted Amount of \$82,000 to Develop a Public Education Strategy Related to the Possible Extension of Measure C

REPORT IN BRIEF

Considers the approval of the First Amendment to the Agreement with the Lew Edwards Group for an additional amount of \$53,000 and the Total Contracted Amount not to exceed \$82,000 to develop a public education strategy related to the possible extension of Measure C.

RECOMMENDATION

City Council - Adopt a motion:

A. Approving the First Amendment to the Agreement with the Lew Edwards Group for an amount not to exceed \$82,000 related to the extension of Measure C; and,

B. Approving a Supplemental Appropriation in the amount of \$53,000 of the unappropriated fund balance in Fund 061-Measure C to provide funding for the amended agreement;

D. Provide staff direction on areas within the Public Education Strategy Related to the Possible Extension of Measure C; and,

C. Authorizing the City Manager or the Assistant City Manager to

execute the necessary documents.

Mayor MURPHY requested to pull this item to state his opposition of the amendment.

Council and City Manager Steve CARRIGAN discussed Council direction and the delay to take the contract out to bid.

A motion was made by Council Member Blake, seconded by Council Member McLeod, that this agenda item be approved. The motion carried by the following vote:

Aye: 7 - Mayor Pro Tempore Martinez, Mayor Murphy, Council Member Blake, Council Member McLeod, Council Member Serratto, Council Member Shelton, and Council Member Echevarria

No: 0

Absent: 0

I.13.

SUBJECT: Approval of Recreation and Parks Commission's Recommendation to Accept a Donation of a Tile Mosaic Artwork Installation at the Applegate Park Merced Open Air Theater (MOAT) by Monica Modest

REPORT IN BRIEF

Considers approving the Recreation and Parks Commission's recommendation to accept a donation of a tile mosaic artwork installation at the Applegate Park Merced Open Air Theater (MOAT) from Monica Modest.

RECOMMENDATION

City Council - Adopt a motion approving the Recreation and Park Commission's recommendation to accept a donation of a tile mosaic artwork installation from Monica Modest, to be placed at the Applegate Park Merced Open Air Theater (MOAT); and, authorizing the City Manager or the Assistant City Manager to execute the necessary documents.

Clerk's Note: This item was pulled to be heard at the October 21, 2019 City Council Meeting.

J. PUBLIC HEARINGS

J.1.

SUBJECT: Public Hearing and Adoption of Resolution Granting a Certificate of Public Convenience and Necessity for McHenry Protective Services

REPORT IN BRIEF

Considers approving a Resolution granting and issuing a certificate of public convenience and necessity to McHenry Protective Services.

RECOMMENDATION

City Council - Adopt a motion approving **Resolution 2019-49**, a Resolution of the City Council of the City of Merced, California, granting a certificate of public convenience and necessity to McHenry Protective and Investigative Services.

Police Lieutenant Jay STRUBLE gave a brief presentation on the three Public Hearing items on the adoption of Resolution Granting a Certificate of Public Convenience and Necessity for McHenry Protective, Stonewall Private Security Services, and First Alarm Security & Patrol Inc.

Mayor MURPHY opened and subsequently closed the Public Hearing due to a lack of public comment.

Clerk's Note: Council took action on items J.1., J.2., and J.3. collectively.

A motion was made by Council Member Blake, seconded by Council Member McLeod, that this agenda item be approved. The motion carried by the following vote:

Aye: 7 - Mayor Pro Tempore Martinez, Mayor Murphy, Council Member Blake, Council Member McLeod, Council Member Serratto, Council Member Shelton, and Council Member Echevarria

No: 0

Absent: 0

J.2.

SUBJECT: Public Hearing and Adoption of Resolution Granting a Certificate of Public Convenience and Necessity for Stonewall Private Security Services

REPORT IN BRIEF

Considers approving a Resolution to grant and issue a certificate of public convenience and necessity to Stonewall Private Security Services.

RECOMMENDATION

City Council - Adopt a motion approving **Resolution 2019-50**, a Resolution of the City Council of the City of Merced, California, granting a certificate of public convenience and necessity to Stonewall Private Security Services.

Clerk's Note: This item was approved collectively with items J.1. and J.3.

A motion was made by Council Member Blake, seconded by Council Member McLeod, that this agenda item be approved. The motion carried by the following vote:

Aye: 7 - Mayor Pro Tempore Martinez, Mayor Murphy, Council Member Blake, Council Member McLeod, Council Member Serratto, Council Member Shelton, and Council Member Echevarria

No: 0

Absent: 0

J.3.

SUBJECT: Public Hearing and Adoption of Resolution Granting a Certificate of Public Convenience and Necessity for First Alarm Security & Patrol, Inc.

REPORT IN BRIEF

Considers approving a resolution to grant and issue a certificate of public convenience and necessity to First Alarm Security & Patrol, Inc.

RECOMMENDATION

City Council - Adopt a motion approving **Resolution 2019-59**, a Resolution of the City Council of the City of Merced, California, granting a certificate of public convenience and necessity to First Alarm Security & Patrol, Inc.

Clerk's Note: This item was approved collectively with items J.1. and J.2.

A motion was made by Council Member Blake, seconded by Council Member McLeod, that this agenda item be approved. The motion carried by the following vote:

Aye: 7 - Mayor Pro Tempore Martinez, Mayor Murphy, Council Member Blake, Council Member McLeod, Council Member Serratto, Council Member Shelton, and Council Member Echevarria

No: 0

Absent: 0

J.4.

SUBJECT: Public Hearing for Approving a Mitigated Negative Declaration for Environmental Review #19-18 and Potential Introduction of an Ordinance, Approving Zone Change #426 and Adoption of a Resolution Approving General Plan Amendment #19-02 Changing the Zoning and General Plan Designations for Approximately 0.52 Acres of Land Generally Located on the East Side of McKee Road Approximately 360 Feet South of Yosemite Avenue and the Appeal of

the Planning Commission's Denial of Conditional Use Permit #1231 to
Allow a Mixed-Use Project to be Constructed at the Southeast Corner
of Yosemite Avenue and McKee Road

REPORT IN BRIEF

Considers approving a Mitigated Negative Declaration for Environmental Review #19-18, and introducing an Ordinance, General Plan Amendment #19-03, Zone Change #426, and an appeal of the Planning Commission's denial of Conditional Use Permit #1231 for a mixed-use project.

RECOMMENDATION

General Plan Amendment #19-02 and Zone Change #426

City Council - Adopt a motion:

A. Adopting **Resolution 2019-63**, a Resolution of the City Council of the City of Merced, California, approving a Mitigated Negative Declaration for General Plan Amendment #19-02 and Zone Change #426, approving General Plan Amendment #19-02 to change the General Plan Designation from Low Density Residential (LD) to Neighborhood Commercial (CN) for approximately 0.52 acres of land generally located on the east side of McKee Road approximately 360 feet south of Yosemite Avenue, and approving a Legislative Action Agreement for the same; and,

B. Introducing **Ordinance 2504**, an Ordinance of the City Council of the City of Merced, California, amending the Official Zoning Map by rezoning approximately 0.52 acres of land generally located on the east side of McKee Road, approximately 360 feet south of Yosemite Avenue from R-1-6 to Neighborhood Commercial (C-N); and,

C. Authorizing the City Manager or the Assistant City Manager to execute the Legislative Action Agreement.

Conditional Use Permit #1231

A. Open the public hearing and hear all testimony regarding the appeal; and,

B. Close the public hearing; and,

C. Provide direction to staff regarding Findings to grant or deny the appeal.

Clerk's Note: Council Member BLAKE recused himself from this item due to the proximity of his residence.

Planning Associate Julie NELSON gave a slide show presentation on the University Village at Yosemite Apartments/Mixed-Use Project.

Council and Ms. NELSON discussed parking, alternative transportation, sewer capacity, and the density issue.

City Attorney Phaedra NORTON discussed the outside legal opinion regarding the single occupancy, the City Attorney review, and the Public Hearing proceedings.

Council, Ms. NORTON, and Director of Community Development Scott MCBRIDE discussed fair housing concerns, standard of review, and addressing concerns and meeting the needs of the students.

Mayor MURPHY opened the Public Hearing at 7:38 PM.

Joe ENGLANOFF, Merced Holdings LP, Applicant - gave a slide show presentation on the housing project development.

Mayor MURPHY disclosed a conversation he had with Mr. ENGLANOFF regarding the project.

Mayor Pro Tempore MARTINEZ disclosed a conversation he had with Mr. ENGLANOFF regarding the concerns of the proposed project.

Council Member MARTINEZ and Mr. ENGLANOFF discussed construction timeline.

Casey STEED, Designated Representative, Merced - spoke in opposition of this project. He requested that Council deny the Conditional Use Permit.

Council and Mr. STEED discussed the number of tenants per unit, the opposition of the project, parking issue in the area, and safety.

Council Member MARTINEZ disclosed a conversation he had with Mr. STEED regarding this project.

Joel MOSES, Merced - spoke on his concern of the project. He suggested a lot merger to make the lot one site.

Lily WALKER, Merced - stated her opposition of the project.

Michael STRESSER, Merced - stated his opposition of the project.

Dave BUTZ, Bright Development - stated his opposition of the project.

Michael BELLUOMINI, Merced - stated his opposition of the project.

Applicant's rebuttal:

Mr. ENGLANOFF spoke in response to the concerns of the citizens. He stated that they are trying to address the housing shortage.

Council and Mr. ENGLANOFF discussed housing and the proposed retail space.

Mr. STEED rebuttal -spoke on the occupancy per unit and the location of the proposed project.

Irene, Merced - spoke on being a close resident and not being notified about this project.

Curtis GORMAN, Merced - stated his opposition of the project.

Ricardo TORRES, Merced - stated his opposition of the project.

Mayor MURPHY closed the Public Hearing at 8:42 PM.

Council discussed the concerns of the residents regarding traffic, sewer capacity, parking, and neighborhood impact.

A motion was made by Council Member McLeod, seconded by Council Member Echevarria, to introduce Ordinance 2504, approve Resolution 2019-63, deny the Conditional Use Permit, and have staff come back with findings. The motion carried by the following vote:

Aye: 6 - Mayor Murphy, Council Member Blake, Council Member McLeod, Council Member Serratto, Council Member Shelton, and Council Member Echevarria

No: 1 - Mayor Pro Tempore Martinez

Absent: 0

Clerk's Note: Council recessed at 9:08 PM and returned at 9:22 PM.

J.5.

SUBJECT: Public Hearing and Adoption of Resolution to Abandon a Sewer Easement and Working Easement at 3600 G Street, Generally Located on the Northeast Corner of G Street and Yosemite Avenue (Vacation #19-04)

REPORT IN BRIEF

Considers the abandonment of an old sewer easement and working easement at 3600 G Street.

RECOMMENDATION

City Council - Adopt a motion adopting **Resolution 2019-61**, a Resolution of the City Council of the City of Merced, California, ordering the vacation of a sewer easement and working easement at the northeast corner of G Street and Yosemite Avenue (Vacation #19-04).

Planning Manager Kim ESPINOSA gave a slide show presentation on the abandonment of a sewer easement and working easement at 3600 G Street.

Mayor MURPHY opened and subsequently closed the Public Hearing at 9:24 PM due to lack of public comment.

Clerk's Note: Council Member SERRATTO briefly left the room during the vote.

A motion was made by Council Member Blake, seconded by Council Member McLeod, that this agenda item be approved. The motion carried by the following vote:

Aye: 6 - Mayor Pro Tempore Martinez, Mayor Murphy, Council Member Blake, Council Member McLeod, Council Member Shelton, and Council Member Echevarria

No: 0

Absent: 1 - Council Member Serratto

J.6.

SUBJECT: Public Hearing and Potential Introduction of Ordinance to Revise Park Hours and Amending Section 14.04.070 - Hours - Permits to Reflect Approved New Park Hours

REPORT IN BRIEF

Public Hearing regarding revision of park hours and update of Code of Ordinances Title 14, Chapter 14.04, Amending Section 14.04.070 - Hours - Permits.

RECOMMENDATION

City Council - Adopt a motion introducing **Ordinance 2505**, an Ordinance of the City Council of the City of Merced, California, amending Section 14.04.070, "Hours - Permit," of the Merced Municipal Code regarding City parks.

Director of Parks and Community Services Joey CHAVEZ gave a presentation on a potential introduction of an Ordinance to revise Park hours.

Mayor MURPHY opened the Public Hearing at 9:28 PM.

Bob SCOBLE, Merced - requested to change the open hour to 6:00 AM.

Tom SOUZA, Merced - encouraged Council to approve the revised Park hours. He also spoke on the current issues at Applegate Park.

Lee PEVSNER, Merced - spoke in support of the proposed ordinance.

Sair LARA, Merced - spoke on the current issues at the parks in the City.

Diana ODOM GUNN, Downtown Neighborhood Association, Merced - spoke in support for the revised park hours.

Mayor MURPHY closed the Public Hearing at 9:38 PM.

Council discussed enforcement, excluding the bike path, health and safety issues, and hours allowed in the park.

Council and Police Lieutenant Jay STRUBLE discussed enforcement and Police procedures of enforcement.

A motion was made by Council Member Blake, seconded by Council Member Echevarria, that this agenda item be approved. The motion carried by the following vote:

Aye: 6 - Mayor Pro Tempore Martinez, Council Member Blake, Council Member McLeod, Council Member Serratto, Council Member Shelton, and Council Member Echevarria

No: 1 - Mayor Murphy

Absent: 0

K. REPORTS

K.1.

SUBJECT: Adoption of Resolutions for Calling a Special Election for March 3, 2020 for the Purpose of Placing a Ballot Measure Before the Voters to Amend Various Sections of the City of Merced Charter and Requesting the Merced County Board of Supervisors Consolidate Said Election with the Statewide Primary Election Being Held on the Same Date

REPORT IN BRIEF

Consideration of Resolutions Calling a March 3, 2020 Special Municipal Election for the purpose of placing a measure on the ballot regarding amending various sections of the City of Merced Charter and requesting the County Board of Supervisors consolidate the City's election with the Statewide Primary Election being held on the same date.

RECOMMENDATION

City Council - Adopt a motion:

A. Adopting **Resolution 2019-67**, a Resolution of the City Council of the City of Merced, California, calling a Special Municipal Election to be held on March 3, 2020, for the Purpose of Submitting a Ballot Measure to Amend Various Sections of the City of Merced Charter to the Electorate; and,

B. Adopting **Resolution 2019-68**, a Resolution of the City Council of the City of Merced, California, requesting that the Board of Supervisors of the County of Merced, California provide for the consolidation of a Special Municipal Election and a Ballot Measure with the Statewide Primary Election to be held on March 3, 2020; and,

C. Approving the form and ballot question of the City Council sponsored Measure; and,

D. Directing the City Manager/City Clerk and the City Attorney's Office to execute documents appropriate to carry out the tasks necessary for the Special Municipal Election and to take actions related thereto; **or**,

E. Directing staff to make adjustments to the form or number of ballot questions being proposed, suggesting any language changes to the items going before the electorate and directing staff to return to the October 21, 2019 meeting for final adoption of the amended resolutions.

Assistant City Clerk John TRESIDDER gave a brief presentation on the calling of a Special Election for the March 3, 2020 placing a ballot measure.

Council discussed amending parts of the Charter by Ordinance.

Lee PEVSNER, Merced - spoke on the number of ballot questions that should be placed on the ballot.

Shane SMITH, Merced - spoke on the process the Charter Review Committee took to make suggested changes to the Charter.

Council discussed amending parts of the Charter by Ordinance, amending the Mayor's term language, and the number of ballot questions.

Clerk's Note: Council directed staff to draft language for the Mayor term limit, draft Ordinance language for Reducing the Cash Basin, by District Boards and Commission, and a Citizens Tax Transparency Committee. They also directed staff to place three separate ballot questions on the March Primary Election, and return the Resolutions to the October 21, 2019 Council Meeting.

L. BUSINESS

L.1. SUBJECT: Mayor Murphy's Request to Discuss Naming a Park After a Member of the Hmong Community

REPORT IN BRIEF

Mayor Murphy's request to discuss naming a park after a member of the Hmong Community pursuant to City Council Administrative Policies and Procedures C-1.

RECOMMENDATION

It is requested Council give staff direction on this item.

Mayor MURPHY discussed naming a park after someone from the Hmong Community.

Clerk's Note: Council Member BLAKE briefly left the room during the vote.

A motion was made by Mayor Murphy, seconded by Council Member Shelton, to have staff bring back information on naming a park after a member of the Hmong Community. The motion carried by the following vote:

Aye: 6 - Mayor Pro Tempore Martinez, Mayor Murphy, Council Member McLeod, Council Member Serratto, Council Member Shelton, and Council Member Echevarria

No: 0

Absent: 1 - Council Member Blake

L.2. SUBJECT: Mayor Murphy's Request to Discuss Hosting a Stage of the Amgen Tour of California Bike Race

REPORT IN BRIEF

Mayor Murphy's request to discuss hosting the Amgen Bike Tour pursuant to City Council Administrative Policies and Procedures C-1.

RECOMMENDATION

It is requested Council give staff direction on this item.

Mayor MURPHY discussed hosting the stage of the Amgen Tour of California Bike Race.

Doug FLUETSCH, Merced - discussed the Amgen Tour of California Bike Race and the potential benefits of the City hosting a stage of the tour.

A motion was made by Mayor Murphy, seconded by Council Member McLeod, to direct staff to bring back a planning and preparation plan and a cost breakdown for the event. The motion carried by the following vote:

Aye: 7 - Mayor Pro Tempore Martinez, Mayor Murphy, Council Member Blake, Council Member McLeod, Council Member Serratto, Council Member Shelton, and Council Member Echevarria

No: 0

Absent: 0

L.3.

SUBJECT: Discussion on, and Potential Appointments to, the City of Merced Planning Commission (3 Vacancies)

REPORT IN BRIEF

Considers options for appointing individuals to the City of Merced Planning Commission.

RECOMMENDATION

City Council - Adopt a motion:

A. Directing staff to schedule a Special Meeting to conduct interviews of Planning Commission applicants; **or**,

B. Appointing a City Council subcommittee to complete interviews of the applicants and make recommendations to the full Council at the next Regular Meeting; **or**,

C. Appointing one, two or three of the qualified applicants to the open seats either by Council District or At-Large at Council discretion; **or**,

D. Continuing this item to a future meeting (specify date in motion).

Assistant City Clerk John TRESIDDER briefly discussed the current vacancies of the Planning Commission and options for appointments.

Council discussed the appointment process.

A motion was made by Mayor Pro Tempore Martinez, seconded by Council Member Blake, to appoint Stephanie Butticci as the District 1 representative for the Planning Commission. The motion carried by the following vote:

Aye: 7 - Mayor Pro Tempore Martinez, Mayor Murphy, Council Member Blake, Council Member McLeod, Council Member Serratto, Council Member Shelton, and Council Member Echevarria

No: 0

Absent: 0

A motion was made by Council Member Echevarria, seconded by Council Member Serratto, to appoint Casey Steed as the District 2 representative for the Planning Commission. The motion failed by the following vote:

Aye: 2 - Council Member Shelton, and Council Member Echevarria

No: 5 - Mayor Pro Tempore Martinez, Mayor Murphy, Council Member Blake, Council Member McLeod, and Council Member Serratto

Absent: 0

Clerk's Note: Council agreed to bring this item back to the October 21, 2019 Council Meeting to fill the remaining open District seats.

L.4.

SUBJECT: City Council Position on League of California Cities Resolutions

REPORT IN BRIEF

Provides direction to the City's official League of California Cities voting delegate on two proposed League Resolutions.

RECOMMENDATION

City Council - Adopt a motion stating the City's position on each of the two proposed League Resolutions and directing the City's official League voting delegate to cast votes as such at the League's Annual Business Meeting on Friday, October 18, 2019, at the Long Beach Convention Center.

A motion was made by Council Member Serratto, seconded by Mayor Pro Tempore Martinez, that this agenda item be approved. The motion carried by the following vote:

Aye: 7 - Mayor Pro Tempore Martinez, Mayor Murphy, Council Member Blake, Council Member McLeod, Council Member Serratto, Council Member Shelton, and Council Member Echevarria

No: 0

Absent: 0

L.5. SUBJECT: Request to Add Item to Future Agenda

REPORT IN BRIEF

Provides members of the City Council to request that an item be placed on a future City Council agenda for initial consideration by the City Council.

Council Member ECHEVARRIA requested to add an item on tobacco sales and McNamara Park maintenance.

L.6. SUBJECT: City Council Comments

REPORT IN BRIEF

Provides an opportunity for the Mayor and/or Council Member(s) to make a brief announcement on any activity(ies) she/he has attended on behalf of the City and to make a brief announcement on future community events and/or activities. The Brown Act does not allow discussion or action by the legislative body under this section.

Council Member ECHEVARRIA reported on attending the 209th Mexican Independence Celebration.

Council Member SHELTON reported on attending the Hispanic Chamber dinner.

Mayor Pro Tempore MARTINEZ reported on attending a meeting with community members, meeting with the I.C.E Out of Merced Organization, and the Recreation and Parks Commission meeting. He also spoke on an upcoming fundraiser event.

Mayor MURPHY reported on attending a meeting with surrounding county representatives.

M. ADJOURNMENT

Clerk's Note: The Regular Meeting adjourned at 11:04 PM.

A motion was made by Council Member McLeod, seconded by Council Member Blake, to adjourn the Regular Meeting. The motion carried by the following vote:

Aye: 7 - Mayor Pro Tempore Martinez, Mayor Murphy, Council Member Blake, Council Member McLeod, Council Member Serratto, Council Member Shelton, and Council Member Echevarria

No: 0

Absent: 0



ADMINISTRATIVE REPORT

Agenda Item H.5.

Meeting Date: 11/4/2019

Report Prepared by: Deneen Proctor, Director of Human Resources, Support Services Department

SUBJECT: Adoption of Resolution Amending the Classification and Pay Plan, Approving the New Job Classification of Housing Program Manager and Adding the Wastewater Treatment Plant Operator Trainee Back to the Classification Plan Along with Changing the Job Title of Mechanic III to Lead Mechanic

REPORT IN BRIEF

Considers approving the new job classification of Housing Program Manager, deleting the classification of Housing Program Supervisor and adding back the Wastewater Treatment Plant Operator Trainee which was inadvertently deleted during the approval of the Citywide Classification Study and Re-Titling the Mechanic III as Lead Mechanic.

RECOMMENDATION

City Council - Adopt a motion:

- A. Adopting **Resolution 2019-74**, a Resolution of the City Council of the City of Merced, California amending the classification plan by amending the personnel allocation in the Housing Division by deleting one Housing Program Supervisor and adding one Housing Program Manager Position, and adding the job description and establishing the salary range for Housing Program Manager; and,
- B. Approving a Supplemental Appropriation in the amount of \$25,000 from Fund 017-Development Services as a direct service charge to Fund 070-Housing Administration for the new Housing Manager's time spent on non-grant housing related activities; and,
- C. Approving the addition of the Wastewater Treatment Plant Operator Trainee position back in to the City's job classifications; and,
- D. Approving the new title of Lead Mechanic which will replace the title of Mechanic III in the City's job classification.

ALTERNATIVES

- 1. Approve as recommended; or
- 2. Deny; or
- 3. Refer to staff for further study; or
- 4. Take no action.

AUTHORITY

Article VII, Section 710, of the Merced City Charter, and as recommended by the Merced City Personnel Board.

CITY COUNCIL PRIORITIES

As Provided in the 2019-2020 Adopted Budget.

DISCUSSIONHousing Division

Currently the Housing Division is comprised of the positions of Housing Program Supervisor, Housing Specialist and Housing Program Specialist. The Director of Development Services is recommending the Housing Program Supervisor position, which is currently vacant, be replaced with the classification of Housing Program Manager. The Housing Program Manager is a classification the City has had in the past but was removed when the needs of the department changed. With the changes in housing programs at the state level, including 18 new pieces of legislation, the incumbent that will serve in this capacity will need to stay apprised of many new developments on the housing front. This position will be required to deal with broader policy issues along with implementing the City's Housing Element and related policies. One of the main focuses of this position will be the creation and improvement of affordable housing and the elimination of substandard housing in the community. The Housing Program Manager would replace the position of Housing Program Supervisor and the Housing Program Supervisor would be deleted from the City's classification plan. The salary schedule is attached and the position will be in the Middle Management Bargaining Unit.

The new Housing Manager will be funded out of Fund 070-Housing Administration. This fund receives revenue from housing grants, housing program income, and Low and Moderate Income Housing (Housing Successor Agency) based on activity delivery costs or administrative costs. It is anticipated that the Housing Manager will be spending a portion of time on activities that cannot be funded by these programs. Therefore; Development Services will need to pay direct service charges for certain tasks including policy issue review, City's Housing Element Plan, and general housing issues.

Public Works Department

On July 15, 2019 the City brought forth and the City Council approved the Citywide Classification Study. Included in that administrative report was the deletion of certain obsolete classifications in the City. One of the classifications that was deleted was the Wastewater Treatment Plant Operator Trainee. This classification was inadvertently deleted and should remain in the City's classification plan.

One additional clean up item from the Citywide Classification study is that of the position of Mechanic III. The Mechanic III in the Fleet Division of Public Works serves in a lead capacity over the Mechanic I/II and the Equipment Service Workers. This position should be re-titled with the title of Lead Mechanic. All duties and salary for this position will remain the same. This classification will remain in the MACE Bargaining Unit.

IMPACT ON CITY RESOURCES

A supplemental appropriation in the amount of \$25,000 from Fund 017-Development Services to Fund 070-Housing Administration as a direct service charge is recommended in order for the Housing Manager to work on non-grant related housing tasks.

ATTACHMENT

1. Resolution 2019-74

RESOLUTION NO. 2019-_____

**A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF MERCED, CALIFORNIA,
AMENDING THE CLASSIFICATION PLAN BY
UPDATING THE PERSONNEL ALLOCATION IN
THE DEVELOPMENT SERVICES DEPARTMENT
BY DELETING ONE HOUSING PROGRAM
SUPERVISOR POSITION AND ADDING ONE
HOUSING PROGRAM MANAGER POSITION
AND AMENDING THE CLASSIFICATION PLAN
BY UPDATING THE PERSONNEL ALLOCATION
IN THE PUBLIC WORKS DEPARTMENT BY
ADDING THE CLASSIFICATION OF
WASTEWATER TREATMENT PLANT
OPERATOR TRAINEE AND CHANGING THE
CLASSIFICATION TITLE OF MECHANIC III TO
LEAD MECHANIC**

THE CITY COUNCIL OF THE CITY OF MERCED DOES HEREBY
RESOLVE, DETERMINE, FIND, AND ORDER AS FOLLOWS:

SECTION 1. The Classification Plan of the City of Merced is hereby amended by updating the personnel allocation in the Development Services Department by deleting one Housing Program Supervisor position and adding one Housing Program Manager position at salary range 836. The job description for the Housing Program Manager and salary shall be as set forth in Exhibit "A" attached hereto.

SECTION 2. The Classification Plan of the City of Merced is hereby amended by updating the personnel allocation in the Public Works Department by adding the classification of Wastewater Treatment Plant Operator Trainee. The job description for the Wastewater Treatment Plant Operator Trainee shall be as set forth in Exhibit "B" attached hereto.

SECTION 3. The Classification Plan of the City of Merced is hereby amended by updating the personnel allocation in the Public Works Department by changing the classification title of Mechanic III to Lead Mechanic. The job description for the Lead Mechanic shall be as set forth in Exhibit "C" attached hereto.

PASSED AND ADOPTED by the City Council of the City of Merced at a regular meeting held on the ____ day of _____ 2019, by the following vote:

AYES: Council Members:

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

APPROVED:

Mayor

ATTEST:
STEVE CARRIGAN, CITY CLERK

BY: _____
Assistant/Deputy City Clerk

(SEAL)

APPROVED AS TO FORM:

Prudha A. Nthu 10-22-19
City Attorney Date

CITY OF MERCED

HOUSING PROGRAM MANAGER

Class specifications are intended to present a descriptive list of the range of duties performed by employees in the class. Specifications are not intended to reflect all duties performed within the job.

SUMMARY DESCRIPTION

Under administrative direction, direct, manage, supervise and coordinate the activities and operations of the Housing Division within the Development Services Department including analysis, design, technical, financial, implementation, coordination, evaluation, and monitoring of housing programs and projects; development and expansion of housing opportunities, including the creation and improvement of affordable housing and elimination of substandard housing; performs budget preparation, forecasting, funding and program direction; oversees loan and property related activities; audits federal, state and local regulations related to housing programs; and oversees and coordinates activities with other agencies, city departments, non-profit organizations, boards, and commissions.

DISTINGUISHING CHARACTERISTICS

This is single person classification for management and supervision of the Housing Division. The incumbent works independently, exercising considerable latitude and judgment in supervising technical/clerical staff and coordinating field operations in the planning, implementation, inspection, and monitoring of housing activities, contract administration, and housing rehabilitation programs.

REPORTS TO

Director of Development Services or designee.

CLASSIFICATIONS SUPERVISED

Housing Program Supervisor, Housing Program Specialist, Housing Specialist and assigned clerical staff.

REPRESENTATIVE DUTIES

The following duties are typical for this classification. Incumbents may not perform all of the listed duties and/or may be required to perform additional duties from those set forth below to address business needs and changing business practices.

1. Oversee and participate in the preparation, implementation, and compliance of the Consolidated Annual Performance and Evaluation Report (CAPER), U.S. Department of Housing and Urban Development (HUD) Annual Action Plan, and HUD 5-Year consolidated plan with local, state, and federal agencies.
2. Monitors performance of various housing and Community Development Block Grant (CDBG), Home Investment Partnership Program (HOME), CAL Home, and Neighborhood Stabilization Program (NSP) activities through all phases and assures compliance with regulations of various local, state, and federal agencies.
3. Acts as the lead staff for the Housing Successor Agency and assists in the preparation of the annual report and other required activities including asset transfer, fund management, and property disposition activities.
4. Assists in the preparation, implementation, and monitoring of sub-recipient agreements for community services.
5. Coordinates with the State Department of Finance (DOF), State Controller's Office (SCO), Over Sight Board, and other agencies involved in the operations of the Housing Successor Agency.
6. Manages the City's SB2 planning efforts and ongoing programs, prepares necessary reports and funding requests and coordinates activities with State Housing Community Development (HCD).
7. Assists in the preparation, oversight, and implementation of the City's Housing Element and related policies.
8. Ensures compliance with State and Federal laws for housing programs and projects.
9. Monitors legislation and developments related to areas of responsibility; evaluates their impact on City

- operations and programs and recommends – implements policy and procedural improvements.
10. Reviews and authorizes draws under the IDIS system for HUD.
 11. Participates in efforts under coordination with the Merced Continuum of Care to provide temporary housing and permanent supportive for those experiencing homelessness.
 12. Participates in the City's Substandard Properties and Task Force and assists with code enforcement that affects housing units.
 13. Makes presentations before various groups including the City Council.
 14. Prepares administrative reports, technical documents, memorandums, financial reports, and other documents in support of the Housing Division operations.
 15. Assesses project viability and determines feasibility in line with available resources.
 16. Analyze data, interpret policies, procedures, regulations, and develop appropriate conclusions.
 17. Asses, develop, plan, implement, and monitor housing rehabilitation programs.
 18. Supervises, trains, and evaluates technical/clerical staff.
 19. Coordinates housing activities with other City departments, outside agencies, and project developers.
 20. Establishes and maintains effective working relationships with those contacted in the course of business.
 21. Represents the department at meetings and before boards, commissions, and agencies as required.
 22. Represents the organization as an expert court witness.
 23. Identifies financial and other resources available to promote affordable housing.
 24. Provides recommendations to the Director on policies, programs, and development proposals.
 25. Develops comprehensive affordable housing construction and rehabilitation programs.
 26. Conducts feasibility studies regarding establishment of mechanisms for production of affordable housing, and programs to monitor against discrimination.
 27. Develops programs to assist in the promotion of housing rehabilitation within the City.
 28. Identifies sources of funding to assist in housing and community improvement projects.
 29. Directs the work of contractor consultants and others involved in various projects which are accomplished with housing program funds.
 30. Directs and coordinates staff and consultants in the preparation of environmental documents associated with housing programs, activities, and projects.
 31. Develops and monitors compliance with divisional policies and procedures.
 32. Prepares procedure manuals; oversees grant applications and other research and reports; assists with audits.
 33. Oversees all environmental reports for housing programs and activities.
 34. Prepares designs and working drawings of new construction housing for the housing program and other non-profit organizations involved in development of affordable housing.
 35. Oversees all work write-ups, project budgets, change orders, and drawings for rehabilitation projects.
 36. Prepares and monitors budget and work plans to meet Division goals and objectives.
 37. Manages Division staff through effective supervision, training, performance evaluations and personnel actions
 38. Assist in the marketing of Housing Divisions programs, activities, projects, and accomplishments.
 39. Maintain confidential information in accordance with legal standards and/or City policies
 40. Performs other duties as assigned.

TYPICAL QUALIFICATIONS:

QUALIFICATIONS

The following generally describes the knowledge and ability required to enter the job and/or be learned within a short period of time in order to successfully perform the assigned duties.

Knowledge of:

Municipal and related codes related to residential and commercial structures, land use, code enforcement, public nuisance abatement.

Principles, methods, and techniques of land use and environmental planning as well as zoning.

Socio-economic and environmental principles and their application to urban and rural development.

Current trends in Federal, State, and local land use planning.

State Planning and Zoning Law, Subdivision Map Act, California Environmental Quality Act (CEQA), Housing Element requirements, and Redevelopment – Successor Agency operations.
Rules and regulations of government funded housing rehabilitation programs.
Affordable and Market Rate legislation that affects Housing production and rehabilitation activities.
Principles of affordable housing design, construction, and rehabilitation.
Principles of limited equity cooperatives and other affordable housing tools.
Principles and practices of contract monitoring
Principles and practices of loan packaging and underwriting
Principles and practices of municipal organization and management, including personnel supervision, training, and work evaluation.
Principles and practices of financial analysis, credit analysis, and performance evaluation.
Procedures and requirements of HOME, Redevelopment - Successor Agency, and CDBG funded housing rehabilitation and construction programs.

Ability to:

Analyze and interpret data as it relates to housing programs and projects.
Analyze pro-formas and financial statements
Develop a comprehensive approach to providing and expanding affordable rental and home ownership opportunities.
Develop creative and innovative programs and development of projects with guidelines.
Efficiently and effectively manage housing construction, demolition, reconstruction, and rehabilitation activities.
Work under strict deadlines and focus on multiple priorities, as well as plan, coordinate, and schedule the work of others.
Problem solve and provide recommendations.
Prepare grant proposals.
Represent Division goals and objectives effectively in meetings with governmental agencies, the public, staff, and public officials.
Provide clear direction, supervision, and training for assigned staff.
Assign staff work, schedule activities, review, and evaluate work and performance of assigned staff.
Develop a budget and control expenditures.
Organize work, setting priorities, and exercising sound independent judgement.
Establish and maintain effective working relationships.
Communicate effectively both orally and in writing.
Utilize a variety of personal computer business software applications to prepare and present clear, concise and comprehensive records, reports, correspondence, and other written materials.

Education and Experience Guidelines - *Any combination of education and experience that would likely provide the required knowledge and abilities is qualifying. A typical way to obtain the knowledge and abilities would be:*

Education/Training:

A Bachelor's degree from an accredited college or university with major course work in public or business administration, urban planning, economics, or a related field.

Experience, and two to four years of progressively responsible supervisory and professional experience in housing production, rehabilitation, redevelopment, economic development, or program development.

License or Certificate:

Possession of an appropriate California Driver License.

PHYSICAL DEMANDS AND WORKING ENVIRONMENT

The conditions herein are representative of those that must be met by an employee to successfully person the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to person these essential job functions.

Environments: Work is performed in an office environment; occasionally work outside; continuous contact with staff, the public and other agencies and governing boards and may require irregular working hours.

Physical: Frequently stand and walk; sit for extended periods; normal manual dexterity and eye-hand coordination; lift and move objects weighting up to 25 pounds; corrected hearing and vision to normal range; verbal communication; operate a vehicle; and use of office equipment, including computers, audio-visual equipment, telephones, calculators, copiers, and FAX.

Proposed Grade Step Table - Housing Program Manager

		Step 1				
			2	3	4	5
Grade 836	Annual	\$ 93,321	\$ 97,986	\$ 102,885	\$ 108,030	\$ 113,431
	Monthly	\$ 7,776.70	\$ 8,165.51	\$ 8,573.78	\$ 9,002.50	\$ 9,452.60
	Bi-weekly	\$ 3,589.25	\$ 3,768.70	\$ 3,957.13	\$ 4,155.00	\$ 4,362.74
	Hourly	\$ 44.8656	\$ 47.1088	\$ 49.4641	\$ 51.9375	\$ 54.5343

CITY OF MERCED

**WWTP OPERATOR TRAINEE
WWTP OPERATOR I**

*Class specifications are intended to present a descriptive list of the range of duties performed by employees in the class. Specifications are **not** intended to reflect all duties performed within the job.*

SUMMARY DESCRIPTION

Under supervision, learn and perform a variety of operations, monitoring, maintenance, and repair work on the City's wastewater treatment facility, including pumps, lift stations, and associated equipment; and perform related work as required.

DISTINGUISHING CHARACTERISTICS

WWTP Operator Trainee

This is the entry level in the Wastewater Treatment Plant Operator class series. Incumbents learn and perform a variety of monitoring, maintenance, operations, and repair work on the City's wastewater treatment system and facilities. Employees in this classification are hired at the entry level and, under direct supervision, are trained to perform the full range of duties. As experience and certification are gained, incumbents are expected to perform with increasing independence of action and judgment. This is a specialized training classification in which the incumbent may be promoted to WWTP Operator I when meeting minimum training and certification requirements.

WWTP Operator I

This is the first working level in the Wastewater Treatment Plant Operator class series. Incumbents learn and perform a variety of monitoring, maintenance, operations, and repair work on the City's wastewater treatment system and facilities. This position is distinguished from WWTP Operator Trainee by the complexity of work and certification required.

REPORTS TO

Wastewater Treatment Plant Operations Supervisor, Public Works Manager – Wastewater, or designee.

CLASSIFICATIONS SUPERVISED

This is not a supervisory classification.

REPRESENTATIVE DUTIES

The following duties are typical for this classification. Incumbents may not perform all of the listed duties and/or may be required to perform additional or different duties from those set forth below to address business needs and changing business practices.

1. Monitor wastewater treatment system operations, reading charts and gauges, noting operational problems and recommending adjustments to maintain system balance.
2. Inspect pumps, sump pumps, ventilators, and air supplies.

EXHIBIT B

3. Gather samples at appropriate sampling points, using proper procedures and recording information for records; clean and monitor the operations of automatic samplers; and perform basic laboratory tests, as needed.
4. Check and maintain proper oil levels in equipment; read and adjust pressures and flows for seal water.
5. May assist with raising and lowering influent gates.
6. Clean strainers; change charts.
7. Bleed off compressed air reservoirs.
8. Fill oil reservoirs to proper levels; prime pumps.
9. Check flow patterns of water and sludge; ensure proper operation of stand-by generators.
10. Measure sludge depths and trouble shoot the sludge pumping system; check sludge temperature before and after circulation through heat exchangers.
11. Check gas traps and drains accumulated liquids.
12. May assist in taking primary and secondary digesters out of service, cleaning, and placing back in service.
13. Inspect and clean lift stations facilities and grounds.
14. Operate a variety of equipment and hand and power tools.
15. Maintain a variety of records and reports related to wastewater system operations.
16. Perform preventive maintenance and repair in and around plant facilities.
17. May operate computers for process control and monitor Supervisory Control and Data Acquisition (SCADA) systems; maintain daily operational log book.
18. Learn to perform calculations for process control and process optimization.
19. Under the supervision of licensed operators, perform inspections of tertiary filters, including start up, shutdown, and daily housekeeping duties.
20. Under supervision operate all solids separating equipment, including start up, shutdown, and daily housekeeping duties.
21. Under supervision, will assist in polymer testing on digested sludge to determine chemical dosage and for the proper operation of polymer metering equipment.
22. Under supervision, assist in the loading of active solar dryer cells to ensure proper depth of application and for the correct operation of all sludge drying equipment.
23. Perform related duties as required.

QUALIFICATIONS

The following generally describes the knowledge and ability required to enter the job and/or be learned within a short period of time in order to successfully perform the assigned duties.

Knowledge of:

Basic operations, services, and activities of a wastewater treatment facility.

Basic principles, methods, and practices pertaining to the operation and maintenance of wastewater treatment plant facilities and systems.

Record keeping and reporting procedures.

Practices, tools, equipment, and materials used in maintenance and repair work.

Principles and methods of preventive maintenance programs.

Occupational hazards and standard safety practices.
Basic principles of customer service.

Ability to:

Learn and perform a wide scope of assignments in the operation, maintenance, adjustment, and repair of the City wastewater treatment system.

Learn and inspect wastewater treatment facilities and systems for proper and safe operating conditions.

Learn to collect samples and conduct basic laboratory tests.

Learn to skillfully use a variety of hand and power tools in the maintenance, testing, monitoring, adjustment, and repair of wastewater treatment facilities and systems.

Learn and maintain detailed and accurate operational logs.

Learn and operate specialized computer programs.

Learn and operate testing equipment.

Maintain accurate records and reports.

Deal tactfully and courteously with the public.

Learn laws, rules, regulations, and environmental requirements applicable to operation and maintenance of wastewater treatment facilities and systems.

Understand and follow oral and written instructions.

Communicate clearly and concisely, both orally and in writing.

Establish and maintain effective working relationships with those contacted in the course of work.

Education and Experience Guidelines - *Any combination of education and experience that would likely provide the required knowledge and abilities is qualifying. A typical way to obtain the knowledge and abilities would be:*

WWTP Operator Trainee

Education/Training:

Equivalent to the completion of the twelfth grade.

Experience:

One year of responsible experience in public works operation, maintenance and construction work.

License or Certificate:

Possession of an appropriate California Driver License.

Possession of a Grade I Certificate as a Wastewater Treatment Plant Operator from the California Regional Water Quality Control Board within eighteen months of initial employment, or employment may be terminated.

WWTP Operator I

Education/Training:

Equivalent to the completion of the twelfth grade.

Experience:

Two years of responsible experience in public works operation, maintenance and construction work.

License or Certificate:

Possession of an appropriate California Driver License.

Possession of a Grade I Certificate as a Wastewater Treatment Plant Operator from the California Regional Water Quality Control Board.

PHYSICAL DEMANDS AND WORKING ENVIRONMENT

The conditions herein are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform these essential job functions.

Environment: Work is performed in a plant facility and outdoors in varying temperatures and weather conditions; some assignments may be performed in a shop or office; exposure to hazardous materials, smoke, gasses, and fumes; exposure to hazards such as moving machine parts and electrical current; work around water or wastewater; work on slippery surfaces; regularly work near moving mechanical parts; continuous contact with other staff; and incumbents may be required to work nights, weekends, holidays, restricted stand-by, and overtime as needed for emergencies.

Physical: Primary functions require sufficient physical ability and mobility to work in a wastewater treatment plant and field environment; to sit, stand, walk, stoop, kneel, twist, bend, crawl, climb, and crouch for prolonged periods of time; normal manual dexterity and eye-hand coordination; able to lift and move objects weighing up to 50 pounds; perform duties assigned while wearing respiratory protection equipment; to see in the normal range with or without correction; to hear in the normal range with or without correction; verbal communication; use a variety of hand and power equipment, and testing equipment used in the wastewater treatment system monitoring, maintenance, adjustments, and operations; and use a computer and telephone.

Date:

Ralph Andersen & Associates

CITY OF MERCED

LEAD MECHANIC

*Class specifications are intended to present a descriptive list of the range of duties performed by employees in the class. Specifications are **not** intended to reflect all duties performed within the job.*

DISTINGUISHING CHARACTERISTICS

This is the advanced journey level class in the Mechanic series. Positions at this level are distinguished from other classes within the series by the level of responsibility assumed and the complexity of duties assigned. Employees perform the most difficult and responsible types of duties assigned to classes within this series including the repair and maintenance of automotive and mechanical equipment. Employees at this level are required to be fully trained in all procedures related to assigned area of responsibility.

REPORTS TO

Public Works Supervisor – Fleet or designee.

CLASSIFICATIONS SUPERVISED

Exercises technical and functional supervision over lower level staff.

REPRESENTATIVE DUTIES

The following duties are typical for this classification. Incumbents may not perform all of the listed duties and/or may be required to perform additional or different duties from those set forth below to address business needs and changing business practices.

1. Lead, plan, train, review, and participate in the work of staff responsible for performing complex skilled work in the maintenance and repair of automobiles, trucks, sweepers, graders, tractors and other mechanical equipment, including electrical and other systems, tune-ups, and other repairs.
2. Train assigned employees in their areas of work including proper vehicle maintenance work and safety methods, procedures, and techniques.
3. Supervise the use, care, and operation of mechanical repair equipment including brake lathes, grinders, cutters, drills, and welding equipment.
4. Verify the work of assigned employees for accuracy, proper work methods, techniques, and compliance with applicable standards and specifications; ensure adherence to safe work practices and procedures.
5. Perform skilled mechanic duties including troubleshooting and repairing automobiles, trucks, buses, tractors, motor sweepers, mowers and other heavy and light equipment; inspect motorized and mechanical equipment and automotive engines; and perform basic machine shop work.
6. Troubleshoot and diagnose computer-controlled system components using scanners and laptops.
7. Overhaul, repair, adjust, and perform complex skilled maintenance of diesel, electrical/hybrid and gasoline engines, standard and automatic transmissions and differentials; assist other mechanics with installing transmissions and differentials and in general repairs on vehicles and equipment.

8. Overhaul clutch assemblies, differentials, carburetors, fuel pumps, fuel lines and gauges, hydraulic valves and pumps, transfer pump assemblies, and generators; troubleshoot, diagnose, and repair mobile air conditioners and heating systems.
9. Install new or rebuilt engines; remove, repair and reinstall external engine components such as belts, alternators, hoses, water pumps, power steering pumps, radiators, injection pumps, vacuum pumps and miscellaneous filters.
10. Reset and adjust valves; replace rods and gears.
11. Perform electrical system repairs, including wiring, rewiring, and reconditioning on switches, fuses, batteries, terminals, relays, lights, tail-lights, and signals; test electrical starters.
12. Repair and replace distributors and components parts; overhaul hydraulic, booster, and vacuum systems and air brakes; and repair and replace vehicle suspension components that are worn or damaged.
13. Perform skilled fabrication and welding duties; lay out fabricate work by acetylene or electrical welding, cutting, burning and brazing, as needed and clean work area and equipment; fabricate special construction.
14. Maintain detailed records of preventative maintenance, repairs, and services; maintain records of time, materials, and parts.
15. Test drive and operate vehicles and equipment.
16. Perform motor tune-ups including the replacing of spark plugs, points, ignition wiring, and carburetor adjustments.
17. Perform minor body repair and paint work.
18. Replace and/or adjust brake shoes, hydraulic cylinders, springs, rear axles, bearings; repair power brake systems; replace mufflers and tail pipes; and replace or repair other internal motor parts, including belts, filters, lines, and fittings.
19. Pack wheel bearings and replace, rotate, and balance tires; mount and dismount tires.
20. Make repairs to heavy equipment and vehicles at the site of breakdown.
21. Perform work on light duty vehicles, as needed.
22. Respond to public inquiries in a courteous manner; provide information within the area of assignment; and resolve complaints in an efficient and timely manner.
23. Estimate time, materials, and equipment required for jobs assigned; requisition materials as required.
24. Perform related duties as required.

QUALIFICATIONS

The following generally describes the knowledge and ability required to enter the job and/or be learned within a short period of time in order to successfully perform the assigned duties.

Knowledge of:

Operations, services, and activities of a fleet maintenance and repair program.
Principles of lead supervision and training.
Advanced methods, materials, equipment and tools used in vehicle and public works equipment maintenance and repair.
Operation and maintenance of internal combustion, electrical/hybrid and diesel engines.
Operating and repair characteristics of hydraulic, air brake, ignition, electrical, HVAC, and other related systems.
Methods and skilled techniques of performing troubleshooting, diagnosis, and repair.
Principles and methods of preventive maintenance.
Mechanical repair methods related to heavy trucks and construction equipment.
Principles and practices of welding and fabrication.
Recalibrating vehicle software.
Principles of record keeping.
Shop mathematics.
Test equipment such as scanners and computers.
Operational characteristics of vehicle and public works equipment and tools.
Occupational hazards and standard safety practices.
Office procedures, methods, and equipment including computers and applicable software applications such as word processing, spreadsheets, and databases.

Ability to:

Lead, organize, and review the work of staff.
Independently perform the most difficult mechanical maintenance activities.
Interpret, explain, and enforce department policies and procedures.
Operate and care for a variety of tools and equipment used in the automotive mechanical trade in a safe and effective manner.
Perform a variety of skilled mechanic work in diagnosing, troubleshooting, and repairing vehicles, equipment and components.
Inspect automotive, emergency and public works equipment to locate mechanical defects, to diagnose mechanical, electrical and hydraulic problems and to determine corrective procedures.
Perform skilled repair work on diesel engines and hydraulic systems.
Perform a variety of welding work and fabrication.
Make repairs of engines and related systems.
Estimate time and materials needed for work.
Observe safety principles and work in a safe manner.
Keep and maintain service and maintenance records.
Perform heavy manual labor.
Meet established deadlines.
Work independently in the absence of supervision.
Understand and follow oral and written instructions.
Operate office equipment including computers and supporting word processing, spreadsheet, and database applications.
Communicate clearly and concisely, both orally and in writing.
Establish and maintain effective working relationships with those contacted in the course of work.

Education and Experience Guidelines - Any combination of education and experience that would likely provide the required knowledge and abilities is qualifying. A typical way to obtain the knowledge and abilities would be:

Education/Training:

Equivalent to the completion of the twelfth grade, supplemented by some course work in automotive repair.

Experience:

Three years of increasingly responsible experience in automotive mechanical repair work including heavy equipment.

License or Certificate:

Possession of an appropriate California Driver License. Possession of a Class B California Driver License is desirable.

Special Requirements:

Must provide own basic hand tools as listed in MACE MOU for automotive repair work.

PHYSICAL DEMANDS AND WORKING ENVIRONMENT

The conditions herein are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential job functions.

Environment: Work is performed in a shop environment and occasionally in a field environment with some travel from site to site; exposure to noise, dust, grease, smoke, fumes, noxious odors, gases, and all types of weather and temperature conditions; exposure to hazardous traffic conditions; work and/or walk on various types of surfaces including slippery or uneven surfaces and rough terrain; and may be required to work extended hours including evenings and weekends.

Physical: Primary functions require sufficient physical ability and mobility to work in a mechanic shop environment; walk, stand, and sit for prolonged periods of time; frequently stoop, bend, kneel, crouch, crawl, climb, reach, and twist; normal manual dexterity and eye-hand coordination; push, pull, lift, and/or carry moderate to heavy up to 50 lbs.; corrected hearing and vision to normal range; verbally communicate to exchange information; and operate assigned equipment and vehicles.

Date:

Ralph Andersen & Associates



ADMINISTRATIVE REPORT

Agenda Item H.6.

Meeting Date: 11/4/2019

Report Prepared by: Jeff Bennyhoff, Director of Information Technology

SUBJECT: Acceptance of a One-Time Payment of \$2,250 for the Initial Fifteen (15) Year Conduit Lease of 50 Linear Feet on Canal Street from CVIN, LLC dba VAST NETWORKS, a Competitive Local Exchange Carrier with the Option to Renew the Contract in 5 Year Increments

REPORT IN BRIEF

Considers entering into a fifteen (15) year conduit lease agreement to CVIN, LLC dba VAST NETWORKS, a Competitive Local Exchange Carrier with the option to renew the contract in 5-year increments and the acceptance of a one-time payment in the amount of \$2,250.

RECOMMENDATION

City Council - Adopt a motion:

- A. Approving the lease agreement with CVIN, LLC dba VAST NETWORKS; and,
- B. Increasing the revenue budget in account 672-0403-360-01-01 by \$2,250 and appropriating the same to account 672-0403-512-29-00; and,
- C. Authorizing the City Manager or the Assistant City Manager to execute the necessary documents.

ALTERNATIVES

1. Approve, as recommended by staff or;
2. Deny or;
3. Refer to staff for reconsideration of specific items or;

AUTHORITY

Merced City Charter, Section 200

CITY COUNCIL PRIORITIES

As Provided for in the 2019-20 Adopted Budget

DISCUSSION

The Merced County Office of Education purchased the Mondo building, 1715 Canal Street, in May 2019. MCOE engaged CVIN to install and construct conduit and fiber optic infrastructure to their newly acquired building.

This lease will allow CVIN access rights to put their fiber optic infrastructure inside the City's underutilized 50ft conduit that crosses Canal Street near Bob Hart Square. The City will receive \$2,250 for the initial term of the lease of the conduit to CVIN.

This lease agreement will provide revenue to the City, reduce the construction cost to MCOE for advanced telecommuting services, and save Canal street from having multiple potholes put into the road to construct an independent conduit.

CVIN is a Competitive Local Exchange Carrier that sells internet and telecommunication services and has their own private conduit and fiber optic network between Bakersfield and Stockton. Their fiber optics network provides telecommunication services to businesses within the Merced region.

This agreement will not prevent the City from utilizing the City conduit that CVIN wishes to enter. There is enough conduit space to safely operate both telecommunication infrastructures within the conduit.

At the termination of agreement CVIN would be required to remove their fiber optics cabling from the City conduit at their cost, or via mutual agreement the City can acquire and obtain ownership of the fiber optic infrastructure at no cost.

ATTACHMENTS

1. Conduit Lease Agreement

CONDUIT LEASE AGREEMENT

This Conduit Lease Agreement (this “Lease Agreement”) is made and entered into this ____ day of _____, 2019 (the “Effective Date”), by and between the City of Merced, a California Charter Municipal Corporation (“City”) and CVIN, LLC, a California Limited Liability Company, doing business as VAST NETWORKS (“Lessee”).

RECITALS

WHEREAS, Lessee is a registered Competitive Local Exchange Carrier (CLEC) pursuant to the provisions of Public Utilities Code Section 1013 and holds a valid full- facilities-based certificate of public convenience and necessity (“CPCN”) issued by the California Public Utilities Commission; and

WHEREAS, Lessee is proposing to install a fiber system using City owned conduit that would result in distributing Broadband Fiber Network to a Commercial and Industrial locations within the City; and

WHEREAS, the system would be integrated with the Lessee's broadband system; and

WHEREAS, City owns certain PVC/high density polyethylene conduit located within City right-of-ways (the “City System”); and

WHEREAS, Lessee desires to construct, install, operate, and maintain, at no cost to City, certain fiber optic facilities to provide its services (“Lessees’ Fibers”), and for that purpose desires to lease from City a portion of the City System identified and more particularly described in Exhibit A hereto (the “Leased Conduit”); and

WHEREAS, City is willing to lease a portion of its conduit, the Leased Conduit, to Lessee and allow Lessee to pull dark fiber optic cables for that purpose, subject to the terms and conditions set forth herein.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

ARTICLE 1. LEASE

1.1 City, for and in consideration of the rents and covenants herein specified to be paid and performed by Lessee, hereby demises and leases to Lessee, and Lessee hereby hires and leases from City, the Leased Conduit, on an “as is, where is basis” without warranty for the Term and upon and subject to the terms and conditions and for the purposes herein set forth. Any and all installation and other cost, of whatever nature, for pulling Lessee Fibers through City’s System shall be at Lessee’s sole cost and expense.

ARTICLE 2. CONSIDERATION

2.1 The consideration for this Lease Agreement shall include a one-time payment to the City within thirty (30) calendar days upon execution of this Lease Agreement in the amount of \$2,250 for the 15-year term lease.

ARTICLE 3. TERM

3.1 Commencement. The term of this Lease (the “Term”) shall commence on the Effective Date and shall expire fifteen (15) years following the Effective Date.

3.2 Renewal. Provided that Lessee is not in default under this Lease Agreement, and the Lessee has the necessary governmental permits, licenses, easements, franchises and approvals that may lawfully be required by federal, state or local law, statute, regulation or ordinance, City and Lessee may negotiate in good faith to renew and/or extend this Lease Agreement in five year increments on mutually agreeable terms and conditions. Any agreed upon extension of the conduit that expands the system defined within Exhibit A and B herein, shall not increase the term of this Agreement without mutually agreement by both parties.

3.3 Holding Over. If Lessee shall hold over after the expiration of the Term, Lessee shall pay rent equal to \$3 per linear foot of conduit leased per year (exclusive of abatements, if any), together with an amount reasonably estimated by City, and shall otherwise be on the terms and conditions herein specified so far as applicable (but expressly excluding all renewal or extension rights). Lessee shall be liable to City for any loss, damages or liability of City resulting from Lessee’s failure to vacate upon the expiration or earlier termination of this Lease Agreement. Any options granted under the terms of this Lease Agreement shall be deemed terminated and shall be of no further effect during said tenancy at

sufferance. No holding over by Lessee after the Term shall operate to extend the Term. If Lessee fails to surrender the Premises or any part thereof upon the expiration or termination of this Lease Agreement despite City's demand to do so, Lessee shall indemnify, defend, protect and hold City harmless from all claims, losses, costs, expenses, damages and liabilities, including attorneys' fees, City incurs as a result of Lessee's failure to surrender, including, without limitation, any claim made by any succeeding tenant founded on or resulting from such failure.

3.4 Title. It is understood and agreed that City shall maintain legal title to the entire City Conduit System, subject to this Lease Agreement in the Leased Conduit while Lessee shall retain legal title to the fiber optic.

ARTICLE 4. NETWORK ACCESS

4.1 Shared Facilities. City hereby grants to Lessee a non-exclusive license, subject to the limitations and other provisions of this Lease Agreement, to any manholes and handholes (the "Ancillary Facilities") that are necessary to access the Leased Conduit of City's Fibers identified in Exhibit A and that is solely in connection with its use of the Leased Conduit or other obligations of Lessee as defined within this Lease Agreement. Lessee shall notify City at least five (5) days in advance if it wishes access to an Ancillary Facility, and City shall have the right to have a representative present during any access to an Ancillary Facility.

4.2 Costs. Lessee shall pay City its costs in connection with each access to an Ancillary Facility, within thirty (30) days of the date of Lessee's receipt of City's invoice therefore. For purposes of this Lease Agreement, "costs" means all reasonable and direct costs incurred by City in accordance with generally accepted accounting principles and incurred by City for necessary work or services performed in support of Lessee's request to use the Ancillary Facilities.

ARTICLE 5. PERMITS; UNDERLYING RIGHTS; RELOCATION

5.1 Governmental Approvals, Permits and Consents.

(a) Lessee at its sole cost and expense, shall obtain and maintain any and all necessary governmental permits, licenses, easements, franchises and approvals that may lawfully be required by federal, state or local law, statute, regulation or ordinance, including but not limited to a City Business Tax Certificate and shall continuously comply with all such laws, statutes, regulations or ordinances as may now or in the future be applicable to (1) its

operation or use of the Leased Conduit; and (2) Lessee's other rights and obligations under this Lease Agreement.

(b) Lessee shall ensure that its customers obtain and maintain any and all necessary permits, licenses, easements, franchises and approvals that may lawfully be required by federal, state or local law, statute, regulation or ordinance and comply with all such laws, statutes, regulations or ordinances as may now or in the future be applicable to the Lessee's customers' use of the services provided over the Leased Conduit.

(c) If Lessee, its customers or any permitted assignee shall at any time fail to maintain such approvals or comply with all applicable legal requirements described in paragraphs (a) and (b) above, City may terminate this Lease Agreement under Article 10, without liability and without restriction to any other legal, equitable, or administrative remedy available to City. Lessee may contest the applicability or validity of any alleged legal requirement asserted against it or its customers, provided that Lessee gives prompt notice of such contest to City, adheres to proper legal procedures applicable to any such challenge, and indemnifies and holds harmless City and its affiliates and their officers, directors, employees, agents, servants, and assigns from any loss, damage, claims or proceedings to the extent resulting from such challenge or from the failure of Lessee, its customers, their contractors or their subcontractors to comply with this Section 5.1.

5.2 Relocations. City may relocate all or any portion of the City System or any of the facilities used or required in providing Lessee with the Leased Conduit: (1) if a third party with legal authority to do so orders or threatens to order such relocation (e.g., through filing or threatening to file a condemnation suit); (2) in order to comply with federal, state or local applicable laws; (3) to prevent or abate interference with or interruption of the City System, or an unreasonable risk thereof, due to the existence of physical conditions; or (4) if City determines to do so in its reasonable business judgment City shall provide Lessee as much advance notice as possible but shall use reasonable efforts to provide at least sixty (60) calendar days prior notice of any such relocation. City shall bear the costs of relocating its facilities and the Leased Conduit unless such relocation is proximately cause in whole or part by Lessee's negligence or material violation of this Agreement. In the alternative, the City shall have the right, in its sole and unfettered discretion, to terminate this Lease Agreement.

ARTICLE 6. USE OF LEASED CONDUIT, MAINTENANCE

6.1 Interference. Lessee shall not use the Lessee Fibers in a way that interferes in any way with or adversely affects the use of the fibers or cable of any other person using the City System or any of the other City owned facilities or infrastructure contained within City's rights-of-way. Lessee acknowledges that the City System includes or will include other participants, including City and other owners and users of fiber and telecommunication systems.

6.2 Maintenance. Lessee shall bear all costs associated with its use of the Lessees' Fibers, including without limitation the cost of installation, maintenance and repairs of the Lessees' Fibers. Such installation, maintenance and repairs shall be performed in a good and workmanlike manner, including the National Electrical Safety Code, the National Electrical Code, and any statewide electric codes adopted by the State of California or any department or agency thereof, applicable industry standards, and in accordance with laws and regulations of any federal, state or local government, or any agency or instrumentality thereof, having competent jurisdiction over Lessee, Lessees' Fibers, or the Leased Conduit including applicable General Orders of the Public Utilities Commission of the State of California and any supplements thereto and revisions thereof. Lessee shall be responsible for the proper design and maintenance of its fiber optic facilities and other equipment that occupies shared right of way systems or other facilities, and shall perform work in shared conduit systems and other facilities in a safe and workmanlike manner and at its sole cost. Lessee shall permanently identify, by tags or other suitable means, all of its cables and other equipment that are placed in shared conduit systems or other facilities. Each party agrees to take all necessary precautions to avoid damaging the other party's facilities and to protect such facilities in the same manner as such party protects its own facilities. City shall be responsible for maintenance of Leased Conduit unless such maintenance is necessary due to Lessee's negligence, omission or breach of this Lease Agreement. In the event that repair or maintenance of the Leased Conduit is due to Lessees' negligence, Lessee shall have an affirmative duty to repair and maintain at their cost.

6.3 No Sub-Lease. The Lessee may not sublease the Leased Conduit.

6.4 No Liens. The Lessee shall at all times keep the Leased Conduit or City's Conduit free and clear from any and all liens, claims, and demands for work performed, materials furnished, or operations conducted on said Leased Conduit or City's Conduit by Lessee. In the event the Leased Conduit or City's Conduit

becomes subject to a lien, claim, demand for work or materials performed or any encumbrance of title not approved by City, Lessee shall immediately take such necessary efforts to clear the encumbrance of title to the Leased Conduit or City's Conduit.

6.5 Right of Inspection. City shall have the right to inspect the Leased Conduit and the lessee Fibers installed in the Leased Conduit during the Term.

ARTICLE 7. LIMITATION OF LIABILITY/INDEMNITY

7.1 Lessee shall indemnify, protect, defend and hold harmless City, the City System, the Leased Conduit, City's agents, employees, public officials, council members, and the respective agents and employees of each of these parties (each a "City's Party," collectively "City Parties"), from and against any and all claims, loss of rents and/or damages, losses, costs, liens, judgments, penalties, loss of permits, reasonable attorneys' and consultants' fees, expenses and/or liabilities (collectively "Claims") arising out of, involving, or in connection with this Lease; the use or occupancy of the Lease Conduit or the City System; the conduct of Lessee's business; any act, omission, fault or neglect of Lessee, its agents, employees, representatives, contractors, customers, sublessees, licensees, invitees or other visitors; and out of any default or breach by Lessee in the performance in a timely manner of any obligation on Lessee's part to be performed under this Lease Agreement including, without limitation, any violation of or failure to comply with laws; excepting only to the extent such Claims are caused by the negligent or willful acts or omissions of City or its authorized representatives. The foregoing indemnity shall include, but not be limited to, the defense or pursuit of any claim or any action or proceeding involved therein, and whether or not (in the case of Claims made against City and/or any City's Party) litigated and/or reduced to judgment. In case any action or proceeding is brought against City or any City's Party by reason of any of the foregoing matters, Lessee upon notice from City shall defend the same at Lessee's expense by counsel reasonably satisfactory to the indemnified party and City shall cooperate with Lessee in such defense. The indemnified party need not have first paid any such claim in order to be so indemnified. The obligations of Lessee under this Section 7.1 shall survive the expiration or termination of this Lease Agreement. Notwithstanding the foregoing provisions, Lessee shall not be obligated to indemnify City for any Claims arising (i) outside the Leased Conduit to the extent not caused by the negligence or willful misconduct of Lessee, or Lessee's employees, invitees or guests, agents or contractors, or (ii) inside the Leased Conduit to the extent arising from the negligence or willful misconduct of City, or City's employees, invitees or guests,

agents or contractors. The indemnity obligations of Lessee under this Section 7.1 are not intended to, and shall not, (i) restrict or modify Lessee's insurance and other obligations under this Lease Agreement; (ii) be restricted, limited or modified by Lessee's compliance with its insurance and other obligations under this Lease or (iii) supersede any inconsistent agreement of the parties set forth in any other provision of this Lease Agreement.

ARTICLE 8. INSURANCE

8.1 Lessee shall obtain and maintain in force, at its own expense, and shall require each of its contractors and subcontractors to obtain and maintain in force:

(a) Commercial General Liability Insurance, in an amount of not less than One Million Dollars (\$1,000,000.00) per occurrence, combined single limit, written on an occurrence form;

(b) Workers' compensation insurance with statutory limits, and employer's liability insurance with limits of not less than \$1,000,000.00 per accident;

(c) Comprehensive Auto Liability coverage, including owned, non-owned and hired autos in an amount of not less than One Million Dollars (\$1,000,000.00) per occurrence, combined single limit, written on an occurrence form.; and

(d) Any other insurance coverages specifically required or adjustment to the above coverage as set forth above in the event the City's Risk Manager determines that such adjustment is in the City's best interest.

(e) City shall be listed as an additional insured on all commercial general liability and commercial automobile insurance policies relevant to the project and maintained by the Lessee and the Lessee's contractors and subcontractors.

8.2 Unless otherwise agreed, Lessee's insurance policies shall be obtained and maintained with companies rated "A" or better by Best's Key Rating Guide and each party shall provide the other with an insurance certificate confirming compliance with this requirement for each policy providing such required coverage.

8.3 If Lessee fails to obtain the required insurance or fails to obtain the required certificates from any contractor and a claim is made or suffered, Lessee shall indemnify and hold harmless City from any and all claims for which the required insurance would have provided coverage. Further, in the event of any such failure which continues after seven (7) days written notice thereof by City, City may, but shall not be obligated to, obtain such insurance and will have the right to be reimbursed for the cost of such insurance by the Lessee.

8.4 If coverage is denied or reimbursement of a properly presented claim is disputed by the carrier for the insurance provided above, the Lessee shall make good faith efforts to pursue such claim with its carrier.

ARTICLE 9. NOTICES

9.1 All notices and other communications required or permitted under this Lease Agreement shall be in writing and shall be given by United States first class mail, postage prepaid, registered or certified, return receipt requested, or by hand delivery (including by means of a professional messenger service or overnight mail) addressed as follows:

To Lessee: CVIN LLC, dba VAST Networks
7447 N. Palm Bluffs Ave, Suite #105
Fresno, CA 93711
Attn: David Nelson
Facsimile: 559-442-6047
Email: dnelson@vastnetworks.com

To City: City of Merced
Attention: City Manager
678 W 18th Street
Merced, CA 95340
Phone: (209) 385-6834

WITH A COPY TO:
Vast Networks
Care of Dowling Aaron
Larry Lindenau
3rd Floor
8080 Palm Ave.
Fresno Ca 93711
(559) 432-4500

Any such notice or other communication shall be deemed to be effective when actually received or refused. Either party may by similar notice given change the address to which future notices or other communications shall be sent.

ARTICLE 10. DEFAULT

10.1 Defined. A default shall be deemed to have occurred under this Lease Agreement if:

(a) In the case of a failure to pay any amount when due and payable under this Lease Agreement, the Lessee fails to pay such amount within fifteen (15) days of when due; or

(b) In the case of any other material breach of this Lease Agreement, a party fails to cure such within thirty (30) days after notice specifying such breach, provided that if the breach is of a nature that it cannot be cured within thirty (30) days, a default shall not have occurred so long as the breaching party has commenced to cure within said time period and thereafter diligently pursues such cure to completion.

10.2 Remedies. Upon the failure of a party to comply with Section 10.1 (a) or to timely cure any breach after notice thereof from the other party and expiration of the above cure periods as defined in Section 10.1 (b), then the non-defaulting party may, subject to the terms of Article 7 (Limitation of Liability/Indemnity), pursue all remedies provided for in this Lease Agreement and/or any remedies it may have under applicable law or principles of equity relating to such breach.

10.3 City Remedies. In addition to the remedies set forth in Section 10.2, if Lessee fails to cure any other default of the terms of this Lease Agreement within the cure periods described in Section 10.1 above, City may, in addition to any other remedies that it may have under this Lease Agreement or by law, in its sole discretion, take the following actions upon ninety (90) calendar days' notice:

(a) Disconnect and remove at Lessee's expense the Lessee Fibers; and/or

(b) Terminate this Lease Agreement. At the expiration or termination of this Lease Agreement subject to this Article, all rights of Lessee to use the Leased Conduit, or any part thereof, shall cease, and the Lessee shall surrender to City possession of the Leased Conduit. All rights to the use of the Leased Conduit therein shall revert to City.

10.4 No Waiver. A waiver by either party at any time of any of its rights as to anything herein contained shall not be deemed to be a waiver of any breach of covenant or other matter subsequently occurring.

10.5 Interest. If Lessee fails to make any payment under this Lease Agreement when due, such amounts shall accrue interest, from the date such payment is due until paid, including accrued interest, at an annual rate of eighteen

percent (18%) compounded monthly or, if lower, the highest percentage allowed by law.

ARTICLE 11. ABANDONMENT

11.1 Should Lessee, for any reason, abandon all or part of its use of capacity or facilities installed pursuant to this Lease Agreement, then the below provisions shall apply. "Abandon" shall be defined for the purposes of this Lease Agreement as failure to use the Leased Conduit for more than one (1) year or at such time that notice of abandonment is provided by Lessee.

(a) If City rejects all or a portion of the proposed transfer of abandoned facilities from Lessee, then Lessee shall remove any facilities it proposed to abandon which were rejected by City within ninety (90) days of City's rejection. If the Lessee fails to so remove the abandoned rejected facilities, then City may remove them at Lessee's expense, which shall be paid within thirty (30) days of receipt of the invoice.

(b) At the time of any accepted abandonment, Lessee shall have no further rights with respect to the abandoned facilities. At such time, City shall have the authority to remove, reuse, or resell the abandoned facilities.

(c) Unless expressly rejected by City in writing within 90 days of a written abandonment notification, Lessee's abandoned facilities shall be transferred to the ownership of City.

ARTICLE 12. TERMINATION

12.1 Termination. If Lessee is not in default of this Lease Agreement as defined within Article 10, or has not abandoned the Leased Conduit as defined in Article 11, and if at the expiration of the Term as defined within Article 3 of this Lease Agreement or any mutually agreed upon extensions to the Term, Lessee shall have the election to do either of the following:

(a) Lessee will remove all fiber optic cable owned by Lessee within the City's conduit; or

(b) The parties if mutually agreed upon, may leave the fiber optic cable in the City's conduit wherein City will acquire and retain all proprietary and ownership interest to the fiber optic cable and conduit at no

cost to the City with no further right, title or interest by Lessee in any of the Lessees' Fiber. In the event the parties fail to mutually agree to this subsection (b), Lessee shall be obligated to comply with subsection (a) of this Article 12.

ARTICLE 13. TRANSFERS, ASSIGNMENTS AND EXPANSION

13.1 Lessee may not transfer or assign all or any part of its interest in this Lease Agreement or in the Leased Conduit, in whole or in part, or delegate any duties, burdens, or obligations arising hereunder, without the prior written consent of City, which consent may not be unreasonably withheld. A transfer or assignment in violation of this Article shall be void and shall constitute a material breach of this Lease Agreement.

13.2 Any desire or interest of either party to this Lease Agreement for future expansion of the system will be subject to following: 1) City shall have the initial right to expand the system by competitively bidding and paying prevailing wage through its own contractors and receiving additional lease revenue for use of that system by Lessee consistent with the compensation structure of agreement; 2) Lessee may develop, construct and lay their own conduit and hook up customers only to that part of the City System expanded in accordance with this subsection with no lease payment to City based on those revenues generated by the private line if City decides not to exercise its rights in option one; 3) Lessee and City both decide not to expand system. If City exercises its rights under option 1 of this section 13.2, all other provisions of this Lease Agreement shall apply not inconsistent with this Article.

ARTICLE 14. REPRESENTATIONS, WARRANTIES AND ACKNOWLEDGMENTS

14.1 Each party represents and warrants that:

(a) It has the full right and authority to enter into, execute, deliver and perform its obligations under this Lease Agreement; and

(b) This Lease Agreement constitutes a legal, valid and binding obligation enforceable against such party in accordance with its terms, subject to bankruptcy, insolvency, creditors' rights and general equitable principles.

14.2 City makes no warranty, express or implied with respect to the Leased Conduit, including any warranty of merchantability or fitness for a particular purpose, and all such warranties are hereby expressly disclaimed.

ARTICLE 15. FORCE MAJEURE

15.1 Neither party shall be liable to the other party and each party's performance under this Lease Agreement shall be excused, if and to the extent that any failure or delay in such party's performance of one or more of its obligations hereunder caused by any of the following conditions, and such party's performance of such obligation or obligations shall be excused and extended for and during the period of any such delay; act of God; fire; flood; war or civil disorder; strikes or other labor disputes; or any other cause beyond the reasonable control of such party ("Force Majeure Event"). The party claiming relief under this Article shall notify the other in writing of the existence of the event relied on and the cessation or termination of said Force Majeure Event, and the party claiming relief shall exercise reasonable commercial efforts to minimize the time of any such delay; PROVIDED HOWEVER THAT, the provisions of this paragraph shall not operate so as to excuse or release Lessee from the prompt payment of the ARC or other amounts due and payable under this Lease Agreement. PROVIDED FURTHER THAT, if the City System and/or the Leased Conduit are totally destroyed, or rendered unusable, by a Force Majeure Event, City may terminate this Lease Agreement, without liability to lessee, as of the date of such Force Majeure Event.

ARTICLE 16. GENERAL

16.1 Binding Effect. The failure of either party hereto to enforce any of the provisions of this Lease Agreement, or the waiver thereof in any instance shall not be construed as a general waiver or relinquishment on its part of any such provision, but the same shall nevertheless be and remain in full force and effect.

16.2 Taxes. City hereby provides notice pursuant to California Revenue and Taxation Code Section 107.6, and Lessee acknowledges that this Lease Agreement may create a possessory interest and Lessee may be subject to property taxes levied on such interest, as described in California Revenue and Taxation Code Section 107. Lessee shall be responsible for and shall pay all Impositions:

(a) Imposed on, based on, or otherwise measured by the gross receipts, gross income, net receipts or net income received by or accrued to Lessee with respect to the ownership or use of the Leased Conduit; or

(b) Which have been separately assessed, allocated to, or imposed on the Leased Conduit; or

(c) Which are imposed, based on, or otherwise measured with respect to construction services performed by City for Lessee.

“Impositions” means all taxes, fees, levies, imposts, duties, charges or withholdings of any nature (including, without limitation, possessory interest taxes, franchise, license and permit fees), together with any penalties, fines or interest thereon arising out of the transactions contemplated by this Lease Agreement that are imposed upon the City System by any federal, state or local government or other public taxing authority; but shall not include taxes, fees or similar levies based on income.

16.3 Attorney’s Fees. If either party brings any legal action or proceeding against the other to enforce or interpret this Lease Agreement, or otherwise arising out of this Lease Agreement, the prevailing party in such action or proceeding shall be entitled to recover from the other party its reasonable costs and expenses of suit and enforcing the judgment awarded to it, including reasonable attorneys’ fees, in addition to any other relief or award to which it may be entitled.

16.4 Governing Law. This Lease Agreement and all matters relating to it shall be governed by the laws of the State of California without reference to its choice of law principles and any action brought relating to this Lease Agreement shall be held exclusively in a state court in the County of Merced, State of California.

16.5 Rules of Construction. The captions or headings in this Lease Agreement are strictly for convenience and shall not be considered in interpreting this Lease Agreement or as amplifying or limiting any of its content. Words in this Lease Agreement which import the singular connotation shall be interpreted as plural, and words which import the plural connotation shall be interpreted as singular, as the identity of the parties or objects referred to may require.

(a) Unless expressly defined herein, words having well known technical or trade meanings shall be so construed.

(b) Except as set forth to the contrary herein, any right or remedy of Lessee or City shall be cumulative and without prejudice to any other right or remedy, whether contained herein or not.

(c) Nothing in this Lease Agreement is intended to provide any legal rights to anyone not an executing party of this Lease Agreement.

(d) This Lease Agreement has been fully negotiated between and jointly drafted by the parties.

(e) All actions, activities, consents, approvals and other undertakings of the parties in this Lease Agreement shall be performed in a reasonable and timely manner, it being expressly acknowledged and understood that time is of the essence in the performance of obligations required to be performed by a date expressly specified herein. Except as specifically set forth herein, for the purpose of this Lease Agreement the standards and practices of performance within the telecommunications industry in the relevant market shall be the measure of a party's performance.

16.6 Entire Agreement. This Lease Agreement, together with any Confidentiality Agreement entered into in connection herewith, constitutes the entire and final agreement and understanding between the parties with respect to the subject matter hereof and supersedes all prior agreements relating to the subject matter hereof, which are of no further force or effect. The Exhibits referred to herein are integral parts hereof and are hereby made a part of this Lease Agreement. To the extent that any of the provisions of any Exhibit hereto are inconsistent with the express terms of this Lease Agreement, the terms of this Lease Agreement shall prevail. This Lease Agreement may only be modified or supplemented by an instrument in writing executed by each party.

16.7 Relationship of the Parties. The relationship between Lessee and City shall not be that of partners, agents, or joint venturers for one another, and nothing contained in this Lease Agreement shall be deemed to constitute a partnership or agency agreement between them for any purposes, including, but not limited to, federal income tax purposes. Lessee and City, in performing any of their obligations hereunder, shall be independent contractors or independent parties and shall discharge their contractual obligations at their own risk subject, however, to the terms and conditions hereof.

16.8 Severability. If any term, covenant or condition contained herein is, to any extent, held invalid or unenforceable in any respect under the laws governing this Lease Agreement, the remainder of this Lease Agreement shall not

be affected thereby, and each term, covenant or condition of this Lease Agreement shall be valid and enforceable to the fullest extent permitted by law.

16.9 Legislative Function of City. This is a proprietary contract and is subject to the legislative functions and power of the City and right of eminent domain and nothing within this Lease Agreement shall waive or restrict any of those legislative functions or rights of the City.

16.10 Lessee's Customer Contracts. Lessee shall provide in any contracts with third party customers a provision that holds City harmless and without liability in the event Lessee breaches any third party customer contracts, goes into bankruptcy, fails to perform or is in default under this Lease Agreement or the third party customer contracts, this Lease Agreement is terminated, or City exercises any rights it has under this Lease Agreement.

16.11 Lessees' Customers. Lessee agrees to include in all contracts with any third parties or customers of Lessee which would use Lessees' Fiber a provision that in the event Lessee breaches or fails to supply service to those third party/customer contracts, goes into bankruptcy or fails to perform either under this Lease Agreement or any contracts with their customers, the City would have no liability to their customers in exercising any rights it has under this Lease Agreement.

IN WITNESS WHEREOF, the parties have executed this Lease Agreement as of the Effective Date.

CITY OF MERCED
A California Charter Municipal
Corporation

BY: _____
City Manager

ATTEST:
STEVE CARRIGAN, CITY CLERK

BY: _____
Assistant/Deputy City Clerk

APPROVED AS TO FORM:

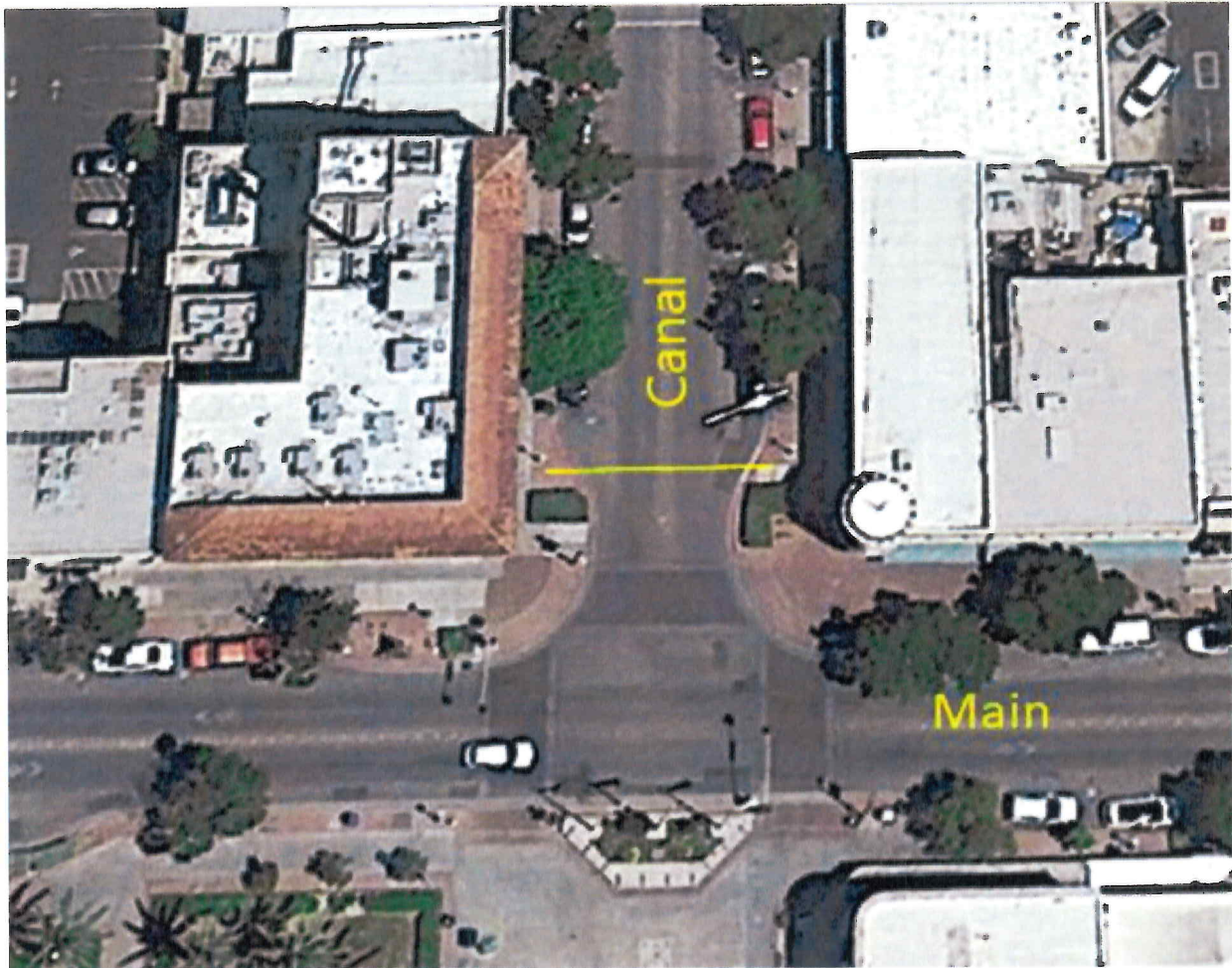
BY: Phaedra A. Holt 8/28/19
City Attorney Date

ACCOUNT DATA:

BY: _____
Verified by Finance Officer

EXHIBIT A

Use of conduit on North Side of Main Street crossing Canal Street





ADMINISTRATIVE REPORT

Agenda Item H.7.

Meeting Date: 11/4/2019

Report Prepared by: Lance Eber, Crime Analyst, Police

SUBJECT: Acceptance of Department of Justice 2019 Bulletproof Vest Partnership Grant in the Amount of \$21,118.00 to Cover 50% of the Purchase Cost of New Vests and Authorization to Utilize the Use of Pooled Cash to Cover the Purchase Cost Which will be Reimbursed from the Grant Proceeds

REPORT IN BRIEF

Accept grant award for reimbursement of bulletproof vest expenses.

RECOMMENDATION

City Council - Adopt a motion:

- A. Accepting and increasing the revenue budget in the amount of \$21,118 in account 061-1026-324-37-00 and appropriating the same amount in grant funds to account 061-1026-522.29-00 for 50% of the costs associated with the purchase of bulletproof vests; and,
- B. Authorizing the use of pooled cash to cover the appropriation until grant funds are reimbursed; and,
- C. Authorizing the Police Department and the City Manager to execute the necessary documents.

ALTERNATIVES

- 1. Approve, as recommended by Staff; or,
- 2. Deny; or,
- 3. Refer back to Staff for recommendation of specific items (specific items to be addressed in the motion).

AUTHORITY

Charter of the City of Merced, Section 200.

CITY COUNCIL PRIORITIES

As provided for in the 2019-20 Adopted Budget.

DISCUSSION

In March 2019, the U.S. Department of Justice, Bureau of Justice Assistance (BJA) announced that the Fiscal Year 2019 Bulletproof Vest Partnership (BVP) Program application period was open. The

BVP covers 50% of the costs of purchasing new bulletproof vests for the officers. The City of Merced Police Department (MPD) submitted an application.

The BJA notified the MPD via email on Tuesday, September 24th that our application for grant funding was approved. There are no agreements/contracts that need to be signed. Grant funds are added to the remaining balance available in our account at BJA from previous years' grant balances. The MPD budget accounts for regular replacement of vests as part of its annual budget and will absorb the upfront cost 100%. This is a reimbursement program, so funds will be expended up front and reimbursement requests are submitted by the MPD to BJA as expenses are incurred throughout the grant period. Staff estimate that approximately 25 vests will be purchased as a result of this award

The MPD has received funding from BJA for the BVP program for many consecutive years. City Council has approved accepting the grant funding each of those years.

IMPACT ON CITY RESOURCES

Each vest carries an upfront cost of approximately \$840 (depending on model). The BVP Grant will reimburse the City 50% for each vest purchased.

ATTACHMENTS

1. Award Notice

Eber, Lance

From: Eber, Lance
Sent: Wednesday, September 25, 2019 8:20 AM
To: Eber, Lance
Subject: FW: Bulletproof Vest Partnership 2019 Award Announcement

From: BVP Email Account <ojp@public.govdelivery.com>
Sent: Tuesday, September 24, 2019 7:52 AM
To: Carrigan, Steve <CarriganS@cityofmerced.org>
Subject: Bulletproof Vest Partnership 2019 Award Announcement

Dear BVP applicant,

The Bureau of Justice Assistance (BJA) is pleased to inform you that your agency will receive an award under the Fiscal Year (FY) 2019 Bulletproof Vest Partnership (BVP) solicitation. These funds have been posted to your account in the BVP System. A complete list of FY 2019 BVP awards is available at: <https://ojp.gov/bvpbasi/>.

The FY 2019 award may be used for National Institute of Justice (NIJ) compliant armored vests which were ordered after April 1, 2019. The deadline to request payments from the FY 2019 award is August 31, 2021, or until all available funds have been requested. Awards will not be extended past that date, and any unused funds will be forfeited.

Please see the following websites for a list of NIJ compliant vests:

Ballistic Vests: <https://nij.gov/topics/technology/body-armor/pages/compliant-ballistic-armor.aspx>

Stab Resistant Vests: <https://nij.gov/topics/technology/body-armor/pages/compliant-stab-armor.aspx>

As a reminder, all jurisdictions that applied for FY 2019 BVP funding certified that a mandatory wear policy was in place for their jurisdiction. BJA will be conducting reviews of the mandatory wear policies as funds are requested from the BVP System. For more information on the BVP mandatory wear policy, please see the BVP Frequently Asked Questions document: <https://ojp.gov/bvpbasi/docs/FAQsBVPMandatoryWearPolicy.pdf>.

Finally, please visit the following page for checklists and guides for each step of the BVP process: <https://ojp.gov/bvpbasi/bvpprogramresources.htm>.

For questions regarding the BVP Program or your award, please do not hesitate to contact the BVP Help Desk at vests@usdoj.gov or 1-877-758-3787.

Thank you

BVP Program Support Team

This email was sent to carrigans@cityofmerced.org using GovDelivery Communications Cloud on behalf of:
Office of Justice Programs · 810 Seventh Street, NW · Washington, DC 20531 · 202-514-2000

▪

[NOTICE: This message originated outside of City of Merced -- DO NOT CLICK on links or open attachments unless you are sure the content is safe.]



ADMINISTRATIVE REPORT

Agenda Item H.8.

Meeting Date: 11/4/2019

Report Prepared by: Daniel Dabney, Sergeant Merced Police Department

SUBJECT: Approval of Street Closure Request Submitted by Merced Main Street Association for the 2019 Annual Christmas Parade on December 7, 2019 From 12:00 P.M. Until 7:00 P.M.

REPORT IN BRIEF

Considers allowing the use of City streets on December 7, 2019 for the Christmas Parade.

RECOMMENDATION

City Council - Adopt a motion approving the street closures of East Main Street, from Cedar Avenue to "G" Street, West Main Street, from "G" to "O" Streets, "O" Street from West Main Street to 20th Street including side streets. An alternate route due to possible road closure for the El Capitan project will be East Main Street, from Cedar Avenue to "G" Street, West Main Street, from "G" to Canal Street, Canal Street from West Main Street to West 18th Street and West 18th Street from Canal Street to "O" Street including side streets as requested by Mike Waite of the Merced Main Street Association for the 2019 Christmas Parade on Saturday, December 7, 2019.

ALTERNATIVES

1. Approve, as recommended by Staff; or,
2. Approve, subject to other than recommended by Staff; or,
3. Deny; or
4. Refer to Staff for reconsideration of specific items

AUTHORITY

City of Merced Charter Section 200
City of Merced Municipal Code Section 12.42.010
State of California Vehicle Code Section 21101(e)

CITY COUNCIL PRIORITIES

As provided for in the 2019-20 Adopted Budget.

DISCUSSION

A request received from Mike Waite, Merced Main Street Association to close the following streets for the Annual Christmas Parade:

- East Main Street from "Cedar Avenue to "G"
- Calimyrna Avenue to thru traffic at East Main Street.

- Orchard Lane to thru traffic at East Main Street.
- “D” Street to thru traffic at East Main Street
- “E” Street to thru traffic at East Main Street
- “F” Street to thru traffic at East Main Street
- “G” Street to thru traffic at East Main Street
- West Main Street between “G” Street and Canal Street
- “H” Street to thru traffic at West Main Street
- “I” Street to thru traffic at West Main Street
- Martin Luther King Jr. Way to thru traffic at West Main Street
- “K” Street to thru traffic at West Main Street
- Canal Street to thru traffic at West Main Street
- “M” Street to thru traffic at West Main Street
- “N” Street to thru traffic at West Main Street
- “O” Street from West Main Street to West 20th Street (“O” Street will be closed for and parade termination).
- West 18th Street to thru traffic at “O” Street
- West 19th Street to thru traffic at “O” Street
- West 20th Street to thru traffic at “O” Street

Alternative Route due to El Capitan Project:

- East Main Street from “Cedar Avenue to “G”
- Calimyrna Avenue to thru traffic at East Main Street.
- Orchard Lane to thru traffic at East Main Street.
- “D” Street to thru traffic at East Main Street
- “E” Street to thru traffic at East Main Street
- “G” Street to thru traffic at East Main Street
- West Main Street between “G” Street and Canal Street
- “H” Street to thru traffic at West Main Street
- “I” Street to thru traffic at West Main Street
- Martin Luther King Jr. Way to thru traffic at West Main Street
- “K” Street to thru traffic at West Main Street
- Canal Street from West Main Street to 18th Street
- 18th Street from Canal Street to “O” Street
- “M” Street to thru traffic at 18th Street
- “N” Street to thru traffic at 18th Street
- “O” Street from West 18th Street to West 21st Street (“O” Street will be closed for and parade termination).
- West 19th Street to thru traffic at “O” Street
- West 20th Street to thru traffic at “O” Street
- West 21st Street to thru traffic at “O” Street

The 2019 Christmas Parade staging area will be on East Main Street between “G” Street and Cedar

Avenue from 12:00 P.M. until 5:00 P.M. East Main Street and side streets off East Main Street will be opened to traffic after the parade is cleared from the staging area. The Christmas Parade will commence at 3:00 P.M. from Main Street and "G" Street, going west bound on West Main Street to "O" Street or the alternate route. West Main Street and side streets off West Main Street will be opened to traffic at the conclusion of the Christmas Parade and the tree lighting ceremony, which is anticipated to occur between 6:30 P.M. and 7:00 P.M.

The Merced Police Department will provide traffic control services during this event. The Merced Police Department will station a Police Officer at the intersections of Main Street and "G" Street, West Main Street and Martin Luther King Jr Way and West Main Street and "M" Street to allow traffic to flow north and south bound during the parade. If other City services are needed beyond the assistance of the Merced Police Department, the request will be made separately and to the appropriate departments.

The Merced Police Department will utilize approximately two (2) Police Sergeants, eight (8) Police Officers and approximately twenty (20) Police Explorer Scouts to conduct traffic control for this event.

The Merced Main Street Association will take full responsibility for notifying the businesses and residences along the parade route, providing ample notification of the event. The posting of No Parking signs, along the parade route and staging area, shall be done no less than twenty four (24) hours prior to the event. The parade is expected to bring approximately 15,000 spectators.

The 2019 Christmas Parade will be held subject to the following conditions:

1. Event sponsors shall furnish a certificate of liability insurance with coverage of no less than \$1,000,000.00 and naming the City of Merced as additional insured.
2. Event sponsors shall contact all businesses and residences affected by the street closure, advising them of the hours, conditions and reason thereof.
3. Event sponsor shall be responsible for placing and removing all traffic barricades and posting of parking restrictions where streets are closed no less than 24 hours prior to the parade.
4. Event sponsor shall be responsible for disposing of any trash and debris generated from the event.
5. Event sponsor shall provide adequate supervision throughout the parade route as required by the Police Department.
6. Event sponsors shall agree to indemnify and hold harmless the City, its officers, agents, and employees from any and all liability, costs, damages, or injuries to persons or damage to property which might arise out of or in any way be connected with the use of an encroachment/street closure permit for this event.

ATTACHMENTS

1. Street closure application
2. Map of parade route
3. Certificate of Liability



STREET CLOSURE APPLICATION REQUIRING CITY COUNCIL APPROVAL (OVER 400 FEET).



For current Fee, please see Planning & Development Fee Schedule

Application: _____

Receipt: _____

CHECKLIST:

Prior to submitting your application, please confirm by checking (✓) the boxes below that all the following have been completed.



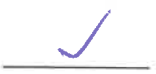
Have you completed the "Description of Event" below and signed the application on page 3? (Incomplete information may delay your application.)



Have you allowed at least 8-10 weeks prior to the event for your application to be placed on a City Council agenda?



Have you obtained the required insurance and do you have proof of that insurance to submit with your application? (See "Insurance" section on page 3 for details)



Has the Indemnification Agreement on page 3 of this application been signed by an authorized representative of the sponsoring organization?

After obtaining approval from the City, but prior to the event, please make sure you have done the following:



Have you read the conditions of approval and is your event prepared to abide by all conditions?



Have you given public notice of the street closure to all the surrounding businesses within ½ mile at least 72 hours prior to the event as required in Condition #2 below? A form is provided at page 6 which can be used to inform the public. A copy of the form should be signed and returned to the Planning Division at least 24 hours before your event affirming that notice has been given per the above requirements.



Have you posted "No Parking" at least 24 hours prior to the event as required in Condition #1 below and using the standards outlined on page 5?



Have you arranged for "Special Event" City Refuse Service by calling 385-6800?



Have you made arrangements for any temporary barricades? (The City may provide equipment for street closures depending on availability.) Contact Public Works at 209-385-6800 and see request form at page 7.



Have you made arrangements for supplying any necessary electricity to your event? (Plugging outlets into City light poles is NOT allowed.)



If you are selling alcohol at your event, have you obtained an Alcoholic Beverage Control (ABC) license or permit for this event?

DESCRIPTION OF EVENT:

APPLICANT/EVENT SPONSOR MERCED MAIN ST ASS.

CONTACT PERSON MIKE WAITE PHONE [REDACTED]

ADDRESS 531 W. MAIN ST. MERCED, CA. 95340

DRIVER'S LICENSE NO. [REDACTED] E-MAIL [REDACTED]

DESCRIPTION OF EVENT (Continued):

DESCRIPTION OF EVENT (include equipment, obstructions, etc., to be placed in the encroachment area)

CHRISTMAS PARADE & TREE LIGHTING

THIS EVENT WILL SELL OR SERVE ALCOHOL:

Yes ☐ or No ☒

ELECTRICITY? We request City-supplied electricity Yes ☒ Not needed/other arrangements ☐

CITY SPECIAL EVENT REFUSE SERVICE NEEDED? Yes ☒ or No ☐

ESTIMATED NUMBER OF PEOPLE IN ATTENDANCE 5,000

DATE(S) AND TIME(S) OF USE (include time for setup and takedown as well as event time):

Closure start/end times: E. MAIN @ 12:00pm, W. MAIN @ 1pm

Event start/end times: 3pm, TREE LIGHTING

LIST ALL STREETS PROPOSED FOR CLOSURE:

***(PLEASE ATTACH A MAP TO IDENTIFY STREET CLOSURES, AND ANY OBSTRUCTIONS TO BE PLACED WITHIN THE RIGHT-OF-WAY)**

STANDARD CONDITIONS FOR STREET/PARKING LOT CLOSURES/PARADES

1. Event Sponsor shall be responsible for placing and removing traffic barricades and posting of parking restrictions. "No Parking" signs shall be posted at least twenty-four (24) hours prior to towing of vehicle(s) per California Vehicle Code Section 22651(m)—see page 5.
2. Event Sponsor shall contact all businesses affected by the street/parking lot closure or parade advising them of hours, conditions and reason thereof within one-half mile of the encroachment area at least seventy-two (72) hours prior to the event. Event Sponsor shall provide the City confirmation that the proper notification was given. (A form is provided on page 6 to help the applicant with this requirement.)
3. Event Sponsor must remove all equipment, trash and debris, including "no parking" signs, generated by the event prior to the expiration of the encroachment permit.
4. Street closures shall not include major arterial streets.
5. Supervision/security shall be provided by event sponsor to ensure the safety of event participants and the public if required by the Police Department.
6. Event Sponsor shall pay for any City services required for supervision/security.
7. Alcoholic beverages may be served or sold, subject to Alcoholic Beverage Control Licensing Requirements, and subject to the Liquor Liability Insurance Policy of the City (see page 4).
8. Provisions addressed in Ordinance #1941 Chapter 12.42 (Temporary Street Closures) shall apply.
9. Event Sponsor shall be responsible for insuring that all vendors involved with the event obtain a City of Merced business license.
10. The applicant shall arrange and pay for special event City Refuse service by contacting Public Works at (209) 385-6800.
11. The applicant shall comply with the Indemnification and Insurance provisions as outlined on page 3 of this application.
12. Event sponsor shall provide and maintain a minimum 22-foot-wide emergency vehicle access path into and through the closure area at all times via movable barriers. Fire hydrant access shall not be blocked at any time whatsoever.
13. The use of City of Merced's outlets for electricity is approved: N/A ☐ YES ☐ NO ☐
14. _____
15. _____

Additional conditions may be imposed as deemed necessary

INDEMNIFICATION: Event Sponsor shall indemnify, protect, defend, (with counsel selected by the City) save and hold City, its officers, employees, agents, and volunteers harmless from any and all claims or causes of action for death or injury to persons, or damage to property resulting from intentional or negligent acts, errors, or omissions of Event Sponsor or Event Sponsor's officers, employees, agents, volunteers, and participants during performance of the Event, or from any violation of any federal, state, or municipal law or ordinance, to the extent caused, in whole or in part, by the willful misconduct, negligent acts, or omissions of Event Sponsor or its officers, employees, agents, volunteers, or participants, or resulting from the negligence of the City, its officers, employees, agents, and volunteers, except for loss caused solely by the gross negligence of the City. Acceptance by City of insurance certificates and endorsements required for this Event does not relieve Event Sponsor from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply.

INSURANCE: Prior to engaging in the event, Event Sponsor shall complete and file with the City a special events, general liability and automobile policy of at least \$500,000 combined limit for bodily injury and property damage which covers the entire event. Said policy shall stipulate that this insurance will operate as primary insurance and that no other insurance will be called on to cover a loss covered thereunder. Additional insured endorsements evidencing this special events, general liability and automobile coverage, naming the City and its officers, agents, and employees as additional insureds, must be submitted to the City prior to the event. This certificate shall provide that thirty (30) days written notice of cancellation shall be given to the City.

REFUSAL OR REVOCATION OF PERMIT: Failure to comply with any law, rule or regulation applicable to the use of said streets shall be grounds to revoke any such permit and, in such circumstances, the Chief of Police shall immediately revoke said permit. The Event Sponsor or permit holder, in such case, shall have the right to appeal said revocation to the City Council.

The undersigned declares under penalty of perjury that he/she has the authority to sign for and bind the Event Sponsor to the conditions imposed by the City upon the granting of this Application.

Signature: Mike Waite
Print Name: MIKE WAITE
Date: 10/15/19

OFFICE USE

APPLICATION APPROVED SUBJECT TO CONDITIONS _____

BY _____
Development Services Department (385-6858)

DATE _____

BY _____
Merced Police Department (385-6912)

DATE _____

BY _____
Merced Fire Department (385-6891)

DATE _____

LIQUOR LIABILITY INSURANCE -POLICY-

YOU HAVE APPLIED FOR STREET CLOSURE/PARKING LOT CLOSURE AND HAVE INDICATED THAT ALCOHOLIC BEVERAGES WILL EITHER BE SERVED OR SOLD AS PART OF THE FUNCTION OR ACTIVITY BEING CONDUCTED AT THIS EVENT.

THE MERCED CITY COUNCIL HAS ADOPTED ORDINANCE #1941 CHAPTER 12.42 TEMPORARY STREET CLOSURES WHEREAS WHEN ALCOHOLIC BEVERAGES ARE TO BE SERVED OR SOLD, THE GROUP OR INDIVIDUAL SHALL BE REQUIRED TO COMPLY WITH ALL OTHER LAWS RELATING TO THE SALE OF ALCOHOLIC BEVERAGES.

FOR GROUPS SELLING ALCOHOLIC BEVERAGES AT A FUNCTION OR ACTIVITY, WE RECOMMEND THAT YOU CONTACT YOUR INSURANCE CARRIER TO OBTAIN SPECIFIC INFORMATION ON COVERAGE OR CONSIDER CONTRACTING WITH A CATERER WHO ALREADY HAS THE NECESSARY PERMITS, LICENSES, AND INSURANCE COVERAGE.

WHETHER YOU SELL OR SERVE ALCOHOLIC BEVERAGES, IT IS YOUR RESPONSIBILITY OR YOUR GROUP'S RESPONSIBILITY TO COMPLY WITH THE RULES AND REGULATIONS OF THE CALIFORNIA STATE DEPARTMENT OF ALCOHOL BEVERAGE CONTROL WITH REGARD TO OBTAINING THE NECESSARY LICENSES OR PERMITS. SHOULD YOU HAVE ANY QUESTIONS REGARDING THE REQUIREMENT FOR A LICENSE OR PERMIT, YOU SHOULD CONTACT THE CALIFORNIA STATE DEPARTMENT OF ALCOHOL BEVERAGE CONTROL, 31 EAST CHANNEL STREET, ROOM 168, P. O. BOX 150, STOCKTON, CALIFORNIA 95201; TELEPHONE (209) 948-7739.

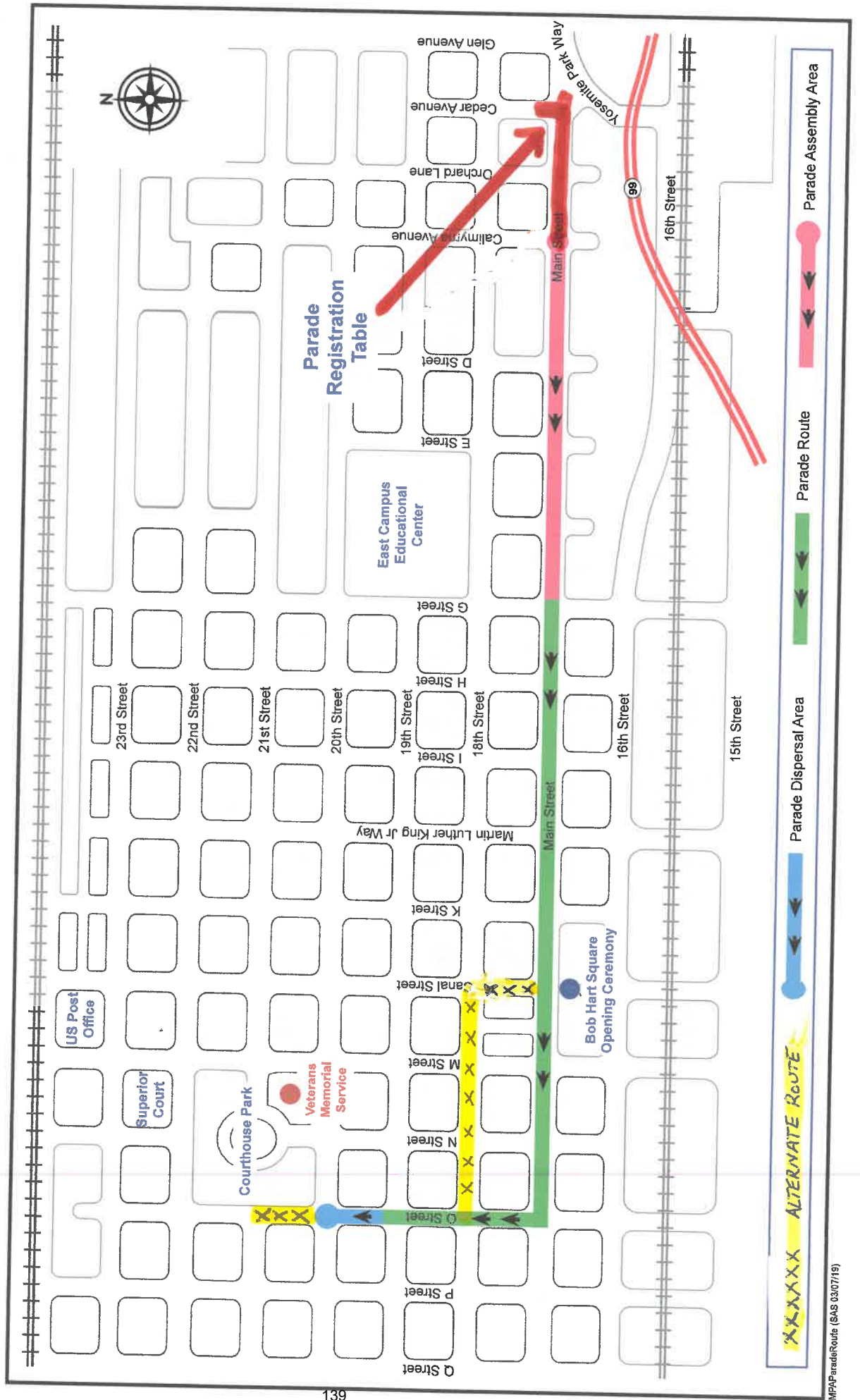
I CERTIFY THAT I HAVE READ AND REVIEWED THE LIQUOR LIABILITY POLICY OF THE CITY OF MERCED AND WILL COMPLY WITH THESE REQUIREMENTS.

SIGNATURE Mike Wale DATE 10/15/19

EVENT DATE 12/7/2019

LOCATION OF EVENT MAIN ST. 17th ST

PARADE ROUTE





CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

10/10/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Fluetsch and Busby Insurance PO Box 780 Merced, CA 95341 License #: 0358327	CONTACT NAME: Chelsea Laidlaw	FAX (A/C, No): (209)723-8189	
	PHONE (A/C, No, Ext): (209)722-1541	E-MAIL ADDRESS: chelsea@fandb1912.com	
INSURED MMSA (Merced Main Street Association) c/o 510 Bistro Mike Waite 531 W Main St. Merced, CA 95340-4715	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A: Allied Insurance Company		23787
	INSURER B:		
	INSURER C:		
	INSURER D:		
	INSURER E:		
INSURER F:			

COVERAGES**CERTIFICATE NUMBER:** 00000000-52689**REVISION NUMBER:** 11

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	Y		ACPCPP3028039500	12/11/2018	12/11/2019	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y/N If yes, describe under DESCRIPTION OF OPERATIONS below		N/A				PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.I. EACH ACCIDENT \$ E.I. DISEASE - EA EMPLOYEE \$ E.I. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Regarding Christmas Parade on 12/7/2019. The City of Merced, its officers, agents, employees, and volunteers are named as additional insureds.

CERTIFICATE HOLDER**CANCELLATION**

City of Merced, it's officers, agents, employees, and volunteers
678 W. 18th Street
Merced, CA 95340

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

(CRL)

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POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY
CG 20 10 04 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED – OWNERS, LESSEES OR
CONTRACTORS – SCHEDULED PERSON OR
ORGANIZATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)
THE CITY OF MERCED, ITS OFFICERS, AGENTS, EMPLOYEES, AND VOLUNTEERS ARE NAMED AS ADDITIONAL INSURED 678 W 18TH ST. MERCED, CA 95340
Location(s) Of Covered Operations
ALL CALIFORNIA LOCATIONS
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and

2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or

CG 20 10 04 13

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Page 1 of 2

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CG 20 10 04 13

2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.
- C. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**
- If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
 2. Available under the applicable Limits of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

All terms and conditions apply unless modified by this endorsement.



ADMINISTRATIVE REPORT

Agenda Item H.9.

Meeting Date: 11/4/2019

Report Prepared by: Julie Nelson, Association Planner, Planning Department

SUBJECT: First Amendment to the Professional Services Agreement with Dudek Consulting and First Amendment to the Deposit and Reimbursement Agreement with University Village Merced, LLC for the Preparation of the Environmental Impact Report (EIR) for the Proposed Annexation at the Northeast Corner of Yosemite Avenue and Gardner Road

REPORT IN BRIEF

Considers the first amendment to the Professional Services Agreement with Dudek Consulting and the Deposit and Reimbursement Agreement with University Village Merced, LLC for the preparation of the Environmental Impact Report for the proposed annexation at the northwest corner of Yosemite Avenue and Gardner Road.

RECOMMENDATION

City Council - Adopt a motion

- A. Approving the First Amendment to the Professional Services Agreement with Dudek Consulting; and,
- B. Approving the First Amendment to the Deposit and Reimbursement Agreement with University Village Merced, LLC; and,
- C. Approving an increase in revenue in the amount of \$7,044 to account 0017-0804-360-1-02 and appropriation the same to account 017-0804-512-17-001 Professional Services for payment to Dudek Consulting for planning services; and,
- D. Authorizing the City Manager or the Assistant City Manager to execute the necessary documents.

ALTERNATIVES

- 1. Approve, as recommended by staff; or,
- 2. Approve, subject to modifications as conditioned by Council; or,
- 3. Deny the request; or,
- 4. Refer back to staff for reconsideration of specific items as requested by Council; or,
- 5. Continue to a future meeting (date and time to be specified in Council motion).

AUTHORITY

Charter of the City of Merced, Section 200

DISCUSSION

The City is processing an application for annexation of approximately 70 acres located at the northeast corner of Yosemite Avenue and Gardner Road (Attachment 1). Dudek Consulting has been contracted to prepare the Environmental Impact Report (EIR) for this project. The project applicants, Cliff Caton and University Village Merced, LLC, have modified the project since the initial application which has resulted in the need to modify the work done on the EIR. In order to cover the cost of the additional work, the Professional Services Contract with Dudek needs to be modified. The proposed First Amendment to the Professional Services Agreement with Dudek Consulting would add an additional \$7,044 to the original contract amount of \$193,286. The First Amendment to this contract is provided at Attachment 2 with the additional scope of work provided at Exhibit 1 of the First Amendment.

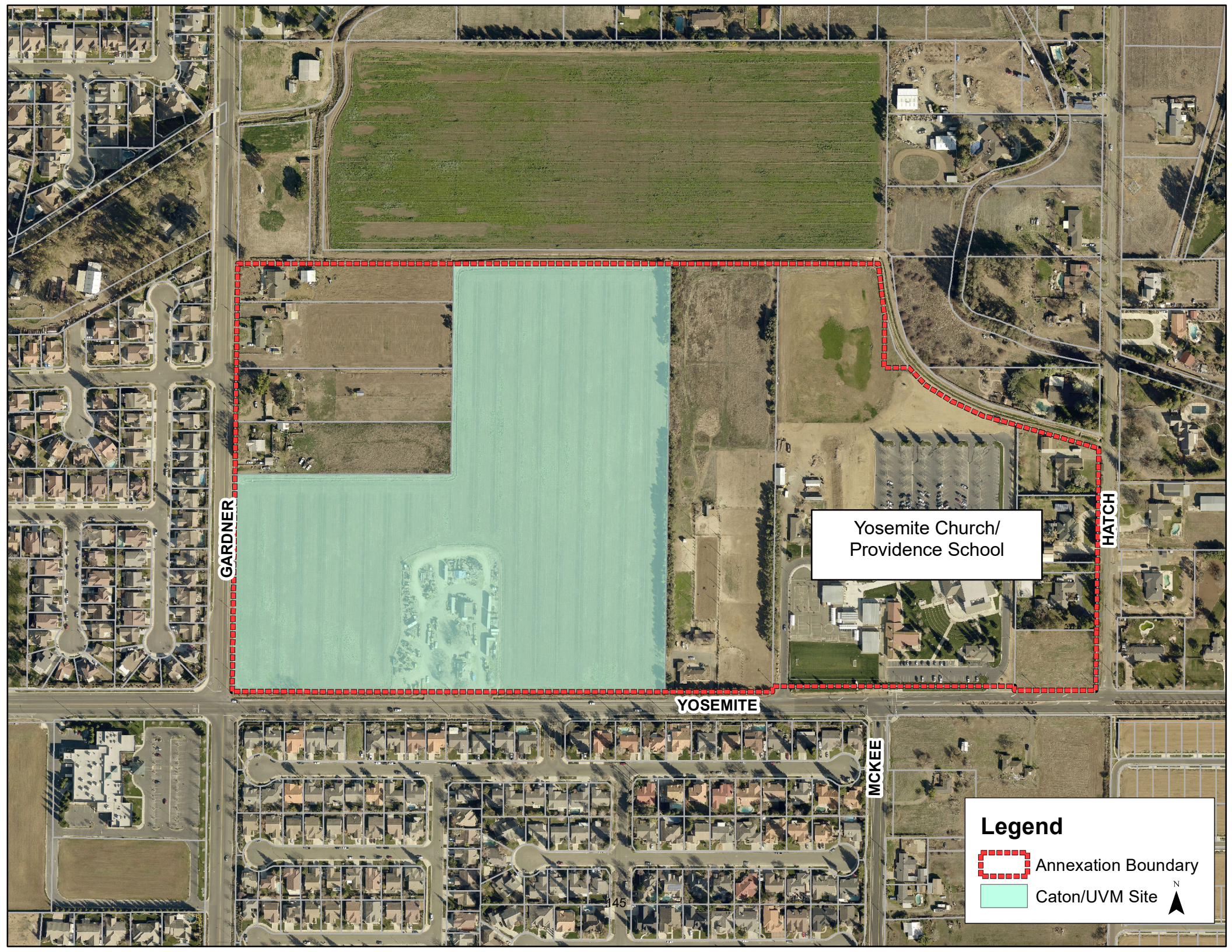
The developer is required to pay the costs associated with the Environmental Review. As such, the Deposit and Reimbursement Agreement entered into by University Village Merced, LLC, needs to be amended to reflect the additional costs in order for the City to be reimbursed. The First Amendment to the Deposit and Reimbursement Agreement with University Village Merced, LLC, agreeing to pay the addition \$7,044 is provided at Attachment 3.

IMPACT ON CITY RESOURCES

The cost of the Environmental Impact Report will be completely reimbursed to the City by the developers. Actions to appropriate the revenue to the corresponding Accounts in the Development Services Department budget are included in the recommendation.

ATTACHMENTS

1. Location Map
2. First Amendment to Professional Services Agreement with Dudek
3. First Amendment to the Deposit and Reimbursement Agreement with University Village, Merced, LLC



GARDNER



YOSEMITE

Yosemite Church/
Providence School

HATCH

MCKEE

Legend

-  Annexation Boundary
-  Caton/UVM Site



FIRST AMENDMENT TO AGREEMENT FOR PROFESSIONAL SERVICES

THIS FIRST AMENDMENT TO AGREEMENT is made and entered into this ____ day of _____, 2019 , by and between the City of Merced, a California Charter Municipal Corporation (“City”), and Dudek, a California corporation, whose address of record is 605 Third Street, Encinitas, California 92024, (“Consultant”).

WHEREAS, City is undertaking a project to evaluate the environmental impacts of a proposed commercial and residential project of approximately 70 acres on the northeast corner of Yosemite Avenue and Parsons Avenue/Gardner Road (the “Project”); and

WHEREAS, City and Consultant have previously entered into an Agreement for Professional Services (“Agreement”) dated November 7, 2016; and,

WHEREAS, City and Consultant desire to amend said Agreement to provide for additional services in connection with said project.

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants hereinafter recited, agree as follows:

1. Section 22, “ADDITIONAL WORK,” is hereby added to the Agreement to read as follows:

“SECTION 22. ADDITIONAL WORK. Consultant shall perform the additional work outlined in the ‘Revised Scope of Work’ dated September 3, 2019, attached hereto as Exhibit “1”.

2. Section 23, “ADDITIONAL COMPENSATION,” is hereby added to the Agreement to read as follows:

“SECTION 23. ADDITIONAL COMPENSATION. City shall pay to Consultant the not to exceed additional sum of Seven Thousand Forty-Four Dollars (\$7,044.00) for the additional services described in Exhibit “1.”

3. Except as herein amended, the Agreement dated November 7, 2016, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have caused this First Amendment to Agreement to be executed on the date first above written.

CITY OF MERCED
A California Charter Municipal
Corporation

BY: _____
City Manager

ATTEST:
STEVE CARRIGAN, CITY CLERK

BY: _____
Assistant/Deputy City Clerk

APPROVED AS TO FORM:

BY: Shirley A. Duke 9-16-19
City Attorney Date

ACCOUNT DATA:

BY: _____
Verified by Finance Officer

CONSULTANT
DUDEK,
A California Corporation

BY: Christine Moore
~~Frank Dudek~~ Christine Moore
~~President~~ CPD

Taxpayer I.D. No. 95-3873865

ADDRESS: 605 Third Street
Encinitas, CA 92024

TELEPHONE: 916-438-5314

FAX: 916-443-5113

E-MAIL: ckronenberg@dudek.com

September 3, 2019

Julie Nelson
City of Merced
678 West 18th Street
Merced, California 95340

Subject: Revised Scope of Work to prepare the University Village Merced Student Housing Project and Annexation EIR for the City of Merced, California

Dear Julie:

As requested, we have revised our scope of work for the University Village Merced Student Housing Project and Annexation Project EIR (proposed project) to address changes to the project. It is our understanding the applicant has submitted revised plans and is requesting work on the EIR resume. The project would still annex approximately 70 acres from Merced County into the City. This includes the approximately 30-acre site on the northeast corner of E. Yosemite Avenue and N. Gardner Avenue, and an additional 40 acres located to the west and east. The proposed project has been modified to increase the number of units from 330 to 540-student housing units on the 30-acre parcel that includes 20 residential buildings (a decrease in two residential buildings from the original project), along with a clubhouse, outdoor recreational space, and a community bus stop. Consistent with the original project, a retail village located around a central community square and a 1.1-acre detention basin is still proposed. The status of the residential Extended Stay units and market-rate apartments is not known. No new development is proposed on the remaining 40 acres, consistent with the previous project description.

The scope of work included in our contract with the City dated November 7, 2016, is unchanged with the exception of the following tasks that have been updated/revised to address changes to the project or changes to CEQA that have occurred since 2016/2017. Only those tasks that were either previously completed or require updating based on the change to the project are included in this scope of work. Table 1 summarizes the cost estimate to complete these tasks and includes factoring in a reallocation of the contingency budget into the labor tasks.

Task 2: Prepare NOP and Attend Scoping Meeting

Because the project includes over 500 units, the lead agency (City of Merced) is required to hold a scoping meeting (CEQA Guidelines § 15082[c] and 15206). Based on this, it is recommended a revised NOP be prepared and circulated for agency and public review and comment on the scope of the EIR. We assume only one round of internal review would be required before finalizing the document. We assume city staff would oversee noticing and distribution of the NOP (Dudek will deliver the NOP to the State Clearinghouse). It is assumed City staff will arrange the meeting space, coordinate public noticing. The same as the prior scoping meeting, this meeting will be structured in an "Open House" format and would be held in a large room at City Hall. Dudek's project manager will attend this meeting and will prepare a sign-in sheet and mailer for submitting written comments. Dudek will work with City staff to coordinate and run the scoping meeting.

Cost Estimate.....\$3,505

Task 3: Initial Study

In December 2018, the State adopted revisions to Appendix G of the CEQA Guidelines (Environmental Checklist or Initial Study). The IS prepared previously needs to be updated to reflect the changes to Appendix G and to reflect the revised project. Dudek will prepare an Administrative Draft Initial Study for internal review. Dudek will respond to one set of consolidated City comments and provide the final Initial Study for inclusion as an appendix to the Draft EIR.

Cost Estimate.....\$4,420

Task 4: Draft EIR

Dudek's Project Manager will re-initiate work on the EIR and re-engage staff. The first task requires reviewing the prior technical studies prepared for the project. Dudek completed a Biological Resource Assessment of the project site in December 2016 and a Cultural Resources Letter report in February 2017. To ensure both reports reflect current existing conditions and regulatory requirements the following updates are required.

- Because the Biological Resource Assessment is 3 years old Dudek's biologist will conduct a new literature search of the regulatory databases and review aerial imagery of the project site to document existing conditions. No site visit or fieldwork will be undertaken. The Biological Resource Assessment will be updated based on the new literature search and review of aerial imagery.
- Dudek's cultural resources staff will review the Cultural Resources Letter report to ensure it still accurately reflects the local, state and federal regulatory requirements. A new records search will not be conducted for the project. It is recommended the City re-initiate tribal consultation pursuant to SB 18 and AB 52 processes.
- Dudek has received a drainage report and flood study prepared by the applicant in April 2018 that will be peer reviewed by Dudek to ensure it provides the evidence necessary to complete the hydrology and storm drain analysis. It is our understanding the City will provide updated information on sewer conveyance capacity for use in the EIR.

Administrative Draft EIR: The Project Description will be updated to describe the new project and any new information. A draft of the project description will be provided to City staff for review prior to commencing work on the technical sections to ensure the project description accurately represents the project. This scope of work assumes Dudek will provide City staff with only one draft version of the project description for review and comment. If additional versions are required, this may necessitate a request for a budget augment.

- Work completed previously on the Administrative Draft EIR will need to be reviewed and updated based on the new project description, including updates to existing graphics previously prepared and updating all the EIR thresholds with the new Appendix G questions. Specifically, the following sections previously drafted require updating: Aesthetics, Agricultural Resources, Biological Resources, Cultural Resources, Land Use, Public Services and Utilities.

- We assume that, as the project now includes 500 or more housing units, a water supply assessment in compliance with SB 610 will be provided by an approved third party for review and incorporation into the Administrative Draft EIR.

Cost Estimate.....\$25,070

Task 6: Project Management

The re-initiation of the project, including a new scoping period, and revision of certain technical work, will require additional management time. The overall length of time to complete the EIR would not change from the original scope of work that calls for a 10 to 12 month process. An updated schedule with specific dates will be provided at project initiation.

Cost Estimate.....\$2,400

Table 1 Estimated Cost

Task	Cost
Task 2 Revise NOP/ Scoping Meeting	\$3,505
Task 3 Revise Initial Study	\$4,420
Task 4 Draft EIR (only includes ADEIR)	\$22,070
Task 4a Update Biological Assessment/Review Cultural Report	\$3,000
Task 6 Project Management	\$2,400
<i>Labor Subtotal</i>	\$35,395
Direct expenses (mileage, hard copies)	\$100
<i>Reallocate Existing Contingency Budget</i>	(\$28,451*)
<i>Remaining Project Total</i>	\$7,044

Note:

* Reallocated \$6,613 in 15% markup in original budget to augment Bio Report (\$2,100) and moved remaining \$4,513 into contingency budget.

We are happy to work with the City and the applicant team to complete preparation of the EIR for this project and look forward to hearing from you should you have any questions about our revised proposal. Please contact me at 916.438.5314 or at ckronenberg@dudek.com at your earliest convenience.

Sincerely,



Christine Kronenberg, AICP
Senior Project Manager

Attachments: Dudek 2019 Billing Rates

FIRST AMENDMENT TO REIMBURSEMENT AGREEMENT

THIS FIRST AMENDMENT TO AGREEMENT is made and entered into this ____ day of _____, 2019 , by and between the City of Merced, a California Charter Municipal Corporation (“City”), and University Village Merced, LLC, a California Limited Liability Company, whose address of record is 774 Mays Blvd, Suite 10-299, Incline Village, NV 89451 (“Developer”).

WHEREAS, Developer desires to develop commercial and residential uses on approximately 70 acres generally located on the northeast corner of Yosemite Avenue and Parsons Avenue/Gardner Road (hereinafter referred to as the “Project”); and

WHEREAS, City and Developer have previously entered into a Reimbursement Agreement (“Agreement”) dated November 7, 2016; and,

WHEREAS, City and Developer desire to amend said Agreement and provide reimbursement for additional services in connection with said Project.

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants hereinafter recited, agree as follows:

1. Section 14, “ADDITIONAL REIMBURSEMENT,” is hereby added to the Agreement to read as follows:

“SECTION 14. ADDITIONAL REIMBURSEMENT.
Developer shall reimburse the City the additional sum of Seven Thousand Forty-Four Dollars (\$7,044.00) for additional services required in connection with the Project as described in the ‘Revised Scope of Work’ dated September 3, 2019, attached hereto as Exhibit “1”.

2. Except as herein amended, the Agreement dated November 7 2016, shall remain in full force and effect.

///

///

IN WITNESS WHEREOF, the parties have caused this First Amendment to Agreement to be executed on the date first above written.

CITY OF MERCED
A California Charter Municipal
Corporation

BY: _____
City Manager

ATTEST:
STEVE CARRIGAN, CITY CLERK

BY: _____
Assistant/Deputy City Clerk

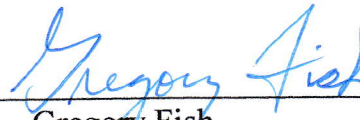
APPROVED AS TO FORM:

BY: Phueha A. Mink 9-16-19
City Attorney Date

ACCOUNT DATA:

BY: _____
Verified by Finance Officer

DEVELOPER
UNIVERSITY VILLAGE MERCED,
LLC, A California Limited Liability
Company

BY: 
Gregory Fish

ITS: Manager

Taxpayer I.D. No. 47-5459164

ADDRESS: 774 Mays Blvd, Suite 10-299
Incline Village, NV 89451

TELEPHONE: 925-324-3500

FAX: 775-831-6555

EMAIL: gdfish@gmail.com

September 3, 2019

Julie Nelson
City of Merced
678 West 18th Street
Merced, California 95340

Subject: Revised Scope of Work to prepare the University Village Merced Student Housing Project and Annexation EIR for the City of Merced, California

Dear Julie:

As requested, we have revised our scope of work for the University Village Merced Student Housing Project and Annexation Project EIR (proposed project) to address changes to the project. It is our understanding the applicant has submitted revised plans and is requesting work on the EIR resume. The project would still annex approximately 70 acres from Merced County into the City. This includes the approximately 30-acre site on the northeast corner of E. Yosemite Avenue and N. Gardner Avenue, and an additional 40 acres located to the west and east. The proposed project has been modified to increase the number of units from 330 to 540-student housing units on the 30-acre parcel that includes 20 residential buildings (a decrease in two residential buildings from the original project), along with a clubhouse, outdoor recreational space, and a community bus stop. Consistent with the original project, a retail village located around a central community square and a 1.1-acre detention basin is still proposed. The status of the residential Extended Stay units and market-rate apartments is not known. No new development is proposed on the remaining 40 acres, consistent with the previous project description.

The scope of work included in our contract with the City dated November 7, 2016, is unchanged with the exception of the following tasks that have been updated/revised to address changes to the project or changes to CEQA that have occurred since 2016/2017. Only those tasks that were either previously completed or require updating based on the change to the project are included in this scope of work. Table 1 summarizes the cost estimate to complete these tasks.

Task 2: Prepare NOP and Attend Scoping Meeting

Because the project includes over 500 units, the lead agency (City of Merced) is required to hold a scoping meeting (CEQA Guidelines § 15082[c] and 15206). Based on this, it is recommended a revised NOP be prepared and circulated for agency and public review and comment on the scope of the EIR. We assume only one round of internal review would be required before finalizing the document. We assume city staff would oversee noticing and distribution of the NOP (Dudek will deliver the NOP to the State Clearinghouse). It is assumed City staff will arrange the meeting space, coordinate public noticing. The same as the prior scoping meeting, this meeting will be structured in an "Open House" format and would be held in a large room at City Hall. Dudek's project manager will attend this meeting and will prepare a sign-in sheet and mailer for submitting written comments. Dudek will work with City staff to coordinate and run the scoping meeting.

Cost Estimate.....\$3,505

Task 3: Initial Study

In December 2018, the State adopted revisions to Appendix G of the CEQA Guidelines (Environmental Checklist or Initial Study). The IS prepared previously needs to be updated to reflect the changes to Appendix G and to reflect the revised project. Dudek will prepare an Administrative Draft Initial Study for internal review. Dudek will respond to one set of consolidated City comments and provide the final Initial Study for inclusion as an appendix to the Draft EIR.

Cost Estimate.....\$4,420

Task 4: Draft EIR

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- Work completed previously on the Administrative Draft EIR will need to be reviewed and updated based on the new project description, including updates to existing graphics previously prepared and updating all the EIR thresholds with the new Appendix G questions. Specifically, the following sections previously drafted require updating: Aesthetics, Agricultural Resources, Biological Resources, Cultural Resources, Land Use, Public Services and Utilities.

- We assume that, as the project now includes 500 or more housing units, a water supply assessment in compliance with SB 610 will be provided by an approved third party for review and incorporation into the Administrative Draft EIR.

Cost Estimate.....\$25,070

Task 6: Project Management

The re-initiation of the project, including a new scoping period, and revision of certain technical work, will require additional management time. The overall length of time to complete the EIR would not change from the original scope of work that calls for a 10 to 12 month process. An updated schedule with specific dates will be provided at project initiation.

Cost Estimate.....\$2,400

Table 1 Estimated Cost

Task	Cost
Task 2 Revise NOP/ Scoping Meeting	\$3,505
Task 3 Revise Initial Study	\$4,420
Task 4 Draft EIR (only includes ADEIR)	\$22,070
Task 4a Update Biological Assessment/Review Cultural Report	\$3,000
Task 6 Project Management	\$2,400
<i>Labor Subtotal</i>	\$35,395
Direct expenses (mileage, hard copies)	\$100
<i>Project Total</i>	\$35,495
Less Contingency	-\$23,938
Less Mark-up Amount Not Used	- \$4,513
Total Additional Cost	\$7,044

We are happy to work with the City and the applicant team to complete preparation of the EIR for this project and look forward to hearing from you should you have any questions about our revised proposal. Please contact me at 916.438.5314 or at ckronenberg@dudek.com at your earliest convenience.

Sincerely,



Christine Kronenberg, AICP
Senior Project Manager

Attachments: Dudek 2019 Billing Rates

ENGINEERING SERVICES

Project Director.....	\$285.00/hr
Principal Engineer III.....	\$265.00/hr
Principal Engineer II.....	\$255.00/hr
Principal Engineer I.....	\$245.00/hr
Program Manager.....	\$225.00/hr
Senior Project Manager.....	\$225.00/hr
Project Manager.....	\$220.00/hr
Senior Engineer III.....	\$215.00/hr
Senior Engineer II.....	\$205.00/hr
Senior Engineer I.....	\$195.00/hr
Project Engineer IV/Technician IV.....	\$185.00/hr
Project Engineer III/Technician III.....	\$175.00/hr
Project Engineer II/Technician II.....	\$160.00/hr
Project Engineer I/Technician I.....	\$145.00/hr
Project Coordinator.....	\$115.00/hr
Engineering Assistant.....	\$110.00/hr

ENVIRONMENTAL SERVICES

Project Director.....	\$245.00/hr
Senior Specialist IV.....	\$230.00/hr
Senior Specialist III.....	\$220.00/hr
Senior Specialist II.....	\$200.00/hr
Senior Specialist I.....	\$190.00/hr
Specialist V.....	\$180.00/hr
Specialist IV.....	\$170.00/hr
Specialist III.....	\$160.00/hr
Specialist II.....	\$145.00/hr
Specialist I.....	\$130.00/hr
Analyst V.....	\$120.00/hr
Analyst IV.....	\$110.00/hr
Analyst III.....	\$100.00/hr
Analyst II.....	\$90.00/hr
Analyst I.....	\$80.00/hr
Technician IV.....	\$90.00/hr
Technician III.....	\$80.00/hr
Technician II.....	\$70.00/hr
Technician I.....	\$60.00/hr
Compliance Monitor.....	\$95.00/hr

DATA MANAGEMENT SERVICES

GIS Programmer I.....	\$185.00/hr
GIS Specialist IV.....	\$160.00/hr
GIS Specialist III.....	\$150.00/hr
GIS Specialist II.....	\$140.00/hr
GIS Specialist I.....	\$130.00/hr
Data Analyst III.....	\$100.00/hr
Data Analyst II.....	\$90.00/hr
Data Analyst I.....	\$80.00/hr
UAS Pilot.....	\$90.00/hr

CONSTRUCTION MANAGEMENT SERVICES

Principal/Manager.....	\$195.00/hr
Senior Construction Manager.....	\$180.00/hr
Senior Project Manager.....	\$165.00/hr
Construction Manager.....	\$155.00/hr
Project Manager.....	\$145.00/hr
Resident Engineer.....	\$145.00/hr
Construction Engineer.....	\$140.00/hr
On-site Owner's Representative.....	\$140.00/hr
Construction Inspector III.....	\$130.00/hr
Construction Inspector II.....	\$120.00/hr
Construction Inspector I.....	\$110.00/hr
Prevailing Wage Inspector.....	\$135.00/hr

HYDROGEOLOGICAL SERVICES

Project Director.....	\$285.00/hr
Principal Hydrogeologist/Engineer II.....	\$260.00/hr
Principal Hydrogeologist/Engineer I.....	\$240.00/hr
Sr. Hydrogeologist IV/Engineer IV.....	\$225.00/hr
Sr. Hydrogeologist III/Engineer III.....	\$210.00/hr
Sr. Hydrogeologist II/Engineer II.....	\$195.00/hr
Sr. Hydrogeologist I/Engineer I.....	\$185.00/hr
Hydrogeologist VI/Engineer VI.....	\$165.00/hr
Hydrogeologist V/Engineer V.....	\$155.00/hr
Hydrogeologist IV/Engineer IV.....	\$145.00/hr
Hydrogeologist III/Engineer III.....	\$135.00/hr
Hydrogeologist II/Engineer II.....	\$125.00/hr
Hydrogeologist I/Engineer I.....	\$115.00/hr
Technician.....	\$100.00/hr

DISTRICT MANAGEMENT & OPERATIONS

District General Manager.....	\$195.00/hr
District Engineer.....	\$185.00/hr
Operations Manager.....	\$160.00/hr
District Secretary/Accountant.....	\$120.00/hr
Collections System Manager.....	\$135.00/hr
Grade V Operator.....	\$125.00/hr
Grade IV Operator.....	\$110.00/hr
Grade III Operator.....	\$100.00/hr
Grade II Operator.....	\$75.00/hr
Grade I Operator.....	\$70.00/hr
Operator in Training.....	\$65.00/hr
Collection Maintenance Worker II.....	\$75.00/hr
Collection Maintenance Worker I.....	\$65.00/hr

OFFICE SERVICES

Technical/Drafting/CADD Services

3D Graphic Artist.....	\$175.00/hr
Senior Designer.....	\$165.00/hr
Designer.....	\$155.00/hr
Assistant Designer.....	\$150.00/hr
CADD Operator III.....	\$145.00/hr
CADD Operator II.....	\$140.00/hr
CADD Operator I.....	\$125.00/hr
CADD Drafter.....	\$115.00/hr
CADD Technician.....	\$110.00/hr

SUPPORT SERVICES

Technical Editor III.....	\$145.00/hr
Technical Editor II.....	\$130.00/hr
Technical Editor I.....	\$115.00/hr
Publications Specialist III.....	\$105.00/hr
Publications Specialist II.....	\$95.00/hr
Publications Specialist I.....	\$85.00/hr
Clerical Administration.....	\$90.00/hr

Forensic Engineering – Court appearances, depositions, and interrogatories as expert witness will be billed at 2.00 times normal rates.

Emergency and Holidays – Minimum charge of two hours will be billed at 1.75 times the normal rate.

Material and Outside Services – Subcontractors, rental of special equipment, special reproductions and blueprinting, outside data processing and computer services, etc., are charged at 1.15 times the direct cost.

Travel Expenses – Mileage at current IRS allowable rates. Per diem where overnight stay is involved is charged at cost

Invoices, Late Charges – All fees will be billed to Client monthly and shall be due and payable upon receipt. Invoices are delinquent if not paid within 30 days from the date of the invoice. Client agrees to pay a monthly late charge equal to 1% per month of the outstanding balance until paid in full.

Annual Increases – Unless identified otherwise, these standard rates will increase 3% annually.



ADMINISTRATIVE REPORT

Agenda Item H.10.

Meeting Date: 11/4/2019

Report Prepared by: Julie Nelson, Associate Planner, Development Services

SUBJECT: Adoption of Resolution Denying the Appeal Filed by Joe Englanoff on Behalf of Merced Holdings, L.P. of the Planning Commission's Decision to Deny Conditional Use Permit #1231 to Allow the Construction of 428 Efficiency Dwelling Units and 18,000 Square Feet of Retail at the Southeast Corner of Yosemite Avenue and McKee Road

REPORT IN BRIEF

Provides Resolution for adoption to deny the appeal filed by Joe Englanoff, on behalf of Merced Holdings, L.P., of the Planning Commission's denial of Conditional Use Permit #1231 per City Council direction on October 7, 2019.

RECOMMENDATION

City Council - Adopt a motion adopting **Resolution 2019-75**, a Resolution of the City Council of the City of Merced, California, denying an appeal by Joe Englanoff on behalf of Merced Holdings, L.P., concerning the action of the Planning Commission resulting in the denial of Conditional Use Permit #1231, and making certain findings in connection therewith.

ALTERNATIVES

1. Approve the resolution; or
2. Refer back to staff for reconsideration of specific items as requested by Council; or,
3. Continue item to a future Council meeting (date and time to be specified in City Council motion).

AUTHORITY

City of Merced Zoning Ordinance Section 20.74 - Appeals addresses the procedure for appealing a decision made by the Planning Commission.

DISCUSSION

Summary

On October 7, 2019, the City Council held a duly noticed public hearing concerning the appeal of Conditional Use Permit #1231 for a mixed-use project including 428 Efficiency Dwelling Units (EDU's) and 18,000 square feet of commercial space at the southeast corner of Yosemite Avenue and McKee Road (Attachments 1 and 2).

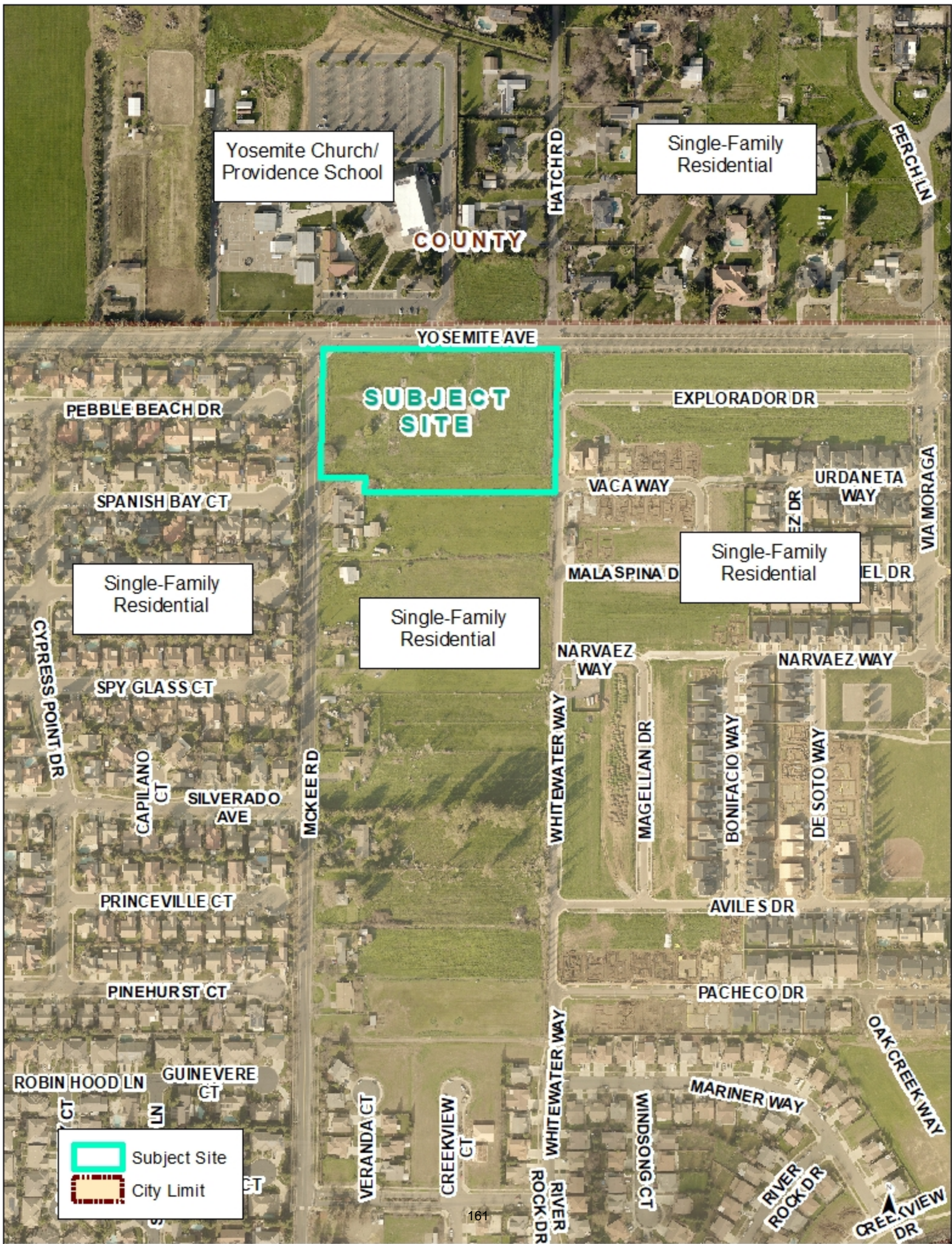
At the public hearing, the City Council heard testimony from Joe Englanoff, applicant for Merced Holdings, L.P., property owner, in support of granting the appeal and approving CUP #1231. Additional testimony was provided from property owners neighboring the site and community

members in opposition to the project.

After the public hearing, the City Council directed staff to prepare Findings to deny the appeal and uphold the Planning Commission decision. The attached Resolution sets forth those Findings based on the discussion and direction by the City Council on October 7, 2019 (refer to Exhibit C of the Draft Resolution at Attachment 3.)

ATTACHMENTS

1. Location Map
2. Site Plan
3. Draft Resolution Denying the Appeal of CUP #1231





RESOLUTION NO. 2019-_____

**A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF MERCED, CALIFORNIA, DENYING AN
APPEAL BY JOE ENGLANOFF ON BEHALF OF
MERCED HOLDINGS, LP, CONCERNING THE
ACTION OF THE PLANNING COMMISSION
RESULTING IN THE DENIAL OF CONDITIONAL
USE PERMIT #1231, AND MAKING CERTAIN
FINDINGS IN CONNECTION THEREWITH**

WHEREAS, the Planning Commission of the City of Merced ("Planning Commission") at its meeting of August 21, 2019 held a public hearing and considered Conditional Use Permit #1231 to allow the construction of 428 Efficiency Dwelling Units and 18,000 square feet of retail on 5.94 acres of land generally located at the southeast corner of Yosemite Avenue and McKee Road, and more particularly described in Exhibit "A" and shown on the map at Exhibit "B" attached hereto; and,

WHEREAS, on August 21, 2019, the Planning Commission, after hearing all evidence and testimony and after exercising its independent judgment, adopted Resolution #4026 denying Conditional Use Permit #1231, subject to the findings attached thereto; and,

WHEREAS, the Appellant (Joe Englanoff on behalf of Merced Holdings, LP) appealed the Planning Commission decision to deny Conditional Use Permit #1231; and,

WHEREAS, the City Council held a de novo review pursuant to a duly noticed public hearing on October 7, 2019, at which time all those interested in the matter were provided the opportunity to speak or to provide written or oral testimony regarding the application and appeal.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MERCED DOES HEREBY RESOLVE, DETERMINE, FIND, AND ORDER AS FOLLOWS:

SECTION 1. CALIFORNIA ENVIRONMENTAL QUALITY ACT. The City Council's adoption of Environmental Review #19-18 (Mitigated Negative

Declaration), pursuant to the provisions of the California Environmental Quality Act remains in effect and is unaltered.

SECTION 2. CONSIDERATION. The City Council has considered all of the evidence submitted into the administrative record including, but not limited to:

- A. A location map of the proposed premises at the southeast corner of Yosemite Avenue and McKee Road
- B. An aerial map of the proposed premises
- C. A proposed site plan and floor plans
- D. Proposed elevations
- E. Planning Commission Resolution #4026, denying Conditional Use Permit #1231
- F. Joe Englanoff's, on behalf of Merced Holdings, LP, Appeal of City of Merced Planning Commission Resolution #4026 denying Conditional Use Permit #1231
- G. Environmental Review #19-18 (Mitigated Negative Declaration)
- H. Administrative Report #19-541 for October 7, 2019 City Council meeting, and attachments thereto
- I. Staff presentation

SECTION 3. FINDINGS. In view of all of the record evidence including, but not limited to, the administrative reports and attachments thereto, presentations, comments, written and oral testimony, the actions and decision of the Planning Commission and other information and evidence presented during the Public Hearing, the City Council, having conducted a de novo review, exercising its independent judgment and making its own decision finds, in its discretion, that the proposed project does not meet all applicable provisions of the Merced Municipal Code.

SECTION 4. DETERMINATION. The City Council determines that the evidence in the record constitutes substantial evidence to support the actions taken

and the findings made in this Resolution. The City Council further determines that the facts stated in this Resolution are supported by substantial evidence in the record including, but not limited to, the administrative reports and attachments thereto, presentations, comments, written and oral testimony, the actions and decision of the Planning Commission and other information and evidence presented during the Public Hearing. There is no substantial evidence, nor other facts that detract from the findings made in this Resolution and the City Council expressly declares that it considered all evidence presented and reached these findings after due consideration of all evidence presented to it.

SECTION 5. CONDITIONAL USE PERMIT. The City Council hereby denies Conditional Use Permit #1231 based upon the findings set forth above and Exhibit "C".

SECTION 6. JUDICIAL REVIEW. The time in which to seek judicial review of this decision shall be governed by Code of Civil Procedure Section 1094.6. The City Clerk shall certify to the adoption of this Resolution, transmit copies of the same to the applicant, appellant and their respective counsel, if any, together with a proof of mailing in the form required by law and shall enter a certified copy of this Resolution in the book of resolutions of the City.

PASSED AND ADOPTED by the City Council of the City of Merced at a regular meeting held on the ____ day of _____ 2019, by the following vote:

AYES: Council Members:

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

APPROVED:

Mayor

ATTEST:
STEVE CARRIGAN, CITY CLERK

BY: _____
Assistant/Deputy City Clerk

(SEAL)

APPROVED AS TO FORM:

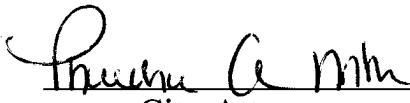
 _____
City Attorney Date 11-24-13

EXHIBIT A
LEGAL DESCRIPTION

“Adjusted Parcel 1” as shown on Certificate of Compliance #2018-23 for Boundary Adjustment #18-06, recorded as Document Number 2019-009885 in Merced County Records; also known as Assessor’s Parcel Number (APN): 008-310-053; and Parcel 1 as shown on that certain map entitled “Parcel Map for Nuketa L. Pretzer-Jensen,” recorded in Book 58, Page 44 of Merced County Records; also known as Assessor’s Parcel Number (APN): 008-310-038.

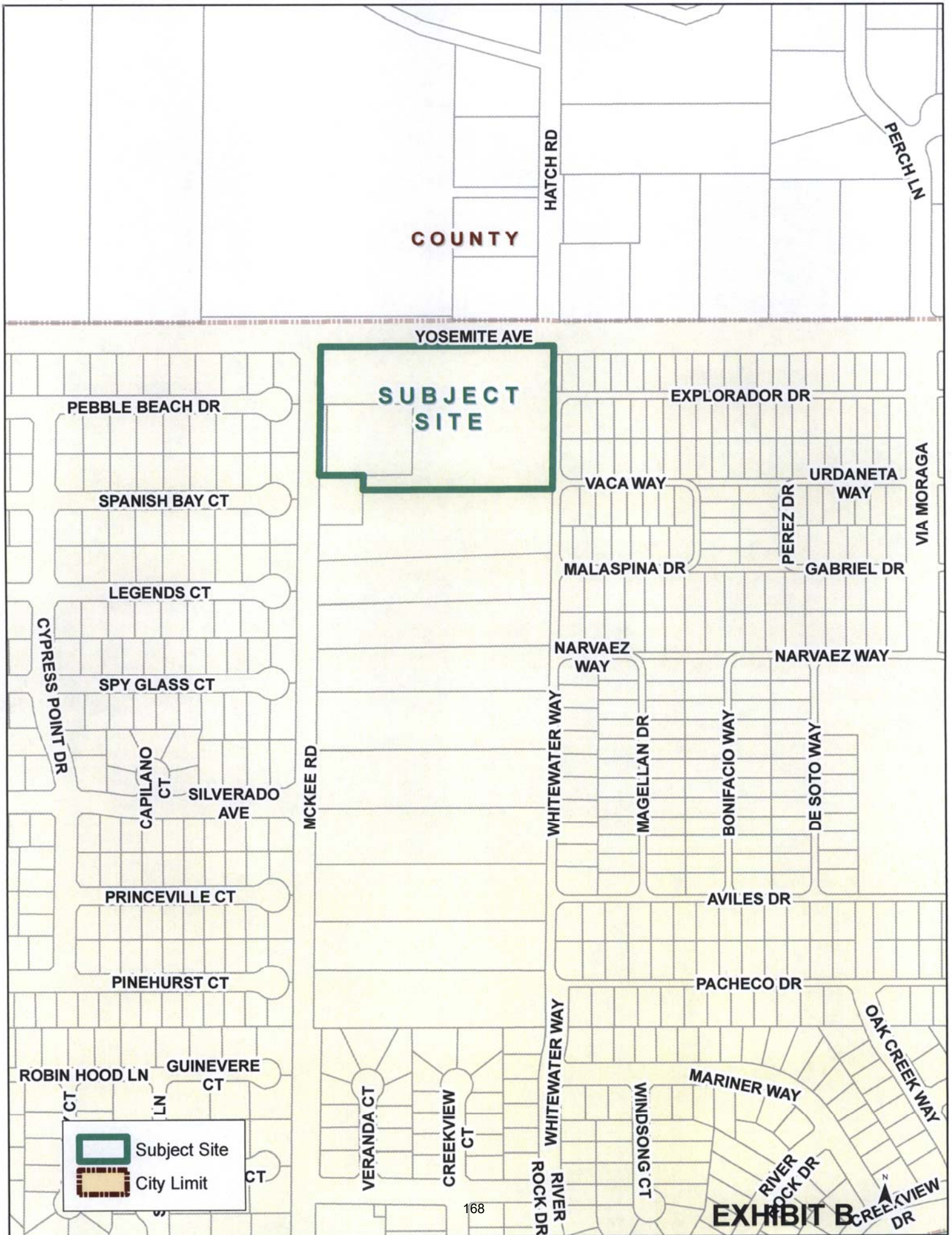


EXHIBIT “C”
CITY COUNCIL
FINDINGS FOR DENIAL OF
CONDITIONAL USE PERMIT #1231

The City Council reviewed Conditional Use Permit #1231 against the required Findings of Approval set forth in Merced Municipal Code 20.68.020 (E) “Findings for Approval for a Conditional Use and Minor Use Permits” which indicates that “the review authority may approve a conditional use permit or minor use permit application only if all of the following findings can be made.” The City Council is not able to make one or more of the following findings for the reasons indicated after each Finding below:

- 1) *The proposed use is consistent with the purpose and standards of the zoning district, the general plan, and any adopted area or neighborhood plan, specific plan, or community plan.*

The proposed use is not consistent with the purpose and standards of the Neighborhood Commercial (C-N) zoning district and the *Merced Vision 2030 General Plan* Land Use Designation of Neighborhood Commercial (CN) for the following reasons. (There is no adopted area or neighborhood plan, specific plan, or community plan for the subject site.)

The people/acre density, traffic, and parking are not consistent with the City’s General Plan and Zoning Codes. The density for the proposed project using the conventional method of units per acre is 72 units per acre (428 units/5.94 acres). The highest density per acre allowed in the General Plan is 36 units per acre. Therefore, this project’s density of 72 units per acre exceeds the density allowed by the General Plan.

Insufficient parking (412 spaces) is provided for the project. The City’s Zoning Code requires a total of 711 spaces for both the residential and commercial uses. The applicants are asking for almost a 42 percent reduction in parking. The proposed plan does not provide sufficient parking for the mixture of uses on the site, especially in regards to the proposed commercial uses onsite which will serve more than just the onsite tenants and, therefore, is not consistent with the City’s Zoning Code.

- 2) *The location, size, design, and operating characteristics of the proposed use will be compatible with existing and future land uses in the vicinity of the subject property.*

The proposed use will not be compatible with existing or future land uses in the vicinity of the subject property. The number of units (428) and scale of the proposed project is out of proportion for the size of the parcel (5.94 acres) and would result in 72 people per acre in an area that is mostly zoned for single-family homes on small lots and rural residential homes on large lots.

- 3) *The proposed use will not be detrimental to the public health, safety, and welfare of the City.*

The proposed use will not be detrimental to the public health, safety, and welfare of the City.

- 4) *The proposed use is properly located within the City and adequately served by existing or planned services and infrastructure.*

The proposed use is not adequately served by existing or planned services and infrastructure for the following reasons. The applicants are proposing to provide incentives and infrastructure to support alternative modes of transportation, which could result in some reductions in vehicular traffic, but there are no guarantees that residents would take advantage of these. Traffic in the vicinity of the project is already problematic with high traffic volumes, constrained rights-of-way that make turning movements difficult, and congestion at various times of the day.

The sewer line in Yosemite Avenue is constricted and would require an alternative means of discharging wastewater from the site during peak flow times through the use of an on-site wastewater storage system, which could cause impacts on the existing wastewater infrastructure in the area. The City has never approved such a system before and therefore, has no experience with long-term maintenance and upkeep of such a facility.



CITY OF MERCED

Merced Civic Center
678 W. 18th Street
Merced, CA 95340

ADMINISTRATIVE REPORT

Agenda Item H.11.

Meeting Date: 11/4/2019

Report Prepared by: Phaedra A. Norton, City Attorney

SUBJECT: Approval of a First Amendment to an Agreement for Legal Services with Lozano Smith, LLP, in an Amount not to Exceed \$90,000

REPORT IN BRIEF

Considers approving a first amendment to an agreement for legal services with Lozano Smith, LLP, in an amount not to exceed \$90,000.

RECOMMENDATION

City Council - Adopt a motion:

- A. Approving a First Amendment to an agreement for legal services with Lozano Smith, LLP in an amount not to exceed \$90,000; and,
- B. Approving a supplemental appropriation from the unreserved, unencumbered General Fund balance in the amount of \$30,000; and,
- C. Authorizing the Finance Officer to make the necessary budget adjustment and City Manager or the Assistant Manager to execute the necessary documents.

ALTERNATIVES

- 1. Approve, as recommended by staff; or,
- 2. Approve, subject to conditions other than as recommended by staff; or,
- 3. Deny; or,
- 4. Continue to a future meeting.

AUTHORITY

Charter of the City of Merced, Section 200.

CITY COUNCIL PRIORITIES

N/A.

DISCUSSION

In December 2018, the City entered into an Agreement for Legal Services with the Law Firm of Lozano Smith, LLP for specialized work on personnel related matters pursuant to the City Manager's contract authority. Additional funding in the amount of \$60,000 is necessary for additional legal work

on personnel related matters. This amendment will increase the not-to-exceed contracted amount from \$30,000 to \$90,000.

IMPACT ON CITY RESOURCES

A supplemental appropriation from the unreserved, unencumbered General Fund balance for \$30,000 is required. The other \$30,000 is available within City Attorney's current operating budget.

ATTACHMENTS

1. Agreement for Legal Services - original
2. First Amendment



Lozano Smith

ATTORNEYS AT LAW

AGREEMENT FOR LEGAL SERVICES

THIS AGREEMENT is effective 12/20/2018, between the CITY OF MERCED ("Client") and the law firm of LOZANO SMITH, LLP ("Attorney") (each a "Party" and collectively the "Parties"). Attorney shall provide legal services as requested by Client on the following terms and conditions:

1. **ENGAGEMENT.** Client hires Attorney on an as-requested basis as its legal counsel with respect to matters the Client refers to Attorney. When Client refers a matter to Attorney, Attorney shall confirm availability and ability to perform legal services regarding the matter. After Attorney has completed services for the specific matter referred by Client, then no continuing attorney-client relationship exists until Client requests further services and Attorney accepts a new engagement. If Attorney undertakes to provide legal services to represent Client in such matters, Attorney shall keep Client informed of significant developments and respond to Client's inquiries regarding those matters. Client understands that Attorney cannot guarantee any particular results, including the costs and expenses of representation. Client agrees to be forthcoming with Attorney, to cooperate with Attorney in protecting Client's interests, to keep Attorney fully informed of developments material to Attorney's representation of client, and to abide by this Agreement. Client is hereby advised of the right to seek independent legal advice regarding this Agreement.
2. **RATES TO BE CHARGED.** Client agrees to pay Attorney for services rendered based on the attached rate schedule. Agreements for legal fees on other-than-an-hourly basis may be made by mutual agreement for special projects (including as set forth in future addenda to this Agreement). Fees related to legal services under this Agreement will not exceed \$30,000 without express permission from Client.
3. **REIMBURSEMENT.** Client agrees to reimburse Attorney for actual and necessary expenses and costs incurred in the course of providing legal services to Client, including but not limited to expert, consultant, mediation and arbitration fees. Attorney shall not be required to advance costs on behalf of Client over the amount of \$1,000 unless otherwise agreed to in writing by Attorney. Typical expenses advanced for Client, without prior authorization, include messenger fees, witness fees, expedited delivery charges, travel expenses, court reporter fees and transcript fees. Client authorizes Attorney to retain experts or consultants to perform services for Client in relation to litigation or Specialized Services.
4. **MONTHLY INVOICES.** Attorney shall send Client a statement for fees and costs incurred every calendar month (the "Statement"). Statements shall set forth the amount, rate and description of services provided. Client shall pay Attorney's Statements within thirty (30) calendar days after receipt. An interest charge of one percent (1%) per month shall be assessed on balances that are more than thirty (30) calendar days past due, not to exceed 10% per annum.

5. **COMMUNICATIONS BETWEEN ATTORNEY AND CLIENT.** The Parties recognize that all legal advice provided by Attorney is protected by the Attorney-Client and Work Product Privileges. In addition to regular telephone, mail and other common business communication methods, Client hereby authorizes Attorney to use facsimile transmissions, cellular telephone calls and text, unencrypted email, and other electronic transmissions in communicating with Client. Unless otherwise instructed by Client, any such communications may include confidential information.

6. **POTENTIAL AND ACTUAL CONFLICTS OF INTEREST.** If Attorney becomes aware of any potential or actual conflict of interest between Client and one or more other clients represented by Attorney, Attorney will comply with applicable laws and rules of professional conduct.

7. **INDEPENDENT CONTRACTOR.** Attorney is an independent contractor and not an employee of Client.

8. **TERMINATION.**

a. Termination by Client. Client may discharge Attorney at any time, with or without cause, by written notice to Attorney.

b. Termination by Mutual Consent or by Attorney. Attorney may terminate its services at any time with Client's consent or for good cause. Good cause exists if (a) Client fails to pay Attorney's Statement within sixty (60) calendar days of its date, (b) Client fails to comply with other terms of this Agreement, including Client's duty to cooperate with Attorney in protecting Client's interests, (c) Client has failed to disclose material facts to Attorney or (d) any other circumstance exists that requires termination of this engagement under the ethical rules applicable to Attorney. Additionally, to the extent allowed by law, Attorney may decline to provide services on new matters or may terminate the Agreement without cause upon written notice to Client if Attorney is not then providing any legal services to Client. Even if this Agreement is not terminated, under paragraph 1 an attorney-client relationship exists only when Attorney is providing legal services to Client.

c. Following Termination. Upon termination by either Party: (i) Client shall promptly pay all unpaid fees and costs for services provided or costs incurred pursuant to this Agreement up to the date of termination; (ii) unless otherwise required by law or agreed to by the Parties, Attorney will provide no legal services following notice of termination; (iii) Client will cooperate with Attorney in facilitating the orderly transfer of any outstanding matters to new counsel, including promptly signing a substitution of counsel form at Attorney's request; and (iv) Client shall, upon request, be provided the Client's file maintained for the Client by Attorney and shall sign acknowledgment of receipt upon delivery of that file. For all Statements received by Client from Attorney prior to the date of termination, Client's failure to notify Attorney in writing of any disagreement with either the services performed or the charges for those services as shown in the Statement within thirty (30) calendar days of the date of termination shall be

deemed Client's acceptance of and agreement with the Statement. For any billing appearing for the first time on a Statement received by Client from Attorney after the date of termination, failure to notify Attorney in writing of any disagreement with either the services performed or the charges for those services within thirty (30) calendar days from receipt of the Statement shall be deemed to signify Client's acceptance of and agreement with the Statement.

9. **MAINTENANCE OF INSURANCE.** Attorney agrees that, during the term of this Agreement, Attorney shall maintain liability and errors and omissions insurance.

10. **CONSULTANT SERVICES.** Attorney works with professional consultants that provide services, including but not limited to investigations, public relations, educational consulting, leadership mentoring and development, financial, budgeting, management auditing, board/superintendent relations, administrator evaluation and best practices, and intergovernmental relations. Attorney does not share its legal fees with such consultants. Attorney may offer these services to Client upon request.

11. **DISPUTE RESOLUTION.**

a. Mediation. Except as otherwise set forth in this section, Client and Attorney agree to make a good faith effort to settle any dispute or claim that arises under this Agreement through discussions and negotiations and in compliance with applicable law. In the event of a claim or dispute, either Party may request, in writing to the other Party, to refer the dispute to mediation. This request shall be made within thirty (30) calendar days of the action giving rise to the dispute. Upon receipt of a request for mediation, both Parties shall make a good faith effort to select a mediator and complete the mediation process within sixty (60) calendar days. The mediator's fee shall be shared equally between Client and Attorney. Each Party shall bear its own attorney fees and costs. Whenever possible, any mediator selected shall have expertise in the area of the dispute and any selected mediator must be knowledgeable regarding the mediation process. No person shall serve as mediator in any dispute in which that person has any financial or personal interest in the outcome of the mediation. The mediator's recommendation for settlement, if any, is non-binding on the Parties. Mediation pursuant to this provision shall be private and confidential. Only the Parties and their representatives may attend any mediation session. Other persons may attend only with the written permission of both Parties. All persons who attend any mediation session shall be bound by the confidentiality requirements of California Evidence Code section 1115, et seq., and shall sign an agreement to that effect. Completion of mediation shall be a condition precedent to arbitration, unless the other Party refuses to cooperate in the setting of mediation.

b. Dispute Regarding Fees. Any dispute as to attorney fees and/or costs charged under this Agreement shall to the extent required by law be resolved under the California Mandatory Fee Arbitration Act (Bus. & Prof. Code §§ 6200, et seq.).

- c. Binding Arbitration. Except as otherwise set forth in section (b) above, Client and Attorney agree to submit all disputes to final and binding arbitration, either following mediation which fails to resolve all disputes or in lieu of mediation as may be agreed by the Parties in writing. Either Party may make a written request to the other for arbitration. If made in lieu of mediation, the request must be made within sixty (60) calendar days of the action giving rise to the dispute. If the request for arbitration is made following an unsuccessful attempt to mediate the Parties' disputes, the request must be made within ten (10) calendar days of termination of the mediation. The Parties shall make a good faith attempt to select an arbitrator and complete the arbitration within ninety (90) calendar days. If there is no agreement on an arbitrator, the Parties shall use the Judicial Arbitration and Mediation Service (JAMS). The arbitrator's qualifications must meet the criteria set forth above for a mediator, except, in addition, the arbitrator shall be an attorney unless otherwise agreed by the Parties. The arbitrator's fee shall be shared equally by both Parties. Each Party shall bear its own attorney fees and other costs. The arbitrator shall render a written decision and provide it to both Parties. The arbitrator may award any remedy or relief otherwise available in court and the decision shall set forth the reasons for the award. The arbitrator shall not have any authority to amend or modify this agreement. Any arbitration conducted pursuant to this paragraph shall be governed by California Code of Civil Procedure sections 1281, et seq. By signing this Agreement, Client acknowledges that this agreement to arbitrate results in a waiver of Client's right to a court or jury trial for any fee dispute or malpractice claim. This also means that Client is giving up Client's right to discovery and appeal. If Client later refuses to submit to arbitration after agreeing to do so, Client maybe ordered to arbitrate pursuant to the provisions of California law. Client acknowledges that before signing this Agreement and agreeing to binding arbitration, Client is entitled, and has been given a reasonable opportunity, to seek the advice of independent counsel.
- d. Effect of Termination. The terms of this section shall survive the termination of the Agreement.

12. **ENTIRE AGREEMENT.** This Agreement with its exhibit supersedes any and all other prior or contemporaneous oral or written agreements between the Parties. Each Party acknowledges that no representations, inducements, promises or agreements have been made by any person which are not incorporated herein, and that any other agreements shall be void. Furthermore, any modification of this Agreement shall only be effective if in writing signed by all Parties hereto.

13. **SEVERABILITY.** Should any provision of this Agreement be held by a court of competent jurisdiction to be invalid, void or unenforceable, but the remainder of the Agreement can be enforced without failure of material consideration to any Party, then this Agreement shall not be affected and it shall remain in full force and effect, unless amended or modified by mutual consent of the Parties; provided, however, that if the invalidity or unenforceability of any provision of this Agreement results in a material failure of consideration, then, to the extent allowed by law, the Party adversely affected thereby shall have the right in its sole discretion to terminate this Agreement upon providing written notice of such termination to the other Party.

14. NON-WAIVER. None of the provisions of this Agreement shall be considered waived by either Party unless such waiver is specified in writing.

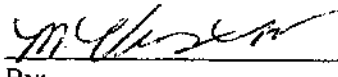
15. NO THIRD PARTY RIGHTS. This Agreement shall not create any rights in, or inure to the benefit of, any third party.

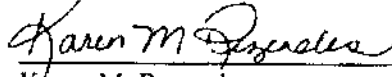
16. ASSIGNMENT. The terms of this Agreement may not be assigned to any third party. Neither Party may assign any right of recovery under or related to the Agreement to any third party.

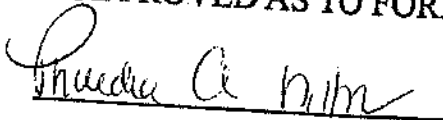
SO AGREED:

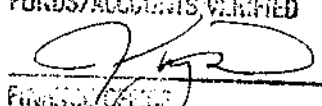
CITY OF MERCED

LOZANO SMITH, LLP

 12/20/18
By: _____ Date
Its: _____

 12/18/2018
Karen M. Rezendes Date
Managing Partner

APPROVED AS TO FORM:


300823 PO# 133249
FUNDS/ACCOUNTS VERIFIED
 1/23/19
FUNDING OFFICE DATE V-18152
Funds available, ms 1/23/19
072-0402-512-17-00 FL 1/23/19
\$ 30,000.00



PROFESSIONAL RATE SCHEDULE
FOR CITY OF MERCED

1. HOURLY PROFESSIONAL RATES

Client agrees to pay Attorney by the following standard hourly rate:

All Attorneys	\$ 250 per hour
Paralegal / Law Clerk	\$ 150 per hour

2. BILLING PRACTICE

Lozano Smith will provide a monthly, itemized Statement for services rendered. Time billed is broken into 1/10 (.10) hour increments, allowing for maximum efficiency in the use of attorney time. Invoices will clearly indicate the department or individuals for whom services were rendered.

Written responses to audit letter inquiries will be charged to Client on an hourly basis, with the minimum charge for such responses equaling .5 hours. Travel time shall be prorated if the assigned attorney travels for two or more clients on the same trip.

3. COSTS AND EXPENSES

In-office copying/electronic communication printing	\$ 0.25 per page
Facsimile	\$ 0.25 per page
Postage	Actual Usage
Mileage	IRS Standard Rate

Other costs, such as messenger, meals, and lodging shall be charged on an actual and necessary basis.

**FIRST AMENDMENT TO AGREEMENT
FOR LEGAL SERVICES**

THIS FIRST AMENDMENT TO AGREEMENT is made and entered into this ____ day of _____, 2019, by and between the City of Merced, a California Charter Municipal Corporation ("City"), and Lozano Smith, LLP, ("Firm") whose address of record is 7404 North Spalding Avenue, Fresno, CA, 93720-3370.

WHEREAS, Firm and the City previously entered into an Agreement for Legal Services ("Agreement") dated December 20, 2018; and,

WHEREAS, the parties desire to amend the contract by increasing the not-to-exceed contracted amount from \$30,000 to \$90,000.

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants hereinafter recited, agree as follows:

1. The Agreement dated December 20, 2018, between the City and Firm shall be amended by increasing the not-to-exceed contracted amount from \$30,000 to \$90,000.
2. Except as herein amended, the Agreement dated December 20, 2018, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have caused this First Amendment to Agreement for Legal Services to be executed on the date first above written.

CITY OF MERCED
A California Charter Municipal
Corporation

BY: _____
City Manager

ATTEST:
STEVE CARRIGAN, CITY CLERK

BY: _____
Assistant/Deputy City Clerk

APPROVED AS TO FORM:

BY: Pruecia A. Nink 10-17-19
City Attorney Date

ACCOUNT DATA:

BY: _____
Verified by Finance Officer

LOZANO SMITH, LLP

BY: _____

Printed Name: _____

Taxpayer I.D. No. 80-0874383

ADDRESS: 7404 North Spalding Ave
Fresno, CA 93720-3370

TELEPHONE: (559) 431-5600

ATTEST:
STEVE CARRIGAN, CITY CLERK

BY: _____
Assistant/Deputy City Clerk

APPROVED AS TO FORM:

BY: _____
City Attorney Date

ACCOUNT DATA:

BY: _____
Verified by Finance Officer

LOZANO SMITH, LLP

BY: Andy Garcia

Printed Name: Andy Garcia, Executive Director

Taxpayer I.D. No. 80-0874383

ADDRESS: 7404 North Spalding Ave
Fresno, CA 93720-3370

TELEPHONE: (559) 431-5600



ADMINISTRATIVE REPORT

Agenda Item H.12.

Meeting Date: 11/4/2019

Report Prepared by: Marti Garcia, Paralegal Office Administrator, City Attorney's Department

SUBJECT: Approval of Professional Legal Services Agreement with Goldman, Magdalin & Krikes and Yrulegui & Roberts for Workers' Compensation Litigation Matters in an Amount not to Exceed the Approved Budget Allocation

REPORT IN BRIEF

Considers approval of Professional Legal Services Agreements with 1) Goldman, Magdalin & Krikes and 2) Yrulegui & Roberts for workers' compensation litigation matters.

RECOMMENDATION

City Council - Adopt a motion:

- A. Approving the Professional Legal Services Agreement with Goldman, Magdalin & Krikes; and,
- B. Approving the Professional Legal Services Agreement with Yrulegui & Roberts; and,
- C. Authorizing the Finance Officer to make the necessary budget adjustments; and,
- D. Authorizing the City Manager or the Assistant City Manager to execute the Professional Legal Services Agreements with 1) Goldman, Magdalin & Krikes and 2) Yrulegui & Roberts.

ALTERNATIVES

- 1. Approve, as recommended by staff; or
- 2. Approve, subject to modification as conditioned by the City Council; or,
- 3. Refer to staff for reconsideration of specific terms (specific terms to be addressed in the motion); or,
- 4. Deny.

AUTHORITY

Charter of the City of Merced, Section 200.

CITY COUNCIL PRIORITIES

N/A.

DISCUSSION

The Office of the City Attorney is responsible for representing the City of Merced in all legal actions

involving the City unless the City Council determines to hire special counsel for specific legal services. From time to time, there are matters for which the City requires legal representation utilizing the special skills and abilities of counsel specifically experienced in such areas.

The City has utilized the services of special legal counsel in the area of workers' compensation defense matters since 2003. The City is currently contracted with two law firms, which combined have represented the City in over 79 litigated workers' compensation claims. The City Attorney's Office has provided oversight of the legal services provided by these law firms by monitoring the quality of the legal representation provided and the cost therefore. Utilizing outside legal counsel specializing in the area of workers' compensation defense is both cost effective and allows for greater efficiency in handling the nuances of the workers' compensation system.

The City Attorney's Office issued Requests for Proposals to the firms currently representing the City, as well as seven other law firms with offices from Sacramento to Bakersfield.

City staff interviewed four firms. Based on the overall thoroughness of their proposal, familiarity and experience with relevant state law and other rules that specifically apply to public safety employees, including police and fire personnel, and the amount, rate, and method of compensation proposed, staff is recommending the firm of Goldman, Magdalin & Krikes, LLP. The Goldman firm is currently under contract with the City and has been handling a caseload of approximately 19 workers' compensation matters from its San Luis Obispo Office. The Goldman firm has, and continues to represent the City with favorable results, while keeping legal fees in line with the complexity of the case.

Staff is also recommending the firm of Yrulegui & Roberts. The City does not currently utilize the Yrulegui firm. With over 68 years of combined experience, the Yrulegui firm focuses its practice on the defense of employers and insurance companies. The firm's offices are based Fresno, with a satellite office in Bakersfield.

Funding for the Contracts is through the insurance/legal line for workers' compensation matters.

Based on the above, the City Attorney recommends that the Contracts be approved by the City Council.

IMPACT ON CITY RESOURCES

Funding is available as approved in the FY19/20 budget.

ATTACHMENTS

1. Agreement for Professional Services with Goldman, Magdalin & Krikes, LLP
2. Agreement for Professional Services with Yrulegui & Roberts

AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT is made and entered into this 32th day of SEPTEMBER, 2019, by and between the City of Merced, a California Charter Municipal Corporation, whose address of record is 678 West 18th Street, Merced, California 95340, (hereinafter referred to as "City") and Goldman, Magdalin & Krikes, LLP, whose address of record is 735 Tank Farm Road, Suite 200, San Luis Obispo, California 93401 (hereinafter referred to as "Attorney").

WHEREAS, City is undertaking a project to retain workers' compensation defense counsel to represent the City; and,

WHEREAS, Attorney represents that it possesses the professional skills to provide legal services in connection with said project.

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants hereinafter recited, hereby agree as follows:

1. **SCOPE OF SERVICES.** The Attorney shall furnish the following services: Attorney shall provide the legal services described in Exhibit "A" attached hereto.

No additional services shall be performed by Attorney unless approved in advance in writing by the City, stating the dollar value of the services, the method of payment, and any adjustment in contract time. All such services are to be coordinated with City and the results of the work shall be monitored by the City Attorney or designee.

2. **TIME OF PERFORMANCE.** All of the work outlined in the Scope of Services shall be completed in a timely fashion to represent the City's interests.

3. **RESERVED.**

4. **COMPENSATION.** Payment by the City to the Attorney for actual services rendered under this Agreement shall be made upon presentation of an invoice detailing services performed under the Scope of Services, in accordance with the fee schedule set forth in Exhibit "B" attached hereto and incorporated herein by reference. The Attorney agrees to provide all services required under the Scope of Services in Exhibit "A" within the compensation amount set forth in Exhibit "B".

5. **METHOD OF PAYMENT.** Compensation to Attorney shall be paid by the City after submission by Attorney of an invoice delineating the services performed.

6. **RECORDS.** It is understood and agreed that all plans, studies, specifications, data magnetically or otherwise recorded on computer or computer diskettes, records, files, reports, etc., in possession of the Attorney relating to the matters covered by this Agreement shall be the property of the City, and Attorney hereby agrees to deliver the same to the City upon termination of the Agreement. It is understood and agreed that the documents and other materials including but not limited to those set forth hereinabove, prepared pursuant to this Agreement are prepared specifically for the City and are not necessarily suitable for any future or other use.

7. **ATTORNEY'S BOOKS AND RECORDS.** Attorney shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services or expenditures and disbursements charged to the City for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Attorney to this Agreement. Any records or documents required to be maintained shall be made available for inspection, audit and/or copying at any time during regular business hours, upon oral or written request of the City.

8. **INDEPENDENT CONTRACTOR.** It is expressly understood that Attorney is an independent contractor and that its employees shall not be employees of or have any contractual relationship with the City. Attorney shall be responsible for the payment of all taxes, workers' compensation insurance and unemployment insurance. Should Attorney desire any insurance protection, the Attorney is to acquire same at its expense.

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

9. INDEMNITY. Attorney shall indemnify, protect, defend (with legal counsel selected by the City), save and hold City, its officers, employees, and agents, harmless from any and all claims or causes of action for death or injury to persons, or damage to property resulting from intentional or negligent acts, errors, or omissions of Attorney or Attorney's officers, employees, volunteers, and agents during performance of this Agreement, or from any violation of any federal, state, or municipal law or ordinance, to the extent caused, in whole or in part, by the willful misconduct, negligent acts, or omissions of Attorney or its employees, subcontractors, or agents, or by the quality or character of Attorney's work, or resulting from the negligence of the City, its officers, employees, volunteers and agents, except for loss caused by the sole negligence or willful misconduct of the City or its officers, employees, volunteers or agents. It is understood that the duty of Attorney to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. Acceptance by City of insurance certificates and endorsements required under this Agreement does not relieve Attorney from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall survive the termination of this Agreement and shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Attorney acknowledges and agrees to the provisions of this Section and that it is a material element of consideration.

10. INSURANCE. During the term of this Agreement, Attorney shall maintain in full force and effect at its own cost and expense, the following insurance coverage:

a. Workers' Compensation Insurance. Full workers' compensation insurance shall be provided with a limit of at least One Hundred Thousand Dollars (\$100,000) for any one person and as required by law, including Employer's Liability limits of \$1,000,000.00 per accident. The policy shall be endorsed to waive the insurer's subrogation rights against the City.

b. General Liability.

(i) Attorney shall obtain and keep in full force and effect general liability coverage at least as broad as ISO commercial general liability coverage occurrence Form CG 0001.

(ii) Attorney shall maintain limits of no less than One Million Dollars (\$1,000,000) per occurrence for bodily injury, personal injury and property damage.

- (iii) The City, its officers, employees, volunteers and agents are to be named as additional insureds under the policy, as respects liability arising out of work or operations performed by or on behalf of the Attorney.
- (iv) The policy shall stipulate that this insurance will operate as primary insurance for work performed by Attorney and its sub-contractors, and that any other insurance or self insurance maintained by City or other named insureds shall be excess and non-contributory.
- (v) Attorney shall maintain its commercial general liability coverage for three (3) years after completion of the work and shall add an additional insured endorsement form acceptable to the City naming the City of Merced, its officers, employees, agents and volunteers for each year thereafter for at least three (3) years after completion of the work. Copies of the annual renewal and additional insured endorsement form shall be sent to the City within thirty (30) days of the annual renewal.

c. Automobile Insurance.

- (i) Attorney shall obtain and keep in full force and effect an automobile policy of at least One Million Dollars (\$1,000,000) per accident for bodily injury and property damage.
- (ii) The City, its officers, employees, volunteers and agents are to be named as additional insureds under the policy, as respects automobiles owned, leased, hired or borrowed by the Attorney.
- (iii) The policy shall stipulate that this insurance will operate as primary insurance for work performed by Attorney and its sub-contractors, and that any other insurance or self insurance maintained by City or other named insureds shall be excess and non-contributory.

d. Professional Liability Insurance. Attorney shall carry professional liability insurance appropriate to Attorney's profession in the minimum amount of One Million Dollars (\$1,000,000). Architects and engineers' coverage is to be endorsed to include contractual liability.

e. Qualifications of Insurer. The insurance shall be provided by an acceptable insurance provider, as determined by City, which satisfies all of the following minimum requirements:

- (i) An insurance carrier admitted to do business in California and maintaining an agent for service of process within this State; and,
- (ii) An insurance carrier with a current A.M. Best Rating of A:VII or better (except for workers' compensation provided through the California State Compensation Fund).

f. Certificate of Insurance. Attorney shall complete and file with the City prior to engaging in any operation or activity set forth in this Agreement, certificates of insurance evidencing coverage as set forth above and which shall provide that no cancellation or expiration by the insurance company will be made during the term of this Agreement, without thirty (30) days written notice to City prior to the effective date of such cancellation—including cancellation for nonpayment of premium.

g. Notwithstanding any language in this Agreement to the contrary, Attorney shall be entitled to be paid pursuant to the terms of this Agreement until Attorney has obtained the insurance required by this Section 10 and provided documentation of said insurance to the City. In addition to any other remedies City may have, City reserves the right to withhold payment if Attorney's insurance policies are not current.

11. ASSIGNABILITY OF AGREEMENT. It is understood and agreed that this Agreement contemplates personal performance by the Attorney and is based upon a determination of its unique personal competence and experience and upon its specialized personal knowledge. Assignments of any or all rights, duties or obligations of the Attorney under this Agreement will be permitted only with the express written consent of the City.

12. TERMINATION FOR CONVENIENCE OF CITY. The City may terminate this Agreement any time by mailing a notice in writing to Attorney that the Agreement is terminated. Said Agreement shall then be deemed terminated, and no further work shall be performed by Attorney. If the Agreement is so terminated, the Attorney shall be paid for that percentage of the phase of work actually completed, based on a pro rata portion of the compensation for said phase satisfactorily completed at the time the notice of termination is received.

13. CONFORMANCE TO APPLICABLE LAWS. Attorney shall comply with its standard of care regarding all applicable Federal, State, and municipal laws, rules and ordinances. No discrimination shall be made by Attorney in the employment of persons to work under this contract because of race, color, national origin, ancestry, disability, sex or religion of such person.

Attorney hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act (8 U.S.C.A. 1101 *et seq.*), as amended; and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Attorney so employ such unauthorized aliens for the performance of work and/or services covered by this Agreement, and should any agency or instrumentality of the federal or state government, including the courts, impose sanctions against the City for such use of unauthorized aliens, Attorney hereby agrees to, and shall, reimburse City for the cost of all such sanctions imposed, together with any and all costs, including attorneys' fees, incurred by the City in connection therewith.

14. WAIVER. In the event that either City or Attorney shall at any time or times waive any breach of this Agreement by the other, such waiver shall not constitute a waiver of any other or succeeding breach of this Agreement, whether of the same or any other covenant, condition or obligation. Waiver shall not be deemed effective until and unless signed by the waiving party.

15. INCONSISTENT OR CONFLICTING TERMS IN AGREEMENT AND EXHIBITS. In the event of any contradiction or inconsistency between any attached document(s) or exhibit(s) incorporated by reference herein and the provisions of the Agreement itself, the terms of the Agreement shall control.

Any exhibit that is attached and incorporated by reference shall be limited to the purposes for which it is attached, as specified in this Agreement. Any contractual terms or conditions contained in such exhibit imposing additional obligations on the City are not binding upon the City unless specifically agreed to in writing, and initialed by the authorized City representative, as to each additional contractual term or condition.

16. AMBIGUITIES. This Agreement has been negotiated at arms' length between persons knowledgeable in the matters dealt with herein. Accordingly, any rule of law, including, but not limited to, Section 1654 of the Civil Code of California, or any other statutes, legal decisions, or common-law principles of similar effect, that would require interpretation of any ambiguities in this

Agreement against the party that drafted this Agreement is of no application and is hereby expressly waived.

17. VENUE. This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this agreement shall be held exclusively in a state court in the County of Merced.

18. AMENDMENT. This Agreement shall not be amended, modified, or otherwise changed unless in writing and signed by both parties hereto.

19. INTEGRATION. This Agreement constitutes the entire understanding and agreement of the parties and supersedes all previous and/or contemporaneous understanding or agreement between the parties with respect to all or any part of the subject matter hereof.

20. AUTHORITY TO EXECUTE. The person or persons executing this Agreement on behalf of the parties hereto warrants and represents that he/she/they has/have the authority to execute this Agreement on behalf of their entity and has/have the authority to bind their party to the performance of its obligations hereunder.

21. COUNTERPARTS. This Agreement may be executed in one or more counterparts with each counterpart being deemed an original. No counterpart shall be deemed to be an original or presumed delivered unless and until the counterparts executed by the other parties hereto are in the physical possession of the party or parties seeking enforcement thereof.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first above written.


CITY OF MERCED
A California Charter Municipal
Corporation

BY: _____
City Manager

ATTEST:
STEVE CARRIGAN, CITY CLERK

BY: _____
Assistant/Deputy City Clerk


APPROVED AS TO FORM:

BY:  10-9-19
City Attorney Date

ACCOUNT DATA:

BY: _____
Verified by Finance Officer

ATTORNEY
GOLDMAN, MAGDALIN & KRIKES,
LLP

BY: 
(Signature)

Richard Goldman, Esq.
(Typed Name)

Its: Partner
(Title)

BY: 
(Signature)

George Krikes, Esq.
(Typed Name)

Its: Partner
(Title)

BY: 
(Signature)

Daniel Wagner, Esq.
(Typed Name)

Its: Partner
(Title)

Taxpayer I.D. No. 77-0523476

ADDRESS: 735 Tank Farm Rd,
Suite 200
San Luis Obispo, CA
93401

TELEPHONE: (805) 548-8727

FAX: (805) 548-8728

E-MAIL: rgoldman@gmklaw.com

SCOPE OF SERVICES

Attorney to perform the following legal services:

1. Advise City staff and counsel with respect to case strategy and status, including providing a monthly written report to City.
2. Consult with City staff and City Attorney's Office as required to expeditiously and efficiently manage caseload.
3. Conduct discovery as appropriate and seek authorization for expensive activities.
4. Arrange for QME or AME when appropriate.
5. Draft and review all documents necessary for the defense of the City before the Workers' Compensation Appeals Board.
6. Prepare cost and benefit analysis for settlement proposals.
7. Review and summarize evidence, procedural history, and legal contentions on matters before the Workers' Compensation Appeals Board, and coordinate with the City staff and counsel on any required reporting.
8. Represent City at Workers' Compensation Appeals Board hearings and trials.
9. Attorney shall circulate documents to and coordinate its services with the Merced City Attorney and/or its third party claims administrator, Tri-Star, to the extent requested by the City.

EXHIBIT A

FEE SCHEDULE

Current Fee Schedule with the City of Merced as of 6/21/18 and guaranteed through 6/21/2020:

• Partner	\$165.00/hour
• Associate	\$160.00/hour
• Lien Specialist	\$110.00/hour
• Paralegal/Administrative Assistant	\$ 85.00/hour

Fee increase beginning 6/22/2020:

• Partner	\$170.00/hour
• Associate	\$165.00/hour
• Lien Specialist	\$115.00/hour
• Paralegal/Administrative Assistant	\$ 90.00/hour

EXHIBIT B

AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT is made and entered into this ____ day of _____, 2019, by and between the City of Merced, a California Charter Municipal Corporation, whose address of record is 678 West 18th Street, Merced, California 95340, (hereinafter referred to as "City") and Yrulegui & Roberts, whose address of record is 5250 North Palm Avenue, Suite 402, Fresno, California 93704 (hereinafter referred to as "Attorney").

WHEREAS, City is undertaking a project to retain workers' compensation defense counsel to represent the City; and,

WHEREAS, Attorney represents that it possesses the professional skills to provide legal services in connection with said project.

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants hereinafter recited, hereby agree as follows:

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

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- (i) An insurance carrier admitted to do business in California and maintaining an agent for service of process within this State; and,
- (ii) An insurance carrier with a current A.M. Best Rating of A:VII or better (except for workers' compensation provided through the California State Compensation Fund).

f. Certificate of Insurance. Attorney shall complete and file with the City prior to engaging in any operation or activity set forth in this Agreement, certificates of insurance evidencing coverage as set forth above and which shall provide that no cancellation or expiration by the insurance company will be made during the term of this Agreement, without thirty (30) days written notice to City prior to the effective date of such cancellation—including cancellation for nonpayment of premium.

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13. CONFORMANCE TO APPLICABLE LAWS. Attorney shall comply with its standard of care regarding all applicable Federal, State, and municipal laws, rules and ordinances. No discrimination shall be made by Attorney in the employment of persons to work under this contract because of race, color, national origin, ancestry, disability, sex or religion of such person.

Attorney hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act (8 U.S.C.A. 1101 *et seq.*), as amended; and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Attorney so employ such unauthorized aliens for the performance of work and/or services covered by this Agreement, and should any agency or instrumentality of the federal or state government, including the courts, impose sanctions against the City for such use of unauthorized aliens, Attorney hereby agrees to, and shall, reimburse City for the cost of all such sanctions imposed, together with any and all costs, including attorneys' fees, incurred by the City in connection therewith.

14. WAIVER. In the event that either City or Attorney shall at any time or times waive any breach of this Agreement by the other, such waiver shall not constitute a waiver of any other or succeeding breach of this Agreement, whether of the same or any other covenant, condition or obligation. Waiver shall not be deemed effective until and unless signed by the waiving party.

15. INCONSISTENT OR CONFLICTING TERMS IN AGREEMENT AND EXHIBITS. In the event of any contradiction or inconsistency between any attached document(s) or exhibit(s) incorporated by reference herein and the provisions of the Agreement itself, the terms of the Agreement shall control.

Any exhibit that is attached and incorporated by reference shall be limited to the purposes for which it is attached, as specified in this Agreement. Any contractual terms or conditions contained in such exhibit imposing additional obligations on the City are not binding upon the City unless specifically agreed to in writing, and initialed by the authorized City representative, as to each additional contractual term or condition.

16. AMBIGUITIES. This Agreement has been negotiated at arms' length between persons knowledgeable in the matters dealt with herein. Accordingly, any rule of law, including, but not limited to, Section 1654 of the Civil Code of California, or any other statutes, legal decisions, or common-law principles of similar effect, that would require interpretation of any ambiguities in this

Agreement against the party that drafted this Agreement is of no application and is hereby expressly waived.

17. VENUE. This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this agreement shall be held exclusively in a state court in the County of Merced.

18. AMENDMENT. This Agreement shall not be amended, modified, or otherwise changed unless in writing and signed by both parties hereto.

19. INTEGRATION. This Agreement constitutes the entire understanding and agreement of the parties and supersedes all previous and/or contemporaneous understanding or agreement between the parties with respect to all or any part of the subject matter hereof.

20. AUTHORITY TO EXECUTE. The person or persons executing this Agreement on behalf of the parties hereto warrants and represents that he/she/they has/have the authority to execute this Agreement on behalf of their entity and has/have the authority to bind their party to the performance of its obligations hereunder.

21. COUNTERPARTS. This Agreement may be executed in one or more counterparts with each counterpart being deemed an original. No counterpart shall be deemed to be an original or presumed delivered unless and until the counterparts executed by the other parties hereto are in the physical possession of the party or parties seeking enforcement thereof.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first above written.

CITY OF MERCED
A California Charter Municipal
Corporation

BY: _____
City Manager

ATTEST:
STEVE CARRIGAN, CITY CLERK

BY: _____
Assistant/Deputy City Clerk


APPROVED AS TO FORM:

BY: Phyllis C. N.M. 10-2-19
City Attorney Date

ACCOUNT DATA:

BY: _____
Verified by Finance Officer

ATTORNEY
YRULEGUI & ROBERTS

BY: 
(Signature)

Stephen B . Roberts

(Typed Name)

Its: President and Shareholder
(Title)

BY: _____
(Signature)

(Typed Name)

Its: _____
(Title)

Taxpayer I.D. No. 94-2752430

ADDRESS: 5250 N. Palm Avenue
Suite 402
Fresno, CA 93704

TELEPHONE: (559) 222-0660

FAX: (559) 222-2880

E-MAIL: sroberts@rjylaw.com

SCOPE OF SERVICES

Attorney to perform the following legal services:

1. Advise City staff and counsel with respect to case strategy and status, including providing a monthly written report to City.
2. Consult with City staff and City Attorney's Office as required to expeditiously and efficiently manage caseload.
3. Conduct discovery as appropriate and seek authorization for expensive activities.
4. Arrange for QME or AME when appropriate.
5. Draft and review all documents necessary for the defense of the City before the Workers' Compensation Appeals Board.
6. Prepare cost and benefit analysis for settlement proposals.
7. Review and summarize evidence, procedural history, and legal contentions on matters before the Workers' Compensation Appeals Board, and coordinate with the City staff and counsel on any required reporting.
8. Represent City at Workers' Compensation Appeals Board hearings and trials.
9. Attorney shall circulate documents to and coordinate its services with the Merced City Attorney and/or its third party claims administrator, Tri-Star, to the extent requested by the City.

EXHIBIT A

FEE SCHEDULE

<ul style="list-style-type: none">• Partner• Associate• Paralegal/Administrative Assistant	<p>\$165.00/hour</p> <p>\$160.00/hour</p> <p>\$ 85.00/hour</p>
<p>No charge for local travel expenses or long distance telephone calls.</p> <p>No higher rate charged for defending against Labor Code Section 132a and Serious and Willful allegations.</p> <p>Fee increase will be considered upon request, but not sooner than June 2020.</p>	

EXHIBIT B



ADMINISTRATIVE REPORT

Agenda Item H.13.

Meeting Date: 11/4/2019

Report Prepared by: Frank Quintero, Director of Economic Development

SUBJECT: Approval of a Supplemental Appropriation from Fund 074, Economic Development Opportunity Fund, in the Amount of \$20,000.00 to Project 119063 to Secure and Complete the Abatement at 636 W. Main Street and Authorization for the City Manager or Designee to Take the Necessary Action(s) to Complete the Abatement

REPORT IN BRIEF

Staff is asking Council to consider adding \$20,000.00 to Project 119063 to secure the site and complete the abatement of all nuisance conditions including, backfilling a pit where the building once stood at 636 W. Main Street.

RECOMMENDATION

City Council - Adopt a motion:

- A. Approving the Supplemental Appropriation from the unreserved and unencumbered balance of Economic Development Opportunity-Fund 074, in an amount not to exceed \$20,000.00 to Project 119063; and,
- B. Authorizing the Finance Officer to make the necessary budget adjustments; and,
- C. Authorizing the City Manager or Designee to take the necessary action(s) to complete the abatement.

ALTERNATIVES

- 1. Approve as recommended by staff; or
- 2. Approve, subject to conditions as specified by the City Council; or
- 3. Deny the request; or,
- 4. Refer back to staff for reconsideration of specific items as requested by the Council; or
- 5. Defer action until a specified date.

AUTHORITY

City of Merced City Council Resolution 2018-20 Economic Development Opportunity Fund policy; Use of Fund. (1), Section F; and Charter of the City of Merced, Section 200.

CITY COUNCIL PRIORITIES

As provided for in the 2019-2020 Adopted Budget

DISCUSSION

At the meeting of April 1, 2019, the City Council approved a Supplemental Appropriation in the amount of \$120,400 to abate the substandard, dangerous, and nuisance conditions located at 636 W. Main Street (Attachment 1). The City secured Court approval to enter, inspect, and demolish the subject property.

Substantial progress has been made since the meeting of April 1, 2019, including structural engineering analysis and adjacent structure reinforcement. The subject building was demolished during the week of October 21, 2019. As remnants of the demolished building were cleared, the contractor discovered the building was sitting on a pit approximately 30-inches in depth which we believe was being used, in part, as housing for vagrants and those involved in illegal activities.

As demolition is being concluded, the open/unsecured pit, a nuisance and dangerous condition on the property, needs to be abated, by backfilling with the appropriate material, as a safety measure to prevent further use as a shelter for vagrants and those engaging in illegal activities and to complete the nuisance abatement project as a whole.

Staff is acquiring an estimate for services to backfill the pit on the subject site. Efforts are being made to expedite this final part of the project to meet the Court deadline of November 12, 2019.

IMPACT ON CITY RESOURCES

To backfill the pit, secure the site, and complete the project, staff is requesting a Supplemental Appropriation in the amount of \$20,000.00 from Fund 074, Economic Development Opportunity Fund, to Project #119063. Sufficient funds are in the account to accommodate the requested Supplemental Appropriation.

With the project near completion, staff will present Council with a final cost breakdown of the abatement project within 90-days along with options to expedite cost recovery efforts.

ATTACHMENTS

1. Administrative Report to Council - Meeting Date 4/1/2019



CITY OF MERCED

Merced Civic Center
678 W. 18th Street
Merced, CA 95340

ADMINISTRATIVE REPORT

Agenda Item F.5.

Meeting Date: 4/1/2019

Report Prepared by: Denise Frazier, Chief Building/Construction Project Official

SUBJECT: Approval of a Supplemental Appropriation in Fund 074 - Economic Development Opportunity Fund in an Amount Not to Exceed \$120,400.00, to Abate the Substandard/Dangerous/Nuisance Conditions Located at 636 W. Main Street, Contingent upon the City Obtaining Court Approval of an Inspection and Abatement Warrant for the Subject Property or the Property Owner Providing Consent to Enter, Inspect, and Demolish the Subject Property, Whichever Occurs First

REPORT IN BRIEF

Considers approving a supplemental appropriation in Fund 074 - Economic Development Opportunity Fund in an amount not to exceed \$120,400.00 and authorizing the Finance Officer to make necessary budget adjustments. This request is contingent upon the City obtaining Court approval of an inspection and abatement warrant to abate the substandard/dangerous/nuisance conditions located at 636 W. Main Street or the property owner providing consent to enter, inspect and abate by demolition the substandard/dangerous/nuisance conditions, whichever occurs first.

RECOMMENDATION

City Council - Adopt a Motion approving a supplemental appropriation in Fund 074 - Economic Development Opportunity Fund not to exceed \$120,400 and authorizing the Finance Officer to make necessary budget adjustments.

ALTERNATIVES

1. Approve, as recommended by staff; or,
2. Approve subject to other than recommended by staff (identify specific findings and or conditions amended to be addressed by City Council motion); or,
3. Deny; or,
4. Refer back to staff for reconsideration of specific items (specific items to be addresses in the motion); or
5. Continue to a future meeting (date and time to be specified in the motion).

AUTHORITY

City of Merced City Council Resolution 2018-20 Economic Development Opportunity Fund Policy; Use of Fund. (1), Section F; and, Charter of the City of Merced, Section 200.

CITY COUNCIL PRIORITIES

As provided in the FY2018-19 adopted budget.

DISCUSSION

On July 12, 2018, a Legal Notice and Order to Repair or Abate was issued to the property owner and anyone having an interest in the property located at 636 West Main Street. On August 3rd, 2018, an Appeal of Notice and Order to Repair or Abate was filed and received by the City. On October 24, 2018, the first of 3 appeal hearings took place before the City's Building and Housing Board of Appeals. At the October 24, 2018 hearing, a continuance was granted due to the property owner, nor any representation of property owner, being able to be present. On November 28, 2018, a second hearing was conducted in front the Building and Housing Board of Appeals. During that hearing, it was brought before the Board that the property was going into escrow and that a condition was placed for sale of the property to obtain a demolition permit before the close of escrow. The appellant was told to make sure property was secured. The appellant was granted a second continuance in order for escrow to progress to the point of sale and ultimately the demolition of the structure. On February 5th, 2019, the third hearing took place in front of the Board of Appeals. During this hearing, the appellant requested a third continuance estimating 180 days due to an amendment to the contract for the sale of the property. The Board denied the request to continue the hearing and heard the appeal. The appellant presented materials to the Board. The Board decided there was insufficient proof submitted showing that the building does not require repair or abatement, and on that basis, it denied the appeal to the Notice and Order.

Staff has received proposals and prepared an Agreement for Professional Services for the Structural Engineer analysis from Interwest Consulting in the amount not to exceed \$2,500. In addition a bid for demolition was secured, through Purchasing, for the demolition of the structure, including foundation from Unruh Bobcat services, in the amount not to exceed \$37,900. Staff is unable to confirm cost estimates for asbestos abatement until the Inspection and Abatement Warrant is obtained, which will allow staff to enter the property with an asbestos abatement contractor. Staff estimates that an additional \$80,000 will be needed to cover the cost of asbestos abatement. In the event that the cost for work comes in under the estimate, the unused funds will be returned to Fund 074 - Economic Development Opportunity Fund.

The City Attorney's Office has prepared and intends to file an Application for an Inspection and Abatement Warrant with the Merced Superior Court. If granted, the Warrant will provide permission for the City to enter, inspect and demolish the property. This requested funding will only be used if the Court grants the City's Inspection and Abatement Warrant or alternatively if the Owner of the subject property provides the City with consent to enter, inspect and demolish the property.

IMPACT ON CITY RESOURCES

Funding is available through Fund 074, the Economic Development Opportunity Fund. Staff will work to obtain reimbursement through a lien on the property. At the time funds are recovered, the Economic Development Opportunity Fund will be refunded. There is no impact on the General Fund.

ATTACHMENTS

1. Resolution 2018-20 Adopting Economic Development Opportunity Fund Policy
2. Interest Consulting to provide structural assessments Agreement

3. Proposal from Unruh Bobcat Service for the demolition

RESOLUTION NO. 2018-20

**A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF MERCED, CALIFORNIA,
ADOPTING ECONOMIC DEVELOPMENT
OPPORTUNITY FUND POLICY**

THE CITY COUNCIL OF THE CITY OF MERCED DOES HEREBY
RESOLVE, DETERMINE, FIND, AND ORDER AS FOLLOWS:

SECTION 1. That certain document entitled, “Economic Development Opportunity Fund Policy” is hereby adopted as the official economic development opportunity fund policy for the City of Merced.

SECTION 2. The City Manager and Finance Officer are hereby authorized and directed to comply with the Economic Development Opportunity Fund Policy effective immediately.

PASSED AND ADOPTED by the City Council of the City of Merced at a regular meeting held on the 2 day of April 2018, by the following vote:

AYES: 7 Council Members: BELLUOMINI, BLAKE, MARTINEZ,
MCLEOD, MURPHY, PEDROZO, SERRATTO

NOES: 0 Council Members: NONE

ABSENT: 0 Council Members: NONE

ABSTAIN: 0 Council Members: NONE

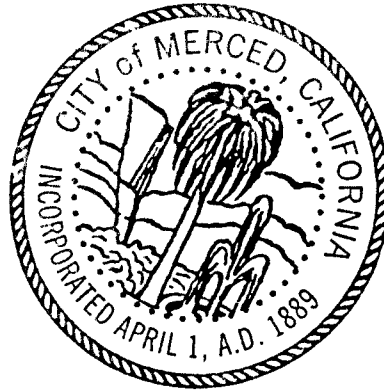
APPROVED:


Mayor

ATTEST:
STEVE CARRIGAN, CITY CLERK

BY: _____

Assistant/Deputy City Clerk



(SEAL)

APPROVED AS TO FORM:

William J. Fineman 3/23/18
City Attorney Date

Economic Development Opportunity Fund

Name of fund.

There is created and established within the budget of the City of Merced a fund to be known as the "Economic Development Opportunity Fund."

Purpose of fund.

The purpose of the Economic Development Opportunity Fund is to support extraordinary economic development opportunities that create and retain employment as well as create significant capital investments. The resources in the Economic Development Opportunity Fund shall accumulate from year to year until available reserves equal \$5,000,000.

Sources of resources.

- (1) All money appropriated or allocated for inclusion in the fund, from whatever source.
- (2) Subject to any pledge, contract or other obligation, all interest or other gains from investment of money from the fund.
- (3) Any other money available and directed to be paid into the fund.
- (4) The budget submission for each year shall include a recommendation for a General Fund contribution, which is calculated as 20% of the 75% excess of prior year audited unreserved General Fund balance over the Government Finance Officers Association (GFOA) recommended minimum.

Example:

Fiscal Year 15-16 Audited unreserved fund balance at June 30	\$8,659,009
Fiscal Year 17-18 GFOA Recommended minimum	<u>6,681,022</u>
Excess over GFOA Minimum	1,977,987

Amount Rounded	1,900,000
	<u>75%</u>
75% of Excess	1,425,000
	<u>20%</u>
20% to Revenue Stabilization	\$ <u>285,000</u>

Use of fund.

- (1) Expenditures from this fund shall be used only for the following purposes:
 - a. To retain and/or expand existing businesses located in the City
 - b. To retain local jobs and/or increase the number and diversity of jobs that offer stable employment
 - c. To diversify the local economy, encourage economic and commercial activity, including the range of goods and services available

- d. To provide significant economic impact by attracting other businesses, jobs, or investment
- e. To increase the tax base
- f. To facilitate the development process and to achieve development on sites which would not otherwise be developed or that would be under developed without assistance
- g. To offset increased costs of development (i.e. contaminated site clean-up) over and above the costs normally incurred in development
- h. To fully utilize existing real estate, real property, existing or planned infrastructure, facility or capital improvements
- i. To contribute to the implementation of other identifiable goals of the City

(2) All expenditures from this fund shall require prior city council approval, unless previously specifically authorized by the city council for expenditure in the annual budget.

Fund Manager.

The Director of Economic Development or designee shall administer the Economic Development Opportunity Fund within the financial management system, and shall serve as the fund manager.

AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT is made and entered into this ____ day of _____, 2019, by and between the City of Merced, a California Charter Municipal Corporation, whose address of record is 678 West 18th Street, Merced, California 95340, (hereinafter referred to as "City") and Interwest Consulting Group, Inc., a Colorado Corporation, whose address of record is 1613 Santa Clara Drive, Suite 100, Roseville, California 95661, (hereinafter referred to as "Consultant").

WHEREAS, City is undertaking a project that requires structural assessment for the building located at 636 West Main Street in the City of Merced; and,

WHEREAS, Consultant represents that it possesses the professional skills to provide the engineering services in connection with said project.

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants hereinafter recited, hereby agree as follows:

1. **SCOPE OF SERVICES.** The Consultant shall furnish the following services: Consultant shall provide the engineering services described in Exhibit "A" attached hereto.

No additional services shall be performed by Consultant unless approved in advance in writing by the City, stating the dollar value of the services, the method of payment, and any adjustment in contract time. All such services are to be coordinated with City and the results of the work shall be monitored by the Director of Development Services or designee. However, the means by which the work is accomplished shall be the sole responsibility of the Consultant.

2. **TIME OF PERFORMANCE.** All of the work outlined in the Scope of Services shall be completed in accordance with the Schedule outlined in Exhibit "A" attached hereto and incorporated herein by reference. By mutual agreement and written addendum to this Agreement, the City and the Consultant may change the requirements in said Schedule.

3. **RESERVED.**

4. **COMPENSATION.** Payment by the City to the Consultant for actual services rendered under this Agreement shall be made upon presentation of an

invoice detailing services performed under the Scope of Services, in accordance with the fee schedule set forth in Exhibit "A" attached hereto and incorporated herein by reference. The Consultant agrees to provide all services required under the Scope of Services in Exhibit "A" within the compensation amount set forth in Exhibit "A". For Consultant's services rendered under this Agreement, City shall pay Consultant the not to exceed sum of Two Thousand Five Hundred Dollars (\$2,500.00).

5. **METHOD OF PAYMENT.** Compensation to Consultant shall be paid by the City after submission by Consultant of an invoice delineating the services performed.

6. **RECORDS.** It is understood and agreed that all plans, studies, specifications, data magnetically or otherwise recorded on computer or computer diskettes, records, files, reports, etc., in possession of the Consultant relating to the matters covered by this Agreement shall be the property of the City, and Consultant hereby agrees to deliver the same to the City upon termination of the Agreement. It is understood and agreed that the documents and other materials including but not limited to those set forth hereinabove, prepared pursuant to this Agreement are prepared specifically for the City and are not necessarily suitable for any future or other use.

7. **CONSULTANT'S BOOKS AND RECORDS.** Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services or expenditures and disbursements charged to the City for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Consultant to this Agreement. Any records or documents required to be maintained shall be made available for inspection, audit and/or copying at any time during regular business hours, upon oral or written request of the City.

8. **INDEPENDENT CONTRACTOR.** It is expressly understood that Consultant is an independent contractor and that its employees shall not be employees of or have any contractual relationship with the City. Consultant shall be responsible for the payment of all taxes, workers' compensation insurance and unemployment insurance. Should Consultant desire any insurance protection, the Consultant is to acquire same at its expense.

In the event Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement is determined by a court of

competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the City, Consultant shall indemnify, protect, defend, and hold harmless the City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

9. INDEMNITY. Consultant shall indemnify, protect, defend (with legal counsel selected by the City), save and hold City, its officers, employees, and agents, harmless from any and all claims or causes of action for death or injury to persons, or damage to property resulting from intentional or negligent acts, errors, or omissions of Consultant or Consultant's officers, employees, volunteers, and agents during performance of this Agreement, or from any violation of any federal, state, or municipal law or ordinance, to the extent caused, in whole or in part, by the willful misconduct, negligent acts, or omissions of Consultant or its employees, subcontractors, or agents, or by the quality or character of Consultant's work, or resulting from the negligence of the City, its officers, employees, volunteers and agents, except for loss caused by the sole negligence or willful misconduct of the City or its officers, employees, volunteers or agents. It is understood that the duty of Consultant to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. Acceptance by City of insurance certificates and endorsements required under this Agreement does not relieve Consultant from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall survive the termination of this Agreement and shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Consultant acknowledges and agrees to the provisions of this Section and that it is a material element of consideration.

10. INSURANCE. During the term of this Agreement, Consultant shall maintain in full force and effect at its own cost and expense, the following insurance coverage:

a. Workers' Compensation Insurance. Full workers' compensation insurance shall be provided with a limit of at least One Hundred Thousand Dollars (\$100,000) for any one person and as required by law, including Employer's Liability limits of \$1,000,000.00 per accident. The policy shall be endorsed to waive the insurer's subrogation rights against the City.

b. General Liability.

- (i) Consultant shall obtain and keep in full force and effect general liability coverage at least as broad as ISO commercial general liability coverage occurrence Form CG 0001.
- (ii) Consultant shall maintain limits of no less than One Million Dollars (\$1,000,000) per occurrence for bodily injury, personal injury and property damage.
- (iii) The City, its officers, employees, volunteers and agents are to be named as additional insureds under the policy, as respects liability arising out of work or operations performed by or on behalf of the Consultant.
- (iv) The policy shall stipulate that this insurance will operate as primary insurance for work performed by Consultant and its sub-contractors, and that any other insurance or self insurance maintained by City or other named insureds shall be excess and non-contributory.
- (v) Consultant shall maintain its commercial general liability coverage for three (3) years after completion of the work and shall add an additional insured endorsement form acceptable to the City naming the City of Merced, its officers, employees, agents and volunteers for each year thereafter for at least three (3) years after completion of the work. Copies of the annual renewal and additional insured endorsement form shall be sent to the City within thirty (30) days of the annual renewal.

c. Automobile Insurance.

- (i) Consultant shall obtain and keep in full force and effect an automobile policy of at least One Million Dollars (\$1,000,000) per accident for bodily injury and property damage.
- (ii) The City, its officers, employees, volunteers and agents are to be named as additional insureds under the policy, as respects automobiles owned, leased, hired or borrowed by the Consultant.

- (iii) The policy shall stipulate that this insurance will operate as primary insurance for work performed by Consultant and its sub-contractors, and that any other insurance or self insurance maintained by City or other named insureds shall be excess and non-contributory.

d. Professional Liability Insurance. Consultant shall carry professional liability insurance appropriate to Consultant's profession in the minimum amount of One Million Dollars (\$1,000,000). Architects and engineers' coverage is to be endorsed to include contractual liability.

e. Qualifications of Insurer. The insurance shall be provided by an acceptable insurance provider, as determined by City, which satisfies all of the following minimum requirements:

- (i) An insurance carrier admitted to do business in California and maintaining an agent for service of process within this State; and,
- (ii) An insurance carrier with a current A.M. Best Rating of A:VII or better (except for workers' compensation provided through the California State Compensation Fund).

f. Certificate of Insurance. Consultant shall complete and file with the City prior to engaging in any operation or activity set forth in this Agreement, certificates of insurance evidencing coverage as set forth above and which shall provide that no cancellation or expiration by the insurance company will be made during the term of this Agreement, without thirty (30) days written notice to City prior to the effective date of such cancellation—including cancellation for nonpayment of premium.

g. Notwithstanding any language in this Agreement to the contrary, Consultant shall be entitled to be paid pursuant to the terms of this Agreement until Consultant has obtained the insurance required by this Section 10 and provided documentation of said insurance to the City. In addition to any other remedies City may have, City reserves the right to withhold payment if Consultant's insurance policies are not current.

11. ASSIGNABILITY OF AGREEMENT. It is understood and agreed that this Agreement contemplates personal performance by the Consultant and is

based upon a determination of its unique personal competence and experience and upon its specialized personal knowledge. Assignments of any or all rights, duties or obligations of the Consultant under this Agreement will be permitted only with the express written consent of the City.

12. **TERMINATION FOR CONVENIENCE OF CITY.** The City may terminate this Agreement any time by mailing a notice in writing to Consultant that the Agreement is terminated. Said Agreement shall then be deemed terminated, and no further work shall be performed by Consultant. If the Agreement is so terminated, the Consultant shall be paid for that percentage of the phase of work actually completed, based on a pro rata portion of the compensation for said phase satisfactorily completed at the time the notice of termination is received.

13. **CONFORMANCE TO APPLICABLE LAWS.** Consultant shall comply with its standard of care regarding all applicable Federal, State, and municipal laws, rules and ordinances. No discrimination shall be made by Consultant in the employment of persons to work under this contract because of race, color, national origin, ancestry, disability, sex or religion of such person.

Consultant hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act (8 U.S.C.A. 1101 *et seq.*), as amended; and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Consultant so employ such unauthorized aliens for the performance of work and/or services covered by this Agreement, and should any agency or instrumentality of the federal or state government, including the courts, impose sanctions against the City for such use of unauthorized aliens, Consultant hereby agrees to, and shall, reimburse City for the cost of all such sanctions imposed, together with any and all costs, including attorneys' fees, incurred by the City in connection therewith.

14. **WAIVER.** In the event that either City or Consultant shall at any time or times waive any breach of this Agreement by the other, such waiver shall not constitute a waiver of any other or succeeding breach of this Agreement, whether of the same or any other covenant, condition or obligation. Waiver shall not be deemed effective until and unless signed by the waiving party.

15. **INCONSISTENT OR CONFLICTING TERMS IN AGREEMENT AND EXHIBITS.** In the event of any contradiction or inconsistency between any attached document(s) or exhibit(s) incorporated by reference herein and the provisions of the Agreement itself, the terms of the Agreement shall control.

Any exhibit that is attached and incorporated by reference shall be limited to the purposes for which it is attached, as specified in this Agreement. Any contractual terms or conditions contained in such exhibit imposing additional obligations on the City are not binding upon the City unless specifically agreed to in writing, and initialed by the authorized City representative, as to each additional contractual term or condition.

16. **AMBIGUITIES.** This Agreement has been negotiated at arms' length between persons knowledgeable in the matters dealt with herein. Accordingly, any rule of law, including, but not limited to, Section 1654 of the Civil Code of California, or any other statutes, legal decisions, or common-law principles of similar effect, that would require interpretation of any ambiguities in this Agreement against the party that drafted this Agreement is of no application and is hereby expressly waived.

17. **VENUE.** This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this agreement shall be held exclusively in a state court in the County of Merced.

18. **AMENDMENT.** This Agreement shall not be amended, modified, or otherwise changed unless in writing and signed by both parties hereto.

19. **INTEGRATION.** This Agreement constitutes the entire understanding and agreement of the parties and supersedes all previous and/or contemporaneous understanding or agreement between the parties with respect to all or any part of the subject matter hereof.

20. **AUTHORITY TO EXECUTE.** The person or persons executing this Agreement on behalf of the parties hereto warrants and represents that he/she/they has/have the authority to execute this Agreement on behalf of their entity and has/have the authority to bind their party to the performance of its obligations hereunder.

21. **COUNTERPARTS.** This Agreement may be executed in one or more counterparts with each counterpart being deemed an original. No counterpart shall be deemed to be an original or presumed delivered unless and until the counterparts executed by the other parties hereto are in the physical possession of the party or parties seeking enforcement thereof.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first above written.

CITY OF MERCED
A California Charter Municipal
Corporation

BY: _____
City Manager

ATTEST:
STEVE CARRIGAN, CITY CLERK

BY: _____
Assistant/Deputy City Clerk

APPROVED AS TO FORM:

BY: Phueha A nntm 3-15-19
City Attorney Date

ACCOUNT DATA:

BY: _____
Verified by Finance Officer

CONSULTANT
INTERWEST CONSULTING GROUP,
INC., A Colorado Corporation

BY: _____
(Signature)

(Typed Name)

Its: _____
(Title)

BY: _____
(Signature)

(Typed Name)

Its: _____
(Title)

Taxpayer I.D. No. _____

ADDRESS: 1613 Santa Clara Dr.,
Suite 100
Roseville, CA 95661

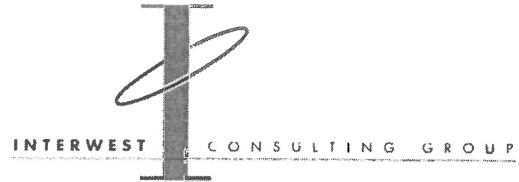
TELEPHONE: _____

FAX: _____

E-MAIL: _____

February 25, 2019

Ms. Denise Frazier, CBO
Chief Building/Construction Projects Official
City of Merced
Inspection Services
678 W. 18th Street
Merced, CA 95340



**Re: Proposal to Provide Structural Assessments
636 W Main St.; Merced, CA**

Dear Ms. Frazier,

Thank you for allowing us the opportunity to present this proposal for visual structural assessments of the existing building located at the above-noted address. Our proposal is based on our phone conversations and the photos provided in your email dated February 20th.

Project Description:

It is our understanding the proposed project consists of a visual structural assessment of the building located at the above-noted address and a written report of our findings and recommendations.

Scope-of-Work:

Interwest Consulting Group will perform a site visit to visually assess the structural integrity of the existing building. Our observations will be limited to those elements of the structural systems that are readily visible at the time of our observations. No finishes or material will be removed.

The existing structures will be visually assessed for structural adequacy and conformance with the following codes:

- 2016 California Building Code, Structural Design Provisions
- 2016 California Existing Building Code

Upon completion of our site visit a written report of our findings will be developed.

Scope-of-Services:

Our scope-of-services for this project will consist of the following:

1. One (1) round trip to the City of Merced from our UC Merced job site office.
2. One (1) site visit to the building to visually observe the condition of the buildings structural elements.
3. Preparation of a report documenting our observations and recommendations.
4. Teleconferencing and/or meetings with the City of Merced to discuss findings.

We request that the City of Merced schedule the site visit and coordinate access to the project site with the property owners. Upon completion of our visual assessments, Interwest Consulting Group will submit a report to the City of Merced documenting our observations.

Exclusions:

The following services are specifically excluded from this proposal:

1. Preparing contract documents (including calculations, drawings, specifications, testing and inspection criteria, etc.) for the restoration, stabilization, and/or repair of the structure.
2. Field investigation of existing site structures or features outside of the subject building, including surveys of existing construction or topography on or adjacent to the site.
3. Demolition or removal of any existing finishes or materials.
4. Cost estimating, value engineering, material and quantity take-offs, etc.

Schedule:

Interwest Consulting group will complete the site visit within **ten (10) business days** of authorization to proceed. Interwest will complete and submit field reports documenting our assessments of the buildings within **ten (10) business days** after completion of the site visits. Interwest Consulting Group's staff will be available for teleconference meetings with the City of Merced with sufficient notice.

Compensation:

The services proposed above will be billed according to the Schedule of Hourly Billing Rates shown below, not-to-exceed **\$2,500.00**. The work will be billed on a monthly basis.

Staff:

The assessment services will be provided by Bill Rodgers, SE. Bill is a CA licensed Structural Engineer with extensive experience providing similar services on projects throughout California. A detailed resume is available upon request.

Acceptance:

If this proposal meets your approval, please notify Interwest Consulting Group and we will proceed with the proposed services.

Again, thank you for allowing us the opportunity to provide you with this proposal. We look forward to working with you on your project. Please do not hesitate to call if you have any questions regarding this proposal.

Sincerely,

INTERWEST CONSULTING GROUP

Ron Beehler, SE, CBO
Director of Building Safety Services
Interwest Consulting Group
(916) 204-3178

Schedule of Hourly Billing Rates

CLASSIFICATION	HOURLY BILLING RATE
Licensed Engineer, Structural or Civil.....	\$145
Administrative.....	65

Unruh Bobcat Service

3144 N. G St., Ste 125 #352
Merced, CA 95340
Phone (209) 357-3664
Mobile (209) 261-7031
License # 842517

Proposal For:

**City of Merced
678 West 18th Street
Merced, CA 95340
Mobile (209) 385-6868**

Job Site Location:

**636 West Main Street
Merced, CA 95340**

This proposal is to demolish, remove and dispose of the 4,800 square foot building structure and foundation that is located at 636 W. Main Street, Merced CA 95340. Scope of work includes: The demolition, removal and disposal of the 4,800 square foot building structure and foundation; The removal and disposal of the miscellaneous debris that is on the property. We will acquire the necessary paperwork and permits for the demolition of the building from the San Joaquin Valley Air Pollution Control District and City of Merced. We will disconnect the water at the service box and cap the sewer line at the property line. This proposal does not include the removal or disposal of any hazardous materials. We will provide all equipment, labor, materials and pay all dump fees. Approximate time to complete this scope of work is 9-11 working days.

Total Price: \$37,900.00

Insurance: Unruh Bobcat Service will provide GL Insurance in the amount of \$1,000,000.00 per occurrence and \$1,000,000.00 general aggregate. Additional insured endorsement with completed operations wording is excluded but can be provided at an additional charge.

Payments to be made as follows: The full payment of \$37,900.00 is due upon the completion of the above stated scope of work.

A 1 ½ % (18% APR) per month service charge will be added on all unpaid balances over 30 days from invoice date. In the event of a non - payment, customer will be required to pay all legal fees involved in collecting unpaid balance.

Submitted By: Dalen Unruh

Date: 02/28/2018

Any alteration or deviation from the above specifications involving extra costs will be executed only upon written order and will become an extra charge over and above the estimate. The above prices, specifications, and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payments will be made as outlined above. This proposal may be withdrawn by us if not accepted in 60 days.

Date of Acceptance

Authorized Signature

Please date, sign and mail to 3114 North G Street, Suite 125 # 352, Merced, Ca 95340. Thank you.

www.unruhbobcatservice.com



ADMINISTRATIVE REPORT

Agenda Item I.1.

Meeting Date: 11/4/2019

Report Prepared by: Joseph Chavez, Director of Parks and Community Services

SUBJECT: Public Hearing and Potential Introduction of Ordinance to Revise Park Hours and Amending Section 14.04.070 - Hours - Permits to Reflect Approved New Park Hours

REPORT IN BRIEF

Public Hearing regarding revision of park hours and update of Code of Ordinances Title 14, Chapter 14.04, Amending Section 14.04.070 - Hours - Permits.

RECOMMENDATION

City Council - Adopt a motion introducing **Ordinance 2505**, an Ordinance of the City Council of the City of Merced, California, amending Section 14.04.070, "Hours - Permit," of the Merced Municipal Code regarding City parks.

ALTERNATIVES

1. Introduce Ordinance; or,
2. Modify Ordinance for introduction (identify specific findings and/or conditions amended to be addressed in the motion); or,
3. Deny as recommended Recreation and Parks Commission; or,
4. Refer back to the Recreation and Parks Commission for reconsideration of specific items (specific items to be addressed in the motion); or,
5. Continue to a future meeting (date and time to be specified in the motion).

AUTHORITY

This request revises the park hours listed in Merced Municipal Code (MMC) Title 14, Chapter 14.04, Section 14.74.070.

CITY COUNCIL PRIORITIES

As provided for in the 2019-20 Adopted Budget.

DISCUSSION

In response to public comments at the June 3, 2019, City Council requested that staff evaluate various options to address illegal activity in and around the City of Merced's extensive park network. Staff meet with interested Council members to identify a strategy, which included amending park hours to mirror a "dusk to dawn" approach. In addition to this change, staff are also working to install additional security cameras and enhancing Police patrol efforts in all parks to address safety concern in public spaces ensuring parks area available for all residents to enjoy.

Staff presented a revision of park hours to the Recreation and Parks Commission during the meeting on September 23, 2019. The Commission denied the approval of the new park hours, because they wanted more information on the reasons for changing the hours. Currently, the public may not be in any city park between the hours of 11:00 p.m. and 5:00 a.m. The proposed amendment would change the existing Municipal Code, (Title 14, Chapter 14.04) Section 14.74.070 - Hours - Permits, to allow the use of City Parks to the following:

March 1st to October 31st - 6:00 a.m. to 9:00 p.m.

November 1st to February 28/29 - 6:00 a.m. to 8:00 p.m.

Additional requirements are also added to clarify usage permitted by the City for authorized activities, special events or private parties. Those exceptions will be specific to parks with stadium lighting, such as Joe Herb Park, McNamara Park, and the Youth Sports Complex. An annual permit may be issued to applicants who use the park for community and/or private events on a regular basis. The Chief of Police will continue to issue permits for exempted use. The updated ordinance enables the Director of Parks and Community Services, the City Manager and his designees to issue permits as well.

At the October 21, 2019 City Council Meeting, Council directed staff to amend the park hours on the previously introduced ordinance to allow earlier use of the parks and clarify language regarding the use of bike paths. Due to these amendments, this will be a re-introduction of the ordinance to allow additional public comment.

IMPACT ON CITY RESOURCES

The impact on City resources is unknown at this time. Potential costs may include new signage, update of the Municipal Code, and additional policing of the park to ensure new hours are observed.

ATTACHMENTS

1. Draft Ordinance

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY COUNCIL OF
THE CITY OF MERCED, CALIFORNIA,
AMENDING SECTION 14.04.070, "HOURS—
PERMIT," OF THE MERCED MUNICIPAL CODE
REGARDING CITY PARKS**

**THE CITY COUNCIL OF THE CITY OF MERCED DOES ORDAIN
AS FOLLOWS:**

SECTION 1. AMENDMENT TO CODE. Section 14.04.070,
"Hours—Permits," of the Merced Municipal Code is hereby amended to read as
follows:

"14.04.070 Hours—Permit.

A. It is unlawful and a misdemeanor, subject to
punishment in accordance with Chapter 1.12 of
this Code, for any person to be or remain in any
city park identified in Section 9.70.030 of this
Code between hours of nine p.m. and six a.m. of
the following day from March 1 to October 31, or
between the hours of eight p.m. and six a.m. of the
following day from November 1 to February 28/29
without having received a permit to do so from the
Chief of Police of the City, Director of Parks and
Recreation, the City Manager, or their designees.

B. Exceptions to time restrictions shall be
permitted (1) for City-sponsored events, (2) annual
permit holders in parks with stadium-style lighting,
and (3) bike and other pedestrian paths when used
solely for passive recreational activities of
walking, bicycling, running or jogging."

SECTION 2. EFFECTIVE DATE. This Ordinance shall be in full
force and effect thirty (30) days after its adoption.

SECTION 3. SEVERABILITY. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance, is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance, and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

SECTION 4. PUBLICATION. The City Clerk is directed to cause a summary of this Ordinance to be published in the official newspaper at least once within fifteen (15) days after its adoption showing the vote thereon.

The foregoing Ordinance was introduced at a regular meeting of the City Council of the City of Merced on the ____ day of _____, 2019, and was passed and adopted at a regular meeting of said City Council held on the ____ day of _____, 2019, by the following called vote:

AYES: Council Members:

NOES: Council Members:

ABSTAIN: Council Members:

ABSENT: Council Members:

APPROVED:


Mayor

ATTEST:
STEVE CARRIGAN, CITY CLERK

BY: _____
Assistant/Deputy City Clerk

(SEAL)

APPROVED AS TO FORM:

 _____
City Attorney **10-24-19**
Date



ADMINISTRATIVE REPORT

Agenda Item I.2.

Meeting Date: 11/4/2019

Report Prepared by: Janet German, Secretary III, Fire

SUBJECT: Public Hearing for Introduction of Ordinances Adopting Title 24, Parts 1-12 of the California Code of Regulation as the 2019 California Building and Fire Codes, and Local Amendments, for the City of Merced

REPORT IN BRIEF

Introduce Ordinances adopting Title 24, Parts 1-12 of the California Code of Regulations, referred to as the California Building Code, as the referenced Building and Fire Codes for the City of Merced.

RECOMMENDATION

City Council - Adopt a motion:

A. Introducing **Ordinance 2506**, an Ordinance of the City Council of the City of Merced, California, Amending Chapter 17.04, 'Building Code,' Article I Title, Sections 17.04.010, 17.04.050, 17.04.110, 17.04.120, 17.05.010, 17.06.010, 17.07.010, 17.09.010, 17.10.010, 17.12.010, 17.20.010, 17.24.010, 17.28.020, and 17.34.010 of the Merced Municipal Code to Adopt by Reference the 2019 California Building Code, 2019 Residential Code, 2019 Existing Building Code, 2019 Green Buildings Standards Code, 2019 Historical Code, 2019 Energy Code, 2019 California Administrative Code, 2019 California Administrative Code, 2019 California Electrical, 2019 California Electrical Code, 2019 California Mechanical Code, 2019 California Plumbing Code, and 2019 Referenced Standards Code; and

B. Introducing **Ordinance 2507**, an Ordinance of the City Council of the City of Merced, California, Amending Chapter 17.32, "Fire Prevention Code", of the Merced Municipal Code.

ALTERNATIVES

1. Approve, as recommended by staff; or,
2. Approve, subject to other than recommended by staff; or,
3. Deny; or,
4. Refer to staff for reconsideration of specific items; or,
5. Continue to a future meeting.

AUTHORITY

Charter of the City of Merced, Section 412. Adoption of Ordinances and Resolutions.
California Government Code, Section 50020 et. Seq. Powers and Duties of Legislative Bodies.
California Buildings Standards Law, Health and Safety Code, Section 18901 et seq., Division 13, Part

2.5

State Housing Law, Health and Safety Code Section 17905, Division 13, Part 1.5
California Code of Regulations, Title 24,
California Health and Safety Code, Section 17922 et. seq. State Housing Law; and,
California Health and Safety Code, Section 18938 et. seq. Building Standards Code
California Code of Regulations, Title 25, Division 1, Chapter 1, Subchapter 1 (Title 25)
California Building Code, Part 2, Volume 1 of Title 24, Chapter 1, Division II, Section 101
Health and Safety Code §17950, 17958.7, 17960, 18938, 18941.5, and 18948.
California Buildings Standards Code

CITY COUNCIL PRIORITIES

Approval of these ordinances will ensure consistency of the City's Building and Fire Codes with state standards and to ensure that these codes provide additional protection of the health, welfare, and safety of the community due to local climatic, geological, and topographical considerations.

DISCUSSIONBackground

Every three years, the International Code Council (ICC), International Association of Plumbing and Mechanical Officials (IAPMO), and the National Fire Protection Association (NFPA) promulgate, amend, and publish new editions of the various model construction and maintenance codes reflecting the changing technology and products in the construction industry. Additionally, State legislation mandates that local jurisdictions adopt the same construction codes within six months of the date of those adopted by the California Building Standards Commission (CBSC). On July 1, 2019, CBSC adopted the International Building Code, International Fire Code, Uniform Plumbing and Mechanical Codes, National Electrical Code, and Title 24, Parts 1 - 12, of the California Code of Regulation. Therefore, State law requires that the Codes become effective at the local level on January 1, 2020.

Prior to the adoption and enforcement of the Codes at the local level, State law does permit local jurisdictions to amend the Codes in certain circumstances. Pursuant to Sections 17958.5 and 17958.7 of the HSC, such local amendments can only be enacted when an express finding and determination is made that such local amendments are reasonably necessary because of local climatic (which include environmental), geological, or topographical conditions that affects the jurisdiction. California Building Standards Law permits local amendments that are reasonably necessary provided it is a more restrictive building standard. State Housing Law permits local amendments that are necessary provided it is equivalent or a more restrictive building standard. Local amendments that are necessary for administrative clarification and do not modify Building Standards as defined in Section 18909(c) of the HSC can be enacted without the required express finding and determination.

Past Council Actions

Triennially, City Council has considered and adopted past California Building, Residential, Electrical, Mechanical, Plumbing, Historical Building, Existing Building, California Energy, Green Building Standards, and Fire Codes, as well as local code amendments.

Proposed Action

With reference to adoption of the Codes, the proposed ordinances will repeal the adoption of the 2016 edition of Title 24, Parts 1 - 12, of the California Code of Regulations, and will reenact the effected sections of the Merced Municipal Code by adopting the 2019 edition of Title 24, Parts 12 - 12, of the California Code of Regulations and local amendments.

City staff (Building, Inspection Services, Fire, Code Enforcement, Planning, Engineering, Public Works, Housing, and Economic Development) diligently work with our community residents, businesses, and contractors to provide a cooperative approach to enforcing local and state regulations. City staff understands the critical relationship between regulations and keeping fire and life safety paramount for the community and therefore, proposes local amendments, primarily consisting of structural and fire life safety, which are desirable for the safety of our citizens and the preservation of property. Additionally, the majority of the local amendments are a continuation of previously adopted amendments from prior code adoption cycles.

IMPACT ON CITY RESOURCES

None. Costs associated with codification of the proposed ordinances and enforcement of its provisions are sub-vented in part by cost recovery measures from fees derived from business inspections, non-compliance, operational permits, and developmental service fees generated from city ordinance and city fee schedules.

ATTACHMENTS

1. Ordinance Adopting Building Codes
2. Ordinance Adopting Fire Codes

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY COUNCIL
OF THE CITY OF MERCED, CALIFORNIA,
AMENDING CHAPTER 17.04, "BUILDING
CODE," ARTICLE I TITLE, SECTIONS
17.04.010, 17.04.050, 17.04.110, 17.04.120,
17.05.010, 17.06.010, 17.07.010, 17.09.010,
17.10.010, 17.12.010, 17.20.010, 17.24.010,
17.28.020, AND 17.34.010 OF THE MERCED
MUNICIPAL CODE TO ADOPT BY
REFERENCE THE CALIFORNIA BUILDING
CODE, CALIFORNIA ADMINISTRATIVE
CODE, CALIFORNIA ELECTRICAL CODE,
CALIFORNIA MECHANICAL CODE, AND
CALIFORNIA PLUMBING CODE**

THE CITY COUNCIL OF THE CITY OF MERCED DOES ORDAIN
AS FOLLOWS:

SECTION 1. AMENDMENT TO CODE. The Article I
Title, "Uniform Building Code" of Chapter 17.04, "Building Code," of
the Merced Municipal Code is hereby retitled as follows:

"Article I. International Building Code"

SECTION 2. AMENDMENT TO CODE. Section 17.04.010,
"Adoption," of the Merced Municipal Code is hereby amended to read as
follows:

"17.04.010 Building Code - Adoption.

Those certain documents, three (3) certified copies of
which are on file in the Office of the City Clerk,
marked and designated as California Code of
Regulations Title 24, Part 2, '2019 California Building
Code, Volumes 1& 2, including Scope and
Administration Division II, Appendix F, 'Rodent

Proofing,' Appendix H, 'Signs,' Appendix I 'Patio Covers' and Appendix J, 'Grading,' based on the 2018 International Building Code as published by the International Code Council and amended by the California Building Standards Commission are adopted by reference as the Building Code for the City of Merced. The appendix chapters in California Code of Regulations Title 24, Part 2, 2019 California Building Codes Volumes 1 and 2 may be allowed to be used as an alternate construction method. They must be used in their entirety and are subject to the approval of the Building Official."

SECTION 3. AMENDMENT TO CODE. Section 17.04.050, "New Construction Defined," of the Merced Municipal Code is hereby amended to read as follows:

"17.04.050 New Construction Defined.

For purposes of Sections 17.04.060 through 17.04.080 'new construction' means:

- A. All new buildings or structures;
- B. All new property development including parking lots;
- C. Any building or structure altered or expanded in excess of fifty (50) percent of the value of such building structure;
- D. Any alteration or expansion with a permit value in excess of One Hundred Thousand Dollars (\$100,000) with annual adjustment to the CPI annually on January 1; and,
 - 1. The value in Section D above shall not include any of the following items: Accessibility

Upgrades, rooftop solar installations, installation of fire sprinklers and maintenance items including, but not limited to, reroofing, replacement of mechanical equipment and energy efficiency upgrades.

E. Any work on a building or structure to change the occupancy to a more hazardous use and which requires a building permit."

F. The Department Head for Development Services has the discretion to make adjustments to the valuation with due cause."

SECTION 4. AMENDMENT TO CODE. Section 17.04.110, "Residential Fees," of the Merced Municipal Code is hereby amended to read as follows:

"17.04.110 Residential Fees.

Notwithstanding any other provision of this Code, the fees for residential construction of new buildings and structures identified in Sections 8.04.235, 15.16.030, 15.16.040, 15.16.050, 15.16.055, 15.16.070, 15.36.160, 15.40.070, 15.08.130, and 17.58.020 may, at the request of the owner, be postponed until the date of final inspection or the date a certificate of occupancy is issued, whichever occurs first, subject to the following:

1. By exercising the postponement of payment, the applicant and owner agree and consent to any action by the City to deny approval of or to disconnect all utilities upon a breach of any condition by the applicant or owner. All fees are required to be paid prior to final inspection or issuance of the Certificate of Occupancy, whichever comes first.

2. If the fees are not paid within one (1) year from issuance of the building permit, the owner agrees to pay the fee in effect at the time of final inspection or issuance of the certificate of occupancy.”

SECTION 5. AMENDMENT TO CODE. Section 17.04.120, “Nonresidential Fees,” of the Merced Municipal Code is hereby amended to read as follows:

“17.04.120 Nonresidential Fees.

Notwithstanding any other provision of this Code, the fees for nonresidential construction of new buildings and structures identified in Sections 15.16.030, 15.16.040, 15.16.050, 15.16.055, 15.16.070, 15.36.160, 15.40.070, 15.08.130, and 17.58.020 may, at the request of the owner, be postponed until the date of final inspection or the date a certificate of occupancy is issued, whichever occurs first, subject to the following:

1. An additional two (2) percent of the above fees to cover administrative costs is paid at the time of application for a building permit.
2. A contract is executed allowing the City to deny approval of or to disconnect utilities upon a breach by the owner.
3. If the fees are not paid within one (1) year from issuance of the building permit, the owner agrees to pay the fee in effect at the time of final inspection or issuance of the certificate of occupancy.”

SECTION 6. AMENDMENT TO CODE. Section 17.05.010, “Residential Code – Adoption,” of the Merced Municipal Code is hereby amended to read as follows:

“17.05.010 Residential Code - Adoption.

Those certain documents, three (3) certified copies of which are on file in the Office of the City Clerk, marked and designated as California Code of Regulations Title 24, Part 2.5, ‘2019 California Residential Building Code’ including Scope and Administration Division II, Appendix chapters, E, ‘Manufactured Housing Used as Dwelling,’ G, ‘Piping Standards for Various Applications,’ H, ‘Patio Covers,’ J, ‘Existing Buildings and Structures,’ Q, ‘Tiny House,’ and V, ‘Swimming Pool Safety Act,’ based on the 2018 International Residential Building Code as published by the International Code Council and amended by the California Building Standards Commission are adopted by reference as the Residential Building Code for the City of Merced. The appendix chapters in California Code of Regulations Title 24, Part 2.5, 2019 California Residential Building Code may be allowed to be used as an alternate construction method. They must be used in their entirety and are subject to the approval of the Building Official.”

SECTION 7. AMENDMENT TO CODE. Section 17.06.010, “Existing Building Code – Adoption,” of the Merced Municipal Code is hereby amended to read as follows:

“17.06.010 Existing Building Code - Adoption.

Those certain documents, three (3) certified copies of which are on file in the Office of the City Clerk,

marked and designated as California Code of Regulations Title 24, Part 10, '2019 California Existing Building Code' based on the 2018 International Existing Building Code and as amended by the California Building Standards Commission are adopted by reference as the Existing Building Code for the City of Merced."

SECTION 8. AMENDMENT TO CODE. Section 17.07.010, "Green Building Standards Code – Adoption," of the Merced Municipal Code is hereby amended to read as follows:

"17.07.010 Green Building Standards Code – Adoption.

Those certain documents, three (3) certified copies of which are on file in the Office of the City Clerk, marked and designated as California Code of Regulations Title 24, Part 11, '2019 California Green Standards Code' as published by the International Code Council for the California Building Standards Commission are adopted by reference as the Green Building Standards Code for the City of Merced."

SECTION 9. AMENDMENT TO CODE. Section 17.09.010, "Historical Code – Adoption," of the Merced Municipal Code is hereby amended to read as follows:

"17.09.010 Historical Code - Adoption.

Those certain documents, three (3) certified copies of which are on file in the Office of the City Clerk, marked and designated as California Code of Regulations Title 24, Part 8, '2019 California Historical Building Code' as published by the International Code Council for California Building Standards Commission is adopted by reference as the Historical Building Code for the City of Merced."

SECTION 10. AMENDMENT TO CODE. Section 17.10.010, “Energy Code – Adoption,” of the Merced Municipal Code is hereby amended to read as follows:

“17.10.010 Energy Code - Adoption.

Those certain documents, three (3) certified copies of which are on file in the Office of the City Clerk, marked and designated as California Code of Regulations Title 24, Part 6, ‘2019 California Energy Code’ as published by the International Code Council for California Building Standards Commission is adopted by reference as the Energy Code for the City of Merced.”

SECTION 11. AMENDMENT TO CODE. Section 17.12.010, “California Administrative Code – Adoption,” of the Merced Municipal Code is hereby amended to read as follows:

“17.12.010 California Administrative Code-- Adoption.

Those certain documents, three (3) certified copies of which are on file in the Office of the City Clerk, marked and designated as California Code of Regulations Title 24, Part I, ‘2019 California Administrative Code’ as published by the International Code Council for California Building Standards Commission are adopted by reference as the Administrative Code for the City of Merced.”

SECTION 12. AMENDMENT TO CODE. Section 17.20.010, “California Electrical Code – Adoption,” of the Merced Municipal Code is hereby amended to read as follows:

“17.20.010 California Electrical Code- Adoption.

Those certain documents, three (3) certified copies of

which are on file in the Office of the City Clerk, marked and designated as California Code of Regulations Title 24, Part 3, '2019 California Electrical Code' based on the 2014 National Electrical Code and amended by the California Building Standards Commission are adopted by reference as the Electrical Code for the City of Merced."

SECTION 13. AMENDMENT TO CODE. Section 17.24.010, "California Mechanical Code – Adoption," of the Merced Municipal Code is hereby amended to read as follows:

"17.24.010 California Mechanical Code - Adoption.

Those certain documents, three (3) certified copies of which are on file in the Office of the City Clerk, marked and designated as California Code of Regulations Title 24, Part 4, '2019 California Mechanical Code' based on the 2018 Uniform Mechanical Code and as amended by the California Building Standards Commission are adopted by reference as the Mechanical Code for the City of Merced."

SECTION 14. AMENDMENT TO CODE. Section 17.28.020, "California Plumbing Code – Adoption," of the Merced Municipal Code is hereby amended to read as follows:

"17.28.020 California Plumbing Code- Adoption.

Those certain documents, three (3) certified copies of which are on file in the Office of the City Clerk, marked and designated as California Code of Regulations Title 24, Part 5, '2019 California Plumbing Code' based on the 2018 Uniform Plumbing Code and as amended by the California Building Standards Commission are adopted by reference as the Plumbing Code for the City of Merced."

SECTION 15. AMENDMENT TO CODE. Section 17.34.010, “Reference Standards Code – Adoption,” of the Merced Municipal Code is hereby amended to read as follows:

“17.34.010 Referenced Standards Code - Adoption.

Those certain documents, three (3) certified copies of which are on file in the Office of the City Clerk, marked and designated as California Code of Regulations Title 24, Part 12, ‘2019 California Referenced Standards Code’ as published by the International Code Council for the California Building Standards Commission are adopted by reference as the Referenced Standards Code for the City of Merced.”

SECTION 16. EFFECTIVE DATE. This Ordinance shall be in full force and effect thirty (30) days after its adoption.

SECTION 17. SEVERABILITY. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance, is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance, and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

SECTION 18. PUBLICATION. The City Clerk is directed to cause a summary of this Ordinance to be published in the official newspaper at least once within fifteen (15) days after its adoption showing the vote thereon.

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The foregoing Ordinance was introduced at a regular meeting of the City Council of the City of Merced on the ____ day of _____, 2019, and was passed and adopted at a regular meeting of said City Council held on the ____ day of _____, 2019, by the following called vote:

AYES: **Council Members:**

NOES: **Council Members:**

ABSTAIN: **Council Members:**

ABSENT: **Council Members:**

APPROVED:

Mayor

ATTEST:
STEVE CARRIGAN, CITY CLERK

BY: _____
Assistant/Deputy City Clerk

(SEAL)

APPROVED AS TO FORM:

BY: Shedra A. Noh 9-20-19
City Attorney Date

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY COUNCIL OF
THE CITY OF MERCED, CALIFORNIA,
AMENDING CHAPTER 17.32, "FIRE
PREVENTION CODE," OF THE MERCED
MUNICIPAL CODE**

**THE CITY COUNCIL OF THE CITY OF MERCED MAKES THE
FOLLOWING FINDINGS:**

WHEREAS, California Health & Safety Code Section 18938(c) provides that the building standards contained in the 2019 Edition of the California Fire Code, by the International Code Council shall apply to all occupancies throughout the state and shall become effective 180 days after publication in the California Buildings Standards Code by the California Building Standards Commission; and

WHEREAS, California Health & Safety Code Section 17958.7 provides that if a city makes an express finding that modifications or changes are reasonably necessary because of local climatic, geological, or topographical conditions, a city may establish more restrictive building standards. Findings of local conditions must be filed with the California Building Standards Commission to become effective; and

WHEREAS, the City Council of the City of Merced has previously adopted the California Fire Code, 2016 Edition, including the appendix which was published by the International Code Council, with certain amendments as the Fire Code of the City; and

WHEREAS, after due consideration, the City Council of the City of Merced hereby finds that it desires to adopt the California Fire Code, 2019 Edition, as the City's Fire Code, with certain amendments to provide further safety protections to the citizens of the City of Merced; and

WHEREAS, the City Council of the City of Merced finds that certain local climatic factors require certain amendments to the California Fire Code, 2019 Edition. During winter months, the San Joaquin Valley experiences thick fog that is a danger to emergency personnel responding to fires and other emergencies and significantly delays response time of emergency vehicles beyond the normal response time. Fire engines and trucks must greatly reduce their speed in the fog to

compensate for appropriate breaking distances because of the weight of the vehicles; and

WHEREAS, the City Council of the City of Merced finds that certain local geological factors require certain amendments to the "California Fire Code, 2019 Edition." Merced County is located within an area with potential seismic activity. After a large seismic event, the potential for multiple fires occurring simultaneously will tax available firefighting resources. Built-in fire protection will assist in extinguishing or controlling fires in larger structures, which will increase the availability of firefighting resources after seismic activity; and

WHEREAS, The City Council of the City of Merced finds that certain local topographical factors require certain amendments to the California Fire Code, 2019 Edition." The City of Merced, to a great extent, lies on a level plain; as a result, heavy rains have historically caused flooding throughout the City, which has caused and can cause delays for emergency response, or in some situations, make it extremely difficult for responders to access certain areas of the City. Flooding is both a climatic and topographic problem. In addition, two major railroad lines crossing through the City have in the past. been responsible and will continue to be responsible for creating delays for emergency vehicles by blocking emergency routes.

**THE CITY COUNCIL OF THE CITY OF MERCED DOES ORDAIN
AS FOLLOWS:**

SECTION 1. AMENDMENT TO CODE. Chapter 17.32, "Fire Prevention Code," of the Merced Municipal Code is hereby amended to read as follows:

**"Chapter 17.32
FIRE CODE**

Section:

- | | |
|------------------|--|
| 17.32.010 | Adoption. |
| 17.32.020 | Issuance of Citations by Designated Officers and Employees. |
| 17.32.030 | Chapter 1, Scope and Administration. |
| 17.32.040 | Chapter 2, Definitions. |
| 17.32.050 | Chapter 3, General Requirements. |

- 17.32.060 Chapter 4, Emergency Planning and Preparedness.**
- 17.32.070 Chapter 5, Fire Service Features.**
- 17.32.080 Chapter 8, Interior Finish, Decorative Materials and Furnishings.**
- 17.32.090 Chapter 9, Fire Protection Systems.**
- 17.32.100 Chapter 11, Construction Requirements for Existing Buildings.**
- 17.32.110 Chapter 56, Explosives and Fireworks.**
- 17.32.120 Chapter 57, Flammable and Combustible Liquids.**
- 17.32.130 Appendix 4, Special Detailed Requirements Based on Use and Occupancy.**
- 17.32.140 Appendix B, Fire-Flow Requirements for Buildings.**
- 17.32.150 Appendix BB, Fire-Flow Requirements for Buildings.**
- 17.32.160 Appendix C, Fire Hydrant Locations and Distribution.**
- 17.32.170 Appendix CC, Fire Hydrant Locations and Distribution.**
- 17.32.180 Appendix D, Fire Apparatus Access Roads.**
- 17.32.190 Appendix E, Hazard Categories.**
- 17.32.200 Appendix F, Hazard Ranking.**
- 17.32.210 Appendix G, Cryogenic Fluids-Weight and Volume Equivalents.**
- 17.32.220 Appendix H, Hazardous Materials Management Plans and Hazardous Materials Inventory Statements.**
- 17.32.230 Appendix I, Fire Protection Systems-Noncompliant Conditions.**
- 17.32.240 Appendix J, Building Information Sign.**
- 17.32.250 Appendix L, Requirements for Fire Fighter Air Replenishment Systems.**
- 17.32.260 Appendix N, Temporary Haunted Houses, Ghost Walks and Similar Amusements.**

17.32.010 Adoption.

Subject to the particular additions, deletions, and amendments herein set forth in this Chapter, three (3) certified *copies of which are on file in the Office of the City Clerk, the rules, regulations, provisions, and conditions* set forth in that certain code entitled International Fire Code, 2018 Edition, the California Fire Code, 2019 Edition, including appendices Chapter 4, and Appendices B, BB, C, CC, D, E, F, G, H, I, L and N as published by the International Code Council, is adopted and shall be designated, known, and referred to as the International Fire Code, and the California Fire Code of and for the City of Merced.

17.32.020 Issuance of Citations by Designated Officers and Employees.

Officers or employees of the City of Merced Fire Department, as designated by the Fire Chief, who have the discretionary duty to enforce a statute or ordinance may, pursuant to Section 836.5 of the Penal Code of the State of California and subject to the provisions hereof, arrest a person without a warrant whenever any such officer or employee has reasonable cause to believe that the person to be arrested has committed a misdemeanor in the officer's or employee's presence which s/he has the discretionary duty to enforce, and to issue a notice to appear and release such person on his or her written promise to appear in court pursuant to Chapter 5C, Citations for Misdemeanors, of the Penal Code of the State of California (commencing with Section 853.6).

17.32.030 Chapter 1, Scope and Administration.

Chapter 1 as set forth in the California Fire Code, 2019 Edition, is adopted in its entirety except as amended herein.

A. Section 102.7, Chapter 1 of the California Fire Code, 2019 Edition, is amended to read as follows:

Section 102.7. Referenced codes and standards. The codes and standards referenced in the Code shall be those that are listed in Chapter 80 of the California Fire Code, 2019 Edition, and such codes and standards shall be considered part of the requirements of this Code to the prescribed extent of each such reference, and as further regulated in Section 102.7.1.

B. Section 102.7.1, Chapter 1 of the California Fire Code, 2019 Edition, is amended to read as follows:

102.7.1 Conflicts. Where conflicts occur between the provisions of this Code and the referenced codes and standards, the provisions of this Code shall apply.

C. Section 102.8, Chapter 1 of the California Fire Code, 2019 Edition, is amended to read as follows:

Section 102.8. Subjects not regulated by this Code. Where no applicable standards or requirements are set forth in this code, or contained within other laws, codes, regulations, ordinances or bylaws adopted by the jurisdiction, compliance with applicable standards of the National Fire Protection Association or other nationally recognized fire safety standards as are approved shall be deemed as prima facie evidence of compliance with the intent of this Code.

Nothing herein shall derogate from the authority of the Fire Chief to determine compliance with codes or standards for those activities or installations within the Fire Chief's jurisdiction or responsibility.

In instances where a new product or process for use or where alternative materials or methods are being proposed, the Fire Chief may require that the product or process be evaluated by the International Code Council

Evaluation Service (ICC-ES). All tests required as evidence for compliance shall be at no cost to the City. **EXCEPTION:** Recognized standards shall not include any standard that attempts to regulate local authority as to minimum daily staffing levels and incident response levels. These standards include, but are not limited to NFPA 1710 & 1720.

D. Sections 104.10 and 104.10.1, Chapter 1 of the California Fire Code, 2019 Edition, are amended to read as follows:

Section 104.10. Fire Investigations. The Fire Chief, Fire Chief Officers and members of the fire investigation team who have been designated by the Fire Chief shall have the powers of a police officer in performing their duties under this Code.

Section 104.10.1. Assistance from other Agencies. Police and other enforcement agencies shall have authority to render necessary assistance in the investigation of fires when requested to do so.

E. Section 105.2.2, Chapter 1 of the California Fire Code, 2019 Edition, is amended to read as follows:

Section 105.2.2 Inspection authorized. Before a new operational permit is approved, the Fire Code Official shall inspect the receptacles, vehicles, buildings, devices, premises, storage spaces, or areas to be used to determine compliance with this Code or any operational constraints required. In instances where laws, rules, regulations, provisions, or conditions are enforceable by departments or organizations other than the Fire Department, joint approval shall be obtained from the departments or organizations.

F. Section 105.4.2, Chapter 1 of the California Fire Code, 2019 Edition, is amended to add Section 105.4.2.2:

Section 105.4.2.2. Information on construction detail page. A construction 'detail' page for all Group A, B, E, F-1, H, I, L, M, R-1, R-2, R-2.1, R-3.1, R-4, S-1, S-2, and all other buildings 5,000 square feet or greater in area shall be submitted and approved by the Chief Building Official or designee prior to permit issuance. The 'detail' page shall be an 8 ½" x 11" document and an electronically submitted "detail" page for emergency responder data files. The 'detail' page shall include a site plan showing:

- a. Property, site layout
- b. Roads, fire access lanes, and building access points
- c. Premises Identification (address, building identification, suites, room numbers, etc.)
- d. Hydrants and FDC locations
- e. Knox product locations
- f. Fire alarm control locations
- g. Fire riser locations
- h. Hose valve locations
- i. 'Main Electrical' and 'Main Gas Disconnect' locations
- j. Hazardous materials storage

Exception: Occupancy Group R-3 One and Two Family Dwellings.

G. Section 105.6, Chapter 1 of the California Fire Code, 2019 Edition, is amended to read as follows:

Section 105.6. Required Operational Permit. The Fire Chief is authorized to issue operational permits for the operations set forth in Sections 105.6.1 through 105.6.51.2 of the California Fire Code. Before a permit is issued, the Fire Chief or his authorized representative(s) shall inspect and approve the receptacles, vehicles, building devices, premises, storage spaces or areas to be used.

In instances where laws or regulations are enforceable by departments other than the Fire Department, joint approval shall be obtained from all necessary departments. Permits shall be valid for a one (1) year period and shall be amended any time there is a known addition of a permitted operation.

H. Section 105.6.27, Chapter 1 of the California Fire Code, 2019 Edition, is amended to add the following:

Section 105.6.27. LP-gas.

1. Storage and Use of LP-gas. Distributors shall not fill an LP-gas container for which a permit is required unless the fire code official has issued a permit for installation for that location.

EXCEPTIONS:

1. Containers not exceeding five (5) gallon water capacity, used for 'barbecue' cooking, when used and stored outside of buildings.
2. Approved containers not exceeding sixteen and four-tenths (16.4) ounces when displayed for sale in mercantile occupancies.
3. Factory installed containers for recreational vehicles not exceeding ten (10) gallon water capacity.

4. Factory installed tanks that are permanently attached to recreational vehicles.

I. Section 105.6.51, Chapter 1 of the California Fire Code, 2019 Edition, is amended to add Sections 105.6.51.1 and 105.6.51.2:

105.6.51.1 Fire extinguishers. Placement of fire extinguishers inside apartment complexes

105.6.51.2 Wrecking Yard. A permit is required to operate a wrecking yard.

J. Section 106, Chapter 1 of the California Fire Code, 2019 Edition, is amended to add Sections 106.6:

106.6. Inspection Fee. Where an inspection is required by the provisions of this Code or any other purpose as required by the Fire Chief, the department shall charge an inspection fee. This fee shall be in addition to any fire permit charges and any other fees required by this Code. Inspection fees shall be adopted by Resolution of the City Council.

K. Section 106, Chapter 1 of the California Fire Code, 2019 Edition, is amended to add Section 106.7:

106.7. Fire Watch/Stand-by Fee. Where a fire watch or standby is required by the provisions of this Code or any other purpose as required by the Fire Chief, the department shall charge a service fee. Service fees shall be adopted by Resolution of the City Council.

L. Section 106, Chapter 1 of the California Fire Code, 2019 Edition, is amended to added Section 106.8:

106.8. False alarms. The owner and occupants of any premises, which generates more than two (2) false alarms in any calendar year will be required to pay response costs for any and all false alarms for the third (3rd) and

any subsequent false alarm in that time frame. Fees for false alarms shall be adopted by Resolution of the City Council.

M. Section 106, Chapter 1 of the California Fire Code, 2019 Edition, is amended to add Section 106.9:

106.9. Permit fees. An inspection fee for permits required by Sections 105.6.1 through 105.6.51.2 shall be paid prior to the issuance of the permit and prior to all subsequent renewals. Inspection and permit fees shall be adopted by Resolution of the City Council.

N. Section 106, Chapter 1 of the California Fire Code, 2019 Edition, is amended to add Section 106.10:

106.10. Charge for fire suppression. Any person who, after written notification by the Fire Chief causes, permits or allows the existence of a fire hazard or hazards as defined by this Code or any person who negligently, or in violation of the law, sets a fire, allows a fire to be set, or allows a fire kindled or attended by him or her to escape onto any public or private property is liable for the expense of fighting the fire. These expenses shall include, but not be limited to, all costs for suppression, rescue or emergency medical services, or investigation. The Fire Chief or his authorized representative shall determine whether said fire hazard caused, or contributed to the spread of the fire. Each applicable expense rate shall be adopted by Resolution of the City Council or, if no rate is established, the expense rate shall be the actual cost of the product or service.

O. Section 107.2, Chapter 1 of the California Fire Code, 2019 Edition, is amended to read as follows:

Section 107.2. Inspections. The Fire Chief or designated representative(s) is authorized to conduct such inspections as are deemed necessary to determine the extent of compliance with the provisions of this code and

to approve reports of inspections by approved agencies or individuals. All reports of such inspections shall be prepared and submitted in writing for review and approval. A responsible officer(s) designated by the Fire Chief of such approved agency or by the responsible individual shall certify inspection reports. The Fire Chief is authorized to engage such expert opinion as deemed necessary to report upon unusual, detailed or complex technical issues subject to the approval of the City Council of the City of Merced

The Fire Chief and assigned representatives are authorized to inspect, as often as may be necessary, buildings and premises, including such other hazards or appliances as the Fire Chief may designate for the purpose of ascertaining and causing to be corrected any condition which would reasonably tend to cause fire or contribute to its spread, or any violation of the purpose or provisions of this code and of any other law or standard affecting fire safety.

P. Section 109.1, Chapter 1 of the California Fire Code, 2019 Edition, is amended to read as follows:

Section 109.1. Board of appeals established. In order to hear and decide appeals of orders, decisions or determinations made by the Fire Chief relative to the application and interpretation of this Code, a Board of Appeals is hereby created. The City of Merced Building and Housing Board of Appeals, whose members are qualified by experience and training, is appointed to determine the suitability of alternate materials and types of construction and to provide for reasonable interpretation of the provisions of this Code. The Fire Chief shall be an ex officio member of the board. The board shall adopt reasonable rules and regulations for conducting its investigations and shall render decisions and findings in writing to the Fire Chief, with a duplicate copy to the appellant.

Q. Sections 110.4 and 110.4.1 Chapter 1 of the California Fire Code, 2019 Edition, are amended to read as follows:

110.4. Violation penalties. Persons who shall violate a provision of this Code or shall fail to comply with any of the requirements thereof or who shall erect, install, alter, repair or do work in violation of the approved construction documents or directive of the Fire Code Official, or of a permit or certificate used under provisions of this Code, in addition to any and all other administrative or civil action, proceeding, or remedy, shall be guilty of a misdemeanor, subject to punishment in accordance with Chapter 1.12 of the Merced Municipal Code.

Section 110.4.1. Abatement of violation.

- (a) In addition to the imposition of the penalties herein described, the Fire Chief is authorized to institute appropriate action to prevent unlawful construction or to restrain, correct or abate a violation; or to prevent illegal occupancy of a structure or premises; or to stop an illegal act, conduct of business or occupancy of a structure on or about any premises.
- (b) **Fire hazard.** Any person(s) operating or maintaining any occupancy, premises or vehicle subject to this code who shall cause any fire hazard to exist on premises under his/her control or who shall fail to take immediate action to abate a fire hazard when ordered or notified to do so by the Fire Chief or his duly authorized representative shall be guilty of a misdemeanor.

17.32.40 Chapter 2, Definitions.

A. Chapter 2 as set forth in the California Fire Code, 2019 Edition, is adopted in its entirety except as amended herein.

B. Section 202, Chapter 2 of the California Fire Code, 2019 Edition, is amended to add general definitions:

‘False alarm’ - is the deliberate reporting of an alarm for which no such fire or emergency actually exists and shall also mean the deliberate or accidental transmission of alarm signal, either silent or audible, prompting a response to be made by the Fire Department when an emergency situation for which the alarm system was intended does not exist.

17.32.050 Chapter 3, General Requirements.

A. Chapter 3 as set forth in the California Fire Code, 2019 Edition, is adopted in its entirety except as amended herein.

B. Section 308, Chapter 3 of the California Fire Code, 2019 Edition, is amended to add Section 308.1.6.3:

308.1.6.3 Sky lanterns. A person shall not release or cause to be released an untethered sky lantern.

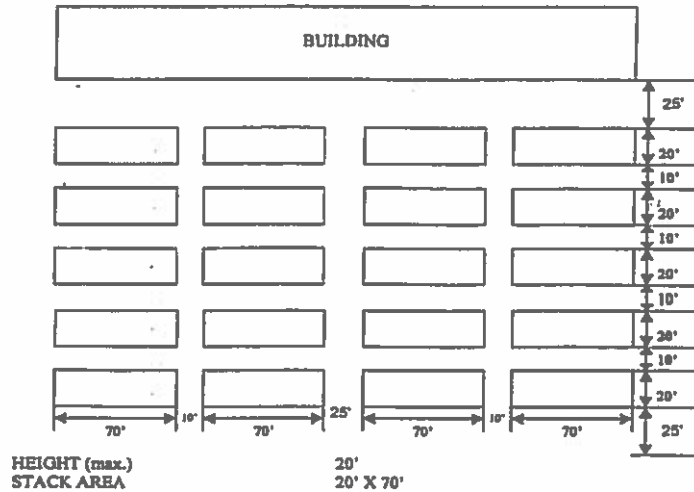
C. Section 315, Chapter 3 of the California Fire Code, 2019 Edition, is amended to add Section 315.7:

Section 315.7 Requirements for Outdoor Storage of Pallets.

1. Open yards required by the California Building Code shall be maintained around structures. CFC 2803.1 (Yard – An open space, other than a court, unobstructed from the ground to the sky, except where specifically provided by the

California Building Code, on the lot on which a building is situated.) CFC Definitions Section 202.

2. Piles shall be a minimum of 25 feet from a structure.
3. Piles shall not be located within 10 feet of a property line.
4. The maximum dimensions of a pile shall not exceed 20 feet x 70 feet.
5. Pile height shall not exceed 20 feet.
6. There shall be 10 feet of aisle ways between piles.
7. Piles shall be placed in grids not to exceed 140 feet by 150 feet.
8. Each grid shall be separated by an approved fire apparatus access road.
9. Permanent pallet storage areas shall be surrounded with an approved fence. Fences shall be a minimum of six (6) feet in height.
10. Adequate water supply, as required by the fire department, shall be provided for fire suppression needs.
11. Note: Pallets shall not obstruct fire apparatus access roads or fire apparatus access to water supplies (fire hydrants, etc.)



17.32.060 Chapter 4, Emergency Planning and Preparedness.

A. Chapter 4 as set forth in the California Fire Code, 2019 Edition, is adopted in its entirety except as amended herein.

B. Section 403, Chapter 4 of the California Fire Code, 2019 Edition, is amended to add Section 403.11.6:

Section 403.11.6. Group S Occupancies greater than 100,000 square feet. An approved fire safety and evacuation plan in accordance with Section 404 shall be prepared and maintained for buildings greater than 100,000 square feet in aggregate floor area.

17.32.070 Chapter 5, Fire Service Features.

Chapter 5 as set forth in the California Fire Code, 2019 Edition, is adopted in its entirety except as amended herein.

A. Section 503.2, Chapter 5 of the California Fire Code, 2019 Edition, is amended to read as follows:

503.2 Specifications. Fire apparatus access roads shall be installed and arranged in accordance with Sections 503.2.1 through 503.2.8.

- (a) Roads. Required access roads from every building to a public street shall be all-weather hard-surfaced (suitable for use by fire apparatus) right-of-way not less than 22 feet in width as measured from the face of the curb. Such right-of-way shall be unobstructed and maintained only as access to the public street.

B. Section 503.2.1, Chapter 5 of the California Fire Code, 2019 Edition, is amended to read as follows:

503.2.1 Dimensions. Fire apparatus access roads shall have an unobstructed width of not less than 22 feet as measured from the face of the curb, exclusive of shoulders, except for approved security gates in accordance with Section 503.6, and an unobstructed vertical clearance of not less than 13 feet 6 inches.

- (a) Where new or remodeled building(s) or premises are provided with automatic security gates, the following methods of entry shall be required: Key switch. The key switch shall be keyed the same as the City of Merced approved master key (Knox); and, Radio Operated controller (Click2Enter or other approved equipment).
- (b) When Fire Department access is blocked due to a non-automatic gate, any locking devices used on such gate shall be operable with an approved key box access key.

C. Section 507.5.4, Chapter 5 of the California Fire Code, 2019 Edition, is amended to read as follows:
507.5.4 Obstruction. Unobstructed access to fire hydrants shall be maintained at all times. The Fire Department shall not be deterred or hindered from

gaining immediate access to fire protection equipment or fire hydrants.

Where fire hydrants and/or Fire Department connections are installed in inconspicuous locations, the Fire Code Official may require hydrant locations to be identified by the installation of blue reflective markers and the location of the Fire Department connections to be identified by green reflective markers.

17.32.080 Chapter 8, Interior Finish, Decorative Materials and Furnishings.

Chapter 8 as set forth in the California Fire Code, 2019 Edition, is adopted in its entirety without amendments.

17.32.090 Chapter 9, Fire Protection Systems.

Chapter 9, as set forth in the California Fire Code, 2019 Edition, is adopted in its entirety except as amended herein.

A. Section 901.6.2, Chapter 9 of the California Fire Code, 2019 Edition, is adopted in its entirety except as amended herein:

901.6.3 System Records. All contractors who service, test, install, and/or maintain fire protection systems within the City are required to enroll and utilize the approved single-point repository to file the records of all system inspections, tests and maintenance required by the referenced standards. The approved repository service shall be maintained and provided to the Fire Code Official through a third party inspection reporting system. Fees, as applicable, will be paid directly from the contractor to the single-point repository vendor.

B. Section 903.1, Chapter 9 of the California Fire Code, 2019 Edition, is amended to add Section 903.1.2:

903.1.2. Determination of Building Area. For purposes of determining building area for automatic fire sprinkler system requirements, the following criteria shall be used:

1. Area or occupancy separation walls will not be allowed to reduce the overall square footage in an area of a building in order to circumvent the requirements for an automatic sprinkler system.

Exceptions:

- a. Party walls located on a lot-line between two buildings in accordance with California Building Code, Section 706.
 - b. Firewalls without openings installed in accordance with California Building Code, Section 706 and with specific fire wall requirements in Section 903.2 of this Code based on occupancy.
2. Determination of building area for combustible construction shall be measured to the building perimeter roof drip line, including architectural features, such as, but not limited to, mansards, towers, porte cocheres, etc., with the exception of 44" maximum depth roof eaves. For non-combustible construction, building area shall include all perimeter roof areas exceeding 44" that are required by NFPA 13 to have fire sprinkler protection under the projection. The area of open shafts or courts need not be included in calculating floor area. When multiple buildings are considered as one building per California Building Code, the combined floor areas shall be used to determine the automatic fire sprinkler requirements.

C. Section 903.1, Chapter 9 of the California Fire Code, 2019 Edition, is amended to add Section 903.1.3:

903.1.3. Applicability to Existing Buildings. For existing buildings, an automatic fire extinguishing system shall be installed in those circumstances described in this subsection. Installation requirements shall be as set forth for new buildings by Sections 903.2.1 through 903.2.19.1.2.

1. **Building Additions.** When additions exceed 25% of the existing building square footage and the total proposed building area is 5,000 square feet or greater, an automatic fire sprinkler system shall be installed throughout the building. The 25% threshold shall be cumulative over the life of the building.

Exception: Building additions of non-combustible construction and non-combustible uses such as covered pedestrian walkways.

2. **Change of Occupancy.** In existing buildings 5,000 square feet or greater, when a Change of Occupancy, in accordance with the California Building Code is made and the proposed new occupancy is more hazardous to life and safety than the existing occupancy an automatic fire extinguishing system shall be installed throughout the building.

Exceptions:

- a. If the area in which the Change of Occupancy occurs is less than 25% of the actual floor area of the existing building, the area of the new occupancy is 5,000 square feet or less, and fire sprinklers are not required based on occupancy by Section 903, and automatic fire sprinkler system is

not required for any portion of the building. The 25% limit is cumulative over the life of the building.

- b. If the area in which the Change of Occupancy occurs exceeds 25%, but is less than 50% of the actual floor area of the existing building, only that portion of the building changing occupancy is required to have an automatic fire sprinkler system installed. An approved fire separation shall be required between portions of the building with fire sprinklers and those portions without.
- c. If individual or cumulative Change of Occupancies exceeds 50% of the overall floor area of the existing building, then the entire building shall have an automatic fire sprinkler system installed throughout.

3. Fire Damage Repairs. An automatic fire sprinkler system shall be installed as a condition of fire damage repair building permit as follows:

- a. When a fire occurs in any existing occupancy, and the building permit repair costs exceed 50% of the current building valuation, an automatic fire sprinkler system shall be installed throughout the building as required for a new building in Section 903.
- b. Fire damage repair costs and building valuation shall be based on the ICC Building Valuation Tables in use by the City's Development Services Department at the time of the issuance of the fire damage repair permit.

D. Section 903.2, Chapter 9 of the 2019 California Fire Code, 2019 Edition, is hereby amended to read as follows:

903.2 Where required. An approved automatic fire sprinkler system is required in all new buildings and structures constructed on or after the effective date of this ordinance, notwithstanding the use and occupancy thereof, when the total floor area under one roof is five thousand (5,000) square feet or greater.

EXCEPTION:

In the case of motor vehicle fuel dispensing canopies, an approved automatic fire sprinkler system is required when the total floor area under one roof is 10,000 square feet or greater.

If the provisions of the 2019 California Fire Code Section 903.2.1 through 903.2.19 are more restrictive, then the more restrictive requirement shall apply.

E. Section 903.2.10, Chapter 9 of the California Fire Code, 2019 Edition, is amended to read as follows:

903.2.10 Group S-2 enclosed parking garages. An automatic sprinkler system shall be provided throughout buildings classified as enclosed parking garages in accordance with Section 406.6 of the California Building Code as follows:

1. Where the fire area of the enclosed parking garage is 5,000 square feet *or* greater; or
2. Where the enclosed parking garage is located beneath other groups.

903.3.5.3 Fire Flow Test. A 20% reduction shall be made to the static, residual and gallon per minute flow

calculations used for design criteria of automatic sprinkler systems.

903.3.5.4 Fire Flow Test Expiration. Fire flow test shall expire after six (6) months.

F. Section 903.4.1, Chapter 9 of the California Fire Code, 2019 Edition, is amended to read as follows:

903.4.1 Monitoring. Alarm, supervisory and trouble signals shall be distinctly different and shall be automatically transmitted to an approved and listed supervising station or, when approved by the Fire Code Official, shall sound an audible signal at a constantly attended location, including, but not limited to, alarm systems flow switches, supervised OS & Y valves and post indicator valves. Fire suppression monitoring shall include audible and visual notification to all occupants.

G. Section 903, Chapter 9 of the California Fire Code, 2019 Edition, is amended to add Section 903.7:

903.7 Fire Control Room. An approved fire control room shall be provided for all buildings protected by an automatic fire sprinkler or other approved system. The fire control room shall contain all system control valves, fire alarm control panels, other fire equipment, and pre-incident, hazardous material or other plans required by the Fire Code Official. Fire control rooms shall be located within the building at a location approved by the Fire Code Official and be provided with a means of access to the room directly from the exterior. The room shall be constructed of not less than 1-hour fire resistive construction. Durable signage shall be provided on the exterior side of the access door to identify the fire control room.

Exception: The Fire Code Official may waive this requirement for existing and specific buildings based on

size, configuration, use, and potential life and fire safety hazards.

H. Section 907.6.6, Chapter 9 of the California Fire Code, 2019 Edition, is amended to read as follows:

907.6.6 Monitoring. All required fire alarm and fire extinguishing systems shall be monitored by an approved supervising station in accordance with NFPA 72, and this section.

Exception: Monitoring by a supervising station is not required for:

1. Single- and multiple-station smoke alarms required by Section 907.2.10.
2. Group I-3 occupancies shall be monitored in accordance with Section 907.2.6.3.4.
3. Automatic sprinkler systems in one- and two-family dwellings.

17.32.100 Chapter 11, Construction Requirements for Existing Buildings.

Chapter 11 as set forth in the California Fire Code, 2019 Edition, is adopted in part as follows:

- A. Section 1101, Chapter 11 of the California Fire Code, 2019 Edition, is adopted without amendment.
- B. Section 1102, Chapter 11 of the California Fire Code, 2019 Edition, is adopted without amendment.
- C. Section 1103.1, Chapter 11 of the California Fire Code, 2019 Edition, is adopted without amendment.
- D. Section 1103.2, Chapter 11 of the California Fire Code, 2019 Edition, is adopted without amendment.

- E. Section 1103.3, Chapter 11 of the California Fire Code, 2019 Edition, is adopted without amendment.
- F. Section 1103.4, Chapter 11 of the California Fire Code, 2019 Edition, is adopted without amendment.
- G. Section 1103.5, Chapter 11 of the California Fire Code, 2019 Edition, is adopted without amendment.
- H. Section 1103.6, Chapter 11 of the California Fire Code, 2019 Edition, is adopted without amendment.
- I. Section 1103.7, Chapter 11 of the California Fire Code, 2019 Edition, is adopted without amendment.
- J. Section 1103.8, Chapter 11 of the California Fire Code, 2019 Edition, is adopted without amendment.
- K. Section 1103.9, Chapter 11 of the California Fire Code, 2019 Edition, is adopted without amendment.
- L. Section 1104.3, Chapter 11 of the California Fire Code, 2019 Edition, is adopted without amendment.
- M. Section 1104.4, Chapter 11 of the California Fire Code, 2019 Edition, is adopted without amendment.
- N. Section 1104.5, Chapter 11 of the California Fire Code, 2019 Edition, is adopted without amendment.
- O. Section 1104.6, Chapter 11 of the California Fire Code, 2019 Edition, is adopted without amendment.
- P. Section 1104.7, Chapter 11 of the California Fire Code, 2019 Edition, is adopted without amendment.
- Q. Section 1104.8, Chapter 11 of the California Fire Code, 2019 Edition, is adopted without amendment.

R. Section 1104.10, Chapter 11 of the California Fire Code, 2019 Edition, is adopted without amendment.

S. Section 1104.13, Chapter 11 of the California Fire Code, 2019 Edition, is adopted without amendment.

T. Section 1104.14, Chapter 11 of the California Fire Code, 2019 Edition, is adopted without amendment.

U. Section 1104.15, Chapter 11 of the California Fire Code, 2019 Edition, is adopted without amendment.

V. Section 1104.16, Chapter 11 of the California Fire Code, 2019 Edition, is adopted without amendment.

W. Section 1104.18, Chapter 11 of the California Fire Code, 2019 Edition, is adopted without amendment.

X. Section 1104.19, Chapter 11 of the California Fire Code, 2019 Edition, is adopted without amendment.

Y. Section 1104.20, Chapter 11 of the California Fire Code, 2019 Edition, is adopted without amendment.

Z. Section 1104.23, Chapter 11 of the California Fire Code, 2019 Edition, is adopted without amendment.

17.32.110 Chapter 56, Explosives and Fireworks.

A. Section 5608.2 of the California Fire Code, 2019 Edition, is amended to read as follows:

Section 5608.2 Fireworks Prohibited Except as authorized by Chapter 8.22 of the Merced Municipal Code. The use and sale of 'safe and sane' fireworks for public display shall be permitted within the city, in accordance with the rules and regulations set forth in Chapter 8.22 of the Merced Municipal Code. It is unlawful for any person to possess, store, to offer for sale, sell at retail or use or explode any fireworks except

as provided in Chapter 8.22 of the Merced Municipal Code.

17.32.120 Chapter 57, Flammable and Combustible Liquids.

A. Section 5704.2.9.6.1, Chapter 57 of the California Fire Code, 2019 Edition, is hereby amended to read as follows:

5704.2.9.6.1 Locations where above-ground tanks are prohibited. Storage of Class I and II Liquids in above-ground tanks outside of buildings is prohibited, with the exception of protected tanks designed, installed and maintained in accordance with the 2019 California Fire Code. The provisions of this section shall not apply to facilities for the production, generation, or transmission of electric energy that provide power to entities furnishing retail electrical services to facilities within the City of Merced.

Exception: Listed generators for emergency/standby power.

B. Section 5704.2.9, Chapter 57 of the California Fire Code, 2019 Edition, is hereby amended to add Section 5704.2.9.8:

5704.2.9.8 Maintenance of protected above ground tanks. Protected aboveground tanks and connected piping shall be maintained in a safe operating condition. Protected aboveground tanks shall be maintained in accordance with their listings.

Damage to protected aboveground tanks shall be repaired using material having equal or greater strength and fire resistance or the protected aboveground tank shall be replaced or taken out of service.

C. Section 5704.3.4.2, Chapter 57 of the California Fire Code, 2019 Edition, is hereby amended to add subsection 7.1:

7.1 Manufacture of biodiesel in residential occupancies. The manufacture and storage of biodiesel is prohibited in Residential Occupancies and in U Occupancies associated with Residential Occupancies.

D. Section 5704.3.4.2, Chapter 57 of the California Fire Code, 2019 Edition, is hereby amended by adding subsection 7.2:

7.2 Manufacture of ethanol in residential occupancies. The manufacture and storage of ethanol is prohibited in Residential Occupancies and in U Occupancies associated with Residential Occupancies.

E. Section 5705.3.3, Chapter 57 of the California Fire Code, 2019 Edition, is hereby amended to read as follows:

5705.3.3 Heating, lighting, and cooking appliances. Heating, lighting, and cooking appliances that utilize Class I, II and III liquids shall not be operated within a building or structure.

17.32.130 Appendix 4, Special Detailed Requirements Based on Use and Occupancy.

Appendix 4 as set forth in the California Fire Code, 2019 Edition, is adopted in its entirety without amendments.

17.32.140 Appendix B, Fire-Flow Requirements for Buildings.

Appendix B as set forth in the California Fire Code, 2019 Edition, is adopted in its entirety without amendments.

17.32.150 Appendix BB, Fire-Flow Requirements for Buildings.

Appendix BB as set forth in the California Fire Code, 2019 Edition, is adopted in its entirety without amendments.

17.32.160 Appendix C, Fire Hydrant Locations and Distribution.

Appendix C as set forth in the California Fire Code, 2019 Edition, is adopted in its entirety without amendments.

17.32.170 Appendix CC, Fire Hydrant Locations and Distribution.

Appendix CC as set forth in the California Fire Code, 2019 Edition, is adopted in its entirety without amendments.

17.32.180 Appendix D, Fire Apparatus Access Roads.

Appendix D as set forth in the California Fire Code, 2019 Edition, is adopted in its entirety except as amended herein.

A. Table D103.4, Appendix D of the California Fire Code, 2019 Edition, is amended to read as follows:

Table D103.4 – REQUIREMENTS FOR DEAD-END FIRE APPARATUS ACCESS ROADS

LENGTH (feet)	WIDTH (feet)	TURNAROUNDS REQUIRED
0—150	22	None required

151—500	22	120-foot Hammerhead, 60-foot "Y" or 96-foot-diameter cul-de-sac in accordance with Figure D103.1
501—750	26	120-foot Hammerhead, 60-foot "Y" or 96-foot-diameter cul-de-sac in accordance with Figure D103.1
Over 750	Special approval required	

B. Section D103.5, Appendix D of the California Fire Code, 2019 Edition, is amended to read as follows:

D103.5 Fire apparatus access road gates. Gates securing the fire apparatus access roads shall comply with all of the following criteria:

1. The minimum gate width shall be 22 feet (6096 mm).
2. Gates shall be of the swinging or sliding type.
3. Construction of gates shall be of materials that allow manual operation by one person.
4. Gate components shall be maintained in an operative condition at all times and replaced or repaired when defective.
5. Electric gates shall be equipped with a means of opening the gate by fire department personnel for emergency access. Emergency opening devices shall be approved by the Fire Code Official.
6. Manual opening gates shall not be locked with a padlock or chain and padlock unless they are capable of being opened by means of forcible

entry tools or when a KNOX padlock is installed at the gate location.

7. Locking device specifications shall be submitted for approval by the Fire Code Official.

8. Electric gate operators, where provided, shall be listed in accordance with UL 325.

9. Gates intended for automatic operation shall be designed, constructed and installed to comply with the requirements of ASTM F 2200.

C. Figure D103.1, Appendix D of the California Fire Code, 2019 Edition, is amended to read as follows:

**Figure D103.1 – DEAD-END FIRE APPARATUS
ACCESS ROAD TURNAROUND**

1. 96-Foot diameter cul-de-sac measured at flow line to flow line; Typical radius 33' *inside and 47' outside*.

2. 60-Foot "Y"- Minimum road width 22'; Typical radius 33' *inside and 47' outside*.

3. Minimum clearance around a fire hydrant— Minimum road width 22'.

4. 120-Foot Hammerhead—Minimum road width 22'; Typical radius 33' *inside and 47' outside*.

5. Acceptable Alternative to 120-Foot Hammerhead—Minimum road width 22'; Typical radius 33' *inside and 47' outside*.

D. Section D103.6.1, Appendix D of the California Fire Code, 2019 Edition, is amended to read as follows:

D103.6.1 Roads 22 to 26 feet in width. Fire apparatus access roads 22 to 26 feet wide shall be posted on both sides as a fire lane.

E. Section D104 as set forth in the California Fire Code, 2019 Edition, is adopted in its entirety without amendments.

F. Section D105 as set forth in the California Fire Code, 2019 Edition, is adopted in its entirety without amendments.

G. Section D106 as set forth in the California Fire Code, 2019 Edition, is adopted in its entirety without amendments.

H. Section D107 as set forth in the California Fire Code, 2019 Edition, is adopted in its entirety without amendments.

NOTE; Refer to Fire Prevention Policy FPG-01 for examples of fire apparatus access roads.

17.32.190 Appendix E, Hazard Categories.

Appendix E as set forth in the California Fire Code, 2019 Edition, is adopted in its entirety without amendments.

17.32.200 Appendix F, Hazard Ranking.

Appendix F as set forth in the California Fire Code, 2019 Edition, is adopted in its entirety without amendments.

17.32.210 Appendix G, Cryogenic Fluids-Weight and Volume Equivalents.

Appendix G as set forth in the California Fire Code, 2019 Edition, is adopted in its entirety without amendments.

17.32.220 Appendix H, Hazardous Materials Management Plans and Hazardous Materials Inventory Statements.

Appendix H as set forth in the California Fire Code, 2019 Edition, is adopted in its entirety without amendments.

17.32.230 Appendix I, Fire Protection Systems-Noncompliant Conditions.

Appendix I as set forth in the California Fire Code, 2019 Edition, is adopted in its entirety without amendments.

17.32.240 Appendix J, Building Sign Information.

Appendix J as set forth in the California Fire Code, 2019 Edition, is adopted in its entirety without amendments.

17.32.250 Appendix L, Requirements for Fire Fighter Air Replenishment Systems.

Appendix L as set forth in the California Fire Code, 2019 Edition, is adopted in its entirety without amendments.

17.32.260 Appendix N – Temporary Haunted Houses, Ghost Walks, and Similar Amusements.

Appendix N as set forth in the California Fire Code, 2019 Edition, is adopted in its entirety without amendments.”

SECTION 2. EFFECTIVE DATE. This Ordinance shall be in full force and effect thirty (30) days after its adoption.

SECTION 3. SEVERABILITY. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance, is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance, and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

SECTION 4. PUBLICATION. The City Clerk is directed to cause a summary of this Ordinance to be published in the official newspaper at least once within fifteen (15) days after its adoption showing the vote thereon.

The foregoing Ordinance was introduced at a regular meeting of the City Council of the City of Merced on the ____ day of _____, 2019, and was passed and adopted at a regular meeting of said City Council held on the ____ day of _____, 2019, by the following called vote:

AYES: Council Members:

NOES: Council Members:

ABSTAIN: Council Members:

ABSENT: Council Members:

APPROVED:

Mayor

ATTEST:
STEVE CARRIGAN, CITY CLERK

BY: _____
Assistant/Deputy City Clerk

(SEAL)

APPROVED AS TO FORM:

Shirley A. Nuhn 10-14-19
City Attorney Date



ADMINISTRATIVE REPORT

Agenda Item J.1.

Meeting Date: 11/4/2019

Report Prepared by: Venus Rodriguez, Finance Officer

SUBJECT: Authorization to Issue Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced, 2019 Special Tax Refunding Bonds, in the Aggregate Principal Amount not to Exceed \$4,500,000, Authorizing the Sale of Such Bonds Upon Certain Terms and Conditions, Approving an Official Statement, Approving the Execution and Delivery of a Fiscal Agent Agreement, an Escrow Agreement, a Bond Purchase Agreement and a Continuing Disclosure Agreement, and Authorizing the Execution of Necessary Documents and Certificates and Related Actions

REPORT IN BRIEF

Considers refunding bonds for Moraga of Merced.

RECOMMENDATION

City Council - Acting as the Legislative Body of Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced, adopt a motion:

- A. Adopting **Resolution 2019-76**, a Resolution of the City Council of the City of Merced, California, acting as the legislative body of Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced authorizing the issuance of Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced, 2019 special tax refunding bonds, in the aggregate principal amount not to exceed \$4,500,000, authorizing the sale of such bonds upon certain terms and conditions, approving an official statement, approving the execution and delivery of a fiscal agent agreement, an escrow agreement, a bond purchase agreement and a continuing disclosure agreement, and authorizing the execution of necessary documents and certificates and related actions; and,
- B. Authorizing the City Manager or the Assistant City Manager or the City Attorney or the Finance Officer or the Mayor to execute necessary documents, certificates and related actions; and,
- C. Authorizing the Finance Officer to make necessary budget adjustments.

ALTERNATIVES

- 1. Approve the action as recommended.
- 2. Request modification or amendment to the documents and provide direction to City staff regarding the same.
- 3. Decline to authorize action as recommended.

AUTHORITY

Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the California Government Code (the "Act"), commonly known as the "Mello-Roos Community Facilities Act of 1982," the City's CFD Goals and Policies and Sections 405 and 1105 of the City of Merced Charter.

CITY COUNCIL PRIORITIES

Economic Development

DISCUSSION

Pursuant to the Act and the City's CFD Goals and Policies, in July 2006 the City formed a community facilities district (CFD) under the Act in response to a petition by the original developer, Lakemont LWH, LLC. In July 2006, following a successful landowner election, the CFD authorized the levy of a special tax pursuant to a rate and method of apportionment and authorized the issuance of not to exceed \$6,500,000 in special tax bonds for the District. In December 2006 \$5,840,000 principal amount of special tax bonds were sold, of which \$3,905,000 are currently outstanding (the "2006 Bonds"). The undeveloped land is currently held by Lennar Homes of California, Inc.

Staff is currently proposing to refund the 2006 Bonds to lower interest cost and annual debt service through the sale of Refunding Bonds by the CFD (the "Refunding Bonds"). Current bond market interest rates will allow the CFD to pay lower debt service and to permanently lock in the lower interest rates.

Based on current bond market conditions, a refunding could result in estimated overall savings of approximately \$499,175 (or \$411,838 in net present value dollars). Estimated annual savings would be approximately \$29,363 annually during the 17-year remaining life of the bonds. Initially, savings in Special Taxes will be allocated to undeveloped parcels only. As home sales occur savings will be reallocated and the saving shift to the developed property. The Refunding Bonds will refund the 2006 Bonds and the 2006 Bonds will be redeemed on the earliest call date, March 1, 2020. The Refunding Bonds will have the same final maturity date as the 2006 Bonds (September 1, 2036). Current Net Present Value savings exceed 10% for the bonds to be refunded. The cities debt policy has a minimum net present value savings target of 3%.

The public disclosures required under SB 450, effective January 1, 2018, are incorporated herein. The estimates have been determined as of September 25, 2019. Specifically:

- 1) *The true interest cost of the bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the new issue of bonds is estimated to be 2.99%.*
- 2) *The finance charge of the bonds, which means the sum of all fees and charges paid to third parties is estimated to be \$264,736. Bond insurance premiums, which lower interest cost in excess of the fees charged, are estimated to be \$0. Such insurance is not expected to be cost effective.*

-
- 3) *The amount of proceeds received by the public body for sale of the bonds less the finance charge of the bonds described and any reserves or capitalized interest paid or funded with proceeds of the bonds is estimated to be \$3,619,254 to be used to deacease the 2006 Bonds.*
 - 4) *The total payment amount, which means the sum total of all payments the borrower will make to pay debt service on the bonds plus any finance charge of the bonds not paid with the proceeds of the bonds. The total payment amount calculated to the final maturity of the bonds is estimated to be \$5,527,420.*

The current development of the property within the CFD for 249 single family homes by Lennar is part of a community called "Moraga," which is being marketed in three product lines known as "Chateau," "Skye," and "Summer." Lennar is also currently processing a subdivision for the remaining 40 acre site of undeveloped land that will create approximately 233 additional single family home sites.

The Refunding Bonds will be designated as "Qualified Tax Exempt Obligations" (or "Bank-Qualified Bonds") in accordance with the provisions of section 265(b)(3) of the Internal Revenue Code. This designation makes the Refunding Bonds more attractive to certain financial institutions. The designation means that the District or the City has not incurred or issued, and does not reasonably expect to incur or issue, tax-exempt obligations (bonds, notes, lease agreements, etc., other than certain private activity bonds) during calendar year 2019 in an aggregate amount in excess of \$10,000,000.

It is appropriate at this meeting to consider for adoption the resolution of the City authorizing the issuance of the Refunding Bonds in an amount not to exceed \$4,500,000. Through the adoption of the subject Resolution certain bond documents will be approved.

General Summary of Security

These special tax bonds are secured by annual special taxes on the properties in the CFD and, ultimately, by the properties themselves. In addition, a reserve fund for the CFD is established from bond proceeds. The reserve fund can be used to pay debt service in the event that a property owner does not pay its special tax on time. Once the reserve fund is depleted, the City has NO obligation to advance funds to pay the bonds. Each year special taxes will be levied against the properties in the CFD as part of the County property tax bill. In the event a property owner becomes delinquent on its property tax payment, the City covenants to initiate foreclosure proceedings provided the delinquency for such parcel is \$5,000 or more or if the overall CFD has a delinquency rate of equal to or greater than 5%. This covenant is very important to bond owners, as the property itself is the ultimate security for the bonds. The five-year delinquency history is very low at less than 1%. Additionally, the CFD is under the County's Teeter Plan and the CFD currently receives 100% of the taxes it levies.

Potential investors will look closely at the value of the property underlying the bonds relative to the

special tax lien. Most industry professionals (as well as your CFD Policies) consider a 3.5:1 value to lien as an acceptable minimum for property securing a special tax bond issue. Based on a mix of the assessed value for developed property and the current appraised values of the undeveloped Lennar lots within the CFD, the aggregate average value to lien for these bonds is over 15:1. The appraised values for the undeveloped properties have an estimated value to lien of approximately 7.5:1.

Fiscal Agent Agreement

The key legal document that lays out the legal structure and terms of the financing. It specifies payment dates, maturity dates of the bonds; revenues and accounts specifically pledged to the repayment of the bonds; flow of funds, default and remedy provisions; defeasance provisions in the event the bonds are prepaid; and covenants of the City (including foreclosure covenants). It is drafted by Bond Counsel and executed by the CFD and Fiscal Agent.

Escrow Agreement

This Agreement provides that proceeds from the Refunding Bonds will be deposited with the 2006 Bonds fiscal agent and used to redeem and debase the 2006 Bonds. It is drafted by Bond Counsel and executed by the CFD and 2006 Bonds fiscal agent.

Official Statement

This document describes the security and discloses potential risks to prospective investors. It will generally describe the sources of payment for the bonds, the value of the land ultimately securing the bonds, economic and demographic characteristics of the CFD and City, and inherent known risk factors associated with the security. It's important that this document not contain any material misstatements or omissions. The Preliminary Official Statement (often referred to as the "POS") is distributed by the underwriter to prospective investors prior to the bond sale so that they can make informed purchase decisions. The POS should be as close to final as possible with the actual terms of the pricing (interest rates and principal amounts) left necessarily blank. The Final Official Statement will be prepared shortly after the bond sale and must be available in time for bond closing. The POS and FOS are drafted by Disclosure Counsel and the FOS is executed by the CFD.

Continuing Disclosure Agreement

This agreement outlines the updated information related to the security that the CFD will agree to provide to the bond markets. Disclosure is required annually, and on an exceptional basis for any major "material" event. This document is drafted by Disclosure Counsel and executed by CFD and Goodwin Consulting Group, Inc., as dissemination agent. Lennar Homes of California, Inc., as owner of property subject to 10% or more of the special tax will also be executing a continuing disclosure certificate.

Bond Purchase Agreement

This contract is executed on the day of the bond sale, and specifies the actual principal amounts, interest rates and prices of the Refunding Bonds. In it, Brandis Tallman LLC commits to purchase the bonds at closing at the agreed upon prices and amounts subject to certain closing conditions. Closing conditions generally relate to the execution and validity of all required documents and the absence of material changes in the nature of the security. It is drafted by Disclosure Counsel and reviewed by City Attorney and executed by the CFD and the underwriter.

IMPACT ON CITY RESOURCES

Other than staff time spent working with outside professional consultants there is no fiscal impact to the City of Merced.

ATTACHMENTS

1. Resolution Authorizing Issuance of Refunding Bonds
2. Fiscal Agent Agreement
3. Escrow Agreement
4. Continuing Disclosure Agreement (Issuer)
5. Continuing Disclosure Agreement (Landowner)
6. Bond Purchase Agreement
7. Preliminary Official Statement

RESOLUTION NO. 2019-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MERCED, CALIFORNIA, ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2006-1 (MORAGA OF MERCED) OF THE CITY OF MERCED AUTHORIZING THE ISSUANCE OF COMMUNITY FACILITIES DISTRICT NO. 2006-1 (MORAGA OF MERCED) OF THE CITY OF MERCED, 2019 SPECIAL TAX REFUNDING BONDS, IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$4,500,000, AUTHORIZING THE SALE OF SUCH BONDS UPON CERTAIN TERMS AND CONDITIONS, APPROVING AN OFFICIAL STATEMENT, APPROVING THE EXECUTION AND DELIVERY OF A FISCAL AGENT AGREEMENT, AN ESCROW AGREEMENT, A BOND PURCHASE AGREEMENT AND A CONTINUING DISCLOSURE AGREEMENT, AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS

WHEREAS, the City Council (the “Council”) of the City of Merced (the “City”) has previously formed the Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced (the “District”) pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the “Act”); and

WHEREAS, the District previously issued its 2006 Special Tax Bonds (the “Prior Bonds”); and

WHEREAS, an opportunity exists to refund the Prior Bonds for the purpose of achieving debt service savings, which savings will benefit the property owners within the District; and

WHEREAS, for the purpose of refunding the Prior Bonds, the District desires to issue not to exceed \$4,500,000 aggregate principal amount of bonds designated “Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced, 2019 Special Tax Refunding Bonds (the “Bonds”); and

WHEREAS, proposed forms of a Fiscal Agent Agreement, an Escrow Agreement, a Bond Purchase Agreement, a Continuing Disclosure Agreement and a Preliminary Official Statement have been presented to the City Council and are on file with the City Clerk.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MERCED, ACTING AS THE LEGISLATIVE BODY OF THE COMMUNITY FACILITIES DISTRICT NO. 2006-1 (MORAGA OF MERCED) OF THE CITY OF MERCED DOES FIND, DETERMINE AND RESOLVE AS FOLLOWS:

SECTION 1. The foregoing recitals are true and correct and the City Council, as the legislative body of the District, hereby so finds and determines.

SECTION 2. The City Council, as the legislative body of the District, hereby finds and determines that (a) pursuant to Section 53362.5 of the Act, the total interest cost to maturity of the Bonds plus the principal amount of the Bonds does not exceed the total interest cost of the Prior Bonds plus the principal amount of the Prior Bonds, and (b) pursuant to Section 53364.2 of the Act, the savings achieved through the issuance of the Bonds will be used to reduce the special taxes levied to retire the Bonds.

SECTION 3. The City Council, as the legislative body of the District, hereby authorizes the issuance of the Bonds in the aggregate principal amount not to exceed \$4,500,000.

SECTION 4. The City Council, as the legislative body of the District, hereby approves the Fiscal Agent Agreement, in substantially the form on file with the City Clerk. The Mayor, the City Manager, the Finance Officer, and any designee of any of them (each, a "Responsible Officer") are hereby authorized to execute the Fiscal Agent Agreement in substantially the form presented hereto, with such revisions, amendments and completions as shall be approved by any Responsible Officer, with the advice of Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof by any Responsible Officer.

SECTION 5. The City Council, as the legislative body of the District, hereby approves the Escrow Agreement in substantially the form on file with the City Clerk. Any Responsible Officer is hereby authorized to execute the Escrow Agreement in substantially the form presented hereto, with such revisions, amendments and completions as shall be approved by any Responsible Officer, with the advice of Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof by any Responsible Officer.

SECTION 6. The City Council, as the legislative body of the District, hereby approves the Continuing Disclosure Agreement in substantially the form on

file with the City Clerk. Any Responsible Officer is hereby authorized to execute the Continuing Disclosure Agreement in substantially the form presented hereto, with such revisions, amendments and completions as shall be approved by any Responsible Officer, with the advice of Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof by any Responsible Officer.

SECTION 7. The City Council, as the legislative body of the District, hereby authorizes the sale of the Bonds to the Underwriter pursuant to and in accordance with the Bond Purchase Agreement (the "Purchase Agreement"), which Purchase Agreement the District hereby approves in substantially the form on file with the City Clerk and presented to the City Council at this meeting. Any Responsible Officer is hereby authorized to execute the Purchase Agreement, in substantially the form presented hereto, with such insertions and changes as may be approved by the Responsible Officer executing the same, subject to the provisions of this Resolution, such approval to be conclusively evidenced by such execution and delivery. The underwriter's discount for the Bonds specified in the Purchase Agreement shall not exceed 1.75%, exclusive of original issue discount. The true interest cost applicable to the Bonds shall not exceed 4.5%. The maturity date of the Bonds shall not extend beyond the final maturity of the Prior Bonds.

SECTION 8. Pursuant to Section 53344.1 of the Act, the City Council hereby reserves to itself, in its sole discretion, the right and authority by subsequent resolution to allow any owner of property within the District, subject to the provisions of Section 53344.1 of the Act and those conditions as it may impose, and any applicable prepayment penalties as prescribed in the Fiscal Agent Agreement, to tender to the Fiscal Agent in full payment or partial payment of any installment of the special taxes or the interest or penalties thereon which may be due or delinquent, but for which a bill has been received, any bond or other obligation secured thereby, the bond or other obligation to be taken at par and credit to be given for the accrued interest shown thereby computed to the date of tender.

SECTION 9. The City Council, as the legislative body of the District, hereby approves the form of the Preliminary Official Statement (the "Preliminary Official Statement"), in substantially the form on file with the City Clerk, with such changes and modifications as shall be necessary or appropriate for completion to the satisfaction of the City Manager or Finance Officer and approval by the City's Disclosure Counsel. Any Responsible Officer is authorized and directed, on behalf of the District, to deem the Preliminary Official Statement "final" pursuant to Rule 15c2-12 under the Securities and Exchange Act of 1934. The District

further approves distribution of the Preliminary Official Statement by the Underwriter to persons who may be interested in purchasing the Bonds. The District hereby approves the final Official Statement (the "Official Statement") describing the Bonds and any Responsible Officer is hereby authorized and directed to execute the Official Statement with such changes in or additions to the final form of the Official Statement to conform to the requirements of the Bond Purchase Agreement and the Fiscal Agent Agreement, as applicable, subject to approval by the City's Disclosure Counsel, such approval to be conclusively evidenced by the execution and delivery thereof by any Responsible Officer. Distribution of the final Official Statement by the Underwriter is hereby approved.

SECTION 10. In accordance with SB 450, good faith estimates of the following have been presented at this meeting: (a) the true interest cost of the Bonds, (b) the sum of all fees and charges paid to third parties with respect to the Bonds, (c) the amount of proceeds of the Bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the Bonds, and (d) the sum total of all debt service payments on the Bonds calculated to the final maturity of the Bonds plus the fees and charges paid to third parties not paid with the proceeds of the Bonds.

SECTION 11. The District hereby designates the Bonds as "qualified tax-exempt obligations" within the meaning of section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

SECTION 12. The City Manager, the Finance Officer, the City Clerk and all other officers of the City are hereby authorized and directed, for and in the name and on behalf of the City and the District, to do any and all things and take any and all other actions, including the publication of any notices necessary or desirable in connection with the sale of the Bonds and execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they, or any of them, deem necessary or advisable in order to consummate the lawful issuance and sale of the Bonds and the consummation of the transactions as described herein.

SECTION 13. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED AND ADOPTED by the City of Merced, acting as the legislative body of the Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced, at a regular meeting held on the ____ day of November 2019, by following called vote:

AYES: Council Members:

NOES: Council Members:

ABSTAIN: Council Members:

ABSENT: Council Members:

APPROVED

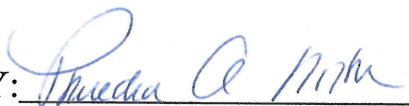
By _____
Mayor

ATTEST:
STEVE CARRIGAN, CITY CLERK

BY: _____
Assistant/Deputy City Clerk

(SEAL)

APPROVED AS TO FORM

BY:  10-7-19
City Attorney Date

FISCAL AGENT AGREEMENT

by and between

COMMUNITY FACILITIES DISTRICT NO. 2006-1
(MORAGA OF MERCED)
OF THE CITY OF MERCED

and

MUFG UNION BANK, N.A.,
as Fiscal Agent

Dated as of December 1, 2019

Relating to:

 \$[principal amount]
Community Facilities District No. 2006-1
(Moraga of Merced) of the City of Merced
2019 Special Tax Refunding Bonds

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FISCAL AGENT AGREEMENT

THIS FISCAL AGENT AGREEMENT (this “Agreement”) is made and entered into as of December 1, 2019, by and between the Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced (the “District”), a community facilities district organized and existing under and by virtue of the laws of the State of California, and MUFG Union Bank, N.A., a national banking association organized and existing under the laws of the United States of America, as fiscal agent (the “Fiscal Agent”).

WITNESSETH:

WHEREAS, the City Council (the “City Council”) of the City of Merced (the “City”) has formed the District under the provisions of the Mello-Roos Community Facilities Act of 1982, as amended (Section 53311 *et seq.* of the California Government Code) (the “Act”), and Resolution No. 2006-78 of the City Council adopted on July 3, 2006; and

WHEREAS, the City Council, acting as the legislative body of the District, is authorized under the Act and pursuant to Ordinance No. 2252 adopted on August 7, 2006 to levy special taxes to pay for the costs of facilities provided by the District; and

WHEREAS, under the provisions of the Act, on May 15, 2006, the City Council adopted a resolution of intention, which resolution, among other matters, expressed the intent of the City Council to authorize the issuance of one or more series of bonds in the maximum aggregate principal amount as set forth therein, secured by the special taxes under the Act; and

WHEREAS, on November 6, 2006, the City Council adopted Resolution No. 2006-128 (the “2006 Resolution”) authorizing the issuance and sale of the \$5,840,000 Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced, 2006 Special Tax Bonds (the “Prior Bonds”), pursuant to a Fiscal Agent Agreement dated as of December 1, 2006 (the “Prior Bonds Fiscal Agent Agreement”), by and between the City and U.S. Bank National Association (the “Prior Bonds Fiscal Agent”), for the purpose of financing the acquisition, rehabilitation and construction of certain public improvements and capital fees eligible to be financed through the District; and

WHEREAS, on November 4, 2019, the City Council, acting as the legislative body of the District, adopted Resolution No. 2019-___ (the “Resolution”) authorizing the issuance and sale of bonds for the District pursuant to this Agreement, designated “Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced, 2019 Special Tax Refunding Bonds” (the “Bonds”), for the purpose of refinancing the Prior Bonds; and

WHEREAS, it is in the public interest and for the benefit of the City, the District, the persons responsible for the payment of special taxes and the owners of the Bonds that the District enters into this Agreement to provide for the issuance of the Bonds, the disbursement of proceeds of the Bonds, the disposition of the special taxes securing the Bonds, and the administration and payment of the Bonds; and

WHEREAS, all things necessary to cause the Bonds, when authenticated by the Fiscal Agent and issued as provided in the Act, the Resolution and this Agreement, to be legal, valid and binding and limited obligations in accordance with their terms, and all things necessary to cause the creation, authorization, execution and delivery of this Agreement and the creation, authorization, execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized;

NOW, THEREFORE, that in order to secure the payment of the principal of, premium, if any, and the interest on all Bonds at any time issued and outstanding under this Agreement, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the holders thereof, and for other valuable consideration, the receipt of which is hereby acknowledged, the District does hereby covenant and agree with the Fiscal Agent, for the benefit of the respective holders from time to time of the Bonds, as follows:

ARTICLE I

STATUTORY AUTHORITY AND DEFINITIONS

Section 1.1 Authority for this Agreement. This Agreement is entered into pursuant to the provisions of the Act and the Resolution.

Section 1.2 Agreement for Benefit of Bond Owners. The provisions, covenants and agreements herein set forth to be performed by or on behalf of the District shall be for the equal benefit, protection and security of the Owners from time to time. In consideration of the acceptance of the Bonds by the Owners thereof, this Agreement shall be deemed to be and shall constitute a contract between the District and the Owners; and the covenants and agreements herein set forth to be performed by the District shall be, for the equal and proportionate benefit, security and protection of all Owners of the Bonds without preference, priority or distinction as to security or otherwise of any of the Bonds over any of the others by reason of the number, or date thereof or the time of sale, execution or delivery thereof, or otherwise for any cause whatsoever, except as expressly provided, therein or herein. All of the Bonds, without regard to the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof, except as expressly provided in or permitted by this Agreement.

The Fiscal Agent may become the owner of any of the Bonds in its own or any other capacity with the same rights it would have if it were not Fiscal Agent.

Section 1.3 Definitions. Unless the context otherwise requires, the terms defined in this Section 1.3 shall, for all purposes of this Agreement, of any Supplemental Agreement, and of any certificate, opinion or other document herein mentioned, have the meanings herein specified. All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Agreement, and the words "herein," "hereof," "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or subdivision hereof.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Section 53311 *et seq.* of the California Government Code.

"Administrative Expense Fund" means the fund by that name established by Section 3.5 hereof.

"Administrative Expenses" means any or all of the following: the fees and expenses of the Fiscal Agent (including any fees or expenses of its counsel); the expenses of the City or the District (including fees and expenses of counsel) in carrying out their duties hereunder including, but not limited to, the levying and collection of the Special Taxes (including costs associated with foreclosure proceedings or work-outs with property owners) and complying with the disclosure provisions of the Act, the Continuing Disclosure Agreement and this Agreement; the costs of the City and the District or their designees related

to an appeal of the Special Tax; any costs of the City and the District (including fees and expenses of counsel) to defend the first lien on and pledge of the Special Tax Revenues to the payment of the Bonds or otherwise in respect of litigation relating to the District or the Bonds or with respect to any other obligations of the District; any amounts required to be rebated to the federal government in order for the District to comply with Section 5.10(h)(iii), including the fees and expenses of its counsel; the costs of any dissemination agent under the continuing disclosure agreements entered into by the City and the District; an allocable share of the salaries of City staff directly related thereto and a proportionate amount of City general administrative overhead related thereto; and all other costs and expenses of the City, the District, or the Fiscal Agent incurred in connection with the discharge of their respective duties hereunder, and in the case of the City, in any way related to the administration of the District and all actual costs and expenses incurred in connection with the administration of the Bonds.

“Agreement” means this Fiscal Agent Agreement, as it may be amended or supplemented from time to time by any Supplemental Agreement adopted pursuant to the provisions hereof.

“Annual Debt Service” means, for each Bond Year, the sum of (i) the interest due on the Outstanding Bonds in such Bond Year, assuming that the Outstanding Bonds are retired as scheduled, and (ii) the principal amount of the Outstanding Bonds due in such Bond Year (including mandatory sinking payments, if any).

“Auditor” means the auditor/tax collector of the County of Merced.

“Authorized Officer” means the Mayor, City Manager, Assistant City Manager, Finance Director or City Clerk of the City, or any other officer or employee authorized by the City Council of the City or by an Authorized Officer to undertake the action referenced in this Agreement as required to be undertaken by an Authorized Officer.

“Bond Counsel” means (i) Norton Rose Fulbright US LLP, or (ii) any attorney or firm of attorneys acceptable to the District and nationally recognized for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

“Bond Fund” means the fund by that name established by Section 4.2(a) hereof.

“Bond Proceeds Fund” means the fund by that name established by Section 3.2 hereof.

“Bond Year” means each twelve-month period beginning on September 2 of each year and ending September 1 of the following year, except that the first Bond Year shall begin on the Closing Date and end on September 1, 2020.

“Bonds” means the “Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced, 2019 Special Tax Refunding Bonds.”

“Business Day” means any day other than (i) a Saturday or a Sunday, (ii) a day on which the offices of the City are not open for business, or (iii) a day on which banking institutions in the state in which the Fiscal Agent has its principal corporate trust office is authorized or obligated by law or executive order to be closed.

“CDIAC” means the California Debt and Investment Advisory Commission of the office of the State Treasurer of the State of California or any successor agency or bureau thereto.

“City” means the City of Merced, a California charter city organized and existing under the Constitution and the laws of the State..

“City Council” means the City Council of the City.

“City Manager” means the City Manager of the City.

“Closing Date” means the date upon which there is a physical delivery of the Bonds in exchange for the amount representing the purchase price of the Bonds by the Original Purchaser.

“Code” means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Bonds, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

“Continuing Disclosure Agreement” shall mean the Continuing Disclosure Agreement, by and between the District and the Dissemination Agent, dated as of December 1, 2019, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Corporate Trust Office” means the corporate trust office of the Fiscal Agent at San Francisco, California, or such other office designated from time to time by the Fiscal Agent in writing to the District except that with respect to presentation of Bonds for payment or for registration of transfer and exchange such term shall mean the office or agency of the Fiscal Agent at which, at any particular time, its corporate trust agency business shall be conducted.

“Costs of Issuance” means items of expense payable or reimbursable directly or indirectly by the City and related to the authorization, sale or issuance of the Bonds, which items of expense shall include, but not limited to, printing costs, costs of reproducing and binding documents, including but not limited to the preliminary official statement and official statement regarding the Bonds, closing costs, filing and recording fees, initial fees and charges of the Fiscal Agent including its first annual administration fee and the fees of its counsel, expenses incurred by the City and District in connection with the issuance of the Bonds, underwriter’s discount, legal fees and charges, including the fees of Bond Counsel and Disclosure Counsel, financial advisor’s fees, appraiser’s or absorption specialist’s fees and costs, if any, special tax consultant’s fees and costs, charges for authentication, transportation and safekeeping of the Bonds and other costs, charges and fees in connection with the foregoing.

“Cost of Issuance Fund” means the fund by that name established by Section 3.3 hereof.

“County” means the County of Merced, California.

“Debt Service” means the scheduled amount of interest and amortization of principal payable on the Bonds during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

“Developer Continuing Disclosure Agreement” means the continuing disclosure agreements to be entered into by major owners of property within the District.

“Dissemination Agent” means Goodwin Consulting Group, Inc. or such other Dissemination Agent as may be appointed by the City pursuant to the Continuing Disclosure Agreement.

“District” means the Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced formed pursuant to the Resolution of Formation.

“DTC” means The Depository Trust Company, New York, New York, and its successors and assigns.

“Escrow Agreement” means the Escrow Agreement dated as of December 1, 2019, by and between the District and the Escrow Bank relating to the defeasance of the Prior Bonds.

“Escrow Bank” means U.S. Bank National Association, acting as escrow bank under the Escrow Agreement.

“Fair Market Value” means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Code) and, otherwise, the term “Fair Market Value” means the acquisition price in a bona fide arm’s length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security - State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the City and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of the investment.

“Federal Securities” means any of the following which are non-callable and which at the time of investment are legal investments under the laws of the State of California for funds held by the Fiscal Agent, as shall be certified by the District to the Fiscal Agent:

(1) direct general obligations of the United States of America (including obligations issued or held in book-entry form on the books of the United States Department of the Treasury) and obligations, the payment of principal of and interest on which are directly or indirectly guaranteed by the United States of America, including, without limitation, such of the foregoing which are commonly referred to as “stripped” obligations and coupons; and

(2) any of the following obligations of the following agencies of the United States of America: (a) direct obligations of the Export-Import Bank, (b) certificates of beneficial ownership issued by the Farmers Home Administration, (c) participation certificates issued by the General Services Administration, (d) mortgage-backed bonds or pass-through obligations issued and guaranteed by the Government National Mortgage Association, (e) project notes issued by the United States Department of Housing and Urban Development, and (f) public housing notes and bonds guaranteed by the United States of America; or refunded municipal obligations, the timely payment of principal of and interest on are fully guaranteed by the United States of America.

“Fiscal Agent” means MUFG Union Bank, N.A., appointed by the District and acting as an independent fiscal agent with the duties and powers herein provided, its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in Section 8.1.

“Fiscal Year” means the twelve-month period extending from July 1 in a calendar year to June 30 of the succeeding year, both dates inclusive.

“Independent Financial Consultant” means a firm of certified public accountants, a financial consulting firm, a consulting engineering firm or engineer which is not an employee of, or otherwise controlled by, the City.

“Interest Account” means the account by that name established in the Bond Fund pursuant to Section 4.2 hereof.

“Interest Payment Date” means March 1 and September 1 of each year, commencing March 1, 2020.

“Investment Earnings” means all interest earned and any gains and losses on the investment of moneys in any fund or account created by this Agreement.

“Legislative Body” means the City Council of the City.

“Letter of Representations” means the letter of the District delivered to and accepted by DTC (or such other applicable Securities Depository) on or prior to the issuance of the Bonds in book-entry form setting forth the basis on which DTC (or such other applicable Securities Depository) serves as depository for the Bonds issued in book-entry form, as originally executed or as it may be supplemented or revised or replaced by a letter to a substitute Securities Depository.

“Maximum Annual Debt Service” means the largest Annual Debt Service for any Bond Year after the calculation is made through the final maturity date of any Outstanding Bonds.

“Net Taxes” means Special Tax Revenues less Administrative Expenses.

“Officer’s Certificate” means a written certificate of the District or the City signed by an Authorized Officer of the City.

“Original Purchaser” means the first purchaser of the Bonds from the District.

“Outstanding,” when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 9.4) all Bonds except: (i) Bonds theretofore canceled by the Fiscal Agent or surrendered to the Fiscal Agent for cancellation; (ii) Bonds paid or deemed to have been paid within the meaning of Section 10.3; and (iii) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued and delivered by the District pursuant to this Agreement or any Supplemental Agreement.

“Owner” or “Bond Owner” means any person who shall be the registered owner of any Outstanding Bond.

“Participating Underwriter” means Brandis Tallman LLC as the original underwriter of the Bonds required to comply with Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities and Exchange Act of 1934, as the same may be amended from time to time, in connection with the offering of the Bonds.

“Permitted Investments” means any of the following which at the time of investment are legal investments under the laws of the State for the moneys proposed to be invested therein (the Fiscal Agent

is entitled to rely on written investment direction of the District as a determination that such investment is a legal investment), but only to the extent that the same are acquired at Fair Market Value:

(a) Federal Securities;

(b) bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself): (i) direct obligations or fully guaranteed certificates of beneficial ownership of the U.S. Export-Import Bank; (ii) certificates of beneficial ownership of the Farmers Home Administration; (iii) obligations of the Federal Financing Bank; (iv) debentures of the Federal Housing Administration; (v) participation certificates of the General Services Administration; (vi) guaranteed mortgage-backed bonds or guaranteed pass-through obligations of the Government National Mortgage Association; (vii) guaranteed Title XI financings of the U.S. Maritime Administration; and (viii) project notes, local authority bonds, new communities debentures and U.S. public housing notes and bonds of the U.S. Department of Housing and Urban Development;

(c) bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit United States government agencies (stripped securities are only permitted if they have been stripped by the District itself): (i) senior debt obligations of the Federal Home Loan Bank System; (ii) participation certificates and senior debt obligations of the Federal Home Loan Mortgage Corporation; (iii) mortgage-backed securities and senior debt obligations of the Federal National Mortgage Association (excluding stripped mortgage securities which are valued greater than par on the portion of unpaid principal); (iv) senior debt obligations of the Student Loan Marketing Association; (v) obligations (but only the interest component of stripped obligations) of the Resolution Funding Corporation; and (vi) consolidated systemwide bonds and notes of the Farm Credit System;

(d) money market funds (including funds of the Fiscal Agent or its affiliates) registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of "AAAm-G," "AAAm," or "AAm," and, if rated by Moody's, rated "Aaa," "Aa1" or "Aa2;"

(e) certificates of deposit secured at all times by collateral described in (a) or (b) above, which have a maturity of one year or less, which are issued by commercial banks, savings and loan associations or mutual savings banks, and such collateral must be held by a third party, and the Fiscal Agent must have a perfected first security interest in such collateral;

(f) certificates of deposit, savings accounts, deposit accounts or money market deposits (including those of the Fiscal Agent and its affiliates) which are fully insured by the Federal Deposit Insurance Corporation or which are with a bank rated "AA" or better by S&P and "Aa" or better by Moody's.

(g) investment agreements, including guaranteed investment contracts, forward purchase agreements and Reserve Account put agreements, which are general obligations of an entity whose long-term debt obligations, or claims paying ability, respectively, is rated in one of the two highest rating categories by Moody's or S&P;

(h) commercial paper rated, at the time of purchase, "Prime-1" by Moody's and "A-1" or better by S&P;

(i) bonds or notes issued by any state or municipality which are rated by Moody's and S&P in one of the two highest rating categories assigned by such agencies;

(j) federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "Prime-1" or "A3" or better by Moody's and "A-1" or "A" or better by S&P;

(k) repurchase agreements which provide for the transfer of securities from a dealer bank or securities firm (seller/borrower) to the Fiscal Agent and the transfer of cash from the Fiscal Agent to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the Fiscal Agent in exchange for the securities at a specified date, which satisfy the following criteria:

(i) repurchase agreements must be between the Fiscal Agent and (A) a primary dealer on the Federal Reserve reporting dealer list which falls under the jurisdiction of the Securities Investors Protection Corporation which are rated "A" or better by Moody's and S&P, or (B) a bank rated "A" or better by Moody's and S&P;

(ii) the written repurchase agreement contract must include the following: (A) securities acceptable for transfer, which may be direct United States government obligations, or federal agency obligations backed by the full faith and credit of the United States government; (B) the term of the repurchase agreement may be up to 30 days; (C) the collateral must be delivered to the Fiscal Agent or a third party acting as agent for the Fiscal Agent simultaneously with payment (perfection by possession of certificated securities); (D) the Fiscal Agent must have a perfected first priority security interest in the collateral; (E) the collateral must be free and clear of third-party liens and, in the case of a broker which falls under the jurisdiction of the Securities Investors Protection Corporation, are not subject to a repurchase agreement or a reverse repurchase agreement; (F) failure to maintain the requisite collateral percentage, after a two-day restoration period, will require the Fiscal Agent to liquidate the collateral; and (G) the securities must be valued weekly, marked-to-market at current market price plus accrued interest and the value of collateral must be equal to 104% of the amount of cash transferred by the Fiscal Agent to the dealer bank or securities firm under the repurchase agreement plus accrued interest (unless the securities used as collateral are obligations of the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, in which case the collateral must be equal to 105% of the amount of cash transferred by the Fiscal Agent to the dealer bank or securities firm under the repurchase agreement plus accrued interest). If the value of securities held as collateral falls below 104% of the value of the cash transferred by the Fiscal Agent, then additional cash and/or acceptable securities must be transferred; and

(iii) a legal opinion must be delivered to the Fiscal Agent to the effect that the repurchase agreement meets guidelines under state law for legal investment of public funds; and

(l) the Local Agency Investment Fund of the State of California, created pursuant to Section 16429.1 of the California Government Code, to the extent the Fiscal Agent is authorized to register such investment in its name.

"Person" means an individual, corporation, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

"Principal Account" means the account by that name established in the Bond Fund pursuant to Section 4.2 hereof.

“Prior Bonds” means the Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced, 2006 Special Tax Bonds, currently outstanding in the principal amount of \$3,905,000.

“Prior Bonds Fiscal Agent” means U. S. Bank National Association, acting as fiscal agent under the Prior Bonds Fiscal Agent Agreement relating to the Prior Bonds.

“Prior Bonds Fiscal Agent Agreement” means the Fiscal Agent Agreement dated as of December 1, 2006, by and between the District and the Prior Bonds Fiscal Agent.

“Rebate Fund” means the fund by that name established by Section 3.8 hereof.

“Record Date” means the fifteenth (15th) day of the month next preceding the month of the applicable Interest Payment Date.

“Redemption Fund” means the fund by that name established by Section 3.6 hereof.

“Redemption Revenues” means (a) prepayments of the Special Taxes, (b) any amounts deposited for the optional redemption of Bonds pursuant to Section 2.3(a)(i) hereof, (c) and any amounts deposited for the special mandatory redemption of Bonds pursuant to Section 2.3 (a)(ii) hereof.

“Registration Books” means the records maintained by the Fiscal Agent pursuant to Section 2.8 hereof for the registration and transfer of ownership of the Bonds.

“Reserve Fund” means the fund by that name established pursuant to Section 3.7 hereof.

“Reserve Requirement” means, as the date of any calculation, the lesser of (i) ten percent (10%) of the proceeds of the Bonds, (ii) Maximum Annual Debt Service on the Bonds, or (iii) 125% of the average Annual Debt Service on the Bonds, as determined by the District; provided, however, the Reserve Requirement on any calculation date shall not be greater than the Reserve Requirement amount on the Closing Date.

“Resolution” means Resolution No. 2019-__, adopted by the Legislative Body on November __, 2019, as now in effect or as it may hereafter be amended from time to time, with respect to the Bonds.

“Resolution of Formation” means Resolution No. 2006-78, adopted by the City Council on July 3, 2006, as now in effect or as it may hereafter be amended from time to time.

“RMA” means the Rate and Method of Apportionment for Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced.

“S&P” means S&P Global Ratings and its successors or assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a municipal securities rating agency, then the term “S&P” shall be deemed to refer to any other nationally recognized municipal securities rating agency selected by the District.

“Special Tax Fund” means the fund by that name established by Section 3.4(a) hereof.

“Special Tax Receivables” means delinquent installments of the Special Taxes that have been sold and assigned to a third party, provided that such sale and assignment was accompanied by the opinion of nationally recognized bond counsel that the sale and assignment does not have a materially adverse effect on the interests of the Bond Owner, including the tax-exempt status of the Bonds.

“Special Tax Revenues” means (a) the proceeds of the Special Taxes received by the District, (b) income and gains with respect to the investment of amounts on deposit in the funds and accounts established hereunder for the Bonds, (c) proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes, and (d) the net proceeds of the sale of any Special Tax Receivables equal to the par amount of such Special Tax Receivables. Notwithstanding the foregoing, “Special Tax Revenues” does not include any penalties or interest in excess of the interest payable on the Bonds collected in connection with delinquent Special Taxes.

“Special Taxes” means the special taxes levied within the District pursuant to the Act, this Agreement and the RMA.

“State” means the State of California.

“Supplemental Agreement” means an agreement the execution of which is authorized by a resolution which has been duly adopted by the Legislative Body of the District under the Act and which agreement is amendatory of or supplemental to this Agreement, but only if and to the extent that such agreement is specifically authorized hereunder.

“Surplus Account” means the account by that name established in the Special Tax Fund by Section 3.4(a) hereof.

“Treasurer” means the person who is acting in the capacity as finance officer or administrative services director to the City.

ARTICLE II

THE BONDS

Section 2.1 Principal Amounts; Designations. The Bonds in the aggregate principal amount of _____ Dollars (\$_____) are hereby authorized to be issued under and subject to the terms of the Resolution and this Agreement, the Act and other applicable laws of the State of California. The Bonds shall be designated “Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced, 2019 Special Tax Refunding Bonds.” This Agreement constitutes a continuing agreement of the District with the Owners from time to time of the Bonds to secure the full payment of the principal of, premium, if any, and interest on all such Bonds subject to the covenants, provisions and conditions herein contained.

Section 2.2 Terms of Bonds.

(a) Form; Denominations. The Bonds shall be issued as fully-registered bonds without coupons in the denomination of \$5,000 or any integral multiple thereof. The Bonds shall be lettered and numbered in a customary manner as determined by the Fiscal Agent.

(b) Date of the Bonds. The Bonds shall be dated the Closing Date.

(c) Maturities, Interest Rates. The Bonds shall mature on the dates and shall bear interest at the rates as follows:

<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Coupon</u>
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		

(d) Interest. The Bonds shall bear interest at the rates set forth above payable on the Interest Payment Dates in each year. Interest shall be calculated on the basis of a 360-day year composed of twelve 30-day months. Each Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof unless (i) it is authenticated after a Record Date and on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event it shall bear interest from such Interest Payment Date, or (ii) it is authenticated on or before February 15, 2020, in which event it shall bear interest from the Closing Date, or (iii) interest with respect to any Outstanding Bond is in default, in which event interest with respect thereto will be payable from, the date to which interest has previously been paid or made available for payment thereon.

(e) Method of Payment. Interest on the Bonds (including the final interest payment upon maturity or earlier redemption) is payable by check of the Fiscal Agent mailed on the Interest Payment Dates by first-class mail to the registered Owner thereof at such registered Owner's address as it appears on the registration books maintained by the Fiscal Agent at the close of business on the Record Date preceding the Interest Payment Date, or by wire transfer made on such Interest Payment Date upon instructions of any Owner of \$1,000,000 or more in aggregate principal amount of Bonds.

The principal of the Bonds and any premium on the Bonds are payable in lawful money of the United States of America upon surrender of the Bonds at the Corporate Trust Office of the Fiscal Agent.

All Bonds paid by the Fiscal Agent pursuant to this Section shall be canceled by the Fiscal Agent. The Fiscal Agent shall destroy the canceled Bonds.

Section 2.3 Redemption.

(a) Redemption Dates.

(i) Optional Redemption. The Bonds shall be subject to redemption prior to maturity at the option of the District from any source of funds, on any Interest Payment Date on or after September 1, 20__ as a whole or in part, from such maturities as selected by the District,

and by lot within a maturity, at a redemption price (expressed as a percentage of the principal amount of the Bonds to be redeemed), together with accrued interest thereon to the date fixed for redemption, as follows:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
September 1, 20__ and March 1, 20__	103%
September 1, 20__ and March 1, 20__	102
September 1, 20__ and March 1, 20__	101
September 1, 20__ and each March 1 and September 1 thereafter	100

(ii) *Special Mandatory Redemption from Prepayment of Special Taxes.* The Bonds shall also be subject to mandatory redemption on any Interest Payment Date on or after March 1, 2020 in whole or in part, from such maturities as selected by the District in order to maintain substantially level Debt Service, and by lot within a maturity, from amounts constituting prepayments of Special Taxes at the following redemption prices (expressed as a percentage of the principal amount of Bonds to be redeemed), together with accrued interest thereon to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
March 1, 2020 and each March 1 and September 1 through and including March 1, 20__	103%
September 1, 20__ and March 1, 20__	102
September 1, 20__ and March 1, 20__	101
September 1, 20__ and each March 1 and September 1 thereafter	100

(iii) *Mandatory Sinking Payment Redemption.* The Bonds maturing on September 1, 20__ shall be subject to mandatory sinking fund redemption in part, on September 1 in each year commencing September 1, 20__, and on each September 1, thereafter to maturity, by lot, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date of redemption, without premium, and from sinking payments as follows:

Term Bonds Maturing September 1, 20__

<u>Year</u>	<u>Principal</u>
<u>(September 1)</u>	<u>Amount</u>

*

* maturity

The amounts in the foregoing schedules shall be reduced by the District pro rata among redemption dates, in order to maintain substantially level Debt Service, as a result of any prior or partial redemption of the Bonds pursuant to optional or special mandatory redemption described above.

(b) Notice to Fiscal Agent. The District shall give the Fiscal Agent written notice of its intention to redeem Bonds pursuant to subsection (a)(i) not less than forty-five (45) days prior to the applicable redemption date, unless such notice shall be waived by the Fiscal Agent.

(c) Redemption Procedure by Fiscal Agent. The Fiscal Agent shall cause notice of any redemption to be mailed by first-class mail, postage prepaid, at least thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption, to the respective registered Owners of any Bonds designated for redemption, at their addresses appearing on the Bond registration books in the Corporate Trust Office of the Fiscal Agent; but such mailing shall not be a condition precedent to such redemption and failure to mail or to receive any such notice, or any defect therein, shall not affect the validity of the proceedings for the redemption of such Bonds.

Such notice shall state the redemption date and the redemption price and, if less than all of the then Outstanding Bonds are to be called for redemption, shall designate the Bond numbers of the Bonds to be redeemed or shall state that all Bonds between two stated Bond numbers, both inclusive, are to be redeemed or that all of the Bonds of one or more maturities have been called for redemption, shall state as to any Bond called in part the principal amount thereof to be redeemed, and shall require that such Bonds be then surrendered at the Corporate Trust Office of the Fiscal Agent for redemption at the said redemption price, and shall state that further interest on such Bonds will not accrue from and after the redemption date. The cost of mailing any such redemption notice and any expenses incurred by the Fiscal Agent in connection therewith shall be paid by the District.

If at the time of mailing of any notice of optional redemption there shall not have been deposited with the Fiscal Agent moneys sufficient to redeem all the Bonds called for redemption, such notice shall state that it is subject to the deposit of the redemption moneys with the Fiscal Agent not later than the opening of business on the redemption date and will be of no effect unless such moneys are so deposited.

The District shall have the right to rescind any notice of optional redemption by written notice to the Fiscal Agent on or prior to the date fixed for redemption. Any notice of such redemption shall be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default hereunder. The District and the Fiscal Agent shall have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Fiscal Agent shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall, to the extent practicable, bear the number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Whenever provision is made in this Agreement for the redemption of less than all of the Bonds or any given portion thereof, the Fiscal Agent shall select the Bonds to be redeemed, from all Bonds or such given portion thereof not previously called for redemption, among maturities as specified by the District in a written certificate delivered to the Fiscal Agent, and by lot within a maturity in any manner which the District in its sole discretion shall deem appropriate and fair. In providing such certificate, the District shall provide for the redemption of Bonds such that the remaining Debt Service payable on the Bonds shall remain as level as possible.

Upon surrender of Bonds redeemed in part only, the District shall execute and the Fiscal Agent shall authenticate and deliver to the registered Owner, at the expense of the District, a new Bond or

Bonds, of the same series and maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond or Bonds.

(d) Effect of Redemption. When notice of redemption has been given, and when the amount necessary for the redemption of the Bonds called for redemption is set aside for that purpose in the Redemption Fund, the Bonds designated for redemption will become due and payable on the date fixed for redemption, and upon presentation and surrender of the Bonds at the place specified in the notice of redemption, and no interest will accrue on the Bonds called for redemption from and after the redemption date, and the Beneficial Owners of the redeemed Bonds, after the redemption date, may look for the payment of principal and premium, if any, of such Bonds or portions of Bonds only to the Redemption Fund and shall have no rights, except with respect to the payment of the redemption price from the Redemption Fund.

All Bonds redeemed and purchased by the Fiscal Agent pursuant to this Section 2.3 shall be canceled by the Fiscal Agent. The Fiscal Agent shall destroy the canceled Bonds.

(e) Partial Redemption. If in the event only a portion of any Bond is called for redemption, then upon surrender of such Bond the City will execute, on behalf of the District, and the Fiscal Agent will authenticate and deliver to the Bond Owner thereof, at the expense of the District, a new Bond or Bonds of the same series and maturity date, of authorized denominations in an aggregate principal amount equal to the unredeemed portion of the Bond to be redeemed.

(f) Purchase in Lieu of Redemption. In lieu of such optional, mandatory or special mandatory redemption, moneys in the Bond Fund may be used and withdrawn by Fiscal Agent for the purchase of Outstanding Bonds, upon the filing with the Fiscal Agent or an Officer's Certificate requesting such purchase, at public or private sale as and when, and at such prices (including brokerage and other charges) as such Officer's Certificate may provide, but in no event may Bonds be purchased at a price in excess of the principal amount thereof, plus interest accrued to the date of purchase. In such event, the District shall, as may be appropriate, provide the Fiscal Agent a revised maturity schedule or revised mandatory sinking fund schedule for the Bonds or both.

Section 2.4 Form of Bonds. The Bonds, the form of Fiscal Agent's certificate of authentication and the form of assignment to appear thereon, shall be substantially in the forms, respectively, set forth in Exhibit A attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Agreement, the Resolution and the Act.

Section 2.5 Execution of Bonds. The Bonds shall be executed on behalf of the District by the manual or facsimile signatures of the Mayor and City Clerk, who are in office on the date of adoption of this Agreement or at any time thereafter. Unless otherwise provided in any Supplemental Agreement with respect to the Bonds, the Bonds shall then be delivered to the Fiscal Agent for authentication. If any officer whose signature appears on any Bond ceases to be such officer before delivery of the Bonds to the owner, such signature shall nevertheless be as effective as if the officer had remained in office until the delivery of the Bonds to the owner. Any Bond may be signed and attested on behalf of the District by such persons as at the actual date of the execution of such Bond shall be the proper officers of the District although at the nominal date of such Bond any such person shall not have been such officer of the District.

Only such Bonds as shall bear thereon a certificate of authentication in substantially the form set forth in Exhibit A, executed and dated by the Fiscal Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Agreement, and such certificate of authentication of the Fiscal Agent shall

be conclusive evidence that the Bonds registered hereunder have been duly authenticated, registered and delivered hereunder and are entitled to the benefits of this Agreement.

Section 2.6 Transfer of Bonds. Any Bond may, in accordance with its terms, be transferred upon the books required to be kept pursuant to the provisions of Section 2.8 hereof by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a duly written instrument of transfer in form approved by the Fiscal Agent. The cost for any services rendered or any expenses incurred by the Fiscal Agent in connection with any such transfer shall be paid by the District. The Fiscal Agent shall collect from the Owner requesting such transfer any tax or other governmental charge required to be paid with respect to such transfer.

No transfers of Bonds shall be required to be made (i) fifteen (15) days prior to the date established by the Fiscal Agent for selection of Bonds for redemption, (ii) with respect to a Bond after such Bond has been selected for redemption, or (iii) between the 15th day of the month next preceding any Interest Payment Date and such Interest Payment Date.

Section 2.7 Exchange of Bonds. Bonds may be exchanged at the Corporate Trust Office of the Fiscal Agent for a like aggregate principal amount of Bonds of authorized denominations and of the same maturity. The cost for any services rendered or any expenses incurred by the Fiscal Agent in connection with any such exchange shall be paid by the District. The Fiscal Agent shall collect from the Owner requesting such exchange any tax or other governmental charge required to be paid with respect to such exchange.

No exchanges of Bonds shall be required to be made (i) fifteen (15) days prior to the date established by the Fiscal Agent for selection of Bonds for redemption, (ii) with respect to a Bond, after such Bond has been selected for redemption or (iii) between the 15th day of the month next preceding any Interest Payment Date and such Interest Payment Date.

Section 2.8 Bond Register. The Fiscal Agent will keep or cause to be kept, at its Corporate Trust Office sufficient books for the registration and transfer of the Bonds, which books shall show the series number, date, amount, rate of interest and last known owner of each Bond and shall at all times be open to inspection by the District or the City during regular business hours upon reasonable notice; and, upon presentation for such purpose, the Fiscal Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, the ownership of the Bonds as hereinbefore provided.

The District and the Fiscal Agent will treat the Owner of any Bond whose name appears on the Bond register as the absolute Owner of such Bond for any and all purposes, and the District and the Fiscal Agent shall not be affected by any notice to the contrary. The District and the Fiscal Agent may rely on the address of the Bond Owner as it appears in the Bond register for any and all purposes.

Section 2.9 CUSIP Numbers. The Fiscal Agent and the District shall not be liable for any defect or inaccuracy in the CUSIP number that appears on any Bond or in any redemption notice. The Fiscal Agent may, in its discretion, include in any redemption notice a statement to the effect that the CUSIP numbers on the Bonds have been assigned by an independent service and are included in such notice solely for the convenience of the Owners and that neither the Fiscal Agent, nor the District shall be liable for any inaccuracies in such numbers.

Section 2.10 Use of Securities Depository.

(a) The Bonds shall be initially registered as provided in Section 2.01. Registered ownership of the Bonds, or any portion thereof, may not thereafter be transferred except:

(i) to any successor of Cede & Co., as nominee of DTC, as its nominee, or to any substitute depository designated pursuant to clause (ii) of this Section (a “substitute depository”); provided, that any successor of Cede & Co., as nominee of DTC or a substitute depository, shall be qualified under any applicable laws to provide the services proposed to be provided by it;

(ii) to any substitute depository upon (1) the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository, or (2) a determination by the District to substitute another depository for DTC (or its successor) because DTC or its successor (or any substitute depository or its successor) is no longer able to carry out its functions as depository; provided, that any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(iii) to any person as provided below, upon (1) the resignation of DTC or its successor (or substitute depository or its successor) from its functions as depository, or (2) a determination by the District to remove DTC or its successor (or any substitute depository or its successor) from its functions as depository.

(b) In the case of any transfer pursuant to clause (i) or clause (ii) of subsection (a) hereof, upon receipt of the Outstanding Bonds by the Fiscal Agent, together with a Officer’s Certificate to the Fiscal Agent, a new Bond for each maturity shall be authenticated and delivered in the aggregate principal amount of the Bonds then Outstanding, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such Officer’s Certificate.

(c) In the case of any transfer pursuant to clause (iii) of subsection (a) hereof upon receipt of the Outstanding Bonds by the Fiscal Agent, together with a Officer’s Certificate to the Fiscal Agent, new Bonds shall be authenticated and delivered in such denominations numbered in the manner determined by the Fiscal Agent and registered in the names of such persons as are requested in such a Officer’s Certificate, subject to the limitations of Section 2.01 hereof, provided, the Fiscal Agent shall not be required to deliver such new Bonds within a period of less than sixty (60) days from the date of receipt of such a Officer’s Certificate. After any transfer pursuant to this subsection, the Bonds shall be transferred pursuant to Section 2.05.

(d) The District and the Fiscal Agent shall be entitled to treat the person in whose name any Bond is registered as the Owner thereof for all purposes of the Indenture and any applicable laws, notwithstanding any notice to the contrary received by the Fiscal Agent or the District; and the District and the Fiscal Agent shall have no responsibility for transmitting payments to, communication with, notifying, or otherwise dealing with any beneficial owners of the Bonds, and neither the District nor the Fiscal Agent will have any responsibility or obligations, legal or otherwise, to the beneficial owners or to any other party, including DTC or its successor (or substitute depository or its successor), except for the Owner of any Bonds.

(e) So long as the Outstanding Bonds are registered in the name of Cede & Co. or its registered assigns, the District and the Fiscal Agent shall cooperate with Cede & Co., as sole registered Owner, or its registered assigns in effecting payment of the principal of and interest on the Bonds by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available on the date they are due.

(f) Notwithstanding anything to the contrary contained herein, so long as the Bonds are registered as provided in this Section 2.10, payment of principal of and interest on the Bonds shall be made in accordance with the Letter of Representations delivered to DTC with respect to the Bonds.

Section 2.11 Temporary Bonds. The Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such authorized denominations as may be determined by the District, and may contain such reference to any of the provisions of this Agreement as may be appropriate. Every temporary Bond shall be executed by the District upon the same conditions and in substantially the same manner as the definitive Bonds. If the District issues temporary Bonds it will execute and furnish definitive Bonds without delay and thereupon the temporary Bonds shall be surrendered, for cancellation, in exchange for the definitive Bonds at the Corporate Trust Office of the Fiscal Agent or at such other location as the Fiscal Agent shall designate, and the Fiscal Agent shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations. Until so exchanged, the temporary bonds shall be entitled to the same benefits under this Agreement as definitive Bonds authenticated and delivered hereunder.

Section 2.12 Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the District, at the expense of the Owner of said Bond, shall execute, and the Fiscal Agent shall authenticate and deliver, a new Bond of like tenor and principal amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Fiscal Agent of the Bond so mutilated. Every mutilated Bond, so surrendered to the Fiscal Agent shall be canceled by it and destroyed by the Fiscal Agent who shall deliver a certificate of destruction thereof to the District. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Fiscal Agent and, if such evidence be satisfactory to it and indemnity for the District and the Fiscal Agent satisfactory to the Fiscal Agent shall be given, the District, at the expense of the Owner, shall execute, and the Fiscal Agent shall authenticate and deliver a new Bond of like tenor and principal amount in lieu of and in substitution for the Bond so lost, destroyed or stolen. The District may require payment of a sum not exceeding the actual cost of preparing each new Bond delivered under this Section and of the expenses which may be incurred by the District and the Fiscal Agent for the preparation, execution, authentication and delivery. Any Bond delivered under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the District whether or not the Bond so alleged to be lost, destroyed or stolen is at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Agreement with all other Bonds issued pursuant to this Agreement.

Section 2.13 Limited Obligation. All obligations of the District under this Agreement and the Bonds shall be special obligations of the District, payable solely from the Net Taxes and the funds pledged therefor hereunder. Neither the faith and credit nor the taxing power of the District (except to the limited extent set forth herein) or the State of California or any political subdivision thereof is pledged to the payment of the Bonds.

Section 2.14 No Acceleration. The principal of the Bonds shall not be subject to acceleration hereunder. Nothing in this Section shall in any way prohibit the prepayment or redemption of Bonds under Section 2.3 hereof, or the defeasance of the Bonds and discharge of this Agreement under Section 10.3 hereof.

Section 2.15 No Additional Bonds. Except for refunding purposes, the District shall not issue bonds, notes or other forms of indebtedness payable from Special Tax Revenues and other amounts deposited in the Special Taxes Receipt Fund and secured by a lien and charge upon such amounts equal to the lien and charge securing the Bonds.

ARTICLE III

ISSUANCE OF BONDS

Section 3.1 Issuance and Delivery of the Bonds. At any time after the execution of this Agreement, the District may issue the Bonds in the aggregate principal amount set forth in Section 2.1 hereof and deliver the Bonds to the Original Purchaser. The Authorized Officers of the District are hereby authorized and directed to deliver any and all documents and instruments necessary to cause the issuance of the Bonds in accordance with the provisions of the Act, the Resolution and this Agreement and to do and cause to be done any and all acts and things necessary or convenient for delivery of the Bonds to the Original Purchaser, upon payment of the purchase price for the Bonds.

Section 3.2 Bond Proceeds Fund; Application of Proceeds of Sale of the Bonds. There is hereby established a fund to be held by the Fiscal Agent known as the "Bond Proceeds Fund." Upon the receipt of payment for the Bonds on the Closing Date, the Fiscal Agent shall deposit the proceeds of sale thereof in the amount of \$_____ (being the principal amount of \$_____, plus/less net original issue premium/discount of \$_____, and less an underwriter's discount of \$_____), in the Bond Proceeds Fund and transfer or deposit monies as follows:

(a) The Fiscal Agent shall transfer to the Escrow Agent for deposit in the Escrow Fund established under the Escrow Agreement, the amount of \$_____, which together with the amount of \$_____ transferred from the Prior Bonds Fiscal Agent Agreement to the Escrow Agent for deposit in the Escrow Fund established under the Escrow Agreement, shall total \$_____;

(b) The Fiscal Agent shall deposit the amount of \$_____ in the Reserve Fund, which amount equals the initial Reserve Requirement; and

(c) The Fiscal Agent shall deposit the amount of \$_____ in the Costs of Issuance Fund.

The Fiscal Agent shall close the Bond Proceeds Fund after the disbursements listed above. The Fiscal Agent may, in its discretion, establish a temporary fund or account in its books and records to facilitate such transfers.

Section 3.3 Costs of Issuance Fund. There is hereby established a fund to be held by the Fiscal Agent known as the "Costs of Issuance Fund" into which shall be deposited a portion of the Bond proceeds as set forth in Section 3.2(c). The moneys in the Costs of Issuance Fund shall be used to pay Costs of Issuance from time to time upon receipt of a Officer's Certificate. On the date which is ninety (90) days following the Closing Date or upon the earlier receipt by the Fiscal Agent of a Officer's Certificate stating that all Costs of Issuance have been paid, the Fiscal Agent shall transfer all remaining amounts in the Costs of Issuance Fund to the Interest Account of the Bond Fund.

Section 3.4 Special Taxes Receipt Fund and Special Tax Fund.

(a) Establishment of Special Taxes Receipt Fund and Special Tax Fund. The District shall establish and hold for the benefit of the Owners a fund known as the "Special Taxes Receipt Fund." The District shall deposit Special Taxes when received in such account established for the District and no later than ten (10) Business Days thereafter transfer such amounts to the Fiscal Agent for deposit in the "Special Tax Fund," which is hereby established as a separate fund to be held by the Fiscal Agent. There is hereby also established in the Special Tax Fund as a separate account, to be held by the Fiscal Agent, the "Surplus Account" to the credit of the Bond Fund which amounts shall be deposited as

provided in paragraph (b) below. Moneys in the Special Tax Fund shall be held by the Fiscal Agent for the benefit of the District and the Owners of the Bonds, shall be disbursed as provided below and, pending any disbursement, shall be subject to a lien in favor of the Owners of the Bonds.

Notwithstanding the foregoing, any amounts received by the District which constitutes prepayments of the Special Taxes shall be transferred by the District not later than ten (10) Business Days after receipt to the Fiscal Agent for deposit by the Fiscal Agent in the Redemption Fund established pursuant to Section 3.6.

(b) Disbursements. After transferring an amount of Special Taxes budgeted for Administrative Expenses to be deposited in the Administrative Expense Fund pursuant to a written direction of the District (provided, however, that the amount deposited in the Administrative Expense Fund prior to the deposits to the Interest Account and the Principal Account of the Bond Fund, as provided below, shall not exceed [\$45,000] for any Fiscal Year), and an amount of Special Taxes, if any, which the District shall direct in an Officer's Certificate delivered to the Fiscal Agent (upon which the Fiscal Agent may conclusively rely), to be withdrawn from the Special Tax Fund to make the amount on deposit in the Reserve Fund equal to the Reserve Requirement, no later than five (5) Business Days prior to each Interest Payment Date the Fiscal Agent shall withdraw from the Special Tax Fund and transfer to the Bond Fund as follows:

(i) To the Interest Account of the Bond Fund, an amount such that the balance in the Interest Account shall be equal to the installment of interest due on the Bonds on said Interest Payment Date.

(ii) To the Principal Account of the Bond Fund, an amount such that the balance in the Principal Account shall at least equal the principal payment (including mandatory sinking payments, if any) due on the Bonds on said Interest Payment Date.

Notwithstanding the foregoing, amounts shall be transferred to the Principal Account or the Interest Account from the Special Tax Fund and immediately be paid to the Owners of the Bonds in respect of past due payments on the Bonds.

(c) Investment. Moneys in the Special Tax Fund shall be invested and deposited in accordance with Section 6.1 hereof. Interest earnings and profits resulting from such investment and deposit shall be retained in the Special Tax Fund to be used for the purposes thereof.

(d) Disposition of Surplus. On or as soon as practicable after September 2 of each year, commencing September 2, 2020, the Fiscal Agent shall transfer any amounts remaining in the Special Tax Fund following payment of each disbursement required pursuant to subsection (b) above, to the Reserve Fund for replenishment to an amount equal to the Reserve Requirement, if necessary, or to the Administrative Expense Fund or to the Surplus Account of the Special Tax Fund, as directed in writing by the District in an Officer's Certificate. Amounts remaining in the Surplus Account shall be deposited to the Interest Account of the Bond Fund no later than five (5) Business Days prior to each March 1 as provided in paragraph (b) above.

Section 3.5 Administrative Expense Fund.

(a) Establishment of Administrative Expense Fund. There is hereby established as a separate fund to be held by the Fiscal Agent, the "Administrative Expense Fund," which shall be credited with the amount transferred by the District representing the amount budgeted and levied for

Administrative Expenses. Moneys in the Administrative Expense Fund shall be disbursed as provided below.

(b) Disbursement. Amounts in the Administrative Expense Fund shall be withdrawn by the Fiscal Agent and transferred to the District upon receipt of an Officer's Certificate to make such transfer.

Annually, at least five (5) days prior to the last day of each Bond Year, the Fiscal Agent shall withdraw any amounts then remaining in the Administrative Expense Fund that have not been allocated to pay Administrative Expenses incurred but not yet paid, and which are not otherwise encumbered or expected to be needed for the purposes of such fund as provided in an Officer's Certificate, and deposit such amounts in the Surplus Account of the Special Tax Fund.

(c) Investment. Moneys in the Administrative Expense Fund shall be invested and deposited in accordance with Section 6.1 hereof. Interest earnings and profits resulting from said investment shall be retained in the Administrative Expense Fund to be used for the purposes of such fund.

Section 3.6 Redemption Fund.

(a) Establishment of the Redemption Fund There is hereby established as a separate fund to be held by the Fiscal Agent, the "Redemption Fund" (which fund shall consist solely of an "Optional Redemption Account" and a "Special Mandatory Redemption Account" to be established and created upon receipt of a written direction of the District), to the credit of which the Fiscal Agent shall deposit, immediately upon receipt, all Redemption Revenues received from the District. Moneys in the Redemption Fund shall be held by the Fiscal Agent for the benefit of the District and the Owners of the Bonds, shall be disbursed as provided below and, pending any disbursement, shall be subject to a lien in favor of the Owners of the Bonds.

(b) Disbursement.

(i) All prepayments of Special Taxes shall be deposited in the Special Mandatory Redemption Account to be used to redeem Bonds on the next date for which notice of redemption can timely be given.

(ii) Any amounts transferred for the optional redemption of Bonds shall be deposited into the Optional Redemption Account to be used to redeem Bonds on the next date for which notice of redemption can timely be given.

(c) Investment. Moneys in the Redemption Fund shall be invested and deposited in accordance with Section 6.1 hereof. Interest earnings and profits resulting from said investment shall be retained in the Redemption Fund to be used for the purposes of such fund.

Section 3.7 Reserve Fund.

(a) Establishment of Reserve Fund. There is hereby established as a separate fund to be held by the Fiscal Agent, the "Reserve Fund" which fund shall be maintained in an amount equal to the Reserve Requirement. Moneys in the Reserve Fund shall be held by the Fiscal Agent for the benefit of the District and the Owners of the Bonds, shall be disbursed as provided below and, pending any disbursement, shall be subject to a lien in favor of the Owners of the Bonds.

(b) Disbursement. Amounts in the Reserve Fund shall be applied as follows:

(i) Moneys in the Reserve Fund shall be used solely for the purpose of paying the principal of, including mandatory sinking payments, and interest on the Bonds when due in the event that the moneys in the Interest Account and the Principal Account of the Special Tax Fund are insufficient therefor and for the purpose of making any required transfer to the Rebate Fund pursuant to Section 3.8 hereof upon written direction from the District. If the amounts in the Interest Account or the Principal Account of the Special Tax Fund are insufficient to pay the principal of, including mandatory sinking payments, or interest on the Bonds when due, or amounts in the Special Tax Fund are insufficient to make transfers to the Rebate Fund when required, the Fiscal Agent shall withdraw from the Reserve Fund for deposit in the Interest Account or the Principal Account of the Special Tax Fund or the Rebate Fund, as applicable, moneys necessary for such purposes.

(ii) Whenever moneys are withdrawn from the Reserve Fund the Fiscal Agent shall transfer to the Reserve Fund from available moneys in the Special Tax Fund, or from any other legally available funds which the District elects to apply to such purpose, the amount needed to restore the amount of such Reserve Fund to the Reserve Requirement. Moneys in the Special Tax Fund shall be deemed available for transfer to the Reserve Fund only if the Fiscal Agent determines that such amounts will not be needed to make the deposits required to be made to the Administrative Expense Fund, the Interest Account or the Principal Account of the Special Tax Fund or the Redemption Fund on or before the next September 1. If amounts in the Special Tax Fund together with any other amounts transferred to replenish the Reserve Fund are inadequate to restore the Reserve Fund to the Reserve Requirement, then the District shall, subject to limitations contained in the Act, if any, include the amount necessary to restore the Reserve Fund to the Reserve Requirement in the next annual Special Tax levy to the extent of the maximum permitted Special Tax rates.

(iii) In connection with a redemption of Bonds pursuant to Section 2.3(a)(i) or (ii), or a partial defeasance of Bonds in accordance with Section 10.3 hereof, amounts in the Reserve Fund may be applied to such redemption or partial defeasance so long as the amount on deposit in the Reserve Fund following such redemption or partial defeasance equals the Reserve Requirement. The District shall set forth in an Officer's Certificate the amount in the Reserve Fund to be transferred to the Redemption Fund on a redemption date or to be transferred to partially defease Bonds, and the Fiscal Agent shall make such transfer on the applicable redemption or defeasance date, subject to the limitation in the preceding sentence.

(iv) Whenever the balance in the Reserve Fund equal or exceeds the amount required to redeem or pay the Outstanding Bonds, including interest accrued to the date of payment or redemption and premium, if any, due upon redemption, the Fiscal Agent shall, upon receiving an Officer's Certificate (upon which the Fiscal Agent may conclusively rely), transfer the amount in the Reserve Fund to the Interest Account and the Principal Account, to be applied to the payment and redemption of all of the Outstanding Bonds. Annually, at least five (5) days prior to the last day of each Bond Year, the Fiscal Agent shall withdraw moneys in the Reserve Fund in excess of the Reserve Requirement, and deposit such amounts in the Surplus Account of the Special Tax Fund.

(c) Investment. Moneys in the Reserve Fund shall be invested and deposited in accordance with Section 6.1 hereof. Interest earnings and profits resulting from said investment shall be retained in the Reserve Fund to be used for the purposes of such fund.

Section 3.8 Rebate Fund. The Fiscal Agent shall deposit in the Rebate Fund (which fund shall be established if and when needed as a separate fund to be held by the Fiscal Agent upon receipt of

an Officer's Certificate from the District) from time to time, as set forth in this Agreement, an amount determined by the District to be subject to rebate to the United States of America in accordance with Section 5.10(h). Amounts in the Rebate Fund shall be applied and disbursed by the Fiscal Agent solely for the purposes and at the times set forth in written requests of the District filed with the Fiscal Agent pursuant to Section 5.10. The Fiscal Agent shall not be responsible for calculating rebate amounts or for the adequacy or correctness of any rebate report or rebate calculations. The Fiscal Agent shall be deemed conclusively to have complied with the provisions of this Agreement and any other agreement relating to the Bonds regarding calculation and payment of rebate if it follows the directions of the District and it shall have no independent duty to review such calculations or enforce the compliance with such rebate requirements by the District.

ARTICLE IV

SPECIAL TAX REVENUES; BOND FUND

Section 4.1 Pledge of Special Tax Revenues. The Bonds shall be secured by a first pledge (which pledge shall be effected in the manner and to the extent herein provided) of all of the Special Tax Revenues and Redemption Revenues and all moneys deposited in the Bond Fund and the Reserve Fund and, until disbursed, as provided herein, in the Special Taxes Receipt Fund, the Special Tax Fund and the Redemption Fund. The Special Tax Revenues and all moneys deposited into said funds (except as otherwise provided herein) are hereby dedicated to the payment of the principal of, and interest and any premium on the Bonds as provided herein and in the Act until all of the Bonds have been paid and retired or until moneys or Federal Securities have been set aside irrevocably for that purpose in accordance with Section 10.3 hereof.

Amounts in the Administrative Expense Fund and the Rebate Fund are not pledged to the repayment of the Bonds.

Section 4.2 Bond Fund.

(a) Establishment of Bond Fund. There is hereby established as a separate fund to be held by the Fiscal Agent known as the "Bond Fund" (in which there shall be established and created, and which fund shall consist solely of, an Interest Account and a Principal Account) to the credit of which deposits shall be made as required by Section 3.4(b) hereof, and any other amounts required to be deposited therein by this Agreement, a Supplemental Agreement or the Act. Moneys in the Bond Fund shall be held by the Fiscal Agent for the benefit of the Owners of the Bonds, shall be disbursed for the payment of the principal of (including mandatory sinking payments, if any) and interest on the Bonds as provided below, and, pending such disbursement, shall be subject to a lien in favor of the Owners of the Bonds.

(b) Disbursements. On or before each Interest Payment Date, the Fiscal Agent shall withdraw from the Principal Account and the Interest Account and pay to the Owners of the Bonds the principal of (including mandatory sinking payments, if any) and interest on the Bonds, respectively; provided that available amounts in the Principal Account and the Interest Account shall first be used to pay any past due installments of principal of (including mandatory sinking payments, if any) and interest on the Bonds, respectively. Notwithstanding the foregoing, amounts transferred to the Principal Account or the Interest Account from the Special Tax Fund constituting delinquent payments of Special Taxes pursuant to Section 3.4(b) hereof shall immediately be paid to the Owners of the Bonds in respect of past due payments on the Bonds.

Any installment of principal (including mandatory sinking payments, if any) or interest on the Bonds which is not paid when due shall accrue interest at the rate of interest on the Bonds until paid, and shall be paid whenever funds in the Bond Fund are sufficient therefor.

If at any time the Fiscal Agent fails to pay principal and interest due on any scheduled payment date for the Bonds, the Fiscal Agent shall notify the District and the Treasurer in writing of such failure, and the Treasurer shall notify the CDIAC of such failure within ten (10) days of the failure to make such payment, as required by Section 53359(c)(1) of the Act.

(c) **Investment.** Moneys in the Bond Fund shall be invested and deposited in accordance with Section 6.1 hereof. Interest earnings and profits resulting from the investment and deposit of amounts in the Bond Fund shall be retained in the Bond Fund.

ARTICLE V

OTHER COVENANTS OF THE DISTRICT

Section 5.1 Punctual Payment. The District shall punctually pay or cause to be paid the principal of, and interest and any premium on, the Bonds when and as due in strict conformity with the terms of this Agreement and any Supplemental Agreement, and it will faithfully observe and perform all of the conditions, covenants and requirements of this Agreement and all Supplemental Agreements and of the Bonds.

Section 5.2 Limited Obligation. The Bonds are limited obligations of the District and are payable solely from and secured solely by the Special Tax Revenues and Redemption Revenues and the amounts in the Bond Fund, Reserve Fund, Redemption Fund, Special Taxes Receipts Fund, and the Special Tax Fund created hereunder.

Section 5.3 Extension of Time for Payment. In order to prevent any accumulation of claims for interest after maturity, the District shall not, directly or indirectly, extend or consent to the extension of the time for the payment of any claim for interest on any of the Bonds and shall not, directly or indirectly, be a party to the approval of any such arrangement by purchasing or funding said claims for interest or in any other manner. In case any such claim for interest shall be extended or funded, whether or not with the consent of the District, such claim for interest so extended or funded shall not be entitled, in case of default hereunder, to the benefits of this Agreement, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest which shall not have been so extended or funded. Nothing in this section shall be deemed to limit the right of the District to issue bonds for the purpose of refunding any outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of the Bonds.

Section 5.4 Against Encumbrances. The District will not encumber, pledge or place any charge or lien upon any of the Special Tax Revenues, or other amounts pledged to the Bonds superior to or on a parity with the pledge and lien herein created for the benefit of the Bonds, except as permitted by this Agreement.

Section 5.5 Books and Records. The District will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the District, in which complete and correct entries shall be made of all transactions relating to the expenditure of amounts disbursed from the Special Tax Receipt Fund and relating to the Special Tax Revenues. Such books of record and accounts shall at all times during business hours and upon reasonable prior notice be subject to the inspection of

the Fiscal Agent and the Owners of not less than ten percent (10%) of the principal amount of the Bonds then Outstanding, or their representatives duly authorized in writing.

The Fiscal Agent will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Fiscal Agent, in which complete and correct entries shall be made of all transactions relating to the expenditure of amounts disbursed from the Administrative Expense Fund, the Special Tax Fund and the Bond Fund. Such books of record and accounts shall at all times during business hours and upon reasonable prior notice be subject to the inspection of the District and the Owners of not less than ten percent (10%) of the principal amount of the Bonds then Outstanding, or their representatives duly authorized in writing.

Section 5.6 Protection of Security and Rights of Owners. The District will preserve and protect the security of the Bonds and the rights of the Owners, and will warrant and defend their rights against all claims and demands of all persons. From and after the delivery of any of the Bonds by the District, the Bonds shall be incontestable by the District. In furtherance of the foregoing, the District shall not approve any reduction of the maximum Special Taxes as provided in the RMA which would prohibit the District from levying the Special Taxes in any Fiscal Year at a level that would generate Special Tax Revenues at least equal to the estimated Administrative Expenses plus 110% of annual debt service in such Fiscal Year for the Bonds. The District shall also not permit the tender of Bonds in payment of any Special Taxes except upon receipt of a certificate of an Independent Financial Consultant that to accept such tender will not result in the District having insufficient Special Tax Revenues to pay the principal of and interest on the Bonds remaining Outstanding following such tender.

Section 5.7 Accountability Measures. The District shall comply with the requirements of Section 53410 and 53411 of the California Government Code and shall cause the appropriate officer of the City to file a report with the City Council no later than each January 1 with respect to the amount of funds collected and expended with respect to the District.

Section 5.8 Collection of Special Tax Revenues. The District shall comply with all requirements of the Act so as to assure the timely collection of Special Tax Revenues, including without limitation, the enforcement of delinquent Special Taxes.

On or before five (5) Business Days of May 1 of each year, the Fiscal Agent shall provide the District with a notice stating the amount then on deposit in the Special Tax Fund, the Bond Fund and the Reserve Fund (including all accounts therein), and informing the District that the Special Taxes are to be levied as necessary to provide Annual Debt Service and Administrative Expenses, and replenishment, if necessary, of the Reserve Fund so that the balance therein equals the Reserve Requirement. The Treasurer shall effect the levy of the Special Taxes each Fiscal Year on the parcels within the District in accordance with the RMA, such that the computation of the levy is complete before the final date on which the Auditor will accept the transmission of the Special Tax amounts for the parcels within the District for inclusion on the next secured tax roll. Upon the completion of the computation of the amounts of the levy, the Treasurer shall prepare or cause to be prepared, and shall transmit to the Auditor, such data as the Auditor requires to include the levy of the Special Taxes on the next secured tax roll. The Special Taxes so levied shall be payable and be collected in the same manner and at the same time and in the same installments as the general taxes on real property are payable, and have the same priority, become delinquent at the same time and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the general taxes on real property, unless otherwise provided by the District.

In the event that the Treasurer determines to levy all or a portion of the Special Taxes by means of direct billing of the property owners of the parcels within the District, the Treasurer shall, not less than

ninety (90) days prior to each Interest Payment Date, send bills to the owners of such real property located within the District subject to the levy of the Special Taxes for Special Taxes in an aggregate amount necessary to meet the financial obligations of the District due on the next Interest Payment Date, said bills to specify that the amounts so levied shall be due and payable not less than forty-five (45) days prior to such Interest Payment Date and shall be delinquent if not paid when due.

In any event, the Treasurer shall fix and levy the amount of Special Taxes within the District required (i) for the payment of principal of and interest on any outstanding Bonds of the District becoming due and payable during the ensuing year (taking into consideration anticipated delinquencies), and (ii) to pay the Administrative Expenses during such year, all in accordance with the RMA. The Special Taxes so levied shall not exceed the authorized amounts as provided in the proceedings pursuant to the Resolution of Formation.

The Treasurer is hereby authorized to employ consultants to assist in computing the levy of the Special Taxes hereunder and any reconciliation of amounts levied to amounts received. The fees and expenses of such consultants and the costs and expenses of the Treasurer (including a charge for City or District staff time) in conducting its duties hereunder shall be an Administrative Expense hereunder.

Section 5.9 Further Assurances. The District shall adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Agreement, and for the better assuring and confirming unto the Owners of the rights and benefits provided in this Agreement.

Section 5.10 Tax Covenants.

(a) Special Definitions. When used in this Section, the following terms have the following meanings:

“*Bonds*” means the Bonds.

“*Code*” means the Internal Revenue Code of 1986, as amended.

“*Computation Date*” has the meaning set forth in section 1.148-1(b) of the Tax Regulations.

“*Gross Proceeds*” means any proceeds as defined in section 1.148-1(b) of the Tax Regulations (referring to sales, investment and transferred proceeds), and any replacement proceeds as defined in section 1.148-1(c) of the Tax Regulations, of the Bonds.

“*Investment*” has the meaning set forth in section 1.148-1(b) of the Tax Regulations.

“*Nonpurpose Investment*” means any investment property, as defined in section 148(b) of the Code, in which Gross Proceeds of the Bonds are invested and that is not acquired to carry out the governmental purposes of that series of Bonds.

“*Rebate Amount*” has the meaning set forth in section 1.148-1(b) of the Tax Regulations.

“*Tax Regulations*” means the United States Treasury Regulations promulgated pursuant to sections 103 and 141 through 150 of the Code, or section 103 of the 1954 Code, as applicable.

“Yield” of any Investment has the meaning set forth in section 1.148-5 of the Tax Regulations; and of any issue of governmental obligations has the meaning set forth in section 1.148-4 of the Tax Regulations.

(b) Not to Cause Interest to Become Taxable. The District covenants that it shall not use, and shall not permit the use of, and shall not omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner that if made or omitted, respectively, could cause the interest on any Bond to fail to be excluded, pursuant to section 103(a) of the Code, from the gross income of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the Fiscal Agent receives a written opinion of Bond Counsel to the effect that failure to comply with such covenant will not adversely affect such exclusion of the interest on any Bond from the gross income of the owner thereof for federal income tax purposes, the District shall comply with each of the specific covenants in this Section.

(c) Private Use and Private Payments. Except as would not cause any Bond to become a “private activity bond” within the meaning of section 141 of the Code and the Tax Regulations, the District shall take all actions necessary to assure that the District at all times prior to the final cancellation of the last of the Bonds to be retired:

(i) exclusively owns, operates and possesses all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Bonds and not use or permit the use of such Gross Proceeds (including through any contractual arrangement with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(ii) does not directly or indirectly impose or accept any charge or other payment by any person or entity (other than a state or local government) who is treated as using any Gross Proceeds of the Bonds or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds.

(d) No Private Loan. Except as would not cause any Bond to become a “private activity bond” within the meaning of section 141 of the Code and the Tax Regulations and rulings thereunder, the District shall not use or permit the use of Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be “loaned” to a person or entity if: (i) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction that creates a debt for federal income tax purposes; (ii) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (iii) indirect benefits of such Gross Proceeds, or burdens and benefits of ownership of any property acquired, constructed or improved with such Gross Proceeds, are otherwise transferred in a transaction that is the economic equivalent of a loan.

(e) Not to Invest at Higher Yield. Except as would not cause the Bonds to become “arbitrage bonds” within the meaning of section 148 of the Code and the Tax Regulations and rulings thereunder, the District shall not (and shall not permit any person to), at any time prior to the final cancellation of the last Bond to be retired, directly or indirectly invest Gross Proceeds in any Investment, if as a result of such investment the Yield of any Investment acquired with Gross Proceeds, whether then

held or previously disposed of, would materially exceed the Yield of the Bonds within the meaning of said section 148.

(f) Not Federally Guaranteed. Except to the extent permitted by section 149(b) of the Code and the Tax Regulations and rulings thereunder, the District shall not take or omit to take (and shall not permit any person to take or omit to take) any action that would cause any Bond to be “federally guaranteed” within the meaning of section 149(b) of the Code and the Tax Regulations and rulings thereunder.

(g) Information Report. The District shall timely file any information required by section 149(e) of the Code with respect to Bonds with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

(h) Rebate of Arbitrage Profits. Except to the extent otherwise provided in section 148(f) of the Code and the Tax Regulations:

(i) The District shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the day on which the last Bond is discharged. However, to the extent permitted by law, the District may commingle (and may allow the District to commingle) Gross Proceeds of Bonds with its other moneys, provided that it separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(ii) Not less frequently than each Computation Date, the District shall calculate the Rebate Amount in accordance with rules set forth in section 148(f) of the Code and the Tax Regulations and rulings thereunder. The District shall maintain a copy of the calculation with its official transcript of proceedings relating to the issuance of the Bonds until six years after the final Computation Date.

(iii) In order to assure the excludability pursuant to section 103(a) of the Code of the interest on the Bonds from the gross income of the owners thereof for federal income tax purposes, the District shall pay to the United States the amount that when added to the future value of previous rebate payments made for the Bonds equals (i) in the case of the Final Computation Date as defined in section 1.148-3(e)(2) of the Tax Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, such rebate payments shall be made by the District at the times and in the amounts as are or may be required by section 148(f) of the Code and the Tax Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other, forms and information as is or may be required by section 148(f) of the Code and the Tax Regulations and rulings thereunder for execution and filing by the District.

(i) Not to Divert Arbitrage Profits. Except to the extent permitted by section 148 of the Code and the Tax Regulations and rulings thereunder, the District shall not and shall not permit any person to, at any time prior to the final cancellation of the last of the Bonds to be retired, enter into any transaction that reduces the amount required to be paid to the United States pursuant to paragraph (h) of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm’s length and had the Yields on the Bonds not been relevant to either party.

(j) Bonds Not Hedge Bonds.

(i) The District represents that none of the Bonds is or will become a “hedge bond” within the meaning of section 149(g) of the Code.

(ii) Without limitation of paragraph (i) above: the District believes (upon appropriate investigation) (A) that on the date of issuance of the Bonds the District reasonably expected that at least 85% of the spendable proceeds of the Bonds will be expended within the three-year period commencing on such date of issuance, and (B) no more than 50% of the proceeds of the Bonds will be invested in Nonpurpose Investments having a substantially guaranteed yield for a period of four years or more.

(k) Elections. The District hereby directs and authorizes any Authorized Officer to make elections permitted or required pursuant to the provisions of the Code or the Tax Regulations, as such Representative (after consultation with Bond Counsel) deems necessary or appropriate in connection with the Bonds, in the *Tax Certificate as to Arbitrage and the Provisions of Sections 103 and 141-150 of the Internal Revenue Code of 1986*, or similar or other appropriate certificate, form or document.

(l) Closing Certificate. The District agrees to execute and deliver in connection with the issuance of the Bonds a *Tax Certificate as to Arbitrage and the Provisions of Sections 103 and 141-150 of the Internal Revenue Code of 1986*, or similar document containing additional representations and covenants pertaining to the exclusion of interest on the Bonds from the gross income of the owners thereof for federal income tax purposes, which representations and covenants are incorporated as though expressly set forth herein.

Section 5.11 Covenant to Foreclose. The District covenants (i) that it will order, and cause to be commenced, judicial foreclosure proceedings against properties with delinquent Special Taxes in excess of \$5,000 by the October 1 following the close of the Fiscal Year in which such Special Taxes were due, and (ii) that it will commence judicial foreclosure proceedings against all properties with delinquent Special Taxes by the October 1 following the close of each Fiscal Year in which it receives Special Taxes in an amount which is less than ninety-five percent (95%) of the total Special Taxes levied, and diligently pursue to completion such foreclosure proceedings. Commencement of any judicial foreclosure proceedings includes the District’s efforts to collect the delinquent Special Taxes by sending subsequent notice of delinquency and a demand for immediate payment thereof. The District may treat any delinquent Special Tax sold to an independent third-party or to any funds of the City for at least 100% of the delinquent amount as having been paid. Proceeds of any such sale up to 100% of the delinquent amount shall be deposited in the Special Tax Fund.

The City Attorney is hereby authorized to employ counsel to conduct any such foreclosure proceedings. The fees and expenses of any such counsel and costs and expenses of the City Attorney (including a charge for City or District staff time) in conducting foreclosure proceedings shall be an Administrative Expense hereunder.

Notwithstanding the above, as long as the Special Taxes are the subject of the County’s Teeter Plan and the District is receiving 100% of the Special Taxes it levies, the District shall not have any obligation to commence judicial foreclosure proceedings as described above.

Section 5.12 Annual Reports to CDIAC. Not later than October 30 of each year, commencing October 30, 2020, and until the October 30 following the final maturity of the Bonds, the Treasurer shall supply the information required by Section 53359.5(b) or (c) of the Act to CDIAC (on such forms as CDIAC may specify) and the District.

Section 5.13 Continuing Disclosure to Owners. In addition to its obligations under Section 5.12, the District hereby covenants and agrees that it will carry out all of its obligations under the Continuing Disclosure Agreement relating to the Bonds. Notwithstanding any other provision of this Agreement, failure of the District to comply with the Continuing Disclosure Agreement shall not be considered a default hereunder; however, any Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate to compel performance by the District of its obligations under this Section 5.13, including seeking mandate or specific performance by court order.

Section 5.14 Bank Qualification. The District hereby designates the Bonds as “Qualified Tax Exempt Obligations” in accordance with the provisions of section 265(b)(3) of the Code. The District (including any entity that is subordinate to or acts on behalf of the District) has not incurred or issued, and does not reasonably expect to incur or issue, tax-exempt obligations (bonds, notes, lease agreements, etc.) pursuant to section 103(a) of the Code during calendar year 2019 in an aggregate amount in excess of \$10,000,000.

ARTICLE VI

INVESTMENTS; DISPOSITION OF INVESTMENT PROCEEDS; LIABILITY OF THE DISTRICT

Section 6.1 Deposit and Investment of Moneys in Funds. Moneys in any fund or account created or established by this Agreement and held by the Fiscal Agent shall be invested by the Fiscal Agent in Permitted Investments, as directed pursuant to an Officer’s Certificate filed with the Fiscal Agent at least two (2) Business Days, in advance of the making of such investments, which by their terms mature prior to the date on which such moneys are required to be paid out hereunder. In the absence of any such Officer’s Certificate, the Fiscal Agent shall invest any such moneys in Permitted Investments described in clause (d) of the definition thereof; provided, however, that any such investment shall be made by the Fiscal Agent only if, prior to the date on which such investment is to be made, the Fiscal Agent shall have received a written direction specifying a specific money market fund and, if no such written direction is so received, the Fiscal Agent shall hold such moneys uninvested. The Treasurer shall make note of any investment of funds hereunder in excess of the yield on the Bonds, so that appropriate actions can be taken to assure compliance with Section 6.2 hereof.

Moneys in any fund or account created or established by this Agreement and held by the Treasurer shall be invested by the Treasurer in Permitted Investments, which in any event by their terms mature prior to the date on which such moneys are required to be paid out hereunder. Obligations purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account, subject, however, to the requirements of this Agreement for transfer of interest earnings and profits resulting from investment of amounts in funds and accounts. Whenever in this Agreement any moneys are required to be transferred by the District to the Fiscal Agent, such transfer may be accomplished by transferring a like amount of Permitted Investments.

The Fiscal Agent or an affiliate or the Treasurer may act as principal or agent in the acquisition or disposition of any investment and shall be entitled to its customary fee therefor. Neither the Fiscal Agent nor the Treasurer shall incur any liability for losses arising from any investments made pursuant to this Section. For purposes of determining the amount on deposit in any fund or account held hereunder, all Permitted Investments or investments credited to such fund or account shall be valued at the cost thereof (excluding accrued interest and brokerage commissions, if any).

Except as otherwise provided in the next sentence, all investments of amounts deposited in any fund, or account created by or pursuant to this Agreement, or otherwise containing gross proceeds of the Bonds (within the meaning of section 148 of the Code) shall be acquired, disposed of, and valued (as of the date that valuation is required by this Agreement or the Code) at Fair Market Value. Notwithstanding the previous sentence, investments in funds or accounts (or portions thereof) that are subject to a yield restriction under the applicable provisions of the Code shall be valued at their present value (within the meaning of section 148 of the Code). The Fiscal Agent shall not be liable for verification of the application of such sections of the Code.

Investments in any and all funds and accounts may be commingled in a separate fund or funds for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in or to the credit of particular funds or accounts of amounts received or held by the Fiscal Agent or the Treasurer hereunder, provided that the Fiscal Agent or the Treasurer, as applicable, shall at all times account for such investments strictly in accordance with the funds and accounts to which they are credited and otherwise as provided in this Agreement.

The Fiscal Agent or the Treasurer, as applicable, shall sell at the highest price reasonably obtainable, or present for redemption, any investment security whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such investment security is credited and neither the Fiscal Agent nor the Treasurer shall be liable or responsible for any loss resulting from the acquisition or disposition of such investment security in accordance herewith.

Section 6.2 Liability of District. The District shall not incur any responsibility in respect of the Bonds or this Agreement other than in connection with the duties or obligations explicitly herein or in the Bonds assigned to or imposed upon it. The District shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful default. The District shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements of the Fiscal Agent herein or of any of the documents executed by the Fiscal Agent in connection with the Bonds, or as to the existence of a default or event of default thereunder.

In the absence of bad faith, the District, including the Treasurer, may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the District and conforming to the requirements of this Agreement. The District, including the Treasurer, shall not be liable for any error of judgment made in good faith unless it shall be proved that it was negligent in ascertaining the pertinent facts.

No provision of this Agreement shall require the District to expend or risk its own general funds or otherwise incur any financial liability (other than with respect to the Special Tax Revenues) in the performance of any of its obligations hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The District may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The District may consult with counsel, who may be the City Attorney, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

The District shall not be bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and his title thereto satisfactorily established, if disputed.

Whenever in the administration of its duties under this Agreement the District shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of willful misconduct on the part of the District, be deemed to be conclusively proved and established by a certificate of the Fiscal Agent, and such certificate shall be full warranty to the District for any action taken or suffered under the provisions of this Agreement or any Supplemental Agreement upon the faith thereof, but in its discretion the District may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

Section 6.3 Employment of Agents by District. In order to perform their respective duties and obligations hereunder, the District and/or the Treasurer may employ such persons or entities as they deem necessary or advisable. The District and/or the Treasurer shall not be liable for any of the acts or omissions of such persons or entities employed by them in good faith hereunder, and shall be entitled to rely, and shall be fully protected in doing so, upon the opinions, calculations, determinations and directions of such persons or entities.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES OF BOND OWNERS

Section 7.1 Events of Default. The following events shall be Events of Default:

(a) Failure to pay any installment of principal of any Bonds when and as the same shall become due and payable whether at maturity as therein expressed, by proceedings for redemption or otherwise.

(b) Failure to pay any installment of interest on any Bonds when and as the same shall become due and payable.

(c) Failure by the District to observe and perform any of the other covenants, agreements or conditions on its part in this Agreement or in the Bonds contained, if such failure shall have continued for a period of 60 days after written notice thereof, specifying such failure and requiring the same to be remedied, shall have been given to the District by the Owners of not less than 25% in aggregate principal amount of the Bonds at the time Outstanding; *provided, however*, if in the reasonable opinion of the District the failure stated in the notice can be corrected, but not within such 60-day period, such failure shall not constitute an Event of Default if corrective action is instituted by the District within such 60-day period and the District shall thereafter diligently and in good faith cure such failure in a reasonable period of time.

(d) Commencement by the District of a voluntary case under Title 11 of the United States Code or any substitute or successor statute.

Section 7.2 Remedies of Bond Owners. Any Bond Owner shall have the right, for the equal benefit and protection of all Bond Owners similarly situated:

(a) by mandamus, suit, action or proceeding, to compel the District and its officers, agents, or employees to perform each and every term, provision and covenant contained in this

Agreement and in the Bonds, and to require the carrying out of any or all such covenants and agreements of the District and the fulfillment of all duties imposed upon it by the Act;

(b) by suit, action or proceeding in equity, to enjoin any acts or things which are unlawful, or the violation of any of the Bond Owners' rights; or

(c) upon the happening of any Event of Default, by suit, action or proceeding in any court of competent jurisdiction, to require the District and its officers and employees to account as if it and they were the trustees of an express trust.

Section 7.3 Application of Special Taxes and Other Funds After Default. If an Event of Default shall occur and be continuing, all Special Taxes, including any penalties, costs, fees and other charges accruing under the Act, and any other funds then held or thereafter received by the Fiscal Agent under any of the provisions of this Agreement shall be applied by the Fiscal Agent as follows and in the following order:

(a) To the payment of any expenses necessary in the opinion of the Fiscal Agent to protect the interest of the Owners of the Bonds, and payment of reasonable fees, charges and expenses of the Fiscal Agent (including reasonable fees and disbursements of its counsel) incurred in and about the performance of its powers and duties under this Agreement;

(b) To the payment of the principal of and interest then due with respect to the Bonds (upon presentation of the Bonds to be paid, and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) subject to the provisions of this Agreement, as follows:

First: To the payment to the Persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the Persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the Persons entitled thereto of the unpaid principal of any Bonds which shall have become due, whether at maturity or by call for redemption, with interest on the overdue principal at the rate borne by the respective Bonds on the date of maturity or redemption, and, if the amount available shall not be sufficient to pay in full all the Bonds, together with such interest, then to the payment thereof ratably, according to the amounts of principal due on such date to the Persons entitled thereto, without any discrimination or preference; and

(c) Any remaining funds shall be transferred by the Fiscal Agent to the Special Tax Fund.

Section 7.4 Absolute Obligation of the District. Nothing in any provision of this Agreement or in the Bonds contained shall affect or impair the obligation of the District, which is absolute and unconditional, to pay the principal of and interest on the Bonds to the respective Owners of the Bonds at their respective dates of maturity, or upon call for redemption, as herein provided, but only out of the Special Taxes and other moneys herein pledged therefor and received by the District or the Fiscal Agent, or affect or impair, the right of such Owners, which is also absolute and unconditional, to enforce such payment by virtue of the contract embodied in the Bonds.

Section 7.5 Termination of Proceedings. In case any proceedings taken by any one or more Bond Owners on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Bond Owners, then in every such case the District,

and the Bond Owners, subject to any determination in such proceedings, shall be restored to their former positions and rights hereunder, severally and respectively, and all rights, remedies, powers and duties of the District, and the Bond Owners shall continue as though no such proceedings had been taken.

Section 7.6 Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Owners of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

Section 7.7 No Waiver of Default. No delay or omission of any Owner of the Bonds to exercise any right or power arising upon the occurrence of any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein; and every power and remedy given by this Agreement to the Owners of the Bonds may be exercised from time to time and as often as may be deemed expedient.

ARTICLE VIII

THE FISCAL AGENT

Section 8.1 Appointment of Fiscal Agent. MUFG Union Bank, N.A., is hereby appointed Fiscal Agent and paying agent for the Bonds. The Fiscal Agent undertakes to perform such duties, and only such duties, as are specifically set forth in this Agreement, and no implied covenants or obligations shall be read into this Agreement against the Fiscal Agent.

Any company into which the Fiscal Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Fiscal Agent may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under the following paragraph of this Section, shall be the successor to such Fiscal Agent without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

So long as there is no Event of Default hereunder, the District may remove the Fiscal Agent initially appointed, and any successor thereto, and may appoint a successor or successors thereto, but any such successor shall be a bank or trust company having a combined capital (exclusive of borrowed capital) and surplus of at least Fifty Million Dollars (\$50,000,000), and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section 8.1, combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Fiscal Agent may at any time resign by giving written notice to the District and by giving to the Owners notice by mail of such resignation. Upon receiving notice of such resignation, the District shall promptly appoint a successor Fiscal Agent by an instrument in writing. Any resignation or removal of the Fiscal Agent shall become effective upon acceptance of appointment by the successor Fiscal Agent.

If no appointment of a successor Fiscal Agent shall be made pursuant to the foregoing provisions of this Section 8.1 within forty-five (45) days after the Fiscal Agent shall have given to the District written notice or after a vacancy in the office of the Fiscal Agent shall have occurred by reason of its inability to act, the Fiscal Agent or any Bond Owner may apply to any court of competent jurisdiction to

appoint a successor Fiscal Agent. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Fiscal Agent.

If, by reason of the judgment of any court, the Fiscal Agent is rendered unable to perform its duties hereunder, all such duties and all of the rights and powers of the Fiscal Agent hereunder shall be assumed by and vest in the Treasurer of the City in trust for the benefit of the Owners. The District covenants for the direct benefit of the Owners that the Treasurer in such case shall be vested with all of the rights and powers of the Fiscal Agent hereunder, and shall assume all of the responsibilities and perform all of the duties of the Fiscal Agent hereunder, in trust for the benefit of the Owners of the Bonds.

Section 8.2 Liability of Fiscal Agent. The recitals of facts, covenants and agreements herein and in the Bonds contained shall be taken as statements, covenants and agreements of the District, and the Fiscal Agent assumes no responsibility for the correctness of the same, nor makes any representations as to the validity or sufficiency of this Agreement or of the Bonds, nor shall incur any responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Bonds assigned to or imposed upon it. The Fiscal Agent shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful default. The Fiscal Agent assumes no responsibility or liability for any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

In the absence of bad faith, the Fiscal Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Fiscal Agent and conforming to the procedural requirements of this Agreement; but in the case of any such certificates or opinions by which any provision hereof are specifically required to be furnished to the Fiscal Agent, the Fiscal Agent shall be under a duty to examine the same to determine whether or not they conform to the procedural requirements of this Agreement. Except as provided above in this paragraph, the Fiscal Agent shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of this Agreement, upon any resolution, order, notice, request, consent or waiver, certificate, statement, affidavit, or other paper or document which it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper person or to have been prepared and furnished pursuant to any provision of this Agreement, and the Fiscal Agent shall not be under any duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument.

The Fiscal Agent shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements of the District herein or of any of the documents executed by the District in connection with the Bonds, or as to the existence of a default or event of default thereunder.

The Fiscal Agent shall not be liable for any error of judgment made in good faith by a responsible officer unless it shall be proved that the Fiscal Agent was negligent in ascertaining the pertinent facts.

No provision of this Agreement shall require the Fiscal Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The Fiscal Agent shall be under no obligation to exercise any of the rights or powers vested in it by this Agreement at the request or direction of any of the Owners pursuant to this Agreement unless such Owners shall have offered to the Fiscal Agent reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

The Fiscal Agent may become the owner of the Bonds with the same rights it would have if it were not the Fiscal Agent.

All indemnifications and releases from liability granted to the Fiscal Agent hereunder shall extend to the directors, officers and employees of the Fiscal Agent.

Section 8.3 Information. The Fiscal Agent shall provide to the District such information relating to the Bonds and the funds and accounts maintained by the Fiscal Agent hereunder as the District shall reasonably request, including, but not limited to, quarterly statements reporting funds held and transactions by the Fiscal Agent.

The Fiscal Agent shall furnish the District quarterly cash transaction statements which include detail for all investment transactions effected by the Fiscal Agent or brokers selected by the District. Upon the District's election, such statements will be delivered via the Fiscal Agent's online service and upon electing such service, paper statements will be provided only upon request. The District waives the right to receive brokerage confirmations of security transactions effected by the Fiscal Agent as they occur, to the extent permitted by law. The District further understands that trade confirmations for securities transactions effected by the Fiscal Agent will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

Section 8.4 Notice to Fiscal Agent. The Fiscal Agent may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, Bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The Fiscal Agent may consult with counsel, who may be counsel to the District, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

The Fiscal Agent shall not be bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and his title thereto satisfactorily established, if disputed.

Whenever in the administration of its duties under this Agreement the Fiscal Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of willful misconduct on the part of the Fiscal Agent, be deemed to be conclusively proved and established by a certificate of the District, and such certificate shall be full warrant to the Fiscal Agent for any action taken or suffered under the provisions of this Agreement or any Supplemental Agreement upon the faith thereof, but in its discretion the Fiscal Agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

Section 8.5 Compensation, Indemnification. The District shall pay to the Fiscal Agent from time to time reasonable compensation for all services rendered as Fiscal Agent under this Agreement, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Agreement, but the Fiscal Agent shall not have a lien therefor on any funds at any time held by it under this Agreement. The District further agrees, to the extent permitted by applicable law, to indemnify and save the Fiscal Agent, its officers, employees, directors and agents harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or willful misconduct. The obligation of the District under this Section shall

survive resignation or removal of the Fiscal Agent under this Agreement and payment of the Bonds and discharge of this Agreement.

ARTICLE IX

MODIFICATION OR AMENDMENT OF THIS AGREEMENT

Section 9.1 Amendments Permitted. This Agreement and the rights and obligations of the District and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Agreement pursuant to the affirmative vote, at a meeting of Owners, or with the written consent without a meeting, of the Owners of at least sixty percent (60%) in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 9.4 hereof. No such modification or amendment shall (i) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of the District to pay the principal of, and the interest and any premium on, any Bond, without the express consent of the Owner of such Bond, or (ii) permit the creation by the District of any pledge or lien upon the Special Taxes superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except as otherwise permitted by the Act, the laws of the State of California or this Agreement), or (iii) reduce the percentage of Bonds required for the amendment hereof. Any such amendment may not modify any of the rights or obligations of the Fiscal Agent without its written consent.

This Agreement and the rights and obligations of the District and of the Owners may also be modified or amended at any time by a Supplemental Agreement, without the consent of any Owners, only to the extent permitted by law and only for anyone or more of the following purposes:

(a) to add to the covenants and agreements of the District in this Agreement contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power herein reserved to or conferred upon the District;

(b) to make modifications not adversely affecting any Outstanding Bonds of the District in any material respect;

(c) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission of curing, correcting or supplementing any defective provision contained in this Agreement, or in regard to questions arising under this Agreement, as the District and the Fiscal Agent may deem necessary or desirable and not inconsistent with this Agreement, and which shall not adversely affect the rights of the Owners of the Bonds in any material respect;

(d) to make such additions, deletions or modifications as may be necessary or desirable to assure the exclusion from gross income for federal income tax purposes of interest on the Bonds.

Section 9.2 Owners' Meetings. The District may at any time call a meeting of the Owners. In such event the District is authorized to fix the time and place of said meeting and to provide for the giving of notice thereof, and to fix and adopt rules and regulations for the conduct of said meeting.

Section 9.3 Procedure for Amendment with Written Consent of Owners. The District and the Fiscal Agent may at any time adopt a Supplemental Agreement amending the provisions of the Bonds or of this Agreement or any Supplemental Agreement, to the extent that such amendment is permitted by Section 9.1 hereof, to take effect when and as provided in this Section. A copy of such Supplemental Agreement, together with a request to Owners for their consent thereto, shall be mailed by

first-class mail by the Fiscal Agent to each Owner of Bonds Outstanding, but failure to mail copies of such Supplemental Agreement and request shall not affect the validity of the Supplemental Agreement when assented to as in this Section provided.

Such Supplemental Agreement shall not become effective unless there shall be filed with the Fiscal Agent the written consents of the Owners of at least sixty percent (60%) in aggregate principal amount of the Bonds then Outstanding (exclusive of Bonds disqualified as provided in Section 9.4 hereof) and a notice shall have been mailed as hereinafter in this Section provided. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds for which such consent is given, which proof shall be such as is permitted by Section 10.4 hereof. Any such consent shall be binding upon the Owner of the Bonds giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Fiscal Agent prior to the date when the notice hereinafter in this Section provided for has been mailed.

After the Owners of the required percentage of Bonds shall have filed their consents to the Supplemental Agreement, the District shall mail a notice to the Owners in the manner hereinbefore provided in this Section for the mailing of the Supplemental Agreement, stating in substance that the Supplemental Agreement has been consented to by the Owners of the required percentage of Bonds and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of the Supplemental Agreement or consents thereto). Proof of the mailing of such notice shall be filed with the Fiscal Agent. A record, consisting of the papers required by this Section 9.3 to be filed with the Fiscal Agent, shall be proof of the matters therein stated until the contrary is proved. The Supplemental Agreement shall become effective upon the filing with the Fiscal Agent of the proof of mailing of such notice, and the Supplemental Agreement shall be deemed conclusively binding (except as otherwise hereinabove specifically provided in this Article) upon the District and the Owners of all Bonds at the expiration of sixty (60) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action, or equitable proceeding for such purpose commenced within such 60-day period.

Section 9.4 Disqualified Bonds. Bonds owned or held for the account of the District, excepting any pension or retirement fund, shall not be deemed Outstanding for the purpose of any vote, consent or other action or any calculation of Outstanding Bonds provided for in this Article IX, and shall not be entitled to vote upon, consent to, or take any other action provided for in this Article IX.

Section 9.5 Effect of Supplemental Agreement. From and after the time any Supplemental Agreement becomes effective pursuant to this Article IX, this Agreement shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations under this Agreement of the District and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Agreement shall be deemed to be part of the terms and conditions of this Agreement for any and all purposes.

Section 9.6 Endorsement or Replacement of Bonds Issued After Amendments. The District may determine that Bonds issued and delivered after the effective date of any action taken as provided in this Article IX shall bear a notation, by endorsement or otherwise, in form approved by the District, as to such action. In that case, upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for that purpose at the Corporate Trust Office of the Fiscal Agent or at such other office as the District may select and designate for that purpose, a suitable notation shall be made on such Bond. The District may determine that new Bonds, so modified as in the opinion of the District is necessary to conform to such Owners' action, shall be prepared, executed and delivered.

In that case, upon demand of the Owner of any Bonds then Outstanding, such new Bonds shall be exchanged at the Corporate Trust Office of the Fiscal Agent, without cost to any Owner, for Bonds then Outstanding, upon surrender of such Bonds.

Section 9.7 Amendatory Endorsement of Bonds. The provisions of this Article IX shall not prevent any Owner from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

Section 9.8 Opinion of Bond Counsel. In connection with any Supplemental Agreement, the Fiscal Agent shall be entitled to receive an opinion of Bond Counsel that any such Supplemental Agreement is authorized or permitted by this Agreement and the Fiscal Agent may conclusively rely upon such opinion.

ARTICLE X

MISCELLANEOUS

Section 10.1 Benefits of Agreement Limited to Parties. Nothing in this Agreement, expressed or implied, is intended to give to any person other than the District, the Fiscal Agent and the Owners, any right, remedy, or claim under or by reason of this Agreement. Any covenants, stipulations, promises or agreements in this Agreement contained by and on behalf of the District shall be for the sole and exclusive benefit of the Owners and the Fiscal Agent.

Section 10.2 Successor is Deemed Included in All References to Predecessor. Whenever in this Agreement or any Supplemental Agreement either the District or the Fiscal Agent is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Agreement contained by or on behalf of the District or the Fiscal Agent shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 10.3 Discharge of Agreement. The District shall have the option to pay and discharge the entire indebtedness on all or any portion of the Bonds Outstanding in any one or more of the following ways:

(a) by well and truly paying or causing to be paid the principal of, and interest and any premium on, such Bonds Outstanding, as and when the same become due and payable;

(b) by depositing with the Fiscal Agent, in trust, at or before maturity, money which, together with the amounts then on deposit in the funds and accounts established with the Fiscal Agent pursuant to this Agreement, is fully sufficient to pay such Bonds Outstanding, including all principal, interest and redemption premiums; or

(c) by irrevocably depositing with the Fiscal Agent, in trust, cash and Federal Securities and/or investments described in clause (i) of the definition of Permitted Investments in such amount as the District shall determine as confirmed by Bond Counsel or an independent certified public accountant will, together with the interest to accrue thereon and moneys then on deposit in the funds and accounts established with the Fiscal Agent pursuant to this Agreement, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates.

If the District shall have taken any of the actions specified in (a), (b) or (c) above, and if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in this Agreement provided or provision satisfactory to the Fiscal Agent shall have been made for the giving of such notice, then, at the election of the District, and notwithstanding that any Bonds shall not have been surrendered for payment, the pledge of the Special Taxes and other funds provided for in this Agreement and all other obligations of the District under this Agreement with respect to such Bonds Outstanding shall cease and terminate. Notice of such election shall be filed with the Fiscal Agent. Notwithstanding the foregoing, the obligation of the District to pay or cause to be paid to the Owners of the Bonds not so surrendered and paid all sums due thereon and all amounts owing to the Fiscal Agent pursuant to Section 8.5 hereof, and otherwise to assure that no action is taken or failed to be taken if such action or failure adversely affects the exclusion of interest on the Bonds from gross income for federal income tax purposes, shall continue in any event.

Upon compliance by the District with the foregoing with respect to all Bonds Outstanding, any funds held by the Fiscal Agent after payment of all fees and expenses of the Fiscal Agent, which are not required for the purposes of the preceding paragraph, shall be paid over to the District and any Special Taxes thereafter received by the District shall not be remitted to the Fiscal Agent but shall be retained by the District to be used for any purpose permitted under the Act.

Notwithstanding the foregoing, the payment of Outstanding Bonds and the termination of the pledge of the Special Tax Revenues shall not prevent the District from issuing additional bonds secured by a pledge of the Special Tax Revenues.

Section 10.4 Execution of Documents and Proof of Ownership by Owners. Any request, declaration or other instrument which this Agreement may require or permit to be executed by Owners may be in one or more instruments of similar tenor, and shall be executed by Owners in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise herein expressly provided, the ownership of registered Bonds and the amount, maturity, number and date of holding the same shall be proved by the registry books.

Any request, declaration or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the District or the Fiscal Agent in good faith and in accordance therewith.

Section 10.5 Waiver of Personal Liability. No member, officer, agent or employee of the District or the City shall be individually or personally liable for the payment of the principal of, or interest or any premium on, the Bonds; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

Section 10.6 Notices to and Demands on District and Fiscal Agent. Any notice or demand which by any provision of this Agreement is required or permitted to be given or served may be given or served by being deposited postage prepaid in a post office letter box, via courier or overnight mail or by facsimile or other form of electronic communication, addressed as follows:

To the District: Community Facilities District No. 2006-1 (Moraga of Merced)
of the City of Merced
c/o City of Merced
678 West 18th Street
Merced, CA 95340
Attn: Finance Officer
Email: RodriguezV@cityofmerced.org

To the Fiscal Agent: MUFG Union Bank, N.A.
350 California Street, 17th Floor
San Francisco, California 94104
Attention: Corporate Trust Services
Fax: 415-273-2492
Email: AccountAdministration-CorporateTrust@unionbank.com
with a copy to: CashControlGroup-LosAngeles@unionbank.com

Section 10.7 Partial Invalidity. If any Section, paragraph, sentence, clause or phrase of this Agreement shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Agreement. The District hereby declares that it would have adopted this Agreement and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Agreement may be held illegal, invalid or unenforceable.

Section 10.8 Unclaimed Moneys. Anything contained herein to the contrary notwithstanding, any moneys held by the Fiscal Agent for the payment and discharge of the principal of, and the interest and any premium on, the Bonds which remains unclaimed for two (2) years after the date when the payments of such principal, interest and premium have become payable, if such money was held by the Fiscal Agent at such date, shall be repaid by the Fiscal Agent to the District as its absolute property free from any trust, and the Fiscal Agent shall thereupon be released and discharged with respect thereto and the Bond Owners shall look only to the District for the payment of the principal of, and interest and any premium on, such Bonds.

Section 10.9 Applicable Law. This Agreement shall be governed by and enforced in accordance with the laws of the State of California applicable to contracts made and performed in the State of California.

Section 10.10 Conflict with Act. In the event of a conflict between any provision of this Agreement with any provision of the Act as in effect on the Closing Date, the provision of the Act shall prevail over the conflicting provision of this Agreement.

Section 10.11 Conclusive Evidence of Regularity. Bonds issued pursuant to this Agreement shall constitute conclusive evidence of the regularity of all proceedings under the Act relative to their issuance and the levy of the Special Taxes.

Section 10.12 Payment on Business Day. In any case where the date of the maturity of interest or of principal (and premium, if any) of the Bonds or the date fixed for redemption of any Bonds or the date any action is to be taken pursuant to this Agreement is other than a Business Day, the payment of interest or principal (and premium, if any) or the action need not be made on such date but may be made on the next succeeding day which is a Business Day with the same force and effect as if made on the date required and no interest shall accrue for the period after such date.

Section 10.13 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

IN WITNESS WHEREOF, the District has caused this Agreement to be executed in its name and the Fiscal Agent has caused this Agreement to be executed in its name, all as of December 1, 2019.

COMMUNITY FACILITIES DISTRICT NO. 2006-1
(MORAGA OF MERCED) OF THE CITY OF
MERCED

By: _____
Mayor of the City of Merced,
on behalf of the District

ATTEST:
STEVEN S. CARRIGAN, CITY CLERK

BY: _____
City Clerk of the City of Merced,
on behalf of the District

MUFG UNION BANK, N.A.,
as Fiscal Agent

By: _____
Authorized Officer

EXHIBIT A
FORM OF BOND

No. _____

\$ _____

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF MERCED

COMMUNITY FACILITIES DISTRICT NO. 2006-1
(MORAGA OF MERCED) OF THE CITY OF MERCED
2019 SPECIAL TAX REFUNDING BOND

INTEREST RATE

MATURITY DATE

DATED DATE

CUSIP NO.

September 1, ____

December __, 2019

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

DOLLARS

The Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced (the "District"), for value received, hereby promises to pay solely from the Special Tax (as hereinafter defined) to be collected within the District or amounts in the funds and accounts held under the Agreement (as hereinafter defined), to the registered owner named above, or registered assigns, on the maturity date set forth above, unless redeemed prior thereto as hereinafter provided, the principal amount set forth above, and to pay interest on such principal amount from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication thereof, unless (a) it is authenticated after a Record Date (as hereinafter defined) and on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event interest with respect thereto will be payable from such Interest Payment Date; (b) it is authenticated on or before February 15, 2020, in which event interest with respect thereto will be payable from its Dated Date; or (c) interest with respect to any Outstanding Bond is in default, in which event interest with respect thereto will be payable from the date to which interest has been paid in full, payable on each Interest Payment Date, payable semiannually on March 1 and September 1 in each year, commencing March 1, 2020 (each an "Interest Payment Date"), at the interest rate set forth above, until the principal amount hereof is paid or made available for payment. The principal of this Bond is payable to the registered owner hereof in lawful money of the United States of America upon presentation and surrender of this Bond at the Corporate Trust Office of MUFG Union Bank, N.A. (the "Fiscal Agent"). Interest on this Bond shall be paid by check of the Fiscal Agent mailed on each Interest Payment Date to the registered owner hereof as of the close of business on the fifteenth day of the month preceding the month in which the interest payment date occurs (the "Record Date") at such registered owner's address as it appears on the registration books maintained by the Fiscal Agent.

This Bond is one of a duly authorized issue of refunding bonds in the aggregate principal amount of \$_____ designated "Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced, Special Tax Refunding Bonds," (the "Bonds"), for the purpose of refunding all of the \$5,840,000 Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced, 2006 Special Tax Bonds (the "Prior Bonds"), currently outstanding in the amount of \$3,905,000, issued for the purpose of financing the acquisition, rehabilitation and construction of certain facilities, as approved by the qualified electors of the District on July 3, 2006, pursuant to the Mello-Roos Community Facilities

Act of 1982, as amended, Section 53311 *et seq.*, of the California Government Code (the “Mello-Roos Act”). The creation of the Bonds and the terms and conditions thereof are provided for by the Fiscal Agent Agreement, dated as of December 1, 2019 (“Agreement”), by and between the District and the Fiscal Agent and this reference incorporates the Agreement herein, and by acceptance hereof the owner of this Bond assents to said terms and conditions.

Pursuant to the Mello-Roos Act and the Agreement, the principal of and interest on this Bond are payable solely from the annual special tax authorized under the Mello-Roos Act to be collected within the District (the “Special Tax”) and certain funds held under the Agreement.

Any tax for the payment hereof shall be limited to the Special Tax, except to the extent that provision for payment has been made by the City of Merced (the “City”), as may be permitted by law. The Bonds do not constitute obligations of the City for which said City is obligated to levy or pledge, or has levied or pledged, general or special taxation other than described hereinabove. The District has covenanted for the benefit of the owners of the Bonds that it will order, and cause to be commenced as provided in the Agreement, and thereafter diligently prosecute to judgment, an action in the superior court to foreclose, under the circumstances set forth in the Agreement, the lien of any Special Tax or installment thereof not paid when due.

The Bonds are subject to redemption prior to maturity at the option of the District from any source of funds, on any Interest Payment Date on or after September 1, 20__ as a whole or in part from such maturities as selected by the District and by lot within a maturity, at a redemption price (expressed as a percentage of the principal amount of the Bonds to be redeemed), together with accrued interest thereon to the date fixed for redemption, as follows:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
September 1, 20__ and March 1, 20__	103%
September 1, 20__ and March 1, 20__	102
September 1, 20__ and March 1, 20__	101
September 1, 20__ and each March 1 and September 1 thereafter	100

The Bonds shall also be subject to mandatory redemption on any Interest Payment Date on or after March 1, 2020 in whole or in part from such maturities as selected by the District and by lot within a maturity, from amounts constituting prepayments of Special Taxes at the following redemption prices (expressed as a percentage of the principal amount of Bonds to be redeemed), together with accrued interest thereon to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
March 1, 2020 and each March 1 and September 1 through and including March 1, 20__	103%
September 1, 20__ and March 1, 20__	102
September 1, 20__ and March 1, 20__	101
September 1, 20__ and each March 1 and September 1 thereafter	100

The Bonds maturing on September 1, 20__ are subject to mandatory sinking fund redemption in part, on September 1 in each year commencing September 1, 20__, and on each September 1, thereafter to maturity, by lot, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date of redemption, without premium, and from sinking payments as follows:

Term Bonds Maturing September 1, 20__

<u>Year</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>
-------------------------------------	-----------------------------------

*

*maturity

Notice of redemption with respect to the Bonds to be redeemed shall be given to the registered owners thereof, in the manner, to the extent and subject to the provisions of the Agreement.

This Bond shall be registered in the name of the owner hereof, as to both principal and interest.

Each registration and transfer of registration of this Bond shall be entered by the Fiscal Agent in books kept by it for this purpose and authenticated by its manual signature upon the certificate of authentication endorsed hereon.

Except as provided in the Agreement, any Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of the Agreement by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a duly written instrument of transfer in a form approved by the Fiscal Agent. The cost for any services rendered or any expenses incurred by the Fiscal Agent in connection with any such transfer shall be paid by the District. The Fiscal Agent shall collect from the Owner requesting such transfer any tax or other governmental charge required to be paid with respect to such transfer.

Whenever any Bond or Bonds shall be surrendered for transfer, the District shall execute and the Fiscal Agent shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount.

No transfers or exchanges of Bonds shall be required to be made (i) fifteen (15) days prior to the date established by the Fiscal Agent for selection of Bonds for redemption, (ii) with respect to a Bond, after such Bond has been selected for redemption, or (iii) between the 15th day of the month next preceding any Interest Payment Date and such Interest Payment Date.

Bonds may be exchanged at the Corporate Trust Office of the Fiscal Agent for a like aggregate principal amount of Bonds of authorized denominations and of the same maturity. The cost for any services rendered or any expenses incurred by the Fiscal Agent in connection with any such exchange shall be paid by the District. The Fiscal Agent shall collect from the Owner requesting such exchange any tax or other governmental charge required to be paid with respect to such exchange.

The Agreement and the rights and obligations of the District thereunder may be modified or amended as set forth therein.

This Bond shall not become valid or obligatory for any purpose until the certificate of authentication and registration hereon endorsed shall have been dated and signed by the Fiscal Agent.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of this Bond have existed, happened and been performed in due time, form and manner as required by law, and that the

amount of this Bond does not exceed any debt limit prescribed by the laws or Constitution of the State of California.

IN WITNESS WHEREOF, the Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced has caused this Bond to be dated as of the date first above written and to be signed by the manual signature of the Mayor of the City of Merced and countersigned by the manual signature of the City Clerk of the City of Merced.

COMMUNITY FACILITIES DISTRICT NO. 2006-1
(MORAGA OF MERCED) OF THE CITY OF
MERCED

By: _____
Mayor of the City of Merced,
on behalf of the District

BY: _____
City Clerk of the City of Merced
on behalf of the District

FISCAL AGENT'S CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the Resolution and the Agreement which has been authenticated on _____.

MUFG UNION BANK, N.A.,
as Fiscal Agent

BY: _____
Authorized Officer

ASSIGNMENT

For value received, the undersigned do(es) hereby sell, assign and transfer unto

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within Bond and do(es) hereby irrevocably constitute and appoint _____, attorney, to transfer the same on the registration books of the Fiscal Agent, with full power of substitution in the premises.

Dated:

Signature Guaranteed:

Note: Signature(s) must be guaranteed by an eligible guarantor institution.

Signature:

Note: The signature(s) on this assignment must correspond with the name(s) as written on the face of the within-registered Bond in every particular without alteration or enlargement or any change whatsoever.

ESCROW AGREEMENT

by and between the

COMMUNITY FACILITIES DISTRICT NO. 2006-1 (MORAGA OF MERCED)
OF THE CITY OF MERCED,

and

U.S BANK NATIONAL ASSOCIATION,
as Prior Bonds Fiscal Agent
and
as Escrow Bank

Dated as of December 1, 2019

Pertaining to the Defeasance of
All of the Currently Outstanding

Community Facilities District No. 2006-1
(Moraga of Merced) of the City of Merced
2006 Special Tax Bonds

ESCROW AGREEMENT

This Escrow Agreement (the “Agreement”), made and entered into as of December 1, 2019, by and between the COMMUNITY FACILITIES DISTRICT NO. 2006-1 (MORAGA OF MERCED) OF THE CITY OF MERCED, a community facilities district organized and existing under, and by virtue of the laws of the State of California (the “District”), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as Prior Bonds Fiscal Agent (the “Prior Bonds Fiscal Agent”), and as Escrow Bank (the “Escrow Bank”);

WITNESSETH:

WHEREAS, the District has previously issued its 2006 Special Tax Bonds (the “Prior Bonds”) pursuant to a Fiscal Agent Agreement, dated as of December 1, 2006 (the “Prior Bonds Fiscal Agent Agreement”), by and between the City, on behalf of the District, and U.S. Bank National Association, as fiscal agent (the “Prior Bonds Fiscal Agent”); and

WHEREAS, the District has approved the issuance of its 2019 Special Tax Refunding Bonds (the “Bonds”), the proceeds of which are to be used, together with certain other available funds, to defease all of the Prior Bonds;

NOW, THEREFORE, in consideration of the mutual premises contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. As used herein, the following terms shall have the following meanings:

“Closing Date” means December ___, 2019.

“Code” means the Internal Revenue Code of 1986.

“Escrow Fund” means the Escrow Fund established and held by the Escrow Bank pursuant to Section 3 hereof.

“Escrow Requirements” means an amount sufficient, together with investment proceeds, to pay principal of, redemption premium, if any, and interest on the Prior Bonds through and including the Redemption Date, as set forth in Exhibit B hereto.

“Escrow Securities” means Defeasance Obligations as defined in Section 1.03 of the Prior Bonds Fiscal Agent Agreement deposited in the Escrow Fund pursuant to Section 5 hereof.

“Redemption Date” means March 1, 2020, the date on which the Prior Bonds are to be redeemed.

“Verification Agent” means Causey Demgen & Moore, P.C.

“Verification Report” means the report prepared by the Verification Agent and attached hereto as Exhibit A.

SECTION 2. The District hereby appoints U.S. Bank National Association as Escrow Bank under this Agreement for the benefit of the holders of the Prior Bonds. The Escrow Bank hereby accepts the duties and obligations of Escrow Bank under this Agreement and agrees that the irrevocable instructions to the Escrow Bank herein provided are in a form satisfactory to it. The applicable and

necessary provisions of the Prior Bonds Fiscal Agent Agreement, including particularly the redemption provisions thereof, are incorporated herein by reference. Reference herein to, or citation herein of, any provisions of the Prior Bonds Fiscal Agent Agreement shall be deemed to incorporate the same as a part hereof in the same manner and with the same effect as if the same were fully set forth herein.

SECTION 3. Pursuant to this Agreement, there is created and established with the Escrow Bank a special and irrevocable fund designated the Escrow Fund, to be held by the Escrow Bank separate and apart from all other funds and accounts, and used only for the purposes and in the manner provided in this Agreement.

SECTION 4. The District herewith deposits, or causes to be deposited, with the Escrow Bank into the Escrow Fund, to be held by the Escrow Bank and to be applied solely as provided in this Agreement, the sum of \$_____, as follows:

- (i) from the proceeds of the Bonds, the sum of \$_____; and
- (ii) from moneys held by the Prior Bonds Fiscal Agent pursuant to the Prior Bonds Fiscal Agent in the debt service reserve fund, the sum of \$_____; and
- (iii) from residual moneys held by the Prior Bonds Fiscal Agent pursuant to the Prior Bonds Fiscal Agent Agreement, the sum of \$_____, which together with the sums from (i) and (ii) above, equal the sum of \$_____.

SECTION 5. The Escrow Bank acknowledges receipt of the moneys described in Section 4. The Escrow Bank agrees immediately to invest \$_____ of such amounts in the Escrow Securities set forth in Exhibit B hereto, and to deposit such Escrow Securities in the Escrow Fund, and to retain the amount of \$_____ in cash in the Escrow Fund. The Escrow Bank shall not have the power to sell, transfer, request the redemption of or otherwise dispose of some or all of the Escrow Securities in the Escrow Fund or to substitute other Escrow Securities therefor, except as may be required pursuant to the Verification Report. As the principal of the Escrow Securities shall mature and be paid, and the investment income and earnings thereon are paid, the Escrow Bank shall not reinvest such moneys, except as may be required pursuant to the Verification Report. Such amounts shall be applied by the Escrow Bank to the payment of the Escrow Requirement for the equal and ratable benefit of the holders of the Prior Bonds as set forth in the Verification Report.

SECTION 6. The District hereby directs and the Escrow Bank hereby agrees that the Escrow Bank will take all the actions required to be taken by it hereunder, in order to effectuate this Agreement. The liability of the Escrow Bank for the payment of the Escrow Requirements shall be limited to the application, in accordance with this Agreement, of the moneys and the principal amount of the Escrow Securities and investment earnings thereon available for such purposes in the Escrow Fund.

SECTION 7. The District irrevocably instructs the Escrow Bank (i) to pay to the Prior Bonds Fiscal Agent, from amounts held in the Escrow Fund, such amounts as are required for payment of interest on the Prior Bonds due on the Redemption Date, in the amount of \$_____; and (ii) to pay to the Prior Bonds Fiscal Agent, from amounts held in the Escrow Fund, the amount equal to the redemption price of the principal amount of the Prior Bonds called for redemption on the Redemption Date, in the amount of \$3,905,000. The District has caused schedules to be prepared relating to the sufficiency of the anticipated receipts from the Escrow Securities listed in Exhibit B to pay the Escrow Requirement. The District irrevocably instructs the Escrow Bank to mail a notice of defeasance of the Prior Bonds to The Depository Trust

Company, Information Services and the Owners of the Prior Bonds in the manner provided in the Prior Bonds Fiscal Agent Agreement in the form attached hereto as Exhibit C. The District also irrevocably instructs the Prior Bonds Fiscal Agent under the Prior Bonds Fiscal Agent Agreement to mail a notice of redemption of the Prior Bonds as provided in Section 2.02 of the Prior Bonds Fiscal Agent Agreement in substantially the form provided in Exhibit D hereto and to pay said principal of and interest on and redemption price of the Prior Bonds to the owners of the Prior Bonds as provide in the Prior Bonds Fiscal Agent Agreement.

SECTION 8. The fund hereby created shall be irrevocable and the holders of the Prior Bonds shall have an express lien limited to all moneys and Escrow Securities, including the interest earning thereon, in the Escrow Fund until paid out, used and applied in accordance with this Agreement.

SECTION 9. This Agreement is made pursuant to and in furtherance of the Prior Bonds Fiscal Agent Agreement and for the benefit of the District and the holders from time to time of the Prior Bonds and it shall not be repealed, revoked, altered, amended or supplemented without the written consent of all such holders and the written consent of the Escrow Bank, Prior Bonds Fiscal Agent and the District; provided, however, that the District, the Prior Bonds Fiscal Agent and the Escrow Bank may, without the consent of, or notice to, such holders enter into such amendments or supplements as shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

- (a) to cure an ambiguity or formal defect or omission in this Agreement;
- (b) to grant to, or confer upon, the Escrow Bank for the benefit of the holders of the Prior Bonds, any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Bank; and
- (c) to transfer to the Escrow Bank and make subject to this Agreement additional funds, securities or properties.

The Escrow Bank and Prior Bonds Fiscal Agent shall be entitled to conclusively rely upon the Verification Report, and upon an unqualified opinion of nationally recognized bond counsel with respect to compliance with this Section, including the extent, if any, to which any change, modification or addition affects the rights of the holders of the Prior Bonds, or that any instrument executed hereunder complies with the conditions and provisions of this Section.

SECTION 10. In consideration of the services rendered by the Escrow Bank under this Agreement, the District agrees to and shall pay to the Escrow Bank its fees, plus expenses, including all reasonable expenses, charges, counsel fees and expenses and other disbursements incurred by it or by its attorneys, agents and employees in and about the performance of their powers and duties hereunder, and the Escrow Bank shall have no lien whatsoever upon any of the moneys or Escrow Securities in the Escrow Fund for the payment of such proper fees and expenses.

SECTION 11. The Escrow Bank at the time acting hereunder may at any time resign and be discharged from the trusts hereby created by giving not less than 60 days' written notice to the District and the Prior Bonds Fiscal Agent, specifying the date when such resignation will take effect in the same manner as a notice is to be mailed pursuant to Section 7 hereof, but no such resignation shall take effect unless a successor Escrow Bank shall have been appointed by the holders of the Prior Bonds or by the District as hereinafter provided and such successor Escrow Bank shall have accepted such appointment,

in which event such resignation shall take effect immediately upon the appointment and acceptance of a successor Escrow Bank.

The Escrow Bank may be removed at any time by an instrument or concurrent instruments in writing, delivered to the Escrow Bank and to the District and the Prior Bonds Fiscal Agent and signed by the holders of a majority in principal amount of the Prior Bonds.

In the event the Escrow Bank hereunder shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in the case the Escrow Bank shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor Escrow Bank may be appointed by the holders of a majority in principal amount of the Prior Bonds, by an instrument or concurrent instruments in writing, signed by such holders, or by their attorneys-in-fact, duly authorized in writing; provided, nevertheless, that in any such event, the District shall appoint a temporary Escrow Bank to fill such vacancy until a successor Escrow Bank shall be appointed by the holders of a majority in principal amount of the Prior Bonds, and any such temporary Escrow Bank so appointed by the District shall immediately and without further act be superseded by the Escrow Bank so appointed by such holders.

In the event that no appointment of a successor Escrow Bank or a temporary successor Escrow Bank shall have been made by such holders or the District pursuant to the foregoing provisions of this Section within 60 days after written notice of the removal or resignation of the Escrow Bank has been given to the District, the holder of any of the Prior Bonds or any retiring Escrow Bank may apply to any court of competent jurisdiction for the appointment of a successor Escrow Bank, and such court may thereupon, after such notice, if any, as it shall deem proper, appoint a successor Escrow Bank.

No successor Escrow Bank shall be appointed unless such successor Escrow Bank shall be a corporation or institution with trust powers organized under the financial institution laws of the United States or any state, and shall have at the time of appointment capital and surplus of not less than \$50,000,000. For purpose of this Section 11, a corporation or institution with trust powers organized under the financial institution laws of the United States of America or any state shall be deemed to have combined capital and surplus of at least \$50,000,000 if it has a combined capital surplus of at least \$20,000,000 and is a wholly-owned subsidiary of a corporation having a combined capital and surplus of at least \$50,000,000.

Every successor Escrow Bank appointed hereunder shall execute, acknowledge and deliver to its predecessor and to the District, an instrument in writing accepting such appointment hereunder and thereupon such successor Escrow Bank without any further act, deed or conveyance, shall become fully vested with all the rights, immunities, powers, trust, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of such successor Escrow Bank or the District execute and deliver an instrument transferring to such successor Escrow Bank all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Escrow Bank shall deliver all moneys and Escrow Securities held by it to its successor. Should any transfer, assignment or instrument in writing from the District be required by any successor Escrow Bank for more fully and certainly vesting in such successor Escrow Bank the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor Escrow Bank, any such transfer, assignment and instrument in writing shall, on request, be executed, acknowledged and delivered by the District.

Any corporation or association into which the Escrow Bank, or any successor to it in the trusts created by this Agreement, may be merged or converted or with which it or any successor to it may be consolidated, or any corporation resulting from any merger, conversion, consolidation or reorganization to which the Escrow Bank or any successor to it shall be a party or any successor to a substantial portion

of the Escrow Bank's corporate trust business, shall, if it meets the qualifications set forth in the fifth paragraph of this Section, be the successor Escrow Bank under this Agreement without the execution or filing of any paper or any other act on the part of any of the parties hereto, anything herein to the contrary notwithstanding. The liability of the Escrow Bank to make payments required in the Agreement shall be limited to the moneys and Escrow Securities in the Escrow Fund.

SECTION 12. The Escrow Bank shall have no power or duty to invest any funds held under this Agreement except as provided in Sections 5 and 6 hereof. The Escrow Bank shall have no power or duty to transfer or otherwise dispose of the moneys held hereunder except as provided in this Agreement.

The Escrow Bank shall furnish the District periodic cash transaction statements which include detail for all investment transactions effected by the Escrow Bank or brokers selected by the District. Upon the District's election, such statements will be delivered via the Escrow Bank's online service and upon electing such service, paper statements will be provided only upon request. The District waives the right to receive brokerage confirmations of security transactions effected by the Escrow Bank as they occur, to the extent permitted by law. The District further understands that trade confirmations for securities transactions effected by the Escrow Bank will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

SECTION 13. To the extent permitted by law, the District hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and keep harmless the Escrow Bank and its successors, assigns, agents, officers, directors, employees and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including reasonable legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, the Escrow Bank at any time (whether or not also indemnified against the same by the District or any other person under any other agreement or instrument, but without double indemnity) in any way relating to or arising out of the execution, delivery and performance of this Agreement, the establishment hereunder of the Escrow Fund, the acceptance of the funds and securities deposited therein, the purchase of any securities to be purchased pursuant thereto, the retention of such securities or the proceeds thereof and any payment, transfer or other application of moneys or securities by the Escrow Bank in accordance with the provisions of this Agreement. The District shall not be required to indemnify the Escrow Bank against the Escrow Bank's own negligence or willful misconduct or the negligence or willful misconduct of the Escrow Bank's successors, assigns, agents and employees or the material breach by the Escrow Bank of the terms of this Agreement. In no event shall the District or the Escrow Bank be liable to any person by reason of the transactions contemplated hereby other than to each other as set forth in this Section. The indemnities contained in this Section shall survive the termination of this Agreement and the resignation or removal of the Escrow Bank.

SECTION 14. The recitals of fact contained in the "Whereas" clauses herein shall be taken as the statements of the District, and the Escrow Bank assumes no responsibility for the correctness thereof. The Escrow Bank makes no representation as to the sufficiency of the securities to be purchased pursuant hereto and any uninvested moneys to accomplish the redemption of the Prior Bonds pursuant to the Prior Bonds Fiscal Agent Agreement or to the validity of this Agreement as to the District and, except as otherwise provided herein, the Escrow Bank shall incur no liability in respect thereof. The Escrow Bank shall not be liable in connection with the performance of its duties under this Agreement except for its own negligence or willful misconduct, and the duties and obligations of the Escrow Bank shall be determined by the express provisions of this Agreement. The Escrow Bank may consult with counsel, who may or may not be counsel to the District, and in reliance upon the written opinion of such counsel shall have full and complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Bank shall deem it necessary

or desirable that a matter be proved or established prior to taking, suffering, or omitting any action under this Agreement, such matter (except the matters set forth herein as specifically requiring a certificate of a nationally recognized firm of independent certified public accountants or an opinion of nationally recognized bond counsel) may be deemed to be conclusively established by a written certification of the District. Whenever the Escrow Bank shall deem it necessary or desirable that a matter specifically requiring a certificate of a nationally recognized firm of independent certified public accountants or an opinion of nationally recognized bond counsel be proved or established prior to taking, suffering, or omitting any such action, such matter may be established only by such a certificate or such an opinion. The Escrow Bank shall incur no liability for losses arising from any investment made pursuant to this Agreement.

No provision of this Agreement shall require the Escrow Bank to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

SECTION 15. This Agreement shall terminate upon payment of all Prior Bonds on the Redemption Date. Upon such termination, all moneys remaining in the Escrow Fund after payment of all fees and expenses of the Escrow Bank shall be released to the District.

SECTION 16. This Agreement is made in the State of California under the Constitution and laws of the State of California and is to so be construed.

SECTION 17. If any one or more of the covenants or agreements provided in this Agreement on the part of the District, the Prior Bonds Fiscal Agent or the Escrow Bank to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

All the covenants, promises and agreements in this Agreement contained by or on behalf of the District or by or on behalf of the Prior Bonds Fiscal Agent or the Escrow Bank shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

SECTION 18. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Agreement to be executed by their duly authorized officers as of the date first-above written.

COMMUNITY FACILITIES DISTRICT NO. 2006-1
(MORAGA OF MERCED) OF THE CITY OF
MERCED

By _____
Mayor of the City of Merced, on behalf of the District

U.S. BANK NATIONAL ASSOCIATION,
as Prior Bonds Fiscal Agent and Escrow Bank

By _____
Authorized Officer

Exhibit A
Verification Report

Exhibit B

**ESCROW SCHEDULE
and
SCHEDULE OF ESCROW SECURITIES**

Escrow Schedule

Payment Date	Rate	Principal Redeemed	Interest	Total
01-Mar-20	Various			

Schedule of Escrow Securities

Type	Settlement Date	Maturity Date	Par Amount	Coupon Rate	Price	Total Cost
SLGS		01-Mar-20				

Escrow Cash Flow

Exhibit C

Form of Notice of Defeasance

**NOTICE OF DEFEASANCE TO THE OWNERS OF
THE COMMUNITY FACILITIES DISTRICT NO. 2006-1
(MORAGA OF MERCED) OF THE CITY OF MERCED
2006 SPECIAL TAX BONDS**

NOTICE IS HEREBY GIVEN to the owners of the above-captioned bonds that with respect to such bonds as specified in the table below (the “Bonds”) that the Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced (the “District”) has deposited with U.S. Bank National Association, as Escrow Bank (the “Escrow Bank”) for the Bonds, cash and/or direct non-callable obligations of the United States of America, securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, to which direct obligation or guarantee of the full faith and credit of the United States of America has been pledged, Refcorp interest strips, CATS, TIGRS, STRPS and/or defeased municipal bonds rated AAA by S&P or Aaa by Moody’s, satisfying the criteria set forth in the Fiscal Agent Agreement, dated as of July 1, 2006 (the “Fiscal Agent Agreement”), by and between U.S. Bank National Association, as fiscal agent (the “Fiscal Agent”), and the City of Merced (the “City”), on behalf of the Community Facilities District No. 2006-1 (Moraga of Merced) (the “District”), pursuant to which the Bonds were issued, the principal of and interest thereon which when due, together with amounts held as cash, will provide moneys sufficient (i) to pay interest on the Bonds through March 1, 2020 and (ii) to pay on March 1, 2020 the redemption price (*i.e.*, 100% of the principal amount thereof) of the Bonds maturing on and after September 1, 2020, together with accrued interest thereon to such redemption date. In accordance with the Fiscal Agent Agreement, all obligations of the District and the Fiscal Agent with respect to the Bonds shall cease and terminate, except only the obligation of the Fiscal Agent to pay or cause to be paid all payments of interest on and principal of the Bonds from moneys on deposit with the Escrow Bank and available as aforesaid.

<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>	<u>CUSIP[†] Number</u> <u>(Base No: 587626)</u>	<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>	<u>CUSIP[†] Number</u> <u>(Base No: 587626)</u>
2020	\$170,000	BU5	2026	\$1,015,000	CA8
2021	175,000	BV3	2036	2,365,000	CL4

DATED: December __, 2019

COMMUNITY FACILITIES DISTRICT NO. 2006-1
(MORAGA OF MERCED) OF THE CITY OF MERCED

By: U.S. BANK NATIONAL ASSOCIATION, as
Escrow Bank

Exhibit D

Form of Notice of Optional Redemption

COMMUNITY FACILITIES DISTRICT NO. 2006-1 (MORAGA OF MERCED) OF THE CITY OF MERCED 2006 SPECIAL TAX BONDS

NOTICE IS HEREBY GIVEN to the owners of the above-captioned Bonds that all of the outstanding Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced 2006 Special Tax Bonds (the "2006 Bonds"), issued pursuant to a Fiscal Agent Agreement, dated as of December 1, 2006 (the "Fiscal Agent Agreement"), by and between U.S. Bank National Association, as fiscal agent (the "Fiscal Agent"), and the City of Merced (the "City"), on behalf of the Community Facilities District No. 2006-1 (Moraga of Merced) (the "District"), and are scheduled for redemption on March 1, 2020 (the "Redemption Date"), pursuant to the provisions of the Fiscal Agent Agreement.

The 2006 Bonds called for redemption have the maturity date, principal component, CUSIP Number and redemption price as set forth below:

<u>Principal</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Redemption Price</u>	<u>*CUSIP No.</u>
\$ 170,000	09/01/2020	4.600%	100%	587626 BU5
175,000	09/01/2021	4.700	100	587626 BV3
1,015,000	09/01/2026	4.800	100	587626 CA8
2,365,000	09/01/2036	5.000	100	587626 CL4

Payment of the Redemption Price on the 2006 Bonds called for redemption will become due and payable on the Redemption Date upon presentation and surrender thereof in the following manner:

If by Hand, Mail or Overnight: (REGISTERED BONDS)

**U.S. Bank National Association
Global Corporate Trust Services
111 Fillmore Avenue E.
St. Paul MN 55107**

Bondholder Communication: 800-934-6802

Bondholders presenting their certificates in person for same day payment **must** surrender their certificate(s) by 1:00 P.M. on the Redemption Date and a check will be available for pick up after 2:00 P.M.. Checks not picked up by 4:30 P.M. will be mailed out to the bondholders via first class mail. If payment of the Redemption Price is to be made to the registered owner of the 2006 Bond, you are not required to endorse the 2006 Bond to collect the Redemption Price.

Interest on the principal amount designated to be prepaid shall cease to accrue on and after the Redemption Date.

IMPORTANT NOTICE

Under the Jobs and Growth Tax Relief Reconciliation Act of 2003, federal backup withholding tax will be withheld at the applicable backup withholding rate in effect at the time the payment is made if the tax identification number is not properly certified.

*The Fiscal Agent shall not be held responsible for the selection or use of the CUSIP number, nor is any representation made as to its correctness indicated in the Redemption Notice. It is included solely for convenience of the Holders.

Failure to receive this Notice of Optional Redemption or any immaterial defect contained herein shall not affect the sufficiency of the redemption proceedings as provided in the Fiscal Agent Agreement.

By U.S. Bank National Association,
as Fiscal Agent

Dated: on or before January 29, 2020

DISTRICT CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the “Disclosure Agreement”), dated as of December 1, 2019, is executed and delivered by the Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced (the “District”) and accepted by Goodwin Consulting Group, Inc., as Dissemination Agent (the “Dissemination Agent”), in connection with the issuance of the \$[principal amount] Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced, 2019 Special Tax Refunding Bonds (the “Bonds”). The Bonds are being issued pursuant to provisions of a Fiscal Agent Agreement, dated as of December 1, 2019 (the “Fiscal Agent Agreement”), by and between the District and MUFG Union, N.A. (the “Fiscal Agent”). The District and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the District and the Dissemination Agent for the benefit of the Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Fiscal Agent Agreement, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Disclosure Representative” shall mean the Finance Officer of the City or his or her designee, or such other officer or employee as the District shall designate in writing to the Dissemination Agent from time to time.

“Dissemination Agent” shall mean Goodwin Consulting Group, Inc., acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the District.

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934 or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Marketplace Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“Obligated Person” means any person, including the District, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities).

“Participating Underwriter” shall mean Brandis Tallman LLC, the original underwriter of the Bonds, required to comply with the Rule in connection with offering of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” shall mean the State of California.

SECTION 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than January 31 of each year, commencing January 31, 2020 (the “Report Date”), provide to the MSRB and the Participating Underwriter an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. If, in any year, a Report Date falls on a Saturday, Sunday, or a holiday, such deadline shall be extended to the next following day that is not a Saturday, Sunday, or holiday. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Agreement.

(b) Not later than fifteen (15) calendar days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the District shall provide the Annual Report to the Dissemination Agent. If by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District is in compliance with the first sentence of this subsection (b). The District shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by it hereunder. The Dissemination Agent may conclusively rely upon such certification of the District and shall have no duty or obligation to review such Annual Report.

(c) If the District does not provide, or cause the Dissemination Agent to provide to the MSRB through the EMMA System, an Annual Report by the Annual Report Date as required in subsection (a) above, the Dissemination Agent (or the District if there is no Dissemination Agent), in a timely manner, shall provide to the MSRB, in an electronic format as prescribed by the MSRB and in a timely manner, a notice in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic filing requirements and format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the District, file a report with the District and the Participating Underwriter certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided and confirming that it has been filed with the MSRB through the EMMA System.

SECTION 4. Content of Annual Reports. The District's Annual Report shall contain or include by reference the following (as of June 30 next preceding the Annual Report date or the most recent readily available information):

(a) The balance in the Reserve Fund held under the Fiscal Agent Agreement for the Bonds.

(b) The principal amount of the Bonds outstanding and a current debt service schedule.

(c) The amount of prepayments of the Special Tax, if any.

(d) Total assessed valuation (per the Merced County Assessor records) of all parcels currently subject to the Special Tax within the District, showing the total assessed valuation for all land and the total assessed valuation for all improvements within the District and distinguishing between the assessed value of developed property and undeveloped property.

(e) Identification of each parcel within the District for which any Special Tax payment is delinquent, together with the following information respecting each such parcel: (A) the amount delinquent; (B) the date of each delinquency; (C) in the event a foreclosure complaint has been filed respecting such delinquent parcel and such complaint has not yet been dismissed, the date on which the complaint was filed; and (D) in the event a foreclosure sale has occurred respecting such delinquent parcel, a summary of the results of such foreclosure sale.

(f) A land ownership summary listing property owners responsible for more than ten percent (10%) of the annual Special Tax levy, as shown on the Merced County Assessor's last equalized tax roll prior to the September next preceding the Annual Report date.

(g) Changes, if any to the rate and method of apportionment for the District.

(h) The amount of Special Taxes generated by the developed parcels and undeveloped parcels within the District, their percentage of maximum special tax levy and their aggregate assessed value to lien ratios.

(i) The audited financial statements for the City for the preceding fiscal year (or if not available at the time of filing, the unaudited financial statements). The audited financial statements shall be prepared in accordance with generally accepted accounting principles as prescribed for governmental units by the Governmental Accounting Standards Board; provided, however, that the City may from time to time, if required by federal or state legal requirements, modify the basis upon which its financial statements are prepared; and provided, further that in each Annual Report or other filing containing the financial statements, the following statement shall be included in bold type:

“THE FOLLOWING FINANCIAL STATEMENT IS PROVIDED SOLELY TO COMPLY WITH THE SECURITIES AND EXCHANGE COMMISSION STAFF'S INTERPRETATION OF RULE 15c2-12. NO FUNDS OR ASSETS OF THE CITY OF MERCED (OTHER THAN THE SPECIAL TAXES LEVIED IN THE COMMUNITY FACILITIES DISTRICT) ARE REQUIRED TO BE USED TO PAY DEBT SERVICE ON THE BONDS AND THE CITY IS NOT OBLIGATED TO ADVANCE AVAILABLE FUNDS FROM THE CITY TREASURY TO COVER ANY

**DELINQUENCIES. INVESTORS SHOULD NOT RELY ON THE
FINANCIAL CONDITION OF THE CITY IN EVALUATING
WHETHER TO BUY, HOLD OR SELL THE BONDS.”**

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB's Internet Web site or filed with the Securities and Exchange Commission. It shall be sufficient for the Annual Report due January 31, 2020 relating to items (a) through (h) above to reference the final Official Statement dated November ___, 2019.

SECTION 5. Reporting of Listed Events.

(a) Pursuant to the provisions of this section, upon the occurrence of any of the following events (in each case to the extent applicable) with respect to the Bonds, the District shall give, or cause to be given by so notifying the Dissemination Agent in writing and instructing the Dissemination Agent to give, notice of the occurrence of such event, in each case, pursuant to Section 5(c) hereof:

1. principal or interest payment delinquencies;
2. non-payment related defaults, if material;
3. modifications to the rights of the Bond Owners, if material;
4. bond calls, if material, and tender offers;
5. defeasances;
6. rating changes;
7. adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
8. unscheduled draws on the debt service reserves reflecting financial difficulties;
9. unscheduled draws on the credit enhancements reflecting financial difficulties;
10. substitution of the credit or liquidity providers or their failure to perform;
11. release, substitution or sale of property securing repayment of the Bonds, if material;
12. bankruptcy, insolvency, receivership or similar proceedings of the District, which shall occur as described below;¹

¹ For these purposes, any event described in item 12 of this Section 5(a) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but

13. appointment of a successor or additional fiscal agent or the change of name of a fiscal agent, if material;
14. the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
15. Incurrence of a Financial Obligation of an Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of an Obligated Person, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of an Obligated Person, any of which reflect financial difficulties.

(b) Upon receipt of notice from the District and instruction by the District to report the occurrence of any Listed Event, the Dissemination Agent shall provide notice thereof to the MSRB in accordance with Section 5(c) hereof. In the event the Dissemination Agent shall obtain actual knowledge of the occurrence of any of the Listed Events, the Dissemination Agent shall, immediately after obtaining such knowledge, contact the Disclosure Representative, inform such person of the event, and request that the District promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to Section 5(c). For purposes of this Disclosure Agreement, “actual knowledge” of the occurrence of such Listed Event shall mean actual knowledge by the Dissemination Agent. The Dissemination Agent shall have no responsibility to determine the materiality, if applicable, of any of the Listed Events.

(c) The District, or the Dissemination Agent, if the Dissemination Agent has been instructed by the District to report the occurrence of a Listed Event, shall file a notice of such occurrence with the MSRB in a timely manner not more than ten (10) business days after the occurrence of the event.

SECTION 6. Termination of Reporting Obligation. The District’s obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Agreement. The initial Dissemination Agent shall be Goodwin Consulting Group, Inc. The Dissemination Agent may resign by providing thirty days’ written notice to the District. The Dissemination Agent shall have no duty to prepare any information report nor

subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

shall the Dissemination Agent be responsible for filing any report not provided to it by the District in a timely manner and in a form suitable for filing.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the District and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall agree to any amendment so requested by the District) provided, the Dissemination Agent shall not be obligated to enter into any such amendment that modifies or increases its duties or obligations hereunder, and any provision of this Disclosure Agreement may be waived, provided that in the opinion of nationally recognized bond counsel, such amendment or waiver is permitted by the Rule. In the event of any amendment or waiver of a provision of this Disclosure Agreement, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the District shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Filings with the MSRB. All financial information, operating data, financial statements, notices, and other documents provided to the MSRB in accordance with this Disclosure Agreement shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

SECTION 11. Default. In the event of a failure of the District or the Dissemination Agent to comply with any provision of this Disclosure Agreement, any Owner or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District or Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Fiscal Agent Agreement, and the sole remedy under this Disclosure Agreement in the event of any failure of the District or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall be paid compensation by the District for its services provided hereunder in accordance with its schedule of fees as amended from time to time and all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the District, the Bond Owners, or any other party. The Dissemination Agent shall not have any liability to the Bond Owners or any other party for any monetary damages or financial

liability of any kind whatsoever related to or arising from this Disclosure Agreement. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 13. Notices. Any notices or communications to or among any of the parties to this Disclosure Agreement may be given as follows:

To the District: Community Facilities District No. 2006-1 (Moraga of Merced) of the
City of Merced
c/o City of Merced
678 West 18th Street
Merced, CA 95340
Attn: Finance Officer
Telephone: (209-385-6844)

To the Dissemination Agent: Goodwin Consulting Group, Inc.
333 University Avenue, Suite 160
Sacramento, CA 95825
Attn: Dave Freudenberger
Telephone: (916-561-0890)

To the Participating Underwriter: Brandis Tallman LLC
22 Battery Street, Suite 500
San Francisco, CA 94111
Email: rbrandis@brandistallman.com
Email: ntallman@brandistallman.com

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

SECTION 14. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and Owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

COMMUNITY FACILITIES DISTRICT NO. 2006-1
(MORAGA OF MERCED) OF THE CITY OF
MERCED

By _____
City Manager of the City of Merced,
on behalf of the District

GOODWIN CONSULTING GROUP, INC.
as Dissemination Agent

By _____
Authorized Signatory

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Obligated Party: Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced

Name of Bond Issue: Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced, 2019 Special Tax Refunding Bonds

Date of Issuance: December __, 2019

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement, dated as of December 1, 2019, with respect to the Bonds. [The District anticipates that the Annual Report will be filed by _____.]

Dated: _____

GOODWIN CONSULTING GROUP, INC.
as Dissemination Agent
on behalf of District

cc: District

LANDOWNER CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “**Disclosure Certificate**”) is executed and delivered by Lennar Homes of California, Inc., a California corporation (the “**Landowner**”), in connection with the issuance of \$[principal amount] aggregate principal amount of the Community Facilities District No. 2006-1 of the City of Merced (Moraga of Merced) 2019 Special Tax Refunding Bonds (the “**Bonds**”). The Bonds are being issued under the Fiscal Agent Agreement, dated as of December 1, 2019 (the “**Fiscal Agent Agreement**”), by and between Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced (the “**District**”) and MFUG Union Bank, N.A. The Landowner covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Landowner for the benefit of the Owners.

Section 2. Definitions. In addition to the definitions set forth in the Fiscal Agent Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“**Affiliate**” of another Person means any other Person directly or indirectly controlling, controlled by, or under common control with, such other Person; for purposes hereof, “**control**”, “**controlling**” and “**controlled**” means the power to direct the management and policies of a Person, directly, or indirectly, whether through the ownership of voting securities, by contract or otherwise.

“**Assumption Agreement**” means an undertaking of a Major Owner, or an Affiliate thereof (as applicable), for the benefit of the Owners of the Bonds to assume the obligations of “Landowner” under this Disclosure Certificate (as modified for such Major Owner’s development and financing plans with respect to the portion of the property in the District owned by such Major Owner and/or its Affiliates), whereby such Major Owner or Affiliate agrees to provide semi-annual reports and notices of significant events, setting forth the information described in sections 4 and 5 hereof, respectively, with respect to the portion of the property in the District owned by such Major Owner and/or its Affiliates.

“**Development Plan**” means, with respect to a Major Owner, the specific improvements such Major Owner intends to make, or cause to be made, in order for such Major Owner’s Property to be fully developed, the time frame in which such improvements are intended to be made and the estimated costs of such improvements. Given previous disclosure by the Landowner in the Official Statement, the Landowner’s Development Plan set forth in the Official Statement will be updated in the Semi-Annual Report.

“**Dissemination Agent**” means any dissemination agent designated in writing by the Landowner and which has filed with the Landowner and the District a written acceptance of such designation.

“**District**” means Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced.

“**Financing Plan**” means, with respect to a Major Owner, the method by which such Major Owner intends to finance its Development Plan, including specific sources of funding for such Development Plan. Given previous disclosure by the Landowner in the Official Statement, the Landowner’s Financing Plan set forth in the Official Statement will be updated in each Semi-Annual Report.

“**Listed Events**” means any of the events listed in Section 5(a) of this Disclosure Certificate.

“Major Owner” means, as of any date, an owner (including all Affiliates of such owner that own land within the District) of land in the District responsible in the aggregate for 10% or more of the annual Special Taxes levied in the District.

“MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934 or any other entity designated or authorized by the Securities and Exchange Commission to receive reports. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Marketplace Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“Official Statement” means the final Official Statement relating to the Bonds dated November __, 2019.

“Owner” shall mean the person in whose name any Bonds shall be registered.

“Participating Underwriter” means Brandis Tallman LLC, the original underwriter of the Bonds.

“Person” means an individual, a corporation, a partnership, a limited liability company, an association, a joint stock company, a trust, any unincorporated organization or a government or political subdivision thereof.

“Property” means, at the time of inquiry, all real property within the District on which Special Taxes have been levied by the District then-owned by (i) Landowner and its Affiliates that are not subject to a separate continuing disclosure agreement and (ii) property conveyed from the Landowner to a Major Owner for which an Assumption Agreement was not executed. For avoidance of doubt, any parcel that is exempt from the Special Taxes shall not be considered Property for purposes of this Disclosure Certificate.

“Report Date” means September 30 and March 31 of each year, commencing March 31, 2020.

“Semi-Annual Report” means any Semi-Annual Report provided by the Landowner or Major Owner, as applicable, pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Special Taxes” means the special taxes to be levied within the District pursuant to the Fiscal Agent Agreement.

Section 3. Provision of Semi-Annual Reports.

(a) Until the obligations of the Landowner provided in this Disclosure Certificate terminate in accordance with Section 6 below, Landowner shall, or shall cause the Dissemination Agent (if any) to, not later than each Report Date, commencing with the Semi-Annual Report due no later than March 31, 2020, provide to the MSRB a Semi-Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. If, in any year, a Report Date falls on a Saturday, Sunday, or a holiday, such deadline shall be extended to the next following day that is not a Saturday, Sunday, or holiday.

(b) Not later than fifteen (15) calendar days prior to the date specified in subsection (a) of this Section for the providing of the Semi-Annual Report to the MSRB, Landowner shall provide the Semi-Annual Report to the Dissemination Agent (if any) or shall provide notification to the Dissemination

Agent that the Landowner is preparing, or causing to be prepared, the Semi-Annual Report and the date which the Semi-Annual Report is expected to be available. If by such date, the Dissemination Agent has not received a copy of the Semi-Annual Report or notification from the Landowner that the Landowner intends to file the Semi-Annual Report, the Dissemination Agent shall contact the Landowner to determine if the Landowner is in compliance with the first sentence of this subsection (b). Neither the Dissemination Agent nor the District shall have any duty or obligation to review such Semi-Annual Report. The Semi-Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Agreement.

(c) If the Landowner does not provide, or cause the Dissemination Agent to provide, a Semi-Annual Report to the MSRB by the Report Date as required in subsection (a) above, the Landowner or the Dissemination Agent (if any) shall, in a timely manner, send a notice to the MSRB in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall, (i) provide each Semi-Annual Report received by it to the MSRB, as provided herein, and (ii) to the extent the Semi-Annual Report has been furnished to it, file a report with the Landowner (if the Dissemination Agent is other than the Landowner), the District and the Participating Underwriter certifying that the Semi-Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided to the MSRB.

Section 4. Content of Semi-Annual Reports. (a) The Landowner's Semi-Annual Report shall contain or incorporate by reference the following:

(i) An update to the development status for the Property since the date of the Official Statement (for the first Semi-Annual Report) and from the date of the last Semi-Annual Report (for all other Semi-Annual Reports), including:

(A) number of lots owned by the Landowner,

(B) if applicable, progress of construction activities on the Property, including number of building permits pulled, and

(C) if applicable, number of lots sold by the Landowner to homeowners as of the end of the applicable reporting period.

(ii) Any material change in the description of the Landowner since the date of the Official Statement (for the first Semi-Annual Report) and from the date of the last Semi-Annual Report (for all other Semi-Annual Reports).

(iii) If applicable, a description of any change in the legal structure of the Landowner and/or the financial condition of the Landowner that would materially interfere with its ability to pay its special taxes prior to delinquency, or to complete its Development Plan, if any.

(iv) If applicable, a description of any material changes in the Development Plan, if any, including any significant amendments to land use or development entitlements.

(v) If applicable, an update on the status of any previously reported Listed Event.

(vi) A statement as to whether or not the Landowner is current on all special taxes levied on the property owned by the Landowner within the Community Facilities District, and if

the Landowner is delinquent in the payment of such special taxes, a statement identifying each entity that is so delinquent, specifying the amount of each such delinquency and describing any plans to resolve such delinquency.

(vii) If applicable, an update in the Financing Plan, if any, and description of any material changes thereto and the causes or rationale for such changes.

(b) In addition to any of the information expressly required to be provided under the preceding paragraph (a), the Landowner shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading. Major Owners that are Affiliates of each other may file a single Semi-Annual Report covering all such entities. Any or all of the items listed above may be included by specific reference to other documents that have been made available to the public on the MSRB's website or through the Securities and Exchange Commission's EDGAR database. The Developer shall clearly identify each such other document so included by reference.

Section 5. Reporting of Listed Events.

(a) Until the obligations of the Landowner provided in this Disclosure Certificate terminate in accordance with Section 6 below, pursuant to the provisions of this Section 5, the Landowner shall give, or cause to be given, notice of the occurrence of any of the following events, if material to the ability of the Landowner to pay the Special Taxes prior to delinquency:

(1) bankruptcy or insolvency proceedings commenced by or against Landowner or a partner or Affiliate thereof that would materially interfere with its ability to complete the Development Plan or to pay its special taxes (to the extent the responsibility of the Landowner) prior to delinquency;

(2) failure by the Landowner to pay any taxes, special taxes or assessments with respect to the Property (to the extent the responsibility of the Landowner) prior to delinquency;

(3) filing of a lawsuit against Landowner or Affiliate thereof seeking damages, or a judgment in a lawsuit against Landowner or Affiliate thereof, which could have a significant impact on the Landowner's ability to pay Special Taxes or to sell or develop the Property;

(4) any conveyance by the Landowner of any portion of the Property to an entity that is not an Affiliate of such Landowner, the result of which conveyance is to cause the transferee to become a Major Owner;

(5) any denial or termination of credit, any denial or termination of, or default under, any line of credit or loan, or any other loss of a source of funds that could have a material adverse effect on the Landowner's most recently disclosed Financing Plan for the Property or the ability of the Landowner to pay special taxes due with respect to the Property (to the extent the responsibility of the Landowner) prior to delinquency.

(6) any significant amendments to the land use entitlements for the Property;

(7) any previously undisclosed governmentally-imposed preconditions to commencement or continuation of development on the Property.

(8) any previously undisclosed legislative, administrative or judicial challenges to development on the Property; and

(9) the assumption of any obligation by a Major Owner another Person making them a Major Owner.

(b) Whenever Landowner obtains knowledge of the occurrence of a Listed Event, the Landowner shall as soon as possible determine if such event would be material to the ability of the Landowner to pay the Special Taxes prior to delinquency.

(c) If the Landowner has determined that the occurrence of a Listed Event would be material to the ability of the Landowner to pay the Special Taxes prior to delinquency, the Landowner shall, or shall cause the Dissemination Agent (if any) to, within ten (10) Business Days of obtaining actual knowledge of the occurrence of a Listed Event, or as soon as reasonably practicable thereafter, file a notice of such occurrence with the MSRB.

Section 6. Assumption of Obligations and Termination of Reporting Obligation.

(a) If a portion of the Property owned by the Landowner, or any Affiliate of the Landowner, is conveyed to a Person that, upon such conveyance, will be a Major Owner, the obligations of the Landowner hereunder with respect to the Property conveyed to such Person may be assumed by such Major Owner or by an Affiliate thereof and the Landowner's obligations hereunder with respect to the portion of the Property conveyed to such Major Owner will be terminated after the execution of the Assumption Agreement. In order to effect such assumption, such Major Owner or Affiliate shall enter into an Assumption Agreement with such Person.

(b) The Landowner's obligations under this Disclosure Certificate shall terminate upon the earliest to occur of (i) the date on which (A) the Landowner is no longer a Major Owner, and (B) the Landowner no longer has any obligations under this Disclosure Certificate with respect to any other Major Owner as a result of such obligations having not been assumed under one or more Assumption Agreements entered into pursuant to (a) above, or (ii) the date on which all of the Bonds have been legally defeased, redeemed, or paid in full. The Landowner's obligations under this Disclosure Certificate with respect to a Major Owner that did not enter into an Assumption Agreement shall terminate upon the earliest to occur of (x) the date on which such Major Owner is no longer a Major Owner, as defined herein, or (y) the date on which the Landowner's obligation with respect to such Major Owner are assumed under an Assumption Agreement entered into pursuant to (a) above; provided, however, that upon the occurrence of any of the events described in clauses (x) or (y), the Landowner's obligations hereunder with respect to each other Major Owner, if any, shall remain in full force and effect. If such termination occurs prior to the final maturity of the Bonds, the Landowner shall give, or cause to be given, notice of such termination in a filing with the MSRB.

Section 7. Dissemination Agent. The Landowner may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Landowner pursuant to this Disclosure Certificate. All compensation of the Dissemination Agent shall be paid by the District. The Dissemination Agent may resign by providing thirty days written notice to the Landowner. The Dissemination Agent shall have no duty to prepare any information report nor shall the Dissemination Agent be responsible for filing any report not provided to it by the Landowner in a timely manner and in a form suitable for filing.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Landowner may amend this Disclosure Certificate (and the Dissemination Agent, if any, shall agree to any amendment so requested by the Landowner) provided, the Dissemination Agent shall not be obligated to enter into any such amendment that modifies or increases its duties or obligations hereunder, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

- (1) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Landowner with respect to the Bonds, or the type of business conducted; and
- (2) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Fiscal Agent Agreement for amendments to the Fiscal Agent Agreement with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Landowner shall describe such amendment in the next Semi-Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type of financial information or operating data being presented by the Landowner.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Landowner from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Semi-Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Landowner chooses to include any information in any Semi-Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Landowner shall have no obligation under this Disclosure Certificate to update such information or include it in any future Semi-Annual Report or notice of occurrence of a Listed Event.

Section 10. Filings with the MSRB. Any reports or filing with the MSRB in accordance with this Disclosure Certificate shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

Section 11. Default. In the event of a failure of the Landowner or the Dissemination Agent (if any) to comply with any provision of this Disclosure Certificate, the Dissemination Agent (if any), at the request of the Owners of at least 25% of the aggregate principal amount of the outstanding Bonds, shall (but only to the extent funds in any amount satisfactory to the Dissemination Agent have been provided to it or it has been otherwise indemnified to its satisfaction from any cost, liability, expense or additional charges whatsoever related thereto, including without limitation, fees and expenses of its attorneys), or any Owner may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Landowner to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Fiscal Agent Agreement and the sole remedy under this Disclosure Certificate in the event of any failure of the Landowner or the Dissemination Agent to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Notices. Any notice or other communication to be given pursuant to this Disclosure Certificate (including Semi-Annual Reports and certifications related thereto) may be given by mail,

unsecured email with an imaged or scanned attachment (such as a .pdf), or fax machine or other similar electronic transmission, with confirmation of receipt of such transmission, to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other party in writing from time to time, namely:

To the District: Community Facilities District No. 2006-1 (Moraga of Merced) of
the City of Merced
678 West 18th Street,
Merced, California 95340
Attention: Finance Officer
Email: rodriguezv@cityofmerced.org

To the Landowner: Lennar Homes of California, Inc.
8080 N. Palm Avenue, Suite 110
Fresno, CA 93711
Attn: Project Manager
Email: bill.walls@lennar.com
Email: darryl.denius@lennar.com

To the Participating Underwriter: Brandis Tallman LLC
22 Battery Street, Suite 500
San Francisco, CA 94111
Email: rbrandis@brandistallman.com
Email: ntallman@brandistallman.com

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Landowner, the Participating Underwriter and Owners, from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: December _____, 2019

LENNAR HOMES OF CALIFORNIA, INC.
A California corporation

By: _____

Name: _____

Title: _____

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE SEMI-ANNUAL REPORT

Name of Issuer: City of Merced

Name of Bond Issue: Community Facilities District No. 2006-1 (Moraga of Merced) 2019
Special Tax Refunding Bonds

Date of Issuance: December __, 2019

NOTICE IS HEREBY GIVEN that Lennar Homes of California, Inc., a California corporation (the “**Landowner**”), has not provided a Semi-Annual Report with respect to the above-named Bonds as required by the Landowner Continuing Disclosure Certificate, dated December __, 2019, with respect to the Bonds. [The Landowner anticipates that the Semi-Annual Report will be filed by _____.]

Dated: _____

LENNAR HOMES OF CALIFORNIA, INC.
A California corporation

By: _____

Name: _____

Title: _____

cc: District
Participating Underwriter

[\$[PRINCIPAL AMOUNT]
COMMUNITY FACILITIES DISTRICT NO. 2006-1
(MORAGA OF MERCED) OF THE CITY OF MERCED
2019 SPECIAL TAX REFUNDING BONDS

BOND PURCHASE AGREEMENT

November __, 2019

Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced
 678 West 18th Street
 Merced, California 95340

Ladies and Gentlemen:

The undersigned, Brandis Tallman LLC, (the “**Underwriter**”), offers to enter into this Bond Purchase Agreement (this “**Purchase Agreement**”) with Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced (the “**District**”), which Purchase Agreement will be binding upon the District and the Underwriter upon the acceptance hereof by the District. This offer is made subject to its acceptance by the City, on behalf of the District, by execution of this Purchase Agreement and its delivery hereof to the Underwriter on or before 11:00 p.m., California time, on the date hereof and, if not so accepted, will be subject to withdrawal by the Underwriter upon written notice delivered to the District at any time prior to the acceptance hereof by the District. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms pursuant to a Fiscal Agent Agreement, dated as of December 1, 2019 (the “**Fiscal Agent Agreement**”), by and between the District and MUFG Union Bank, N.A., as fiscal agent (the “**Fiscal Agent**”).

The District acknowledges and agrees that: (i) the purchase and sale of the Bonds (as defined below) pursuant to this Purchase Agreement is an arm’s-length commercial transaction between the District and the Underwriter and the Underwriter has financial and other interests that differ from those of the District; (ii) in connection with such transaction, the Underwriter is acting solely as a principal and not as a municipal advisor, financial advisor or a fiduciary of the District; (iii) the Underwriter has not assumed a fiduciary responsibility in favor of the District with respect to: (A) the offering of the Bonds or the process leading thereto (whether or not the Underwriter, or any affiliate of the Underwriter, has advised or is currently advising the District on other matters), or (B) any other obligation to the District except the obligations expressly set forth in this Purchase Agreement; (iv) the only obligations the Underwriter has to the District with respect to the transaction contemplated hereby explicitly are set forth in this Purchase Agreement except as otherwise provided by applicable rules and regulations of the Securities and Exchange Commission or the rules of the Municipal Securities Rulemaking Board (“**MSRB**”); and (v) the District has consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Bonds.

The District acknowledges that it has previously provided the Underwriter with an acknowledgment of receipt of the required Underwriter disclosure under Rule G-17 of the MSRB.

1. Purchase and Sale. Upon the terms and conditions and upon the basis of representations and agreements hereinafter set forth, the Underwriter hereby agrees to purchase from the District for offering to the public, and the District hereby agrees to sell to the Underwriter for such purpose, all (but not less than all) of \$[principal amount] aggregate principal amount of the Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced 2019 Special Tax Refunding Bonds (the “**Bonds**”), at an aggregate purchase price of \$_____ (constituting the aggregate principal amount of the Bonds, plus/less a net original issue premium/discount of \$_____, less an Underwriter’s discount of \$_____). The Bonds shall be dated the Closing Date (as defined herein) and shall have the maturities and bear interest at the rates *per annum* as set forth in Appendix A attached hereto.

Payment for and delivery of the Bonds and the other actions contemplated hereby, shall take place on December __, 2019, or such other date as may be agreed to between the District and the Underwriter (the “**Closing Date**”).

2. Authorization and Purpose. The Bonds are authorized to be issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (Section 53311 *et seq.* of the California Government Code) (the “**Act**”), and are being issued pursuant to a resolution adopted on November __, 2019, by the City Council of the City (the “**City Council**”), acting as the legislative body of the District (the “**Authorizing Resolution**”), and the Fiscal Agent Agreement, for the purpose of refinancing certain public capital improvements previously financed by the District’s 2006 Special Tax Bonds (the “**Prior Bonds**”) issued and delivered pursuant to a Fiscal Agent Agreement, dated as of December 1, 2006, by and between U.S. Bank National Association, as fiscal agent, and the City, on behalf of the District. The Bonds are payable from the revenues generated by a special tax to be levied on the taxable real property within the District (the “**Special Tax**”) pursuant to a Rate and Method of Apportionment of Special Tax for the District (the “**RMA**”).

The Bonds shall be substantially in the form described in, and shall be issued and secured under the provisions of, the Fiscal Agent Agreement. The Bonds shall be described in the Fiscal Agent Agreement and the Official Statement dated the date hereof relating to the Bonds (which, together with all appendices attached thereto and such amendments or supplements thereto that shall be approved by the Underwriter and the District, is hereinafter called the “**Official Statement**”).

Pursuant to the Fiscal Agent Agreement, a portion of the proceeds from the sale of the Bonds will be transferred to U.S. Bank National Association, as Escrow Bank (the “**Escrow Bank**”) under that certain Escrow Agreement, dated as of December 1, 2019, by and between the District, and the Escrow Bank (the “**Escrow Agreement**”) for deposit in the escrow account created pursuant to the Escrow Agreement.

This Purchase Agreement, the Fiscal Agent Agreement, the Escrow Agreement, and a Continuing Disclosure Agreement related to the District, dated as of December 1, 2019 (the “**Continuing Disclosure Agreement**”), by and between the District and Goodwin Consulting Group, Inc., as dissemination agent, are collectively referred to herein as the “**CFD Documents**.”

3. Establishment of Issue Price.

(a) The Underwriter agrees to assist the District in establishing the issue price of the Bonds and shall execute and deliver to the District at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Appendix B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the District and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. All actions to be taken by the District under this section to establish the issue price of the Bonds may be taken on behalf of the District by the District’s municipal advisor identified herein and any notice or report to be provided to the District may be provided to the District’s municipal advisor.

(b) Except as otherwise set forth in Schedule I attached hereto, the District will treat the first price at which 10% of each maturity of the Bonds (the “10% test”) is sold to the public as the issue price of that maturity. At or promptly after the execution of this Purchase Agreement, the Underwriter shall report to the District the price or prices at which the Underwriter has sold to the public each maturity of the Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the District the prices at which the Bonds of that maturity have been sold by the Underwriter to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) all Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to the Bonds of that maturity, provided that, the Underwriter’s reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter, the District or bond counsel. For purposes of this Section, if the Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds.

(c) The Underwriter confirms that the Underwriter has offered the Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Schedule I attached hereto, except as otherwise set forth therein. Schedule I also sets forth, as of the date of this Purchase Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the District and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the District to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(i) the close of the fifth (5th) business day after the sale date; or

(ii) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter will advise the District promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

(d) The Underwriter confirms that: (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the Underwriter is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter and as set forth in the related pricing wires,

(B) to promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by any dealer or broker-dealer, the Underwriter shall assume that each order submitted by any dealer or broker-dealer is a sale to the public.

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter or such dealer that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter or dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

(e) The District acknowledges that, in making the representations set forth in this section, the Underwriter will rely on (i) the agreement of the Underwriter to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth

in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that the Underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The District further acknowledges that the Underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, and that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

(f) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) “public” means any person other than an underwriter or a related party,

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a

corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date of execution of this Purchase Agreement by all parties.

4. Delivery of Official Statement. As soon as practicable, and no later than seven business days after its acceptance hereof, the District shall deliver to the Underwriter (i) one copy of the Official Statement, manually executed by the City on behalf of the District by an authorized officer, and (ii) such reasonable number of certified or conformed copies of the Official Statement as the undersigned may request in order to comply with Rule 15c2-12 of the Securities and Exchange Commission (“Rule 15c2-12”), applicable MSRB rules, and other regulatory requirements relating to the issuance and sale of the Bonds.

The District hereby authorizes the use of the Official Statement in connection with the public offering and sale of the Bonds. The District also consents to the use by the Underwriter prior to the date hereof of the Preliminary Official Statement of the District, dated November __, 2019, relating to the Bonds (which, together with all appendices thereto, is herein called the “**Preliminary Official Statement**”) in connection with the public offering of the Bonds. The City, acting on behalf of the District, hereby ratify the use by the Underwriter of the Preliminary Official Statement, the CFD Documents, and any other documents or contracts to which the District is a party, including this Purchase Agreement, and all information contained therein, and all other documents, certificates, and statements furnished by the District to the Underwriter in connection with the transactions contemplated by this Purchase Agreement, or in connection with the offer and sale of the Bonds by the Underwriter.

The District represents that it has deemed the Preliminary Official Statement to be “final” as of its date within the meaning of Rule 15c2-12, except for the omission of no more than the following information: the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, redemption provisions, and delivery dates, ratings, and any other matters permitted to be omitted under Rule 15c2-12, as evidenced by the execution by the District, of a certificate substantially in the form of Appendix H hereto. It is an express condition of the offer of the Underwriter made hereby that the City on behalf of the District deliver the Official Statement, in a form deemed by the City, on behalf of the District, to be final, within seven business days of the date hereof; and the delivery of an Official Statement executed by an authorized representative of the City, on behalf of the District, shall conclusively establish that the District deems the document so delivered to be final. A failure of the District to comply with the requirements of the preceding sentence shall entitle the Underwriter to rescind its offer hereunder.

5. District Representations and Covenants. The District represents and covenants to the Underwriter that:

(a) Due Organization, Existence, and Authority of the District. The District is a community facilities district duly organized and validly existing under the Act. The District has, and at the Closing Date will have, the requisite legal right, power, and authority (i) to enter into the CFD Documents, as applicable, (ii) to adopt the Authorizing Resolution, and to take all

other actions on the part of the District relating thereto (collectively, the “**CFD Proceedings**”), (iii) to levy the Special Taxes, (iv) issue, sell, and deliver the Bonds to the Underwriter as provided herein, and (v) to carry out and consummate the transactions on its part contemplated by the CFD Documents, the Authorizing Resolution, and the Official Statement.

The Special Taxes have been duly and lawfully authorized and may be levied under the Act and, pursuant to the Act, the Special Taxes constitute a valid and legally binding lien on the properties upon which they have been levied.

(b) Due Authorization and Approval of CFD Documents. By all necessary official action, the City has, as the legislative body of the District, duly authorized and approved the adoption or execution and delivery by the District of, and the performance by the District of the obligations on its part contained in, the Authorizing Resolution and the CFD Documents, and has approved the use by the Underwriter of the Preliminary Official Statement and the Official Statement and, as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified, or rescinded. When executed and delivered by the parties thereto, the CFD Documents will constitute the valid and binding obligations of the District, enforceable against the District in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or similar laws or equitable principles relating to or affecting creditors’ rights generally. To the District’s knowledge, the District has complied, and will at the Closing Date be in compliance in all material respects, with the terms of the Authorizing Resolution and the CFD Documents.

(c) Official Statement Accurate. To the District’s knowledge, the information with respect to the District, the Authorizing Resolution, the Act, the RMA, the CFD Proceedings, and the CFD Documents in the Preliminary Official Statement (as of its date) and in the Official Statement is, and at all times subsequent to the date of the Official Statement up to and including the Closing Date will be, true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. Prior to and upon delivery of the Bonds and up to and including 25 days after the End of the Underwriting Period (as defined in Section 5(d) below), the Official Statement will be amended and supplemented, at the expense of the District, so as to contain no misstatement of any material fact or omission of any statement necessary to make the statements contained therein, in the light of the circumstances in which such statements were made, not misleading.

(d) Amendments and Supplements to Official Statement. Prior to and upon delivery of the Bonds and up to and including 25 days after the End of the Underwriting Period, the District will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not effect or consent to any such amendment or supplement without the consent of the Underwriter, which consent will not be unreasonably withheld. The District will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise materially affecting the use of the Official Statement in connection with the offering, sale, or distribution of the Bonds. As used herein, the term “**End of the Underwriting Period**” means the later of such time as (i) the Bonds are delivered to the Underwriter, or (ii) the Underwriter does not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Unless the

Underwriter gives notice to the contrary, the End of the Underwriting Period shall be deemed to be the date of the Closing (as defined herein). Any notice delivered pursuant to this provision shall be written notice delivered to the City and the District at or prior to the Closing, and shall specify a date (other than the date of Closing) to be deemed the “End of the Underwriting Period.”

(e) No Breach or Default. To the District’s knowledge, as of the time of acceptance hereof and as of the Closing Date, except as otherwise disclosed in the Official Statement, the District is not in breach of or in default under any applicable constitutional provision, law, or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement, or other instrument to which the District is a party or is otherwise subject, and no event has occurred and is continuing, which would constitute a default or event of default under any such instrument which breach, default, or event could have an adverse effect on the ability of the District to perform its obligations under the Authorizing Resolution or the CFD Documents and, as of such times, except as disclosed in the Official Statement, the authorization, execution, and delivery of the CFD Documents and compliance by the District with the provisions of each of such agreements or instruments does not and will not conflict with or constitute a breach of or default under any applicable constitutional provision, law, or administrative rule or regulation of the State or the United States, or any applicable judgment, decree, license, permit, trust agreement, loan agreement, bond, note, resolution, ordinance, agreement, or other instrument to which the District (or any of its officers) are subject, or by which it or any of its properties are bound, nor will any such authorization, execution, delivery, or compliance result in the creation or imposition of any lien, charge, or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation, or instrument, except as may be provided by the CFD Authorizing Resolution or the CFD Documents.

(f) No Litigation. At the time of acceptance hereof there is and as of the Closing there will be no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, government agency, public board, or body (collectively and individually, an “**Action**”) pending (notice of which has been served on the District) or, to the knowledge of the District, threatened, in which any such Action (i) in any way questions the corporate existence of the District or the titles of the officers of the District to their respective offices, (ii) affects, contests, or seeks to prohibit, restrain, or enjoin the issuance or delivery of any of the Bonds, the lien, the levy, or the collection of the Special Taxes, or the payment or collection of any amounts pledged or to be pledged to pay principal of, premium, if any, or interest on the Bonds, or in any way contests or affects the validity of the Authorizing Resolution, or the CFD Documents or the consummation of the transactions on the part of the District contemplated thereby, (iii) contests the exclusion of the interest on the Bonds from federal or state income taxation or contests the powers of the District that may result in any material adverse change relating to the financial condition of the District, or (iv) contests the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserts that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(g) Further Cooperation: Blue Sky. The District will furnish such information, execute such instruments, and take such other action in cooperation with the Underwriter and at the expense of the Underwriter as the Underwriter may reasonably request in order (i) to qualify the Bonds for offer and sale under the “blue sky” or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate, and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Bonds, provided; however, that the District will not be required to execute a special or general consent to service of process or qualify as a foreign corporation in connection with any such qualification in any jurisdiction.

(h) Bonds Issued Per Fiscal Agent Agreement. The Bonds and the other CFD Documents conform as to form and tenor to the descriptions thereof contained in the Official Statement. The Bonds, when issued, executed, and delivered in accordance with the Fiscal Agent Agreement and sold to the Underwriter as provided herein, will be validly issued and outstanding limited obligations of the District, entitled to the benefits of the Fiscal Agent Agreement. The Fiscal Agent Agreement creates a valid pledge of the moneys in certain funds and accounts established pursuant to the Fiscal Agent Agreement, subject in all cases to the provisions of the Fiscal Agent Agreement permitting the application thereof for the purposes and on the terms and conditions set forth therein.

(i) Consents and Approvals. All authorizations, approvals, licenses, permits, consents, elections, and orders of or filings with any governmental authority, legislative body, board, agency, or commission having jurisdiction in the matters that are required by Closing for the due authorization of, which would constitute a condition precedent to or the absence of which would adversely affect the due performance by the District of, its obligations in connection with the CFD Documents have been duly obtained or made and are in full force and effect.

(j) No Other Obligations. Between the date of this Purchase Agreement and the Closing Date, the District will not offer or issue any bonds, notes, or other obligations for borrowed money not previously disclosed to the Underwriter, or without the Underwriter’s prior written consent.

(k) No Adverse IRS Listing. The District has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the District is a bond issuer whose arbitrage certifications may not be relied upon.

(l) Certificates. Any certificate signed by any authorized officer of the City on behalf of the District and delivered to the Underwriter in connection with the issuance and sale of the Bonds shall be deemed to be a representation and covenant by the District to the Underwriter as to the statements made therein.

(m) Covenants and Cooperation. The District will faithfully perform and abide by all of its covenants and undertakings contained in the Authorizing Resolution and the CFD Documents, as the same may be amended from time to time, until such time as the Bonds have been paid in full or moneys have been set aside in an amount sufficient to pay all then

outstanding Bonds at maturity or to the date of redemption if redeemed prior to maturity, plus unpaid interest thereon and premium, if any.

(n) Tax-Exempt Status. The District shall not take or omit to take, as is appropriate, any action that would adversely affect the exclusion from gross income under federal tax law of the interest on the Bonds or that would cause the Bonds to become arbitrage bonds under Section 148 of the Internal Revenue Code of 1986, as amended (the “**Code**”), and the regulations thereunder.

(o) Public Debt. Except as disclosed in the Official Statement, to the best of the City’s and District’s knowledge and without investigation of any kind, no other public debt secured by the Special Taxes or any other tax or assessment levied by the City or the District on the land within the District is in the process of being authorized and no assessment district or community facilities district has been or is in the process of being formed by the City that include any portion of the land within the District. All outstanding public debt and all authorized but unissued debt of the City that is applicable to the property within is accurately described in the Official Statement.

(p) Bond Proceeds. The District will apply the proceeds of the Bonds in accordance with the Fiscal Agent Agreement and the Escrow Agreement, and as described in the Official Statement.

(q) Continuing Disclosure. The District will undertake, pursuant to the Continuing Disclosure Agreement, to provide annual reports and notices of certain events to certain information repositories. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement. The District will promptly prepare and distribute, or cause to be prepared and distributed, all documents or reports as required now or in the future to be prepared and distributed pursuant to the Continuing Disclosure Agreement. Except as otherwise disclosed in the Official Statement and based on a review of their respective previous undertakings, neither the City, its relevant entities nor the District have failed to comply with any of their continuing disclosure undertakings previously entered into pursuant to the provisions of Rule 15c2-12 within the last five years.

6. The Closing. At 8:00 a.m., California time, on the Closing Date, or at such other time or on such earlier or later business day as shall have been mutually agreed upon by the District and the Underwriter, (i) the District will deliver the Bonds in definitive form in New York, New York, or such other place as the District and the Underwriter shall mutually agree upon, and (ii) the District will deliver the closing documents hereinafter mentioned at the offices of Norton Rose Fulbright US LLP (“**Bond Counsel**”), Los Angeles, California, or another place to be mutually agreed upon by the District and the Underwriter. The Underwriter will accept delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof in federal funds payable to the order of the District or its designee. These payments and deliveries, together with the delivery of the aforementioned documents, are herein called the “**Closing**.” The Bonds will be delivered in such denominations and deposited in the account or accounts specified by the Underwriter pursuant to written notice delivered not later than five business days prior to the Closing. The Bonds will be made available to the Underwriter for inspection and packaging not less than 72 hours prior to the Closing.

7. Closing Conditions. The Underwriter has entered into this Purchase Agreement in reliance upon the representations and covenants herein and the performance by the District of its obligations hereunder, both as of the date hereof and as of the date of the Closing. The Underwriter's obligations under this Purchase Agreement are and shall be subject to the following additional conditions:

(a) Bring-Down Representations. The representations and covenants of the District contained herein shall be true and correct at the date hereof and at the time of the Closing, as if made on the Closing Date.

(b) Executed Agreements and Performance Thereunder. At the time of the Closing, (i) the CFD Documents shall be in full force and effect and shall not have been amended, modified, or supplemented except with the written consent of the Underwriter, (ii) there shall be in full force and effect such resolutions, including the Authorizing Resolution, as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions on the part of the District contemplated by the Official Statement and the CFD Documents, (iii) the District shall perform or have performed its obligations required or specified in the CFD Documents to be performed at or prior to Closing, and (iv) the Official Statement shall not have been supplemented or amended except as otherwise may have been agreed to in writing by the Underwriter.

(c) No Default. At the time of the Closing, no default shall have occurred or be existing under this Purchase Agreement, the Authorizing Resolution or the CFD Documents, and the District shall not be in default in the payment of principal or interest on any of its bonded indebtedness which default shall adversely impact the ability of the District to make payment on the Bonds.

(d) Closing Documents. At or prior to the Closing, the Underwriter shall have received each of the documents required under Section 8 below.

(e) Termination Events. The Underwriter shall have the right to cancel its obligation to purchase the Bonds and to terminate this Purchase Agreement by written notice to the District if, between the date of this Purchase Agreement and the Closing Date, in the Underwriter's sole and reasonable judgment any of the following events shall occur (each a "Termination Event"):

(i) Between the date hereof and the Closing Date, the market price or marketability, at the initial offering prices set forth on the cover page of the Official Statement, of the Bonds, or the ability of the Underwriter to enforce contracts for the sale of the Bonds, shall have been materially adversely affected, in the judgment of the Underwriter (evidenced by a written notice to the District terminating the obligation of the Underwriter to accept delivery of and pay for the Bonds), by reason of any of the following:

(1) Legislation introduced in or enacted (or resolution passed) by the Congress of the United States of America or the legislature of the State or recommended to the Congress by the President of the United States of

America or a member of the President's Cabinet, the Department of the Treasury, the Internal Revenue Service or any member of Congress or favorably reported for passage to either House of Congress by any committee of such House to which such legislation had been referred for consideration, or a decision rendered by a court established under Article III of the Constitution of the United States of America or by the Tax Court of the United States of America, or an order, ruling, regulation (final, temporary or proposed), press release or other form of notice issued or made by or on behalf of the Treasury Department of the United States of America, the Internal Revenue Service or other federal or State authority with appropriate jurisdiction, with the purpose or effect, directly or indirectly, of imposing federal or State income taxation upon such interest as would be received by any owners of the Bonds beyond the extent to which such interest is subject to taxation as of the date hereof;

(2) Legislation introduced in or enacted (or resolution passed) by the Congress, or shall have been favorably reported out of committee or be pending in committee, or shall have been recommended to the Congress for passage by the President of the United States of America or a member of the President's Cabinet, or an order, decree, injunction or decision issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary or proposed), press release, statement or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds, the Authorizing Resolution or the CFD Documents, are not exempt from registration under or other requirements of the Securities Act of 1933, as amended, or that the Fiscal Agent Agreement is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended, or that the issuance, offering or sale of obligations of the general character of the Bonds, as contemplated hereby or by the Official Statement or otherwise is or would be in violation of the federal securities laws as amended and then in effect;

(3) A general suspension of trading in securities on the New York Stock Exchange or other major exchange shall be in force, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on any such exchange, whether by virtue of determination by that exchange or by order of the Securities and Exchange Commission or any other governmental authority having jurisdiction;

(4) There shall have occurred, (I) any material outbreak or escalation of hostilities or the declaration by the United States of America of a national emergency or war, (II) any other calamity or crisis in the financial markets of the United States of America or elsewhere, or (III) the sovereign debt rating of the United States of America is downgraded by

any major credit rating agency or a payment default occurs on United States Treasury obligations; or

(5) Except as disclosed in or contemplated by the Official Statement, any material adverse change in the affairs of the City or the District shall have occurred;

(ii) The introduction, proposal or enactment of any amendment to the federal or California Constitution or any action by any federal or State court, legislative body, regulatory body or other authority materially adversely affecting the tax status of the District, their property, income, securities (or interest thereon), the validity or enforceability of Special Taxes;

(iii) Any event occurring or information becoming known which, in the judgment of the Underwriter, makes untrue or incorrect in any material respect any statement or information contained in the Preliminary Official Statement or in the Official Statement or has the effect that the Preliminary Official Statement or the Official Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(iv) A general banking moratorium shall have been declared by federal, State of New York or State of California officials authorized to do so or a material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred;

(v) Any new restriction on transactions in securities materially affecting the market for securities (including the imposition of any limitation in interest rates) or the extension of credit by, or a charge to the net capital requirements of, underwriters shall have been established by the New York Stock Exchange, the Comptroller of the Currency, the Securities and Exchange Commission or any other federal or State agency or the Congress of the United States of America, or by Executive Order;

(vi) A decision by a court of the United States of America shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the issuance, offering or sale of the Bonds as contemplated by this Purchase Agreement or by the Official Statement, or any document relating to the issuance, offering or sale of the Bonds is or would be in violation of any provision of the federal securities laws at the Closing Date, including the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and the Trust Indenture Act of 1939, as amended;

(vii) Any rating on the Bonds is reduced or withdrawn or placed on credit watch with negative outlook by any major credit rating agency; or

(viii) Any proceeding shall have been commenced or be threatened in writing by the Securities and Exchange Commission against the City or the District.

Upon the occurrence of a Termination Event and the termination of this Purchase Agreement by the Underwriter, all obligations of the District and the Underwriter under this Purchase Agreement shall terminate, without further liability, except that the District and the Underwriter shall pay their respective expenses as set forth in Section 8 below.

8. Closing Documents. At or prior to the Closing, the Underwriter shall receive the following documents:

(a) Bond Counsel Opinions. With respect to the Bonds, an approving opinion of Bond Counsel, dated the Closing Date and substantially in the form included as Appendix F to the Official Statement, together with a letter or letters from such counsel, dated the Closing Date and addressed to the Underwriter, to the effect that such opinion addressed to the District may be relied upon by the Underwriter to the same extent as if they were addressed to the Underwriter;

(b) Supplemental Opinion. One or more supplemental opinions of Bond Counsel, dated the Closing Date and addressed to the Underwriter, in form and substance acceptable to the Underwriter to the following effect:

(i) the CFD Documents have been duly authorized, executed, and delivered by the District and constitute valid and binding obligations of the District enforceable against the District in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, or other laws affecting enforcement of creditors' rights, or by the application of equitable principles if equitable remedies are sought;

(ii) the Bonds conform as to form and tenor to the descriptions thereof contained under the caption "THE BONDS" in the Official Statement, and the statements contained in the Official Statement under the captions "INTRODUCTION," "SOURCES OF PAYMENT FOR THE BONDS," "LEGAL MATTERS - Tax Matters," "APPENDIX C – SUMMARY OF THE FISCAL AGENT AGREEMENT," and "APPENDIX F – FORM OF OPINION OF BOND COUNSEL," insofar as such statements purport to summarize certain provisions of the Act, the Bonds, the CFD Documents, the Authorizing Resolution, the CFD Proceedings, or applicable provisions of the United States Internal Revenue Code of 1986, are accurate in all material respects; and

(iii) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Fiscal Agent Agreement is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended;

(c) Opinion of City Attorney. An opinion of the City Attorney, as counsel to the District, dated the Closing Date and addressed to the District and the Underwriter, substantially in the form of Appendix C hereto;

(d) Opinion of Counsel to Fiscal Agent. One or more opinions of counsel to the Fiscal Agent, all dated the Closing Date and addressed to the District and the Underwriter, in form and substance satisfactory to the District and the Underwriter;

(e) Certificates of District. (i) A certificate of the District, dated the date of the Preliminary Official Statement, signed by a duly authorized representative of the District, substantially in the form of Appendix H hereto; and (ii) a certificate of the District, dated the Closing Date, signed by a duly authorized representative of the District, substantially in the form of Appendix D hereto;

(f) Closing Certificate of the Fiscal Agent. A certificate of the Fiscal Agent, dated the Closing Date, substantially in the form of Appendix E hereto;

(g) Closing Certificate of CFD Administrator. A certificate of Goodwin Consulting Group, Inc., as CFD Administrator (the “CFD Administrator”), dated the Closing Date, substantially in the form of Appendix G hereto;

(h) Closing Certificate of the Escrow Bank. A certificate of the Escrow Bank, dated the Closing Date, substantially in the form of Appendix F hereto;

(i) Opinion of Disclosure Counsel to the District. A letter from Norton Rose Fulbright US LLP, Los Angeles, California, as disclosure counsel to the District, dated the Closing Date and addressed to the District and the Underwriter, in form and substance acceptable to counsel for the Underwriter to the effect that, without having undertaken to determine independently the accuracy, completeness, or fairness of the information in the Official Statement, nothing has come to such counsel’s attention as of the date of Closing that would lead it to believe that such information therein pertaining to the District and the CFD Documents (excluding any financial or statistical data and forecasts included therein, as to which no opinion need be expressed) contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(j) Written Confirmation Regarding Continuing Disclosure. Written confirmation from Applied Best Practices LLC in a form acceptable to the Underwriter, that other than as disclosed in the Official Statement, the District, the City and its related entities have timely filed materially complete continuing disclosure reports with respect to the District’s, the City’s and its related entities’ continuing disclosure requirements relating to Rule 15c2-12 in each of the last five fiscal years;

(k) Closing Certificate of Appraiser. A letter dated the Closing Date from Integra Realty Resources (the “**Appraiser**”) addressed to the Underwriter and the District to the effect that it has prepared the appraisal report (the “**Appraisal**”) with respect to certain property located within the District, and that (a) the Appraisal, set forth in Appendix D to the Official Statement, may be included in the Preliminary Official Statement and the Official Statement, (b)

the Appraisal in Appendix D and the information in the Official Statement referring to the Appraisal do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, and (c) nothing has come to the attention of the Appraiser that would lead the Appraiser to believe that the value of the property in the District is less than the minimum value of such property reported in the Appraisal;

(l) Appraisal. A copy of the Appraisal;

(m) G-17 Letter. G-17 letter from the Underwriter acknowledged by the District; Opinion of Counsel to Underwriter.

(n) Underwriter Counsel Opinion. An opinion of Kutak Rock LLP, as counsel to the Underwriter (“**Underwriter’s Counsel**”), dated the Closing Date and addressed to the Underwriter, concerning such matters as the Underwriter may request;

(o) CDIAC Statements. A copy of the filings made for the Bonds with the California Debt and Investment Advisory Commission in accordance with Sections 8855 and 53583, as applicable, of the California Government Code;

(p) Debt Policy. Evidence of a debt compliance policy that satisfies the requirements of Senate Bill 1092.

(q) Municipal Advisor Certificate. A certificate, dated the date of Closing, signed by an authorized officer of the Fieldman Rolapp & Associates, Inc., the District’s municipal advisor (the “Municipal Advisor”), addressed to the Underwriter, the District and the City and without having undertaken any investigation, to the effect that, in connection with its role in the preparation of the Official Statement, nothing has come to the attention of the Municipal Advisor that would lead it to believe that the statements and information contained in the Preliminary Official Statement and the Official Statement as of the date thereof and the Closing Date, contains an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading;

(r) Tax Certificate. A tax certificate for the Bonds, dated the Closing Date and prepared by Bond Counsel, executed by the City on behalf of the District, and satisfactory to the Underwriter;

(s) CFD Documents. Fully executed copies of each of the CFD Documents;

(t) Official Statement. One copy of the Official Statement manually executed on behalf of the City on behalf of the District by an authorized officer, and such reasonable number of certified or conformed copies of the foregoing as the Underwriter may request in order to comply with Rule 15c2-12, applicable Municipal Securities Rulemaking Board rules, and other regulatory requirements relating to the issuance and sale of the Bonds;

(u) District Resolution. Copies certified by the City Clerk of the City of the Authorizing Resolution;

(v) Form 8038-G. Evidence that the federal tax information form 8038-G has been prepared by Bond Counsel for filing in connection with the Bonds;

(w) Additional Documents. Such additional legal opinions, certificates, instruments, and other documents as the Underwriter or its counsel may reasonably deem necessary; and

(x) Transcripts. Two (2) transcripts containing the documents listed in this Section, together with any other documents relating to the authorization and issuance of the Bonds.

If the District shall be unable to satisfy the conditions contained in this Purchase Agreement, or if the obligations of the Underwriter shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Underwriter or the District shall be under further obligation hereunder, except as further set forth in Section 9 hereof.

9. Costs and Expenses.

(a) The Underwriter shall be under no obligation to pay, and the District shall pay or cause to be paid from any legally available funds, the following expenses incident to the issuance of the Bonds and performance of the obligations of the District hereunder: (i) the costs of the preparation and printing of the Bonds; (ii) the fees and disbursements of Bond Counsel; (iii) the fees and disbursements of Disclosure Counsel; (iv) the cost of preparation, printing, and mailing of the Preliminary Official Statement and Official Statement and any supplements and amendments thereto, including a reasonable number of copies thereof for distribution by the Underwriter; and (iv) the fees and disbursements of accountants, advisers, and any other experts or consultants retained by the City, including the fees and expenses of the Fiscal Agent and the Escrow Bank and their respective counsels, the Municipal Advisor, and the CFD Administrator.

(b) The Underwriter shall pay the following expenses: (i) all advertising expenses in connection with the public offering of the Bonds; (ii) the CDIAC fee; (iii) the CUSIP Bureau fee; (iv) the fees and disbursements of Underwriter's Counsel; and (v) all other expenses incurred by the Underwriter in connection with its public offering and distribution of the Bonds, except as noted in Section 10(a) above.

10. Notices. Any notice or other communication to be given to the City or the District under this Purchase Agreement may be given by delivering the same in writing to such entities at 678 West 18th Street, Merced, California 95340, Attention: Finance Officer. Any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to Brandis Tallman LLC, 22 Battery Street, Ste. 500, San Francisco, CA 94111, Attention: Rick Brandis.

11. Entire Agreement. This Agreement is made solely for the benefit of the District and the Underwriter (including their respective successors and assigns), and no other person shall acquire or have any right hereunder or by virtue hereof. All of the representations and agreements of the District contained in this Purchase Agreement shall remain operative and in full force and effect regardless of (i) any investigations made by or on behalf of the Underwriter,

or (ii) delivery of any payment for the Bonds pursuant to this Purchase Agreement. The agreements contained in this Section and in Section 12 shall survive any termination of this Purchase Agreement.

12. Survival of Representations and Warranties. All representations and warranties of the parties made in, pursuant to, or in connection with this Purchase Agreement shall survive the execution and delivery of this Purchase Agreement, notwithstanding any investigation by the parties. All statements contained in any certificate, instrument, or other writing delivered by a party to this Purchase Agreement or in connection with the transactions contemplated by this Purchase Agreement constitute representations and warranties by such party under this Purchase Agreement.

13. No Assignment. The rights and obligations created by this Purchase Agreement shall not be subject to assignment by the Underwriter or the District without the prior written consent of the other parties hereto.

14. Severability. In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof.

15. Governing Law. The validity, interpretation and performance of this Purchase Agreement shall be governed by the laws of the State of California.

16. Counterparts. This Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

BRANDIS TALLMAN LLC

By: _____
Authorized Signatory

Accepted as of the date first stated above:

CITY OF MERCED, on behalf of

COMMUNITY FACILITIES DISTRICT NO.
2006-1 (MORAGA OF MERCED) OF THE CITY
OF MERCED

By: _____
Venus Rodriguez, Finance Officer

Date of Execution: _____

Time of Execution: _____

APPENDIX A

Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced 2019 Special Tax Refunding Bonds

<u>Maturity (September 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>10% Test Satisfied*</u>	<u>10% Test Not Satisfied</u>	<u>Subject to Hold-The- Offering- Price Rule</u>
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APPENDIX B

FORM OF ISSUE PRICE CERTIFICATE

\$[principal amount]
**COMMUNITY FACILITIES DISTRICT NO. 2006-1
(MORAGA OF MERCED) OF THE CITY OF MERCED
2019 SPECIAL TAX REFUNDING BONDS**

INITIAL ISSUE PRICE CERTIFICATE

December __, 2019

Community Facilities District No. 2006-1
(Moraga of Merced) of the City of Merced
Merced, California

Norton Rose Fulbright US LLP
Los Angeles, California

Ladies and Gentlemen:

This Certificate is furnished by Brandis Tallman LLC as underwriter (the “Underwriter”) of the \$[principal amount] stated principal amount of the Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced 2019 Special Tax Refunding Bonds (the “**Bonds**”). The undersigned, on behalf of the Underwriter hereby certifies as set forth below with respect to the sale and issuance of the Bonds.

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. ***Defined Terms.***

(a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”

(b) *Issuer* means the Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced.

(c) *Maturity* means Bonds with the same credit and payment terms. Series A Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(d) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(e) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is November __, 2019.

(f) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

3. Taking into account the aggregate amount of each maturity, the aggregate issue price of the Bonds is \$_____. We provided the yield proof attached hereto as Schedule I to Bond Counsel.

4. Pursuant to the Fiscal Agent Agreement, dated as of December 1, 2019 (the “Fiscal Agent Agreement”), by and between the District and MUFG Union Bank, N.A., as fiscal agent, the District is obligated to fund and maintain a Reserve Fund in the amount of the Reserve Requirement (as such term is defined in the Fiscal Agent Agreement). Based upon our experience in the municipal marketplace, we believe that establishing and maintaining the Reserve Fund in the amount of the Reserve Requirement is customary and ordinary in the industry for municipal issues having the structure and creditworthiness of the Bonds and was necessary to the successful offering of the Bonds at the interest rates and prices obtained.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Certificate as to Tax Exemption and with respect to compliance with the federal income tax rules affecting the Bonds, and by Norton Rose Fulbright US LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds. Except as expressly set forth above, the certifications set forth herein may not be relied upon or used by any third party for any other purpose.

[Signature page follows]

Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Tax Certificate of the District dated December __, 2019.

BRANDIS TALLMAN LLC
as Underwriter

By _____
Authorized Officer

SCHEDULE I

APPENDIX C

FORM OF OPINION OF CITY ATTORNEY

[LETTERHEAD OF CITY ATTORNEY]

Brandis Tallman LLC
22 Battery Street, Ste. 500
San Francisco, CA 94111

Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced
678 West 18th Street
Merced, California 95340

Re: \$[principal amount] Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced, 2019 Special Tax Refunding Bonds

Ladies and Gentlemen:

I serve as the City Attorney for the City of Merced, California (the “City”) and have acted in such capacity on behalf of Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced (the “District”) in connection with the issuance by the District of its 2019 Special Tax Refunding Bonds (the “Bonds”). As legal counsel to the City and the District, I am providing this opinion pursuant to Section 8(c) of that certain Bond Purchase Agreement, dated November __, 2019 (the “Purchase Agreement”), by and between the District and Brandis Tallman LLC, as underwriter. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Purchase Agreement.

Whenever a statement herein is qualified by “to my knowledge,” or similar phrase, it is intended to indicate that, during the course of our representation of the District whether in connection with the transaction described herein, no information that would give us current actual knowledge of the inaccuracy of such statement has come to our attention. However, unless otherwise noted herein, we have not undertaken any independent investigation to determine the accuracy of such statements, and neither the preparation of this opinion letter, nor any reference to any documents or matters herein should be regarded as evidence of such an investigation. Furthermore, no inference as to our knowledge of any matters bearing upon the accuracy of any such statements should be drawn from the fact of our representation of the City and/or District, either past or present.

Our opinion may be affected by actions taken or events after the date hereof. As to questions of fact material to our opinion, we have relied upon representations the principal officers of the City and/or District contained in the CFD Documents and in the certified proceedings and other certifications of public officials and others furnished to us in connection with the closing of the subject transaction, without undertaking to verify the same by independent investigation.

Based on the foregoing, we are of the opinion, under existing law, that:

1. The District is a duly organized and validly existing as a community facilities district under and by virtue of the laws of the State of California.
2. Resolution No. 2019-___ adopted by the City Council of the City (the “City Council”), on behalf of the District, approving the execution and delivery of the Bonds and the CFD Documents, was duly adopted at a meeting of the City Council, which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout; and such resolution is in full force and effect and has not been modified, amended, or rescinded as of the date hereof.
3. The CFD Documents and the Bonds have each been duly authorized, executed and delivered by the District and are each in full force and effect.
4. Except as stated in the Official Statement, and to the best of legal counsel’s current, actual knowledge, there is no action, suit, proceeding, inquiry, or investigation before or by any court, public board, or body pending with respect to which any of the District has been served with process or, threatened, wherein an unfavorable decision, ruling, or finding would: (a) affect the creation, organization, existence, or powers of the City and/or District, or the titles of its City Council members or their respective offices; (b) enjoin or restrain the issuance, sale, and delivery of the Bonds, the lien, the levy, and the collection of the Special Taxes, or the pledge thereof; (c) in any way question or affect any of the rights, powers, duties, or obligations of any of the City and/or District with respect to the Special Taxes or the moneys and assets pledged or to be pledged to pay the principal of, premium, if any, or interest on the Bonds; (d) in any way question or affect any authority for the issuance of the Bonds, the validity or enforceability of the Bonds, or the CFD Documents; or (e) in any way question or affect the transactions contemplated by the CFD Documents or the Official Statement.

The opinions expressed above are subject to the following limitations, qualifications and exceptions:

- (i) the effects of bankruptcy, insolvency, reorganization, preference, fraudulent transfer, moratorium or other similar laws relating to or affecting the rights or remedies of creditors;
- (ii) the effects of general principles of equity, whether considered in a proceeding in equity or at law (including the possible unavailability of specific performance or injunctive relief), concepts of materiality, reasonableness, good faith and fair dealing, and the discretion of the court before which a proceeding is brought;
- (iii) the unenforceability under certain circumstances under law or court decisions of provisions for the indemnification or exculpation of or contribution to a party with respect to a liability where such indemnification, exculpation or contribution is contrary to public policy;
- (iv) certain rights, remedies and waivers may be limited or rendered ineffective by applicable California laws or judicial decisions governing such provisions, but such laws or judicial decisions do not render the documents invalid or unenforceable as a whole; and

(v) we express no opinion as to the validity or enforceability of any provisions for liquidated damages, default interest, late charges, monetary penalties, prepayment or make-whole premiums or other economic remedies and call to your attention the provisions of Sections 1717 and 1717.5 of the California Civil Code, which limit and create obligations for the payment of attorney's fees.

5. Without having undertaken to determine independently the accuracy or completeness of the statements in the Official Statement, to the best of our current actual knowledge, we have no reason to believe that the Official Statement (excluding therefrom the financial and statistical data and forecasts included therein and information about The Depository Trust Company, as to which no opinion is expressed) contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

This letter is furnished only to you and is solely for your benefit in connection with the transactions covered hereby. This letter may not be relied upon by you for any other purpose, or furnished to, assigned to, quoted to or relied upon by any other person, firm or entity for any purpose, without my prior written consent, which may be granted or withheld in my discretion.

Respectfully submitted,

PHAEDRA NORTON
City Attorney
City of Merced

APPENDIX D

**\$(PRINCIPAL AMOUNT)
COMMUNITY FACILITIES DISTRICT NO. 2006-1
(MORAGA OF MERCED) OF THE CITY OF MERCED
2019 SPECIAL TAX REFUNDING BONDS)**

CLOSING CERTIFICATE OF DISTRICT

The undersigned, on behalf of the Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced (the “District”), hereby makes the following certifications pursuant to Section 8(e) of the Bond Purchase Agreement, dated November __, 2019 (the “Purchase Agreement”), by and between the District and Brandis Tallman LLC, as underwriter. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Purchase Agreement.

1. I am a duly authorized officer of the City and as such I am familiar with the facts herein certified and authorized and qualified to certify the same.

2. The representations and covenants of the District contained in the Purchase Agreement are true and correct in all material respects on and as of the Closing Date as if made on the Closing Date.

3. The District has complied with all agreements and covenants, and satisfied all conditions, on its part to be complied with or satisfied under the Purchase Agreement at or prior to the Closing.

4. The CFD Proceedings are in full force and effect and have not been amended, modified, or supplemented.

5. The information regarding the District, the CFD Documents, the Authorizing Resolution, the Bonds, the Act, and the CFD Proceedings in the Official Statement is true and correct in all material respects.

6. With respect to the discussion in the Official Statement, insofar as such discussion purports to summarize information concerning the City, the District, the Act, the Bonds, the CFD Proceedings, the Authorizing Resolution, and the CFD Documents, nothing has come to the attention of the District that would leave it to believe that such discussion contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

7. No authorization, approval, consent, or other order of any governmental entity or regulatory authority having jurisdiction over the activities of the City or the District that has not been obtained is or will be required for the valid authorization, execution, and delivery of the CFD Documents by the District, the issuance of the Bonds, or the performance by the District, of its obligations under the CFD Documents.

Dated: December ____, 2019

CITY OF MERCED, on behalf of

COMMUNITY FACILITIES DISTRICT
NO. 2006-1 (MORAGA OF MERCED) OF
THE CITY OF MERCED

By: _____
_____, _____

APPENDIX E

\$(PRINCIPAL AMOUNT) COMMUNITY FACILITIES DISTRICT NO. 2006-1 (MORAGA OF MERCED) OF THE CITY OF MERCED 2019 SPECIAL TAX REFUNDING BONDS

CLOSING CERTIFICATE OF FISCAL AGENT

The undersigned, on behalf of and MUFG Union Bank, N.A., as fiscal agent (the “Fiscal Agent”) under the Fiscal Agent Agreement, dated as of December 1, 2019 (the “Fiscal Agent Agreement”), by and between Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced (the “District”) and the Fiscal Agent, hereby makes the following certifications pursuant to Section 8(f) of the Bond Purchase Agreement, dated November __, 2019 (the “Purchase Agreement”), by and between the District and Brandis Tallman LLC, as underwriter. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Purchase Agreement.

1. I am a duly authorized officer of the Fiscal Agent and as such I am familiar with the facts herein certified and authorized and qualified to certify the same.

2. The Fiscal Agent has been duly organized and is validly existing and in good standing as a national banking association under the laws of the United States, with full corporate power to undertake its obligations under of the Fiscal Agent Agreement.

3. The Fiscal Agent has duly authorized, executed, and delivered the Fiscal Agent Agreement and by all proper corporate action has authorized the acceptance of its respective obligations thereunder.

4. The Bonds have been validly authenticated and delivered by the Fiscal Agent in accordance with the terms of the Fiscal Agent Agreement.

5. Pursuant to the Fiscal Agent Agreement, the Fiscal Agent will apply the proceeds from the Bonds to the purposes specified in the Fiscal Agent Agreement.

6. No authorization, approval, consent, or other order of any governmental entity or regulatory authority having jurisdiction over the banking and trust activities of the Fiscal Agent that has not been obtained is or will be required for the valid authorization, execution, and delivery of the Fiscal Agent Agreement by the Fiscal Agent or the performance by the Fiscal Agent of its obligations under the Fiscal Agent Agreement.

7. To the best of my knowledge, the execution and delivery by the Fiscal Agent of the Fiscal Agent Agreement, and compliance with the respective provisions thereof, will not conflict with or constitute a breach of or default under, the Fiscal Agent’s duties or obligations under any law, administrative regulation, court decree, resolution, charter, bylaws, agreement, instrument, or commitment applicable to or binding upon the Fiscal Agent.

Dated: December ____, 2019

MUFG UNION BANK, N.A.

By: _____
Authorized Signatory

APPENDIX F

\$(PRINCIPAL AMOUNT) COMMUNITY FACILITIES DISTRICT NO. 2006-1 (MORAGA OF MERCED) OF THE CITY OF MERCED 2019 SPECIAL TAX REFUNDING BONDS

CLOSING CERTIFICATE OF U.S. BANK NATIONAL ASSOCIATION

The undersigned, on behalf of and U.S. Bank National Association (the “Bank”), as escrow bank (the “Escrow Bank”) under the Escrow Agreement, dated as of December 1, 2019 (the “Escrow Agreement”), by and between Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced (the “District”) and the Escrow Bank, hereby makes the following certifications pursuant to Section 8(h) of the Bond Purchase Agreement, dated November __, 2019 (the “Purchase Agreement”), by and between the District and Brandis Tallman LLC, as underwriter. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Purchase Agreement.

1. I am a duly authorized officer of the Bank and as such I am familiar with the facts herein certified and authorized and qualified to certify the same.

2. The Bank has been duly organized and is validly existing and in good standing as a national banking association under the laws of the United States, with full corporate power to undertake its obligations under of the Escrow Agreement.

3. The Bank has duly authorized, executed, and delivered the Escrow Agreement and by all proper corporate action has authorized the acceptance of its respective obligations thereunder.

4. No authorization, approval, consent, or other order of any governmental entity or regulatory authority having jurisdiction over the banking and trust activities of the Bank that has not been obtained is or will be required for the valid authorization, execution, and delivery of the Escrow Agreement by the Bank or the performance by the Bank of its obligations under the Escrow Agreement.

5. To the best of my knowledge, the execution and delivery by the Bank of the Escrow Agreement, and compliance with the respective provisions thereof, will not conflict with or constitute a breach of or default under, the Bank’s duties or obligations under any law, administrative regulation, court decree, resolution, charter, bylaws, agreement, instrument, or commitment applicable to or binding upon the Bank.

Dated: December ____, 2019

U.S. BANK NATIONAL ASSOCIATION

By: _____
Authorized Signatory

APPENDIX G

**\$(PRINCIPAL AMOUNT)
COMMUNITY FACILITIES DISTRICT NO. 2006-1
(MORAGA OF MERCED) OF THE CITY OF MERCED
2019 SPECIAL TAX REFUNDING BONDS**

CLOSING CERTIFICATE OF CFD ADMINISTRATOR

The undersigned, on behalf of Goodwin Consulting Group, Inc. (the “CFD Administrator”), hereby makes the following certifications pursuant to Section 8(g) of the Bond Purchase Agreement, dated November __, 2019 (the “Purchase Agreement”), by and between the Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced (“District”), and Brandis Tallman LLC, as underwriter. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Purchase Agreement.

1. The undersigned is an authorized representative of the CFD Administrator and as such is familiar with the facts herein certified and is authorized and qualified to certify the same.

2. The CFD Administrator assists the District in the administration of the RMA, as set forth in Appendix B to the Official Statement for the Bonds.

3. If the Special Tax is levied and collected against the property within the District in accordance with the Rate and Method of Apportionment, such Special Tax will annually yield sufficient revenue to make timely payments of the principal of and interest on the Bonds and all outstanding parity bonds issued under the Fiscal Agent Agreement and to pay annual administrative expenses of the District related to the levy and collection of the Special Tax.

4. All information supplied by the CFD Administrator for use in the Official Statement, including without limitation, the information in Appendix B is true and correct in all material respects, and, as of the date of the Official Statement and as of the date hereof, the information contained in the Official Statement relating to the District, the Special Taxes, the RMA, and any other data or information provided by the CFD Administrator and included in the Official Statement, does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

Dated: December __, 2019

GOODWIN CONSULTING GROUP, INC.

By: _____
Authorized Signatory

APPENDIX H

\$(PRINCIPAL AMOUNT) COMMUNITY FACILITIES DISTRICT NO. 2006-1 (MORAGA OF MERCED) OF THE CITY OF MERCED 2019 SPECIAL TAX REFUNDING BONDS

CERTIFICATE OF DISTRICT REGARDING PRELIMINARY OFFICIAL STATEMENT

The undersigned hereby certifies and represents that Venus Rodriguez is the Finance Officer of the City of Merced, California (the “City”), and as such is duly authorized to execute and deliver this Certificate and further certifies and reconfirms on behalf of the Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced (the “District”), as follows:

1. This Certificate is delivered in connection with the offering and sale of the Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced 2019 Special Tax Refunding Bonds (the “Bonds”), in order to enable the underwriter of the Bonds to comply with Rule 15c2-12, promulgated under the Securities Exchange Act of 1934 (the “Rule 15c2-12”).

2. In connection with the offering and sale of the Bonds there has been prepared a Preliminary Official Statement, dated November __, 2019, setting forth information concerning the Bonds, the District and other matters (the “Preliminary Official Statement”).

3. As used herein, “Permitted Omissions” shall mean the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, redemption provisions, delivery dates, and other terms of the Bonds depending on such matters, all with respect to the Bonds, and any other matters permitted under Rule 15c2-12.

4. The Preliminary Official Statement is, except for the Permitted Omissions, deemed final as of its date within the meaning of Rule 15c2-12.

Dated: November __, 2019

CITY OF MERCED, on behalf of

COMMUNITY FACILITIES DISTRICT
NO. 2006-1 (MORAGA OF MERCED) OF
THE CITY OF MERCED

By: _____
Venus Rodriguez, Finance Officer

NEW ISSUE - BOOK-ENTRY ONLY

NOT RATED

In the opinion of Norton Rose Fulbright US LLP, Los Angeles, California, Bond Counsel, under existing statutes, regulations, rulings and court decisions, and assuming compliance with the tax covenants described herein, interest on the Bonds is excluded from the gross income of the owners thereof for federal income tax purposes. Bond Counsel is further of the opinion that interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax. It is also the opinion of Bond Counsel that, under existing law, interest on the Bonds is exempt from personal income taxes of the State of California. See "TAX MATTERS" herein.

\$3,860,000*

**COMMUNITY FACILITIES DISTRICT NO. 2006-1
(MORAGA OF MERCED)
OF THE CITY OF MERCED
2019 SPECIAL TAX REFUNDING BONDS
(Bank Qualified)**

Dated: Date of Delivery**Due: September 1, as shown on the inside cover page**

The Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced, 2019 Special Tax Refunding Bonds (the "Bonds") are being issued and delivered by Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced (the "District") pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, constituting Sections 53311 et seq. of the Government Code of the State of California (the "Act"), and a Fiscal Agent Agreement, dated as of December 1, 2019, by and between the District and MUFG Union Bank, N.A., as fiscal agent (the "Fiscal Agent"), and will be secured as described herein.

The Bonds are being issued to provide funds to refund the outstanding Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced 2006 Special Tax Bonds (the "Prior Bonds"), fund a reserve fund and pay the costs of issuing the Bonds. See "THE REFUNDING PLAN" herein.

The Bonds are issuable in fully registered form and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Individual purchases may be made in principal amounts of \$5,000 and integral multiples thereof in book-entry form only. Purchasers of Bonds will not receive certificates representing their beneficial ownership of the Bonds but will receive credit balances on the books of their respective nominees. Interest on the Bonds will be payable semiannually on each March 1 and September 1, commencing March 1, 2020. Principal of and interest on the Bonds will be paid by the Fiscal Agent to DTC for subsequent disbursement to DTC Participants who are to remit such payments to the beneficial owners of the Bonds. See "THE BONDS — General Provisions" and APPENDIX G — "BOOK-ENTRY ONLY SYSTEM" herein.

The Bonds are limited obligations of the District, payable solely from Special Tax Revenues (as defined in the Fiscal Agent Agreement), consisting primarily of Special Taxes (as defined herein) and proceeds of foreclosure sales pursuant to the Fiscal Agent Agreement, as more fully described herein. If a deficiency occurs in the payment of any installment of Special Taxes securing the Bonds, the Fiscal Agent will have a duty only to transfer from the Reserve Fund the amount necessary to pay principal of or interest on the Bonds when due. There is no assurance that sufficient funds will be available in the Reserve Fund for this purpose. The Special Taxes are to be levied according to the rate and method of apportionment for the District, which was approved by the City Council of the City of Merced (the "City") and the qualified electors within the District. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Repayment of the Bonds" herein.

The Bonds are subject to redemption prior to maturity as set forth herein. See "THE BONDS — Redemption" herein.

Neither the faith and credit nor the taxing power of the City, the County of Merced, the State of California or any political subdivision thereof is pledged to the payment of the Bonds. Except for the Special Taxes, no other taxes are pledged to the payment of the Bonds. The Bonds are special tax obligations of the District payable solely from Special Tax Revenues and certain other amounts as more fully described herein.

Certain events could affect the ability of the District to pay the principal of and interest on the Bonds when due. The purchase of the Bonds involves significant investment risks, and the Bonds may not be suitable investments for many investors. See the section of this Official Statement entitled "SPECIAL RISK FACTORS" for a discussion of certain risk factors that should be considered, in addition to the other matters set forth herein, in evaluating the investment quality of the Bonds.

This cover page contains certain information for general reference only. It is not intended to be a summary of the security or terms of this issue. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision.

MATURITY SCHEDULE

(See Inside Cover Page)

The Bonds are offered when, as and if issued and accepted by the Underwriter, subject to approval as to their legality by Norton Rose Fulbright US LLP, Los Angeles, California, Bond Counsel, and subject to certain other conditions. Norton Rose Fulbright US LLP is serving as Disclosure Counsel to the District with respect to the Bonds. Certain legal matters will be passed on for the District by the City

* Preliminary, subject to change.

Attorney, and for the Underwriter by its counsel, Kutak Rock LLP, Irvine, California. It is anticipated that the Bonds in book-entry form will be available for delivery through the facilities of DTC on or about December __, 2019.

[UNDERWRITER LOGO]

Dated: December __, 2019

**Community Facilities District No. 2006-1
(Moraga of Merced)
of the City of Merced
2019 Special Tax Refunding Bonds
(Bank Qualified)**

MATURITY SCHEDULE

<i>Maturity Date (September 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Yield</i>	<i>CUSIP[†]</i>
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\$_____ % Term Bonds Due September 1, 20__, Price _____% CUSIP No. _____

[†] CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, managed by S&P Capital IQ on behalf of the American Bankers Association. CUSIP numbers have been assigned by an independent company not affiliated with the City, the District, the Underwriter, or the Municipal Advisor and are included solely for the convenience of the holders of the Bonds. None of the City, the District, the Underwriter or the Municipal Advisor is responsible for the selection or use of these CUSIP numbers and no representation is made as to their correctness on the Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the execution and delivery of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Bonds.

CITY OF MERCED

CITY COUNCIL

**as the legislative body of the
Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced**

Mike Murphy, *Mayor*
Fernando Echevarria, *Council Member*
Jill McLeod, *Council Member*
Delray Shelton, *Council Member*

Anthony Levi Martinez, *Mayor Pro Tem*
Kevin Blake, *Council Member*
Matthew Serratto, *Council Member*

CITY STAFF

Steven S. Carrigan, City Manager
Stephanie Dietz, Assistant City Manager
Phaedra Norton, City Attorney
Steven S. Carrigan, City Clerk
Venus Rodriguez, Finance Officer

Special Services

BOND AND DISCLOSURE COUNSEL

Norton Rose Fulbright US LLP
Los Angeles, California

MUNICIPAL ADVISOR

Fieldman, Rolapp & Associates, Inc.
Irvine, California

FISCAL AGENT

MUFG Union Bank, N.A.
San Francisco, California

ESCROW BANK

U.S. Bank National Association
San Francisco, California

SPECIAL TAX CONSULTANT

Goodwin Consulting Group, Inc.
Sacramento, California

APPRAISAL VALUATION SERVICES

Integra Realty Resources
San Francisco, California

VERIFICATION AGENT

Causey Demgen & Moore, P.C.
Denver, Colorado

No dealer, broker, salesperson or other person has been authorized by the District, the Fiscal Agent or the Underwriter to give any information or to make any representations in connection with the offer or sale of the Bonds other than those contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by the District, the Fiscal Agent or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers or Beneficial Owners of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. This Official Statement, including any supplement or amendment hereto, is intended to be deposited with the Municipal Securities Rulemaking Board, or a nationally recognized municipal securities depository.

The Underwriter has provided the following sentence for inclusion in this Official Statement:

The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The information in APPENDIX G — “BOOK-ENTRY ONLY SYSTEM” attached hereto has been furnished by The Depository Trust Company, and no representation has been made by the District or the Underwriter as to the accuracy or completeness of such information.

The information set forth herein which has been obtained from third party sources is believed to be reliable but is not guaranteed as to accuracy or completeness by the District. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District or any other parties described herein since the date hereof. All summaries of the Fiscal Agent Agreement or other documents are made subject to the provisions of such documents respectively and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the District for further information in connection therewith.

A wide variety of other information, including financial information, concerning the District, is available from publications and websites of the City and others. Any such information that is inconsistent with the information set forth in this Official Statement should be disregarded. No such information is a part of or incorporated into this Official Statement.

Cautionary Information Regarding Forward-Looking Statements in the Official Statement

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “project,” “budget” or other similar words.

The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Except as set forth in the Continuing Disclosure Agreement, a form of which is attached as APPENDIX E, the District has no plans to issue any updates or revisions to the forward-looking statements set forth in this Official Statement.

In connection with the offering of the Bonds, the Underwriter may overallocate or effect transactions which stabilize or maintain the market price of such bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriter may offer and sell the Bonds to certain dealers and dealer banks and banks acting as agent at prices lower than the public offering prices stated on the cover page hereof, and such public offering prices may be changed from time to time by the Underwriter.

The Bonds have not been registered under the Securities Act of 1933, as amended, in reliance upon an exemption contained in such Act. The Bonds have not been registered or qualified under the securities laws of any state.

VICINITY MAP



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\$3,860,000*
COMMUNITY FACILITIES DISTRICT NO. 2006-1
(MORAGA OF MERCED)
OF THE CITY OF MERCED
2019 SPECIAL TAX REFUNDING BONDS
(Bank Qualified)

INTRODUCTION

General

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the appendices, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The sale and delivery of Bonds (defined below) to potential investors is made only by means of the entire Official Statement. All capitalized terms used in this Official Statement and not defined shall have the meaning set forth in APPENDIX C — “SUMMARY OF THE FISCAL AGENT AGREEMENT — Definitions” herein.

The purpose of this Official Statement, which includes the cover page, the inside cover page, the table of contents and the attached appendices (collectively, the “Official Statement”), is to provide certain information concerning the issuance by Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced (the “District”) of the \$3,860,000* Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced, 2019 Special Tax Refunding Bonds (the “Bonds”).

The proceeds of the Bonds will be used primarily for the purpose of refunding the outstanding Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced 2006 Special Tax Bonds (the “Prior Bonds”), originally issued in the aggregate principal amount of \$5,840,000 and are now outstanding in the principal amount of \$3,905,000. A portion of the proceeds of the Bonds will also be used to fund a deposit to the Reserve Fund and to pay costs of issuance of the Bonds. See “THE REFUNDING PLAN” and “ESTIMATED SOURCES AND USES OF FUNDS” herein.

The City of Merced

The City of Merced (the “City”) is located in the eastern portion of Merced County (the “County”) in the San Joaquin Valley approximately 110 miles southeast of San Francisco and 310 miles northwest of Los Angeles. The City was incorporated in 1889 and operates as a charter city. The City is also the County seat and the largest city by population within the County, with a population of 87,110 as of January 1, 2019. It maintains a council-manager form of government with the Mayor elected at-large for a two year term. Commencing with the November 2016 general election, the City went from at-large based elections for its six Council Members to district-based elections for four-year terms.

Traditionally, the economy in the region has been associated with agricultural industries, but in recent years has become more varied, encompassing growing educational and health services. Seven of the top ten employers within the County are located in the City. The University of California Merced campus, opened in 2005, with a Fall 2019 enrollment of 9,230, is located just outside the boundaries of the City limits but within the sphere of influence of the City, and is a major source of growth and employment in the region. The campus is expected to reach a student population of 25,000 by the year 2030. See “APPENDIX C - GENERAL INFORMATION REGARDING THE CITY OF MERCED” for a more complete description of the City and the surrounding region.

The Bonds are not a debt of the City in any respect.

** Preliminary, subject to change.*

The District

The Mello-Roos Community Facilities Act of 1982, as amended, constituting Sections 53311 et seq. of the Government Code of the State of California (the “Act”), was enacted by the California legislature to provide an alternative method of financing certain public capital facilities and services, especially in developing areas of the State. Any local agency (as defined in the Act) may establish a district to provide for and finance the cost of eligible public facilities and services. Generally, the legislative body of the local agency which forms a district acts on behalf of such district as its legislative body. Subject to approval by two-thirds of the votes cast at an election of the property owners within such district and compliance with the other provisions of the Act, a legislative body of a local agency may issue bonds for a district and may levy and collect a special tax (the “Special Tax”) within such district to repay such indebtedness. (see “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Repayment of the Bonds - Special Taxes” herein).

On July 3, 2006, the City formed the District. On July 3, 2006 an election was held within the District in which the landowners eligible to vote unanimously approved the proposed bonded indebtedness and the levy of the Special Tax within the District. Moraga of Merced, a master-planned development within the City, makes up the boundaries of the District.

The District is comprised of approximately 117 acres and is located in the northeastern section of the City, south of Yosemite Avenue, east of Whitewater Way, north of Freestone Way and west of Lake Road in an area with a mix of existing housing and agricultural use land. The development is planned to include a total of 520 residential dwelling units surrounding a community park consisting of 7.16 acres. Unit 1 is planned for 287 homes. Unit 2 consists of approximately 44 acres and is planned for the remaining 233 homes. The original developer of the project completed initial site development and completed and sold 38 homes before the project stalled due to declining market conditions in mid to late 2000s. Within Unit 1, 249 finished lots were sold on September 1, 2017 to Lennar Homes of California, Inc. (“Lennar”) from Moraga LP. The 249 lots, with all onsite and offsite improvements in place, comprise the three product lines being developed by Lennar. On December 4, 2018, Lennar purchased the remaining parcel with the 233 unimproved lots in Unit 2 from CBCP Assets, LLC. All property within the District currently has a final map in place.

There are 288 taxable parcels within the District. As of September 5, 2019, 276 of the taxable parcels are designated as “Developed,” consisting of 160 completed single-family residences owned by individual homeowners and 116 improved (or finished) single-family lots owned by Lennar in various stages of development (the “Developed Property”), all within Unit 1. Lennar also owns 11 improved or finished lots with no vertical construction or permit within Unit 1, along with the parcel of 233 unimproved lots within Unit 2, all of which is currently designated as “Undeveloped” (the “Undeveloped Property”). See “THE COMMUNITY FACILITIES DISTRICT” herein for a more complete description of the District.

Security and Sources of Payment for the Bonds

The Bonds are secured by a lien and charge upon the Special Taxes levied within the District. The Bonds are issued pursuant to a Fiscal Agent Agreement, dated as of December 1, 2019 (the “Fiscal Agent Agreement”), between the District and MUFG Union Bank, N.A. (the “Fiscal Agent”).

The Bonds are special limited obligations of the District, payable solely from Net Taxes (as defined herein) and the other funds pledged therefor under the Fiscal Agent Agreement. Subject only to the provisions of the Fiscal Agent Agreement permitting the application thereof for the purposes and on the terms and conditions set forth therein, all of the Net Taxes and any other amounts (including proceeds of the sale of Bonds) held in the Special Tax Fund, the Bond Fund, the Redemption Fund and the Reserve Fund established under the Fiscal Agent Agreement are pledged to secure the payment of the principal of and interest on the Bonds in accordance with their terms, the provisions of the Fiscal Agent Agreement and the Act. Such pledge constitutes a first lien on such assets.

The Bonds do not constitute a debt or liability of the City, the State of California or of any political subdivision thereof, other than of the District. The District shall only be obligated to pay the principal of, premium if any and interest on the Bonds from the funds described in the Fiscal Agent Agreement, and neither the faith and credit nor the taxing power of the District (except to the limited extent set forth in the Fiscal Agent Agreement), the City, the State of California or any of its political subdivisions is pledged to the payment of the principal of or the interest on the Bonds. The District has no ad valorem taxing power (See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” and “SPECIAL RISK FACTORS” herein).

Reserve Fund for the Bonds. As additional security for the Bonds, the Fiscal Agent Agreement provides for the establishment of the Reserve Fund in the amount of the Reserve Requirement. The “Reserve Requirement” as defined under the Fiscal Agent Agreement means as of any calculation date, an amount equal to the least of (i) ten percent (10%) of the proceeds of the Bonds (within the meaning of section 148 of the Code); (ii) 125% of average annual debt service on the Bonds; or (iii) the maximum annual debt service of the Bonds, provided, however, the Reserve Requirement on any calculation date shall not be greater than the Reserve Requirement amount on the Closing Date. As of the date of issuance of the Bonds, the Reserve Requirement will be fully funded in the amount of \$_____.

Special Taxes. As used in this Official Statement, the term “Special Tax” is that tax which has been authorized pursuant to the Act to be levied against certain interests in property within the District, including any scheduled payments and any prepayments thereof, the net proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes in the amount of said lien, but excluding therefrom penalties and interest. The Special Tax will be levied on property within the District in accordance with the Rate and Method. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Repayment of the Bonds - Special Taxes” and APPENDIX A — “RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES.” Under the Fiscal Agent Agreement, the District has pledged to repay the Bonds from the Special Tax Revenues remaining after the payment of certain annual Administrative Expenses of the District (the “Net Taxes”) and amounts on deposit in the Special Tax Fund, the Bond Fund, Redemption Fund and Reserve Fund established under the Fiscal Agent Agreement. “Special Tax Revenues” is defined under the Fiscal Agent Agreement as (a) the proceeds of the Special Taxes received by the District, (b) income and gains with respect to the investment of amounts on deposit in the funds and accounts established under the Fiscal Agent Agreement for the Bonds, (c) proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes, and (d) the net proceeds of the sale of any delinquent installments of the Special Taxes that have been sold and assigned to a third party, but does not include any penalties or interest in excess of the interest payable on the Bonds collected in connection with delinquent Special Taxes.

Assessed and Appraised Values; Value-to-Lien Ratios. As of January 1, 2019 the net assessed value of the property within the District subject to the levy of the Special Tax in Fiscal Year 2019-20 was a little over \$37 million, resulting in an estimated assessed value-to-lien ratio of 9.6* to 1 for the property subject to the Special Tax levy in Fiscal Year 2019-20 based on the principal amount of the Bonds, and an estimated assessed value-to-lien ratio of ____* to 1 based upon the principal amount of the Bonds and the direct and overlapping debt payable from other taxes and assessments levied on the property within the District. See “COMMUNITY FACILITIES DISTRICT - Direct and Overlapping Debt, and -Estimated Value-to-Lien Ratios” herein.

An appraisal, dated October 25, 2019 (the “Appraisal”), of all property within the District, excluding 80 completed homes owned by individual homeowners with assessed value of both land and improvements (the “Appraised Property”), was prepared by Integra Realty Resources, San Francisco, California (the “Appraiser”) in connection with issuance of the Bonds. The purpose of the Appraisal was to ascertain the “as is” not-less-than market value of the fee simple estate for the Appraised Property, all as of the October 1, 2019 date of value¹.

Subject to the assumptions and limitations contained in the Appraisal, the Appraiser estimated that the market value of the Appraised Property subject to the lien of the Special Taxes, has an estimated aggregate “as

* Preliminary, subject to change.

¹ Appraisal utilized the status of the development as of July 1, 2019 County tax rolls.

is” not-less-than market value of \$36,440,000 as of October 1, 2019 date of value. The appraised value of the Appraised Property have a combined value-to-lien ratio of 12.1* to 1 based on the appraised values and its applicable share of the principal amount of the Bonds.

The assessed value for fiscal year 2019-20 for the 80 completed homes owned by individual homeowners is \$24,482,897.

The combined value (assessed value for the 80 completed homes owned by individual landowners and appraised value for all other remaining property) of just under \$61 million, results in an estimated combined value-to-lien ratio of 15.78* to 1 based on the principal amount of the Bonds, and an estimated combined value-to-lien ratio of ____* to 1 based on the direct and overlapping debt within the District. See “- Assessed Valuation” and “- Appraisal” herein.

The 276 parcels of Developed Property within the District have a combined assessed/appraised value of \$52,730,931, resulting in a combined value to lien ratio of approximately 19* to 1. The 12 parcels of Undeveloped Property covering 233 unfinished lots and 11 finished lots without building permits, has a value-to-lien ratio of 7.55* to 1 based on the appraised values and the principal amount of the Bonds.

There is no assurance that the Appraisal Property can be sold for the appraised value described herein, or for a price sufficient to pay the principal of and interest on the Bonds in the event of a default in payment of Special Taxes by the current landowners or future landowners within the District. See “SPECIAL RISK FACTORS — Assessed or Appraised Valuations; Value-to-Lien Ratios” and APPENDIX D — “APPRAISAL REPORT” herein.

Foreclosure Proceeds. The District will covenant, should the Special Taxes no longer be subject to the County’s Teeter Plan, that it will commence, and diligently pursue until the delinquent Special Taxes are paid, judicial foreclosure proceedings against Assessor’s Parcels (as defined in the Rate and Method) with delinquent Special Taxes in excess of \$5,000 by the October 1 following the close of the fiscal year in which such Special Taxes were due, and it will commence, and diligently pursue until the delinquent Special Taxes are paid, judicial foreclosure proceedings against all Assessor’s Parcels with delinquent Special Taxes by the October 1 following the close of any Fiscal Year in which it receives Special Taxes in an amount which is less than 95% of the total Special Tax levied and the amount in the Reserve Fund is less than the Reserve Requirement.

As of September 1, 2019, there was one parcel within the District delinquent in the amount of \$440 or 0.12% in the payment of Special Taxes for 2018-19, and one parcel delinquent in the amount of \$574 or 0.15% of the 2017-18 Special Tax levy; however, due to the participation of the District in the County’s Teeter Plan, the District received 100% of the Special Tax levy. Although certain parcels have been delinquent in the payment of Special Taxes in the past, the District has never been required to proceed to a foreclosure sale for delinquent Special Taxes and has never received less than the annual Special Tax levy. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS— Repayment of the Bonds - *Proceeds of Foreclosure Sales*” and Table 10 herein.

There is no assurance that the property interests within the District against which the Special Taxes are levied can be sold at foreclosure or otherwise for the assessed values described herein, or for a price sufficient to pay the principal of and interest on the Bonds in the event of a default in payment of Special Taxes by the current or future landowners within . See “SPECIAL RISK FACTORS—Assessed or Appraised Valuations; Value-to-Lien Ratios.”

Additional Bonds and Liens. Except for refunding purposes, the District may not issue bonds, notes or other forms of indebtedness payable from Special Tax Revenues and secured by a lien and charge equal to the lien and charge securing the Bonds. Other taxes and/or special assessments with liens equal in priority to the continuing lien of the Special Taxes have been levied and may also be levied in the future on the property within the District which could adversely affect the willingness of the owners of the taxable parcels within the District

to pay the Special Taxes when due. See “SPECIAL RISK FACTORS—Parity Taxes and Special Assessments” herein.

Description of the Bonds

The Bonds will be issued and delivered as fully registered bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (“DTC”), and will be available to actual purchasers of the Bonds (the “Beneficial Owners”) in the denominations of \$5,000 or any integral multiple thereof, under the book-entry system maintained by DTC, only through brokers and dealers who are or act through DTC Participants as described herein. Beneficial Owners will not be entitled to receive physical delivery of the Bonds. In the event that the book-entry only system described herein is no longer used with respect to the Bonds, the Bonds will be registered and transferred in accordance with the Fiscal Agent Agreement. See APPENDIX G — “BOOK-ENTRY ONLY SYSTEM” herein.

Principal of, premium, if any, and interest on the Bonds is payable by the Fiscal Agent to DTC. Disbursement of such payments to DTC Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of DTC Participants. In the event that the book-entry only system is no longer used with respect to the Bonds, the Beneficial Owners will become the registered owners of the Bonds and will be paid principal and interest by the Fiscal Agent, all as described herein. See APPENDIX G — “BOOK-ENTRY ONLY SYSTEM” herein.

The Bonds are subject to optional redemption, extraordinary mandatory redemption and mandatory sinking redemption as described herein. For a more complete description of the Bonds and the basic documentation pursuant to which they are being sold and delivered, see “THE BONDS” and APPENDIX C — “SUMMARY OF THE FISCAL AGENT AGREEMENT” herein.

Professionals Involved in the Offering

MUFG Union Bank, N.A. will act as Fiscal Agent under the Fiscal Agent Agreement. Brandis Tallman LLC is the Underwriter of the Bonds. U.S. Bank National Association will act as Escrow Bank under the Escrow Agreement. Certain proceedings in connection with the issuance and delivery of the Bonds are subject to the approval of Norton Rose Fulbright US LLP, Los Angeles, California, Bond Counsel and Disclosure Counsel. See APPENDIX F — FORM OF OPINION OF BOND COUNSEL.” Fieldman, Rolapp & Associates, Inc., Irvine, California, is acting as Municipal Advisor to the City in connection with the Bonds. Certain legal matters will be passed upon for the District by the City Attorney, and for the Underwriter by its counsel, Kutak Rock LLP, Irvine, California. Other professional services have been performed by Goodwin Consulting Group, Inc., Sacramento, California, as Special Tax Consultant, and by Integra Realty Resources, San Francisco, California, as appraiser.

Continuing Disclosure

The District will agree to provide, or cause to be provided, to the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access (EMMA) system certain annual financial information and operating data, and notice of certain enumerated events. This covenant is made by the District in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5). Lennar is responsible for over ten percent (10%) of the special tax levy for fiscal year 2019-20, and has agreed to provide to the District and EMMA certain financial and project information related to the District, and notice of certain enumerated events. See “CONTINUING DISCLOSURE” herein and APPENDIX E hereto for a description of the specific nature of the periodic reports and notice of enumerated events to be filed by the District and Lennar.

Bond Owners’ Risks

Certain events could affect the timely repayment of the principal of and interest on the Bonds when due. See the section of this Official Statement entitled “SPECIAL RISK FACTORS” for a discussion of certain

factors which should be considered, in addition to other matters set forth herein, in evaluating an investment in the Bonds. *The purchase of the Bonds involves significant investment risks, and the Bonds may not be suitable investments for many investors.* See “SPECIAL RISK FACTORS” herein.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change.

Brief descriptions of the Bonds and the Fiscal Agent Agreement are included in this Official Statement. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to the Fiscal Agent Agreement, the Bonds and the Constitution and laws of the State as well as the proceedings of the City Council, acting as the legislative body of the District, are qualified in their entirety by references to such documents, laws and proceedings, and by reference to the Fiscal Agent Agreement.

Copies of the Fiscal Agent Agreement and other documents and information referred to herein are available for inspection and (upon request and payment to the City of a charge for copying, mailing and handling) for delivery from the City of Merced, 678 West 18th Street, Merced, California 95340.

ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the expected sources and uses of Bond proceeds and funds relating to the Prior Bonds:

Sources of Funds

Principal Amount of Bonds	\$.00
Net Original Issue Premium	
Prior Funds ⁽¹⁾	
TOTAL SOURCES	\$ _____

Uses of Funds

Escrow Fund	\$
Reserve Fund	
Administrative Expense Fund	
Bond Tax Fund	
Costs of Issuance Fund ⁽²⁾	
Underwriter's Discount	_____
TOTAL USES	\$ _____

⁽¹⁾ Funds transferred from the special tax fund and the reserve fund relating to the Prior Bonds, as well as Special Taxes not yet transferred to the Prior Bonds Fiscal Agent.

⁽²⁾ Includes fees for Bond Counsel, Disclosure Counsel, Municipal Advisor, the Appraiser, the Fiscal Agent, the Escrow Bank, costs of printing the Official Statement, and other costs of issuance of the Bonds.

THE REFUNDING PLAN

A portion of the proceeds from the sale of the Bonds will be used along with other funds relating to the Prior Bonds and Special Taxes not yet transferred to the Prior Bonds Fiscal Agent to defease and redeem the Prior Bonds. On the Closing Date, such Bond proceeds and other funds will be deposited into an escrow fund (the "Escrow Fund") to be held by U.S. Bank National Association, as escrow bank (the "Escrow Bank"), pursuant to an escrow agreement relating to the Prior Bonds, dated as of December 1, 2019, between the District and the Escrow Bank (the "Escrow Agreement"). The deposit into the Escrow Fund will be invested in certain prescribed securities authorized under the Prior Fiscal Agent Agreement and will be in an amount sufficient to pay the redemption price of the Prior Bonds upon early call and redemption of the Prior Bonds on March 1, 2020.

Sufficiency of the deposits in the Escrow Fund for such purposes will be verified by Causey Demgen & Moore, P.C., Denver, Colorado (the "Verification Agent"). Assuming the accuracy of such computations, as a result of the deposit and application of funds as provided in the Escrow Agreement, the Prior Bonds will be discharged under the Prior Fiscal Agent Agreement pursuant to which they were issued and the Prior Bonds will no longer be secured by a pledge of and lien on the Special Taxes from the District and the owners of the Prior Bonds will have no rights thereunder except to be paid the principal and interest due on the Prior Bonds from amounts in the Escrow Fund.

THE BONDS

General Provisions

The Bonds will be dated their date of delivery and will bear interest at the rates per annum set forth on the inside cover page hereof, payable semiannually on each March 1 and September 1, commencing March 1, 2020 (each, an “Interest Payment Date”), and will mature in the amounts and on the dates set forth on the inside cover page of this Official Statement. The Bonds will be issued in fully registered form in denominations of \$5,000 or any integral multiple thereof. So long as the Bonds are held in book-entry form, principal and interest on the Bonds will be paid to DTC for subsequent disbursement to DTC Participants who are to remit such payments to the Beneficial Owners in accordance with DTC procedures. See APPENDIX G — “BOOK-ENTRY ONLY SYSTEM.”

Interest will be calculated on the basis of a 360-day year comprised of twelve 30-day months. Interest on any Bond will be payable from the Interest Payment Date next preceding the date of authentication of that Bond, unless (i) such date of authentication is an Interest Payment Date, in which event interest will be payable from such date of authentication; (ii) the date of authentication is after the fifteenth day of the month immediately preceding an Interest Payment Date but prior to such Interest Payment Date, in which event interest will be payable from the Interest Payment Date immediately succeeding the date of authentication; or (iii) the date of authentication is prior to the close of business on February 15, 2020, in which event interest will be payable from the date of the Bonds; provided, however, that if at the time of authentication of a Bond, interest is in default, interest on that Bond will be payable from the last Interest Payment Date to which the interest has been paid or made available for payment.

Authority for Issuance

The Bonds will be issued pursuant to the Act and the Fiscal Agent Agreement. On November ____, 2019, the City Council of the City adopted a resolution (the “Resolution”) approving the issuance of the Bonds.

Redemption

Optional Redemption. The Bonds are subject to redemption prior to maturity at the option of the District from any source of funds, on any Interest Payment Date on or after September 1, 20__ as a whole or in part, from such maturities as selected by the District in order to maintain substantially level debt service, and by lot within a maturity, at a redemption price (expressed as a percentage of the principal amount of the Bonds to be redeemed), together with accrued interest thereon to the date fixed for redemption, as follows:

Redemption Dates

Redemption Prices

Special Mandatory Redemption from Prepayment of Special Taxes. The Bonds are also subject to mandatory redemption on any Interest Payment Date on or after March 1, 2020 in whole or in part from such maturities as selected by the District in order to maintain substantially level debt service, and by lot within a maturity, from amounts constituting prepayments of Special Taxes at the following redemption prices (expressed as a percentage of the principal amount of Bonds to be redeemed), together with accrued interest thereon to the redemption date:

Redemption DatesRedemption Prices

Mandatory Sinking Payment Redemption. The Bonds maturing on September 1, 20____ and September 1, 20__ are subject to mandatory sinking fund redemption in part, on September 1 in each year commencing September 1, 20__ and September 1, 20__, respectively, and on each September 1, thereafter to maturity, by lot, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date of redemption, without premium, and from sinking payments as follows:

Term Bonds Maturing September 1, 20__

Year (September 1)	Principal Amount	Year (September 1)	Principal Amount
-----------------------	---------------------	-----------------------	---------------------

*maturity

Term Bonds Maturing September 1, 20__

Year (September 1)	Principal Amount	Year (September 1)	Principal Amount
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*maturity

The amounts in the foregoing schedules are to be reduced by the District pro rata among redemption dates, in order to maintain substantially level debt service, as a result of any prior or partial redemption of the Bonds pursuant to optional or special mandatory redemption described above.

Notice of Redemption. So long as the Bonds are held by DTC, all notices of redemption will be sent only to DTC in accordance with its procedures and will not be delivered to any Beneficial Owner. The Fiscal Agent will cause notice of any redemption to be mailed by first-class mail, postage prepaid, at least thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption, to the respective registered Owners of any Bonds designated for redemption, at their addresses appearing on the Bond registration books in the Corporate Trust Office of the Fiscal Agent; but such mailing will not be a condition precedent to such redemption and failure to mail or to receive any such notice, or any defect therein, will not affect the validity of the proceedings for the redemption of such Bonds.

Such notice will state the redemption date and the redemption price and, if less than all of the then Outstanding Bonds are to be called for redemption, will designate the Bond numbers of the Bonds to be redeemed or will state that all Bonds between two stated Bond numbers, both inclusive, are to be redeemed or that all of the Bonds of one or more maturities have been called for redemption, will state as to any Bond called in part the principal amount thereof to be redeemed, and will require that such Bonds be then surrendered at the Corporate Trust Office of the Fiscal Agent for redemption at the said redemption price, and will state that further interest on such Bonds will not accrue from and after the redemption date. The cost of mailing any such redemption notice and any expenses incurred by the Fiscal Agent in connection therewith will be paid by the District.

If at the time of mailing of any notice of optional redemption there will not have been deposited with the Fiscal Agent moneys sufficient to redeem all the Bonds called for redemption, such notice will state that it is subject to the deposit of the redemption moneys with the Fiscal Agent not later than the opening of business on the redemption date and will be of no effect unless such moneys are so deposited.

The District will have the right to rescind any notice of optional redemption by written notice to the Fiscal Agent on or prior to the date fixed for redemption. Any notice of such redemption will be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default hereunder. The District and the Fiscal Agent shall have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Fiscal Agent will mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent.

Whenever provision is made for the redemption of less than all of the Bonds or any given portion thereof, the Fiscal Agent will select the Bonds to be redeemed, from all Bonds or such given portion thereof not previously called for redemption, among maturities as specified by the District in a written certificate delivered to the Fiscal Agent, and by lot within a maturity in any manner which the District in its sole discretion shall deem appropriate and fair. In providing such certificate, the District will provide for the redemption of Bonds such that the remaining Debt Service payable on the Bonds will remain as level as possible.

Effect of Redemption. When notice of redemption has been given, and when the amount necessary for the redemption of the Bonds called for redemption is set aside for that purpose in the Redemption Fund, the Bonds designated for redemption will become due and payable on the date fixed for redemption, and upon presentation and surrender of the Bonds at the place specified in the notice of redemption, and no interest will accrue on the Bonds called for redemption from and after the redemption date, and the Beneficial Owners of the redeemed Bonds, after the redemption date, may look for the payment of principal and premium, if any, of such Bonds or portions of Bonds only to the Redemption Fund and shall have no rights, except with respect to the payment of the redemption price from the Redemption Fund.

Registration, Transfer and Exchange

Registration. The Fiscal Agent will keep sufficient books for the registration and transfer of the Bonds. The ownership of the Bonds will be established by the bond registration books held by the Fiscal Agent.

Transfer or Exchange. Whenever any Bond is surrendered for registration of transfer or exchange, the Fiscal Agent will authenticate and deliver a new Bond or Bonds of the same maturity, for a like aggregate principal amount of authorized denominations; provided that the Fiscal Agent will not be required to register transfers or make exchanges of (i) Bonds for a period of 15 days next preceding the date of any selection of the Bonds to be redeemed, or (ii) any Bonds chosen for redemption.

Additional Bonds for Refunding Purposes Only

Except for refunding purposes, the District may not issue bonds, notes or other forms of indebtedness payable from Special Tax Revenues and secured by a lien and charge equal to the lien and charge securing the Bonds. The District will covenant in the Fiscal Agent Agreement not to issue any indebtedness having a lien, charge, pledge or encumbrance on the Net Taxes senior or superior to the Bonds. The District may issue indebtedness that has a lien, charge, pledge or encumbrance on the Net Taxes junior and subordinated to that for the Bonds.

Debt Service Schedule

The following table presents the annual debt service on the Bonds, assuming there are no early redemptions. However, it should be noted that the Rate and Method allows prepayment of the Special Taxes in full or in part and the Fiscal Agent Agreement permits redemption of Bonds from the proceeds of any prepayments of Special Taxes.

See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Special Taxes” and “THE BONDS — Redemption.”

TABLE 1
THE BONDS
DEBT SERVICE SCHEDULE

<i>Period ending (September 1)</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
TOTAL	<u>\$3,860,000*</u>		

Source: Underwriter.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

Repayment of the Bonds

General. The Bonds of the District are special limited obligations of the District, payable solely from Net Taxes applicable to the District and the other assets pledged therefor under the related Fiscal Agent Agreement. Subject only to the provisions of the Fiscal Agent Agreement permitting the application thereof for the purposes and on the terms and conditions set forth therein, all of the Net Taxes applicable to the District and any other amounts held in the Special Tax Fund, Bond Fund, the Redemption Fund and the Reserve Fund established under the Fiscal Agent Agreement are pledged to secure the payment of the principal of, premium if any, and interest on the Bonds, in accordance with its terms, the Fiscal Agent Agreement and the Act. Each such pledge constitutes a first lien on such assets.

“Net Taxes” are defined in the Fiscal Agent Agreement to mean Special Tax Revenues, less amounts required to pay Administrative Expenses (subject to the limitations contained in the Fiscal Agent Agreement as to the amounts available to pay Administrative Expenses at any particular time).

* Preliminary, subject to change.

“Special Tax Revenues” are defined in the Fiscal Agent Agreement to mean (a) the proceeds of the Special Taxes received by the District, (b) income and gains with respect to the investment of amounts on deposit in the funds and accounts established under the Fiscal Agent Agreement for the Bonds, (c) proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes, and (d) the net proceeds of the sale of any delinquent installments of the Special Taxes that have been sold and assigned to a third party, but does not include any penalties or interest in excess of the interest payable on the Bonds collected in connection with delinquent Special Taxes.

Neither the faith and credit nor the taxing power of the District (except to the limited extent set forth in the Fiscal Agent Agreement), the City, or the State of California or any political subdivision thereof is pledged to the payment of the Bonds. Except for the Special Taxes, no other taxes are pledged to the payment of the Bonds.

Special Taxes. The Special Taxes are excepted from the tax rate limitation of Article XIII A of the California Constitution pursuant to Section 4 thereof as a “special tax” authorized by at least two-thirds vote of the qualified electors as set forth in the Act. Consequently, the City Council of the City on behalf of the District has the power and is obligated by the Fiscal Agent Agreement to cause the levy and collection of the Special Taxes.

The rate and method of apportionment of the Special Taxes for the District (the “Rate and Method”) was approved by the qualified electors of the District at the time of formation of the District (See “APPENDIX A - RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES” herein).

The Special Taxes are to be levied and collected according to the Rate and Method for the District.

The amount, if any, of the Special Tax to be levied annually for the District depends on, among other things, whether a given parcel is classified as Developed Property, Undeveloped Property, Excess Property Owner Association Property, or Excess Public Property (as defined in the Rate and Method). The Special Tax on Developed Property is based on per unit for a specific subdivision or “tax zone” for single family dwellings, and acreage for other residential or non-residential property. The Special Tax on Undeveloped Property is based on acreage.

As of September 5, 2019, the Taxable Property within the District consists of 276 parcels designated as Developed Property under the Rate and Method of which 160 are completed single-family residences owned by individual homeowners and 116 are improved (or finished) single-family lots owned by Lennar, and 12 parcels (zoned for 244 residential lots) owned by Lennar that have been classified under the Rate and Method as Undeveloped Property.

Pursuant to the Fiscal Agent Agreement, the District shall fix and levy the amount of Special Taxes within the District in accordance with the Rate and Method and, subject to the limitations in the Rate and Method as to the maximum Special Tax that may be levied, in an amount sufficient to yield the amount required for the payment of principal of and interest on any Outstanding Bonds becoming due and payable during the ensuing year, the amount required for any necessary replenishment of the reserve fund established for the District and the amount estimated to be sufficient to pay the Administrative Expenses of the District during such year, taking into account the balances in the funds and accounts established under the Fiscal Agent Agreement.

Although the Special Taxes will constitute a lien on parcels of real property within the District, they do not constitute a personal indebtedness of the owner(s) of real property within the District. There is no assurance that the property owner(s), or any successors and/or assigns thereto or subsequent purchaser(s) of land within the District, will be able to pay the annual Special Taxes or if able to pay the Special Taxes that they will do so (see “SPECIAL RISK FACTORS” and “THE COMMUNITY FACILITIES DISTRICT” herein).

The Special Taxes levied in any fiscal year may not exceed the maximum rates authorized pursuant to the Rate and Method. See APPENDIX A—“RATE AND METHOD OF APPORTIONMENT OF SPECIAL

TAXES.” There is no assurance that the Special Tax proceeds will, in all circumstances, be adequate to pay the principal of and interest on the Bonds when due. See “SPECIAL RISK FACTORS—Insufficiency of Special Taxes” herein.

The District has made certain covenants in the Fiscal Agent Agreement for the purpose of ensuring that the current maximum Special Tax rates and method of collection of the Special Taxes are not altered in a manner that would impair the Districts’ ability to collect sufficient Special Taxes to pay debt service on the Bonds and Administrative Expenses when due. First, the District has covenanted that, to the extent it is legally permitted to do so, it will only reduce the maximum Special Tax rates in accordance with the Fiscal Agent Agreement and will oppose the reduction of maximum Special Tax rates by initiative where such reduction would reduce the maximum Special Taxes payable from Developed Property to less than 110% of the sum of estimated Administrative Expenses and Maximum Annual Debt Service on Outstanding Bonds. See “SPECIAL RISK FACTORS—Ballot Initiatives.” Second, the District has covenanted not to permit the tender of Bonds in payment of any Special Taxes except upon receipt of a certificate of an Independent Financial Consultant that to accept such tender will not result in the District having insufficient Special Tax revenues to pay the principal of and interest on the Bonds remaining Outstanding following such tender. See “SPECIAL RISK FACTORS—Non-Cash Payments of Special Taxes.”

Collection of Special Taxes. The Special Taxes initially are required to be collected by the County of Merced Tax Collector in the same manner and at the same time as regular ad valorem property taxes are collected by the Tax Collector of the County. When received, such Special Taxes will be deposited in the Special Tax Receipts Fund for the District to be held by the District and transferred to the Fiscal Agent for deposit in the Special Tax Fund as provided in the Fiscal Agent Agreement.

The County has adopted a Teeter Plan as provided for in Section 4701 et seq. of the California Revenue and Taxation Code, under which a tax distribution procedure is implemented and secured roll taxes are distributed to taxing agencies within the County on the basis of the tax levy, rather than on the basis of actual tax collections. **The Special Taxes are included in the County’s Teeter Plan but there can be no assurance that the County will continue the Teeter Plan or that the Special Taxes will continue to be included within the Teeter Plan.** The District is not aware of any plans by the County to discontinue the Teeter Plan or no longer include the Special Taxes within the Teeter Plan.

The District levied \$375,278.18 of Special Taxes for the 2019-20 fiscal year.

Proceeds of Foreclosure Sales. The Special Tax Revenues pledged to the payment of principal of and interest on the Bonds under the Fiscal Agent Agreement include the net proceeds, exclusive of penalties and interest, received following a judicial foreclosure sale of an interest in a parcel within the District resulting from a taxpayer’s failure to pay the Special Taxes when due.

Pursuant to Section 53356.1 of the Act, in the event of any delinquency in the payment of any Special Tax or receipt by the District of Special Taxes in an amount which is less than the Special Tax levied, the City Council, as the legislative body of the District, may order that any delinquent Special Taxes be collected by a superior court action to foreclose the lien of the Special Tax within specified time limits. In such an action, the real property or leasehold interest therein subject to the unpaid amount may be sold at a judicial foreclosure sale. Under the Act, the commencement of judicial foreclosure following the nonpayment of a Special Tax is not mandatory. However, the District has covenanted that, should the Special Taxes no longer be subject to the County’s Teeter Plan, it will commence and diligently pursue to completion, judicial foreclosure proceedings against (i) Assessor’s Parcels with delinquent Special Taxes in excess of \$5,000 or more by the October 1 following the close of the Fiscal Year in which such Special Taxes were due; and (ii) all Assessor’s Parcels with delinquent Special Taxes by the October 1 following the close of any fiscal year in which the District receives Special Taxes in an amount which is less than 95% of the total Special Tax levied and the amount in the Reserve Fund for the Bonds is less than the Reserve Requirement. See APPENDIX C—“SUMMARY OF THE FISCAL AGENT AGREEMENT” herein.

If foreclosure is necessary and other funds (including amounts in the Reserve Fund) have been exhausted, debt service payments on the Bonds could be delayed until the foreclosure proceedings result in the receipt of any foreclosure sale proceeds. Judicial foreclosure actions are subject to the normal delays associated with court cases and may be further slowed by bankruptcy actions, involvement by agencies of the federal government and other factors beyond the control of the City and the District. See “SPECIAL RISK FACTORS—Bankruptcy and Foreclosure” herein. Moreover, no assurances can be given that the interests in the property subject to foreclosure and sale at a judicial foreclosure sale will be sold or, if sold, that the proceeds of such sale will be sufficient to pay any delinquent Special Tax installment. See “SPECIAL RISK FACTORS—Assessed or Appraised Valuation; Value-to-Lien Ratios” herein. Although the Act authorizes the District to cause such an action to be commenced and diligently pursued to completion, the Act does not impose on the District or the City any obligation to purchase or acquire any interest in the property sold at a foreclosure sale if there is no other purchaser at such sale. The Act provides that, in the case of a delinquency, the Special Tax will have the same lien priority as is provided for *ad valorem* taxes.

Prepayment of Special Taxes. Under the Rate and Method, the owner of a parcel may voluntarily prepay the Special Tax obligation for a parcel in whole. Any voluntary prepayment of Special Taxes will result in an extraordinary redemption of the Bonds. See “THE BONDS—Redemption—*Extraordinary Redemption*.”

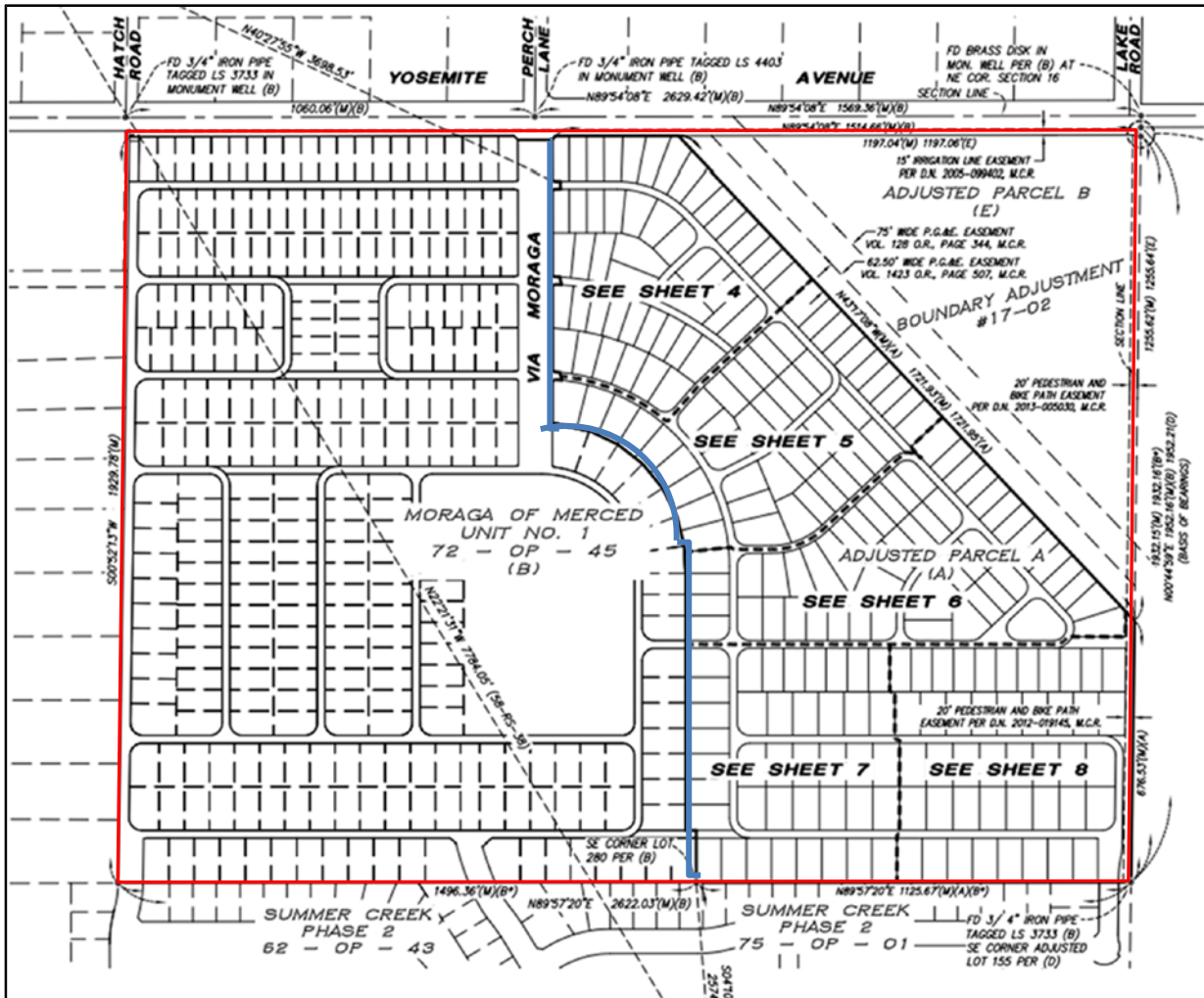
Reserve Fund. As additional security for the Bonds, the Fiscal Agent Agreement provides for the establishment of the Reserve Fund in the amount of the Reserve Requirement. The “Reserve Requirement” as defined under the Fiscal Agent Agreement means as of any calculation date, an amount equal to the least of (i) ten percent (10%) of the proceeds of the Bonds (within the meaning of section 148 of the Code); (ii) 125% of average annual debt service on the Bonds; or (iii) the maximum annual debt service of the Bonds, provided, however, the Reserve Requirement on any calculation date shall not be greater than the Reserve Requirement amount on the Closing Date. As of the date of issuance of the Bonds, the Reserve Requirement will be fully funded in the amount of \$_____.

Subject to the limits on the maximum annual Special Tax which may be levied within the District, the District covenants to levy Special Taxes in an amount that is anticipated to be sufficient, in light of the other intended uses of the Special Tax proceeds, to maintain the balance in the Reserve Fund at the Reserve Requirement. Amounts in the Reserve Fund are to be applied to (i) pay debt service on the Bonds, to the extent other monies are not available therefor; (ii) redeem the Bonds in whole or in part; and (iii) pay the final installments of principal and interest due on the Bonds. In the event of a prepayment of Special Taxes, under certain circumstances, a portion of the Reserve Fund will be added to the amount being prepaid and be applied to redeem Bonds; provided, however, that no such transfer shall be made if it would result in the amount in the Reserve Fund being less than the Reserve Requirement. See APPENDIX C “SUMMARY OF THE FISCAL AGENT AGREEMENT - Reserve Fund” herein.

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* Preliminary, subject to change.

MORAGA OF MERCED - UNITS 1 AND 2



*Boundaries are approximate

Unit 1

Unit 2



MORAGA OF MERCED

UNIT 1



THE COMMUNITY FACILITIES DISTRICT

History of the District

On May 15, 2006, the City Council adopted a Resolution of Intention to form a community facilities district under the Act, to levy a special tax and to incur bonded indebtedness for the purpose of financing certain improvements. After conducting a noticed public hearing, on July 3, 2006, the City Council adopted the Resolution of Formation, which established the District and set forth the Rate and Method for the District. On July 3, 2006 an election was held within the District in which the landowners eligible to vote unanimously approved the proposed bonded indebtedness and the levy of the Special Tax within the District.

The boundaries of the District coincide with the boundaries of the Moraga of Merced master-planned development, referred to herein as the Development. The District is comprised of approximately 117 acres zoned for residential development of which 7.16 acres will be parkland. The District has an overall rectangular shape and located in the northeastern section of the City, south of Yosemite Avenue, east of Whitewater Way, north of Freestone Way and west of Lake Road in an area with a mix of existing housing and agricultural use land. The topography of the District is generally level and at street level.

Proceeds of the Prior Bonds were used to acquire from the original developer certain capital improvements for the District, including Yosemite Avenue improvements, water improvements, sewer lift station and force main, storm drainage improvements and traffic signals.

For a detailed map of the District, including the Units 1 and 2 and the lots expected therein, and the Lennar product line distribution in Unit 1, see the maps on the previous pages.

The Development

The District is planned to include a total of 520 residential dwelling units. Unit 1 is planned for 287 homes. Unit 2 consists of approximately 44 acres and is planned for the remaining 233 homes. The original developer of the project completed initial site development and completed and sold 38 homes before the project stalled due to declining market conditions in mid to late 2000s.

Within Unit 1, 249 finished lots were sold on September 1, 2017 to Lennar Homes of California, Inc. (“Lennar”) from Moraga LP. The 249 lots, with all onsite and offsite improvements in place, comprise the three product lines currently being developed by Lennar. At the time of the sale, the 249 lots had a final map in place and were finished with all offsite and onsite improvements in place. Since the date of the sale, Lennar has begun constructing homes and projects to have the final closings in October 2020.

On December 4, 2018, Lennar purchased the remaining parcel with 233 unimproved lots within Unit 2 from CBCP Assets, LLC. On October 21, 2019, the City approved a final subdivision map and subdivision agreement for the 233 lots. Installation of wet utilities is currently underway in Unit 2. Lennar estimates it will cost \$8,500,000 to get the lots to finished condition and anticipates the lots to be finished by December 2020, with final closings in 2022-23. Lennar anticipates utilizing the same product line for Unit 2 that is has for Unit 1.

All property within the District has final map approval. In January 2003, the City adopted a Mitigated Negative Declaration regarding Expanded Initial Study #02-27 subject to a certain Mitigation Measures and Monitoring Program agreed to by the Developer pursuant to a Developer Agreement dated as of January 13, 2003 (the “Environmental Review”). The Environmental Review analyzed the potential environmental effects from all discretionary actions necessary to develop the master-planned community. All required permits from regulatory agencies have been acquired to complete the development within the District. All appeal periods with respect to such approvals have expired. Notwithstanding the foregoing, it is possible that future events

relating to environmental issues could impact the development. See “SPECIAL RISK FACTORS – Failure to Develop Undeveloped Property,” “ - Endangered and Threatened Species.”

The three neighborhoods currently being marketed by Lennar are Chateau, Skye and Summer Series. The typical lot size for the three product lines in Unit 1, Summer, Chateau and Skye, are 5,300, 6,215, and 7,345 square feet, respectively, and for the 233 lots in Unit 2 the average lot size is 6,667 sq. ft.

Lennar has 12 total floor plans across the three product lines for Unit 1 and which it intends to continue for Unit 2. For Unit 1, the Summer product line is expected to have its final closings in June 2020, Chateau product line in October 2020 and Skye product line in February 2020. All lots in Unit 2 are expected to be in finished lot condition by June 2020, with continuation of construction and sales of the three product lines. For Unit 2, final closings are anticipated in 2022-23. Each lot falls within Tax Zone A, B or C. See “Rate and Method of Apportionment of Special Tax” herein. Below are tables describing the three product lines and the number of lots within each special tax zone for Unit 1.

TABLE 2
COMMUNITY FACILITIES DISTRICT NO. 2006-1 (MORAGA OF MERCED)
OF THE CITY OF MERCED
LENNAR FLOOR PLANS

Product Line and Plan	Living Area (SF)	Stories	Bedrooms	Bathrooms	Garage Size	Base Price
SUMMER						
Driftwood	2,102	2	4	3	2	\$299,000
Sandpiper	2,504	2	5	3	2	\$329,000
Beachcomber	2,614	2	6	3	2	\$341,000
CHATEAU						
Duchess	1,787	1	3	2	2	\$288,300
Duke	1,898	1	3	2	2	\$298,800
Countess	2,280	2	4	2.5	2	\$328,800
Camelot	2,798	2	4	3.5	3	\$367,800
Chevalier	3,167	2	5	4	2	\$381,000
SKYE						
Sundance	2,029	1	3	2	2	\$320,800
Moonlight	2,269	1	4	2	2	\$342,800
Alpenglow	2,376	1	4	3	2	\$352,800
Solstice	2,570	1	4	3	2	\$370,800

Source: Appraisal.

TABLE 3
COMMUNITY FACILITIES DISTRICT NO. 2006-1 (MORAGA OF MERCED)
OF THE CITY OF MERCED
MAXIMUM SPECIAL TAX ZONE BY PRODUCT LINE
(Unit 1 – 249 Lots)

Product Line	Tax Zone A	Tax Zone B	Tax Zone C	Total
Summer	78	--	2	80
Chateau	--	104	3	107
Skye	--	--	62	62
TOTAL	78	104	67	249

Source: Appraisal.

As of September 5, 2019, there are 288 taxable parcels within the District. Of the taxable lots, 276 are designated as “Developed,” consisting of 160 completed single-family residences owned by individual homeowners (38 original and 122 sold by Lennar) and 116 improved (or finished) single-family lots owned by Lennar in various stages of development (the “Developed Property”). Lennar also owns 11 improved or finished lots with no vertical construction or permit within Unit 1, along with the parcel of 233 unimproved lots within Unit 2, all of which is currently designated as “Undeveloped” (the “Undeveloped Property”). The following table reflects the development status determined from the Appraisal utilizing information from the Merced County Assessor roll as of July 1, 2019.

TABLE 4
COMMUNITY FACILITIES DISTRICT NO. 2006-1 (MORAGA OF MERCED)
OF THE CITY OF MERCED
SUMMARY OF DEVELOPMENT STATUS
(As of July 1, 2019²)

Type of Property	Owner	Number of Lots
DEVELOPED		
Existing SF Homes Prior to Lennar	Individual Homeowners	38
Completed SF Homes	Individual Homeowners	42
Completed SF Homes w/o AV ²	Individual Homeowners	<u>31</u>
	Subtotal	111
Completed SF Homes w/o AV ²	Lennar Homes of Calif.	72
SF Homes Under Construction	Lennar Homes of Calif.	64
Finished Lots with Permits	Lennar Homes of Calif.	<u>29</u>
	Subtotal	165
	Developed Property Total	276
UNDEVELOPED		
Finished SF Lots	Lennar Homes of Calif.	11
Partially improved (unfinished) lots	Lennar Homes of Calif.	<u>233</u>
	Subtotal	244
	Undeveloped Property Total	<u>244</u>
	TOTAL	520

(1) Appraisal determined development status from Merced County Assessor roll as of July 1, 2019. As of September 5, 2019, completed single family homes owned by individual owners have increased from 111 to 160 pursuant to the records of Merced County Assessor.

(2) Currently do not have assessments for structural improvements by the Merced County Assessor.

Source: Appraisal.

The Developer

Based on the status of development as of September 5, 2019, approximately 58% of the projected fiscal year 2020-21 Special Taxes will be levied on property owned by Lennar.

Lennar Homes of California, Inc., a California corporation (previously defined as “Lennar”), is developing the property in the District (the “Development”). Lennar is based in Irvine, California, and has been in the business of developing residential real estate communities in California since 1995.

Lennar is wholly-owned by U.S. Home Corporation, a Delaware corporation (“U.S. Home”). U.S. Home is wholly-owned by Lennar Corporation.

Lennar Corporation, founded in 1954 and publicly traded under the symbol “LEN” since 1971, is one of the nation’s largest home builders, operating under a number of brand names, including Lennar and U.S. Home. Lennar primarily develops residential communities both within the Lennar Corporation family of builders and through consolidated and unconsolidated partnerships in which Lennar maintains an interest.

² As of September 5, 2019, the status of the development of the Appraised Property consists of 160 lots sold to individual homeowners, and 360 lots in various stages of development owned by Lennar.

Lennar Corporation is subject to the informational requirements of the Exchange Act and in accordance therewith files reports, proxy statements and other information with the SEC. Such filings, particularly the Annual Report on Form 10-K and its most recent Quarterly Report on Form 10-Q, may be inspected and copied at the public reference facilities maintained by the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. Such files can also be accessed over the internet at the SEC's website at www.sec.gov. This internet address is included for reference only and the information on the internet site is not a part of this Official Statement and is not incorporated by reference into this Official Statement. No representation is made in this Official Statement as to the accuracy or adequacy of the information contained on the internet site.

Copies of Lennar Corporation's Annual Report and related financial statements are available from Lennar Corporation's website at www.lennar.com. *This internet address is included for reference only and the information on the Internet site is not a part of this Official Statement and is not incorporated by reference into this Official Statement. No representation is made in this Official Statement as to the accuracy or adequacy of the information contained on the internet site.*

Additional Charges and Taxes

The original developer has formed the Moraga of Merced Home Owners Association ("Moraga HOA") in compliance with a condition of map approval for the Development. The principal purpose of the Moraga HOA is to ensure compliance with the Development covenants, conditions, and restrictions (CC&R's), manage the maintenance of all front yards and common area landscaping and manage parking restrictions throughout the Development. The monthly HOA assessment is \$70 and covers front yard landscaping, watering the front yard and maintenance of the park.

Developers within of the District pay an indexed school mitigation fees [(currently \$6.60 per square foot for residential and \$0.56 per square foot for commercial)] at the time of pulling building permits allocated among Merced City School District and Merced Union High School District.

The Developed properties within the District are currently subject to special taxes levied annually for East Merced School Facilities Community Facilities District (the "School CFD") and City of Merced Community Facilities District No. 2003-2 (Services) (the "Services CFD"). Undeveloped properties are not subject to these special taxes. The special tax for the School CFD averages \$825, \$977 and \$1,167 per lot for Tax Zones A, B and C, respectively. The Services CFD is \$1,040.72 per single family residential unit for the District for the 2019-20 fiscal year. Both of these special taxes contains an annual escalator. See "- Direct and Overlapping Debt."

General Location and Amenities

Moraga of Merced Master Planned Community is within the Merced City School District and Merced Union School District and served by two public elementary schools, Givens Elementary School and Cruickshank Middle School, as well as several private schools, including Merced Christian School. Students within the master planned community are currently within the attendance boundaries of the Golden Valley High School.

The Development is located in the eastern portion of the City, adjacent to new and recent home construction. The neighborhood is characterized as a growing suburban area. Immediately west and north of the subject is rural residential development that has been planned for low density residential development by the City in the long term.

The Merced Mall Shopping Center, located about 3.5 miles southwest of the Development, is anchored by tenants that include JC Penny, Kohl's and Big Lots, and includes over 70 stores, specialty shops, restaurants and a 7-screen theater. Additional retail development is mostly clustered along primary neighborhood thoroughfares and at major intersections. The Plaza at El Portal, a recently constructed office project, is located

southwest of the community. To the northwest is the site of the new race track as well as Castle Air Park and to the northeast is Lake Yosemite and the University of California at Merced campus, which opened in Fall 2005.

The primary downtown area of the City is located further south, between G Street and V Street, north of West 16th Street and south of West 19th Street. These areas are generally composed of more mature development utilized for a variety of retail and office uses. Notable users include the California Welcome Center at West 16th Street and M Street, and the Merced Civic Center at West 18th Street and N Street. Across from the City's Civic Center in downtown Merced is the UC Merced Downtown Campus Center, a three-story 67,400-square-foot, \$45 million administrative facility which includes offices, seminar and conference rooms, and mixed-use space and can accommodate up to 370 people.

Industrial and office properties are primarily located south of downtown Merced, along State Highway 99. Another notable community use is Mercy Medical Center, which is located in north Merced on G Street. The first phase of this teaching hospital opened in 2007 and has capacity for 185 patients. Over a 20-year period, this facility is planned to expand to allow for 435 patients.

Merced College is northwest of the development. As of Fall 2019, the University had almost 2,000 faculty and staff employees, and an enrollment of 9,230 undergraduates and graduate students. On July 21, 2016, the University of California, Merced, received final approval from the UC Board of Regents for an expansion plan that will nearly double the physical capacity of the campus by 2020, enabling enrollment growth to 10,000 students after the project is completed. The project will add approximately 1.2 million gross square feet (790,000 assignable square feet) of teaching, research, residential and student-support facilities adjacent to the existing campus. First phase of the construction was completed in fall 2018 and includes 700 new student beds, a 600-seat multipurpose dining facility, new classrooms and 940 new parking spaces. The second phase was completed by fall 2019 and includes a new wet-laboratory, computational laboratory buildings with faculty offices, and an outdoor competition field. The remainder of construction is to be completed in 2020 and includes a new wet-lab building with faculty offices and classrooms, 980 new beds in student housing, 630 new parking spaces, a conference center, a dedicated transit hub for buses, a new wellness center, an enrollment center, expansion of the existing Early Childhood Education Center, a swimming pool, three tennis courts and four basketball courts. It is expected that the enrollment will reach 25,000 by the year 2030.

Revitalization of the City's Downtown area is continuing. A Dickie's BBQ restaurant and an 88-room Marriott TownPlace Suites were opened in 2017 and 2018, respectively. Additional recent new retail establishments within the City include a Five Guys Burgers, Cozy Fox, Quickly, Pizza Factory, Stanton Optical, Premiere Car Wash and Les Schwab Tires.

The El Capitan Hotel renovation and expansion into a boutique hotel is currently underway within the downtown area of the City. This will preserve the historic 33-room hotel and add another 77 rooms, plus a restaurant and meeting rooms. Two major retail projects are moving forward; the Merced Mall, adding 90,000 square feet of new retail, food and entertainment space, plus a theatre as a second level and the Merced Gateway Retail Center at Mission-Healy interchange. The Center proposes more than 600,000 square feet of retail commercial development, 178 apartments, and a fire station on 71 acres.

The historic Hotel Tioga is undergoing a major beautification project, which includes restoring the former hotel to its grand stature. Inside, a transformation is taking place and Hotel Tioga will become home to residents wanting to experience life in Merced's Central Business District. The 70-unit structure includes studio, one-bedroom, two-bedroom, and penthouse units. Project completion is scheduled for February 2020.

Rate and Method of Apportionment of Special Tax

The amount, if any, of the Special Tax to be levied annually depends on, among other things, whether a given parcel is classified as Developed Property, Undeveloped Property, Excess Property Owner Association Property, or Excess Public Property, and also Single Family Residential Property or Other Property (as defined

in the Rate and Method). The Special Tax on Developed Property is based on per unit for a specific subdivision or “tax zone” for single family dwellings, and acreage for other residential or non-residential property.

The Assigned and Maximum Special Tax rates that can be levied each Fiscal Year are shown below.

TABLE 5
COMMUNITY FACILITIES DISTRICT NO. 2006-1 (MORAGA OF MERCED)
OF THE CITY OF MERCED

DEVELOPED PROPERTY
ASSIGNED SPECIAL TAX RATES

<i>Tax Zone</i>	<i>Type of Property</i>	<i>Assigned Special Tax</i>
A	Single Family Residential Property	\$734 per Unit
	Other Property	\$6,604 per Acre
B	Single Family Residential Property	\$880 per Unit
	Other Property	\$6,796 per Acre
C	Single Family Residential Property	\$1,148 per Unit
	Other Property	\$7,717 per Acre

DEVELOPED PROPERTY
BACK UP SPECIAL TAX RATES

<i>Tax Zone</i>	<i>Type of Property</i>	<i>Assigned Special Tax</i>
A	Single Family Residential Property	\$863 per Unit
	Other Property	\$6,604 per Acre
B	Single Family Residential Property	\$1,035 per Unit
	Other Property	\$6,796 per Acre
C	Single Family Residential Property	\$1,351 per Unit
	Other Property	\$7,717 per Acre

UNDEVELOPED PROPERTY
MAXIMUM SPECIAL TAX RATES

<i>Tax Zone</i>	<i>Type of Property</i>	<i>Maximum Special Tax</i>
A	Undeveloped Property	\$6,604 per Acre
B	Undeveloped Property	\$6,796 per Acre
C	Undeveloped Property	\$7,717 per Acre

Source: Rate and Method of Apportionment.

The Special Tax shall be levied proportionately first on each assessor parcel of Developed Property up to 100% of the Assigned Special Tax. If additional revenue is needed, the Special Tax shall be levied proportionately next on each assessor parcel of Undeveloped Property up to 100% of the Maximum Special Tax. If additional revenue is needed after applying the first two steps, the Special Tax levied on Developed Property whose Maximum Special Tax is derived by application of the Backup Special Tax shall be increased in equal

percentages from the Assigned Special Tax to the Maximum Special Tax for each parcel. Lastly, the Special Tax shall be levied on each assessor parcel of Excess Public Property and Excess Property Owner Association Property up to 100% of the Maximum Special Tax for Undeveloped Property.

The Maximum Special Taxes set forth above are calculated based on the expected land uses within the District. Parcels within the District are part of both a recorded final map and tentative maps. Final and tentative maps have been reviewed to ensure they reflect the number of residential units and acreage that was anticipated. If there is a change in the formation land use plans or if a new tentative map, revised tentative map, or new final map ("Land Use/Entitlement Change") is proposed that reduces the total Maximum Special Taxes that can be generated, the Council, prior to approval of the Land Use/Entitlement Change, will complete proceedings under the Act to increase the Maximum Special Tax, on Assessor Parcels owned by the landowner requesting same, to an amount sufficient to maintain the total Maximum Special Tax revenues that could be generated within the District before the Land Use/Entitlement Change was approved or the landowner requesting the Land Use/Entitlement Change will prepay to the City an amount that corresponds to the lost Maximum Special Tax revenue, as provided in the Rate and Method. Any such prepayment shall be used by the City to call Bonds. See "APPENDIX A -- RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES" hereto for a complete description of the District's procedures for levying Special Taxes.

The Annual Special Tax Levy in Fiscal Year 2019-20 totals \$375,278.18 calculated at 100% of the Assigned Special Tax Rates for Developed Property (status determined as of May 1, 2019) and 51.3% of the Maximum Special Tax Rates for Undeveloped Property. \$13,263 of this amount was budgeted to pay Administrative Expenses.

TABLE 6
COMMUNITY FACILITIES DISTRICT NO. 2006-1 (MORAGA OF MERCED)
OF THE CITY OF MERCED
SPECIAL TAX LEVY SUMMARY FOR 2019-20

Type of Property	Units/ Acres	Maximum/ Assigned Special Tax ⁽¹⁾	FY 2019-20 Actual Special Tax	FY 2019-20 Special Tax Levied	% of Special Tax Levied
TAX A ZONE					
Single Family Residential	53 units	\$734 per unit	\$734 per unit	\$ 38,902.00	10.37%
Other Property	0.00 acres	\$6,604 per acre	\$6,604 per acre	0.00	0.00
Undeveloped Property	23.93 acres	\$6,604 per acre	\$3,389 per acre	81,092.34	21.61
Tax A Zone Subtotal				\$119,994.34	31.97%
TAX B ZONE					
Single Family Residential	87 units	\$880 per unit	\$880 per unit	\$ 76,560.00	20.40%
Other Property	0.00 acres	\$6,796 per acre	\$6,796 per acre	0.00	0.00
Undeveloped Property	14.05 acres	\$6,796 per acre	\$3,488 per acre	48,995.92	13.06
Tax B Zone Subtotal				\$125,555.92	33.46%
TAX C ZONE					
Single Family Residential	61 units	\$1,148 per unit	\$1,148 per unit	\$ 70,028.00	18.66%
Other Property	0.00 acres	\$7,717 per acre	\$7,717 per acre	0.00	0.00
Undeveloped Property	15.07 acres	\$7,717 per acre	\$3,960 per acre	59,699.92	15.91
Tax C Zone Subtotal				\$129,727.92	34.57%
Total Fiscal Year 2019-20 Special Tax Levy:				\$375,278.18	100.00%
Single Family Residential Units:				201	
Single Family Residential Levy:				\$185,490.00	49.43%
Undeveloped Property Acres:				53.05	
Undeveloped Property Levy:				\$189,788.18	50.57%

(1) For Single Family Residential and Other Property, the Assigned Special Tax is shown. For Undeveloped Property, the Maximum Special Tax is shown. Does not include potential revenues from the Backup Special Tax that may be levied on Single Family Residential and Other Property.

Source: Goodwin Consulting Group, Inc.

The following table projects the Special Tax levy for Fiscal Year 2020-21 based on the current development identified as of October 1, 2019, and assuming the Bonds are issued to defease the Prior Bonds. The projected Annual Special Tax Levy in Fiscal Year 2020-21 totals \$347,800 calculated at 100% of the Assigned Special Tax Rates for Developed Property and 32.98% of the Maximum Special Tax Rates for Undeveloped Property. \$22,000 of this amount was budgeted to pay Administrative Expenses.

TABLE 7
COMMUNITY FACILITIES DISTRICT NO. 2006-1 (MORAGA OF MERCED)
OF THE CITY OF MERCED
PROJECTED SPECIAL TAX LEVY SUMMARY FOR 2020-21

Type of Property	Units/ Acres	Maximum/ Assigned Special Tax⁽¹⁾	FY 2020-21 Actual Special Tax	FY 2020-21 Special Tax Levied	% of Special Tax Levied
TAX A ZONE					
Single Family Residential	83 units	\$734 per unit	\$734 per unit	\$ 60,922.00	17.52%
Other Property	0.00 acres	\$6,604 per acre	\$6,604 per acre	0.00	0.00
Undeveloped Property	20.30 acres	\$6,604 per acre	\$2,178 per acre	44,207.36	12.71
Tax A Zone Subtotal				\$105,129.36	30.23%
TAX B ZONE					
Single Family Residential	121 units	\$880 per unit	\$880 per unit	\$106,480.00	30.62%
Other Property	0.00 acres	\$6,796 per acre	\$6,796 per acre	0.00	0.00
Undeveloped Property	8.96 acres	\$6,796 per acre	\$2,241 per acre	20,091.60	5.78
Tax B Zone Subtotal				\$126,571.60	36.39%
TAX C ZONE					
Single Family Residential	72 units	\$1,148 per unit	\$1,148 per unit	\$ 82,656.00	23.77%
Other Property	0.00 acres	\$7,717 per acre	\$7,717 per acre	0.00	0.00
Undeveloped Property	13.14 acres	\$7,717 per acre	\$2,545 per acre	33,443.04	9.62
Tax C Zone Subtotal				\$116,099.04	33.38%
Total Fiscal Year 2019-20 Special Tax Levy:				\$347,800.00	100.00%
Single Family Residential Units:				276	
Single Family Residential Levy:				\$250,058.00	71.90%
Undeveloped Property Acres:				42.41	
Undeveloped Property Levy:				\$ 97,742.00	28.10%

(1) For Single Family Residential and Other Property, the Assigned Special Tax is shown. For Undeveloped Property, the Maximum Special Tax is shown. Does not include potential revenues from the Backup Special Tax that may be levied on Single Family Residential and Other Property.

Source: Goodwin Consulting Group, Inc.

Estimated Debt Service Coverage

Special Taxes will be levied each year in an amount equal to the Annual Special Tax Levy determined in accordance with the Rate and Method. The Annual Special Tax Levy is calculated (taking into consideration anticipated delinquencies if and when the Teeter Plan is no longer applicable) to include an amount equal to the debt service on the Bonds in the ensuing Bond Year plus the amount required to maintain the Reserve Fund at the Reserve Requirement plus the amount needed to pay Administrative Expenses, less the amount of earnings on deposit in the Reserve Fund in excess of the Reserve Requirement and other available funds of the District. The Annual Special Tax Levy in Fiscal Year 2019-20 totals \$361,424 calculated at 100% of the Assigned Special Tax Rates for Developed Property and 51.32% of the Maximum Special Tax Rates for Undeveloped Property. \$13,263 of this amount was budgeted to pay Administrative Expenses.

For Fiscal Year 2019-20, following the issuance of the Bonds, the Special Tax capacity based on Maximum (and Assigned without backup) Special Tax Rates for taxable property within the District is calculated to be \$465,312.

Based on the land use classifications made under the Rate and Method for fiscal year 2019-20, if Special Taxes were levied on the Taxable Property at the Maximum (and Assigned without backup) Special Tax Rates, the Special Taxes available to pay debt service on the Bonds after the payment of Administrative Expenses in an amount equal to the Administrative Expenses Cap (\$22,000 in each year) would be at least 110% of the debt service due in each Bond Year commencing after September 1, 2020. Notwithstanding the foregoing, the Act provides that under no circumstances will the Special Taxes levied against any parcel of Residential Property for which an occupancy permit for private residential use has been issued be increased by more than ten percent (10%) as a consequence of delinquency or default in payment of Special Taxes by any other parcel in the District.

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TABLE 8
COMMUNITY FACILITIES DISTRICT NO. 2006-1 (MORAGA OF MERCED)
OF THE CITY OF MERCED
ESTIMATED DEBT SERVICE COVERAGE

Bond Year Ending Sept. 1	Maximum/ Assigned Special Tax Revenues⁽¹⁾	Estimated Annual Levy⁽²⁾	Estimated Annual Administrative Expenses	Estimated Debt Service*	Estimated Unused Annual Levy*	Estimated Annual Levy Debt Service Coverage^{(3)*}	Estimated Unused Max./ Assigned Special Tax*	Estimated Max. /Assign. Sp. Tax Debt Service Coverage^{(3)*}
2020	\$555,290.92	\$375,278.18	\$13,263.00	\$361,424.44	\$590.74	100.16%	\$180,603.48	149.97%
2021	465,312.00	347,800.00	22,000.00	325,800.00	0.00	100.00	117,512.00	136.07
2022	465,312.00	347,400.00	22,000.00	325,400.00	0.00	100.00	117,912.00	136.24
2023	465,312.00	351,850.00	22,000.00	329,850.00	0.00	100.00	113,462.00	134.40
2024	465,312.00	349,050.00	22,000.00	327,050.00	0.00	100.00	116,262.00	135.55
2025	465,312.00	346,050.00	22,000.00	324,050.00	0.00	100.00	119,262.00	136.80
2026	465,312.00	347,850.00	22,000.00	325,850.00	0.00	100.00	117,462.00	136.05
2027	465,312.00	322,100.00	22,000.00	300,100.00	0.00	100.00	143,212.00	147.72
2028	465,312.00	322,100.00	22,000.00	300,100.00	0.00	100.00	143,212.00	147.72
2029	465,312.00	316,600.00	22,000.00	294,600.00	0.00	100.00	148,712.00	150.48
2030	465,312.00	320,850.00	22,000.00	298,850.00	0.00	100.00	144,462.00	148.34
2031	465,312.00	319,350.00	22,000.00	297,350.00	0.00	100.00	145,962.00	149.09
2032	465,312.00	314,750.00	22,000.00	292,750.00	0.00	100.00	150,562.00	151.43
2033	465,312.00	314,950.00	22,000.00	292,950.00	0.00	100.00	150,362.00	151.33
2034	465,312.00	319,750.00	22,000.00	297,750.00	0.00	100.00	145,562.00	148.89
2035	465,312.00	318,950.00	22,000.00	296,950.00	0.00	100.00	146,362.00	149.29
2036	465,312.00	315,550.00	22,000.00	293,550.00	0.00	100.00	149,762.00	151.02

(1) For Fiscal Year 2019-20, the amount is based on the actual status of development as of May 1, 2019. Developed Property is projected to be levied at 100% of the Assigned Special Tax and Undeveloped at 51.32% of the Maximum Special Tax for Fiscal Year 2019-20. For all future fiscal years, the amount is based on the Assigned Special Tax revenues that are expected to be generated once all anticipated units in the CFD are considered Developed Property. Subject to change as land use plans change. Assumes no levy of the Backup Special Tax.

(2) Equal to the sum of the estimated annual administrative expenses and the estimated debt service. Assumes no delinquencies in payment of the special tax.

(3) Assumes the estimated annual administrative expenses will be paid before the estimated debt service on the Series 2019 Bonds.

Note: Pursuant to Section 53321(d) of the Government Code, the special tax for public facilities and levied against any assessor's parcel for which any occupancy permit for private residential use has been issued shall not be increased as a consequence of delinquency or default by the owner of any other Assessor's parcel within such community facilities district by more than ten percent above the amount that would have been levied in that Fiscal Year had there never been any such delinquencies.

Sources: Goodwin Consulting Group, Inc. and Underwriter.

* Preliminary, subject to change.

Appraisal

The information below is only a summary of certain information contained in the Appraisal. The Appraisal is reprinted herein as Appendix D. The information below is qualified in its entirety by the complete Appraisal. The District and the Underwriter make no representations as to the accuracy or completeness of the Appraisal.

The Bonds are secured by Special Taxes which may include amounts realized upon foreclosure sale of delinquent parcels. Therefore, should the Teeter Plan be discontinued or no longer applicable to the District, the ability of the District to meet debt service on the Bonds may depend on the ability of delinquent parcels to generate sufficient proceeds upon foreclosure sale to pay delinquent Special Taxes. The City commissioned Integra Realty Resources, San Francisco, California (the “Appraiser”) to ascertain the “as is” market value of the fee simple estate for all property within the District, except for 80 parcels owned by individual homeowners. The status of the Appraised Property was determined utilizing the Merced County Assessor roll as of July 1, 2019 and consists of (a) 31 lots of completed single family homes without assessed value for structural improvements owned by individual owners, designated as Developed Property (the “31 Lots”); and (b) 409 lots owned by Lennar, including 72 completed single family homes without assessed value for structural improvements, 64 single family homes under construction and 29 finished lots with pulled building permits, designated as Developed Property, as well as 11 finished unpermitted lots and 233 unfinished lots, designated as Undeveloped Property (“Lennar Lots”).³

The Appraiser estimated that, as of the October 1, 2019 value of the Appraisal⁴, the “as is” market value of the fee simple estate for the Appraised Property, was not-less-than \$36,440,000.

The Appraiser estimated that, as of the October 1, 2019 date of value of the Appraisal, the “as is” aggregate market value for the 31 Lots is \$9,150,000 based on the smallest floor plan offered in the District for each product line and the sales comparison approach. The Appraiser estimated that, as of the October 1, 2019 date of value of the Appraisal, the “as is” aggregate market value for the Lennar Lots is \$27,290,000 based on the smallest floor plan offered in the District for each product line and derived using the subdivision development method, a type of discounted cash flow analysis.

An updated Appraisal has not been requested by the City or the District or completed by the Appraiser since the original date of value. However, on the date of issuance of the Bonds, the Appraiser will certify that he is not aware of any event or act that occurred since the date of value of the Appraisal which, in the opinion of the Appraiser, would materially and adversely affect the conclusions in the Appraisal as to the market value of the appraised property.

The Appraisal’s value estimates reflect certain assumptions set forth in the Appraisal. For a full description of the assumptions relied upon by the Appraiser, as well as a description of the valuation methodology, see APPENDIX D – “APPRAISAL REPORT”.

The Appraisal was prepared in accordance with and subject to the requirements of The Appraisal Standards for Land Secured Financing as published by the California Debt and Investment Advisory Commission, the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation, and the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute. See APPENDIX D – “APPRAISAL REPORT”.

³ As of September 5, 2019, the status of the development of the Appraised Property consists of 160 lots sold to individual homeowners, and 360 lots in various stages of development owned by Lennar.

⁴ The October 1, 2019 date of value utilized the status of the development from the Merced County Assessor roll as of July 1, 2019.

Assessed Valuation

The January 1, 2019 assessed value of the parcels within the District for purposes of levying Special Taxes for the Fiscal Year 2019-20 was \$37,156,988. The District commissioned an appraisal to determine the market value of all Undeveloped Property, as well as all property without assessed value for structural improvements, including completed homes, homes under construction, and finished lots with pulled building permits. See “Appraisal” above.

The value of the individual parcels is significant because, in the event of a delinquency in payment, the District’s only remedy is to foreclose on the delinquent parcel. A parcel with a lower value-to-lien ratio may be less likely to sell at foreclosure or provide sale proceeds adequate to pay all delinquent Special Tax installments. The value-to-lien ratios shown herein are based on either assessed values or appraised market values or a combination of both. Prospective purchasers of the Bonds should not assume that the property within the District could be sold for the assessed or appraised values listed herein. See the caption “SPECIAL RISK FACTORS—Assessed or Appraised Valuation; Value-to-lien Ratios.” Assessed values do not necessarily represent market values.

Estimated Value-to-Lien Ratios*

Table 9 sets forth the breakdown of ownership of the property within the District, their share of the projected fiscal year 2020-21 Annual Special Tax Levy, and their applicable assessed value and/or appraised values. See “Appraisal” above. Appraised values were allocated to the individual parcels for purposes of calculating the value-to-lien ratios. Allocated appraised values may not be representative of the values of the groupings or the individual lots.

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* Preliminary, subject to change.

TABLE 9
COMMUNITY FACILITIES DISTRICT NO. 2006-1 (MORAGA OF MERCED)
OF THE CITY OF MERCED
TAXPAYERS FOR FY 2020-21

Property Owner ⁽¹⁾	Use	Parcels ⁽¹⁾	Lots	FY 2020-21 Special Tax Levy ⁽²⁾	% of FY 2020- 21 Levy	Total FY 2019-20 AV ⁽³⁾	10/01/19 Appraised Value ⁽⁴⁾⁽⁵⁾
Individual Homeowners	Single-Family	76	76	\$ 71,340	20.51%	\$22,906,827	--
Individual Homeowners (Appraised)⁽⁴⁾⁽⁶⁾	Single-Family	84	84	75,144	21.61	--	\$19,448,339
Lennar Homes of Calif	Residential Complete	4	4	4,592	1.32	\$ 1,576,070	--
Lennar Homes of Calif (Appraised)⁽⁴⁾	Residential (Various)	124	356	196,724	56.56	--	\$16,991,661
TOTAL		288	520	\$347,800	100.00%	\$24,482,897	\$36,440,000

(1) Ownership information is as of September 5, 2019.

(2) Includes an estimated \$325,800 in debt service due on Bonds in 2021, plus an estimated \$22,000 in administrative expenses.

(3) Only shows the assessed value for parcels that were not appraised.

(4) As of the date of valuation of the Appraisal, 103 parcels were completed single-family homes that did not include the full assessed value for structural improvements which were in various stages of sale to individual homeowners. Vertical improvements (home construction) were in progress on 64 parcels, and 41 parcels were in a finished lot or partially-finished lot condition. The remaining one parcel has 233 unfinished lots. See the Appraisal for complete details.

(5) Appraised values were allocated to the individual parcels for purposes of calculating the value-to-lien ratios. Allocated appraised values may not be representative of the values of the groupings or the individual lots.

(6) Currently do not have assessments for structural improvements by the Merced County Assessor.

Source: Goodwin Consulting Group, Inc. and Appraisal.

Based on the status of development as of September 5, 2019, almost 72% of the projected fiscal year 2020-21 Special Taxes will be levied on Developed Property within the District. Approximately 28% of the projected fiscal year 2020-21 Special Taxes will be levied on Undeveloped Property within the District.

Based on the status of development as of September 5, 2019, approximately 58% of the projected fiscal year 2020-21 Special Taxes will be levied on property owned by Lennar.

As of January 1, 2019 the net assessed value of the property within the District subject to the levy of the Special Tax in Fiscal Year 2019-20 was a little over \$37 million, resulting in an estimated assessed value to lien ratio of 9.6* to 1 for the property subject to the Special Tax levy in Fiscal Year 2019-20 based on the principal amount of the Bonds, and an estimated assessed value to lien ratio of ___* to 1 based upon the principal amount of the Bonds and the direct and overlapping debt payable from other taxes and assessments levied on the property within the District.

Subject to the assumptions and limitations contained in the Appraisal, the Appraiser estimated that the market value of the Appraised Property subject to the lien of the Special Taxes, has an estimated aggregate "as is" not-less-than market value of \$36,440,000 as of October 1, 2019 date of value. The appraised value of the Appraised Property have a combined value-to-lien ratio of 12.1* to 1 based on the appraised values and its applicable share of the principal amount of the Bonds. The assessed value for fiscal year 2019-20 for the 80 completed homes owned by individual homeowners is \$24,482,897. The combined value (assessed value for 80

* Preliminary, subject to change.

completed homes owned by individual homeowners and appraised not-less-than value for the Appraised Property in the District) of just under \$61 million, results in an estimated combined value to lien ratio of 15.78* to 1 based on the principal amount of the Bonds. See “- Assessed Valuation” and “- Appraisal” above.

For Developed Property, the combined value of \$52.7 million results in an estimated combined value to lien ratio of 19* to 1 based on the principal amount of the Bonds. For Undeveloped Property, the combined value of just under \$8.2 million results in an estimated combined value to lien ratio of 7.55* to 1 based on the principal amount of the Bonds.

Because a parcel’s assessed value generally represents the lower of its acquisition cost and adjustments for inflation (but not more than 2% per year) or its current market value, it may not be indicative of the parcel’s market value. No assurance can be given that such value-to-lien ratios will be maintained during the period of time that the Bonds are outstanding. The District does not have any control over future property values or the amount of additional indebtedness that may be issued in the future by other public agencies, the payment of which is made through the levy of a tax or an assessment with a lien on a parity with the Special Taxes. See “SPECIAL RISK FACTORS—Assessed or Appraised Valuations; Value-to-Lien Ratios” and “—Parity Taxes and Special Assessments.”

** Preliminary, subject to change.*

TABLE 10
COMMUNITY FACILITIES DISTRICT NO. 2006-1 (MORAGA OF MERCED)
OF THE CITY OF MERCED
ESTIMATED VALUE-TO-LIEN RATIOS

DEVELOPED PROPERTY⁽¹⁾						
Value-to-Lien Range :1	FY 20-21 Taxed Parcels	Assessed/ Appraised Value⁽²⁾	FY 20-21 Levy %⁽³⁾	FY 20-21 Levy Amount	Bonds^{(4)*}	Estimated Average Value To Lien*
3 to 5	15	\$ 823,846	\$ 17,220	4.95%	\$ 191,113	4.31
5 to 10	78	4,283,992	62,946	18.10	698,596	6.13
10 to 15	0	0	0	0.00	0	N/A
15 to 20	55	10,916,019	56,708	16.30	629,364	17.34
20 to 25	42	9,730,741	37,086	10.66	411,593	23.64
25 to 30	39	11,294,740	36,440	10.48	404,423	27.93
30 to 60	47	15,681,593	39,658	11.40	440,138	35.63
Total	276	\$52,730,931	\$250,058	71.90%	\$2,775,227	19.00

UNDEVELOPED PROPERTY⁽¹⁾						
Owner	FY 20-21 Taxed Parcels	Appraised Value ⁽²⁾	FY 20-21 Levy %⁽³⁾	FY 20-21 Levy Amount	Bonds⁽⁴⁾	Estimated Value To Lien*
Lennar Homes of California Inc.	12 ⁽⁵⁾	\$8,191,966	\$97,742	28.10%	\$1,084,773	7.55

COMBINED PROPERTY⁽¹⁾						
	FY 20-21 Taxed Parcels	Assessed or Appraised Value ⁽²⁾	FY 20-21 Levy %⁽³⁾	FY 20-21 Levy Amount	Bonds^{(4)*}	Estimated Value To Lien*
Developed Property	276	\$52,730,931	\$250,058	71.90%	\$2,775,227	19.00
Undeveloped Prop.	12 ⁽⁵⁾	8,191,9667	97,742	28.10	1,084,773	7.55
Total	288	\$60,922,897	\$347,800	100.00%	\$3,860,000	15.78

(1) Reflects building permits issued by the City prior to October 1, 2019 and assumes no further development.

(2) Includes the appraised value for properties that were appraised, and the FY 2019-20 Assessed Value for properties that were not appraised. See the Appraisal for complete details. Appraised values were allocated to the individual parcels for purposes of calculating the value-to-lien ratios. Allocated appraised values may not be representative of the values of the groupings or the individual lots.

(3) Includes an estimated \$325,000 in debt service due on the Bonds in 2021, plus an estimated \$22,000 in administrative expenses.

(4) Estimated par amount of the Bonds (\$3,860,000) has been allocated to the taxed parcels in proportion to their respective prospective Fiscal Year 2020-21 special tax obligation.

(5) Includes 11 finished lots on 11 parcels and 133 unfinished lots on one parcel.

Source: Goodwin Consulting Group, Inc., Appraisal. and Merced County Assessor

* Preliminary, subject to change.

Direct and Overlapping Debt

Within the boundaries of the District are numerous overlapping local agencies providing public services. Some of these local agencies have outstanding bonds which are secured by taxes and assessments on parcels within the District and others have authorized but have not yet issued bonds which, if issued, will be secured by taxes and assessments levied on parcels within the District.

The Developed Properties within the District are currently subject to special taxes levied annually for the School CFD and the Services CFD. The special tax for the School CFD averages \$825, \$977 and \$1,167 per lot for Tax Zones A, B and C, respectively. The Services CFD is \$1,040.72 per single family residential unit for the District for the 2019-20 fiscal year. Undeveloped properties are not subject to this special tax. Both of these special taxes contains an annual escalator.

The approximate amount of the direct and overlapping debt secured by such taxes and assessments on the parcels within the District for Fiscal Year 2019-20 is shown in Table 11 below.

TABLE 11
COMMUNITY FACILITIES DISTRICT NO. 2006-1 (MORAGA OF MERCED)
OF THE CITY OF MERCED
DIRECT AND OVERLAPPING DEBT SUMMARY

Source: California Municipal Statistics, Inc.

In addition to the bonded indebtedness set forth in Table 11, any general obligation bonds currently authorized but not issued within the District will likely be issued and new general obligation bonds may be authorized at future elections. New community facilities districts or special assessment districts may be formed which include all or a portion of the District, resulting in the issuance of more bonds and the levy of additional special taxes or other taxes and assessments on parcels within the District. In addition to the Special Taxes, the property owners in the District will be required to pay the general *ad valorem* property taxes for their parcels. See “SPECIAL RISK FACTORS—Parity Taxes and Special Assessments” and “—Assessed or Appraised Valuations; Value-to-Lien Ratios.”

Sample Effective Tax Rates

Table 12 below sets forth an example of a typical property tax bill for a single family residential unit in the District representing a sample of tax rates therein. The actual tax rate for any particular parcel may vary from the tax rates shown in Table 12. The tax rates and amounts presented herein are based on information for Fiscal Year 2019-20. The actual amounts charged may vary and may increase in future years.

TABLE 12
COMMUNITY FACILITIES DISTRICT NO. 2006-1 (MORAGA OF MERCED)
OF THE CITY OF MERCED
SAMPLE PROPERTY TAX BILL FOR FISCAL YEAR 2019-20

Net Taxable Value	Amount	
Land	\$	65,000
Improvements		198,300
Total Land & Improvements		\$263,300
Homeowner's Exemption		(7,000)
Net Taxable Value ⁽¹⁾		\$256,300
Ad Valorem Property Taxes	Rate	Amount
Base Property Tax	1.0000%	\$2,563.00
Merced City School District Bond	0.0629%	161.21
Merced Union High School District	0.0237%	60.74
Merced College Mer Bonds	0.0125%	2.04
Total Ad Valorem Property Taxes	1.0991%	\$2,816.99
Parcel Charges, Assessments and Special Taxes:	Amount	
Mosquito Abatement	\$	10.00
Merced City School GO Bond Sp Asmt		0.18
Merced UHSD GO Bond Sp Asmt		0.10
E Merced School Facilities CFD 2006		1,027.64
Merced CFD No. 2003-2		1,040.72
Merced CFD No. 2006-1		880.00
Parcel Charges, Assessments and Special Taxes		\$2,958.64
Total Property Taxes		\$5,775.63
Total Effective Tax Rate		2.19%

(1) Net Assessed Value reflects estimated total assessed value for the parcel net of homeowner's exemption. Not all residences qualify for the exemption.

Sources: Merced County Tax Collector, as compiled by Goodwin Consulting Group, Inc.

Delinquency History

Table 13 below summarizes the Special Tax delinquencies for property within the boundaries of the District. As of September 20, 2019, there was one parcel within the District delinquent in the amount of \$440 in the payment of Special Taxes for 2018-19 and one parcel delinquent in the amount of \$574 for the 2017-18 Special Tax levy; however, due to the participation of the District in the County's Teeter Plan, the District received 100% of the Special Tax levy. Although certain parcels have been delinquent in the payment of Special Taxes in the past, the District has never been required to proceed to a foreclosure sale for delinquent Special Taxes and has never received less than the annual Special Tax levy.

The County has adopted a Teeter Plan for the collection and payment of taxes pursuant to which it pays 100% of the amount levied to participating agencies without regard to the actual amount of collections. The District does participate in the County's Teeter Plan and, as a result, the District receives the Special Taxes levied. Penalties and interest received on the collection of delinquent Special Taxes are paid to the County but are not pledged under the Fiscal Agent Agreement to repay the Bonds. There is no assurance or guarantee that the County will continue the Teeter Plan or that the District will remain as a participant in the Teeter Plan during the time the Bonds remain outstanding. The District is not aware of any plans by the County to discontinue the Teeter Plan.

TABLE 13
COMMUNITY FACILITIES DISTRICT NO. 2006-1 (MORAGA OF MERCED)
OF THE CITY OF MERCED
SPECIAL TAX DELINQUENCY HISTORY

Fiscal Year	Special Tax Levy	<u>At the end of each Fiscal Year</u>			<u>As of September 20, 2019</u>			Special Tax Levied and Collected
		# of Parcels Delinq.	Amount Delinquent ⁽¹⁾	% Delinq.	# of Parcels Delinq.	Amount Delinquent ⁽¹⁾	% Delinq.	
2010-11	\$393,968	3	\$195,627	49.66%	0	\$0	0.00%	\$393,968
2011-12	395,469	5	197,170	49.86	0	0	0.00	395,469
2012-13	594,278	3	304,097	51.17	0	0	0.00	594,278
2013-14	464,403	1	574	0.12	0	0	0.00	464,403
2014-15	375,829	0	0	0.00	0	0	0.00	375,829
2015-16	373,010	0	0	0.00	0	0	0.00	373,010
2016-17	377,099	1	241	0.06	0	0	0.00	377,099
2017-18	375,766	1	574	0.15	1	574	0.15	375,192
2018-19	352,936	1	440	0.12	1	440	0.12	352,496

(1) Delinquent amounts do not include penalties, interest or fees. The District is under the Teeter Plan and therefore, the District received 100% of the Special Tax levy at fiscal year-end.

Sources: Merced County Tax Collector's Office as compiled by Goodwin Consulting Group, Inc.

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Historical Assessed Valuation

Table 14 below sets forth the net assessed value and the annual change in net assessed value for taxable property within the District for Fiscal Years 2015-16 through 2019-20.

TABLE 14
COMMUNITY FACILITIES DISTRICT NO. 2006-1 (MORAGA OF MERCED)
OF THE CITY OF MERCED
HISTORICAL ASSESSED VALUE

	2015-16	2016-17	2017-18	2018-19	2019-20
AV of all Land	\$ 2,947,457	\$ 2,997,671	\$ 3,028,170	\$ 8,707,080	\$11,943,995
AV of all Improvements	8,646,832	8,880,853	9,187,495	9,317,235	24,856,163
Other AV	0	0	0	0	356,830
Total AV of all Parcels	\$11,594,289	\$11,878,524	\$12,215,665	\$18,024,315	\$37,156,988
AV of Developed Property	\$ 9,588,052	\$ 9,841,759	\$10,138,215	\$10,374,416	\$32,350,828
AV of Undev. Property	2,006,237	2,036,765	2,077,450	7,649,899	4,806,160
Total AV of all Parcels	\$11,594,289	\$11,878,524	\$12,215,665	\$18,024,315	\$37,156,988

(1) Assessed Values as of January of previous fiscal year from the Merced County Assessor's Roll.

Source: Goodwin Consulting Group, Inc.

Assessed values do not necessarily represent market values. Article XIII A of the California Constitution (Proposition 13) defines "full cash value" to mean "the County assessor's valuation of real property as shown on the 1975-76 roll under 'full cash value', or, thereafter, the appraised value of real property when purchased or newly constructed or when a change in ownership has occurred after the 1975 assessment," subject to exemptions in certain circumstances of property transfer or reconstruction. The "full cash value" is subject to annual adjustment to reflect increases, not to exceed 2% for any year, or decreases in the consumer price index or comparable local data, or to reflect reductions in property value caused by damage, destruction or other factors. Because of the general limitation to 2% per year in increases in full cash value of properties which remain in the same ownership, the County tax roll does not reflect values uniformly proportional to actual market values. There can be no assurance that the assessed valuations of the properties within the District accurately reflect their respective market values, and the future fair market values of those properties may be lower than their current assessed valuations.

No assurance can be given that, should a delinquent parcel be foreclosed and sold for the amount of the delinquency, any bid will be received for such parcel, or if a bid is received that such bid will be sufficient to pay such delinquent Special Taxes. See "SPECIAL RISK FACTORS—Risks of Real Estate Secured Investments Generally," and "—Assessed or Appraised Valuations; Value-to-Lien Ratios."

Building Permits

Residential and non-residential construction within the City declined after peaking in 2005, in part due to the subprime mortgage crisis and the resulting significant increase in the number of foreclosures. However, residential and non-residential construction activity within the City has increased since 2010. Total issued building permits and permit valuation (new residential) are used as indicators of overall construction activity.

The following table sets forth for the City, including the District (no building permits were issued within the District from 2012 to _____ 2017) the total building permit valuations and the number of new residential construction permits issued for Calendar Years 2014 through 2018 and through September 30, 2019.

TABLE 15
CITY OF MERCED
RESIDENTIAL BUILDING PERMIT VALUATION
Calendar Years 2014 through 2019⁽³⁾
(unaudited)

Calendar Year	<u>Moraga of Merced</u>		<u>Remaining Within City</u>		Total Dwelling Units	Total Permit Assessed Value Estimate ⁽²⁾
	Dwelling Units ⁽¹⁾	Permit Assessed Value ⁽²⁾	Dwelling Units ⁽¹⁾	Permit Assessed Value ⁽²⁾		
2014	-	-	36	\$5,801,596	36	\$ 5,801,596
2015	-	-	85	17,006,515	85	17,006,515
2016	-	-	171	26,867,901	171	26,867,901
2017	-	-	162	18,557,074	162	18,557,074
2018	127	\$29,254,200	481	76,795,444	608	106,049,644
2019 ⁽³⁾	111	26,169,700	389	82,077,588	500	108,247,288

(1) Residential reflects construction of new structures.

(2) Total Permit Assessed Value is an estimate determined at time of permit issuance; actuals may vary.

(3) Through September 30, 2019.

Source: City of Merced.

SPECIAL RISK FACTORS

The purchase of the Bonds involves significant investment risks and, therefore, the Bonds may not be suitable investments for many investors. The following is a discussion of certain risk factors which should be considered, in addition to other matters set forth herein, in evaluating the investment quality of the Bonds. This discussion does not purport to be comprehensive or definitive. The occurrence of one or more of the events discussed herein could adversely affect the ability or willingness of property owners in the District to pay their Special Taxes when due. Such failures to pay Special Taxes could result in the inability of the District to make full and punctual payments of debt service on the Bonds. In addition, the occurrence of one or more of the events discussed herein could adversely affect the value of the property in the District. See “SPECIAL RISK FACTORS — Assessed or Appraised Valuations; Value-to-Lien Ratios” and “— No Ratings and Limited Secondary Market” below.

Risks of Real Estate Secured Investments Generally

The Owners of the Bonds will be subject to the risks generally incident to an investment secured by real estate, including, without limitation, (i) adverse changes in local market conditions, such as changes in the market value of real property in the vicinity of the District, the supply of or demand for competitive properties in such area, and the market value of residential property or commercial buildings and/or sites in the event of sale or foreclosure; (ii) changes in real estate tax rates and other operating expenses, governmental rules (including, without limitation, zoning laws and laws relating to endangered species and hazardous materials) and fiscal policies; (iii) natural disasters (including, without limitation, earthquakes, wildfires and floods), which may result in uninsured losses; (iv) adverse changes in local market conditions; and (v) increased delinquencies due to rising mortgage costs and other factors.

Other factors that could adversely affect property values in the District include, among others, relocation of employers out of the area, shortages of water, electricity, natural gas or other utilities, and destruction of property caused by man-made disasters.

The current state of the world-wide capital markets has adversely affected the availability of mortgage loans to homeowners, including potential buyers of homes within the District. Any such unavailability could hinder the ability of the current homeowners to resell their homes, or the sale of newly completed homes in the future.

Limited Obligations

The District has no obligation to pay principal of or interest on the Bonds if Special Tax collections are delinquent or insufficient, other than from funds derived from the foreclosure and sale of parcels for Special Tax delinquencies. The City is not obligated to advance funds to pay debt service on the Bonds.

Insufficiency of Special Taxes

Under the Rate and Method, the annual amount of Special Tax to be levied on each taxable parcel will be based primarily on whether such parcel is developed or not and, for Residential Property on which subdivision in which it is located, and for Non-Residential Property on the acreage of the Assessor's Parcel. See "APPENDIX A -- RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES" and "THE COMMUNITY FACILITIES DISTRICT - Rate and Method of Apportionment of Special Taxes." Accordingly, to the extent property is not developed, collection of the Special Taxes will be dependent on the willingness and ability of the owners of Undeveloped Property to pay such Special Taxes when due. See "SPECIAL RISK FACTORS – Failure to Develop Undeveloped Property" above for a discussion of the risks associated with undeveloped property.

Given limitations in the Act regarding increases in Special Taxes on residential parcels to address Special Tax delinquencies, the potential coverage to respond to delinquencies is approximately 110% of Annual Debt Service. Notwithstanding that the maximum Special Taxes that may be levied in the District exceeds debt service due on the Bonds, the Special Taxes collected could be inadequate to make timely payment of debt service either because of nonpayment or because property becomes exempt from taxation.

Furthermore, Administrative Expenses are paid by the District prior to the payment of debt service on the Bonds. Incurrence of higher than budgeted Administrative Expenses may have an adverse impact on the ability of the District to make debt service on the Bonds.

If for any reason property within the District becomes exempt from taxation by reason of ownership by a non-taxable entity such as the federal government, another public agency or other organization determined to be exempt, subject to the limitations of the maximum authorized rates, the Special Tax will be reallocated to the remaining taxable properties within the District. This could result in certain owners of property paying a greater amount of the Special Tax and could have an adverse impact upon the ability and willingness of the owners of such property to pay the Special Tax when due.

The Act provides that, if any property within the District not otherwise exempt from the Special Tax is acquired by a public entity through a negotiated transaction, or by gift or devise, the Special Tax will continue to be levied on and enforceable against the public entity that acquired the property. In addition, the Act provides that, if property subject to the Special Tax is acquired by a public entity through eminent domain proceedings, the obligation to pay the Special Tax with respect to that property is to be treated as if it were a special assessment and be paid from the eminent domain award. The constitutionality and operation of these provisions of the Act have not been tested in the courts. Due to problems of collecting taxes from public agencies, if a substantial portion of land within the District became exempt from the Special Tax because of public ownership, or otherwise, the Maximum Special Taxes which could be levied upon the remaining property within those areas

might not be sufficient to pay principal of and interest on the Bonds when due and a default could occur with respect to the payment of such principal and interest on the Bonds.

In certain circumstances, the District has covenanted to commence judicial foreclosure proceedings against property with delinquent Special Taxes. No assurance can be given that any bid will be received for a parcel with delinquent Special Taxes offered for sale at foreclosure or, if a bid is received, that such bid will be sufficient to pay all delinquent Special Taxes.

Depletion of Reserve Fund

A Reserve Fund has been established and may be used to pay principal of and interest on the Bonds if insufficient funds are available from the proceeds of the levy and collection of the Special Taxes against property within the District. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Reserve Fund.”

If funds within the Reserve Fund are depleted, the funds can be replenished from the proceeds of the levy and collection of the Special Tax that are in excess of the amount required to pay Administrative Expenses and principal and interest on the Bonds under the Fiscal Agent Agreement. However, no replenishment from the proceeds of a Special Tax levy can occur so long as the proceeds that are collected from the levy of the Special Tax against property within the District at the maximum Special Tax rates (subject to the limitations of the Act), together with other available funds, remain insufficient to pay all such amounts. Thus, it is possible that the Reserve Fund will be depleted and not be replenished by the levy of the Special Tax within the District.

Natural Disasters

The value of the parcels in the District in the future can be adversely affected by a variety of natural occurrences, particularly those that may affect infrastructure and other public improvements and private improvements on the parcels in the District and the continued habitability and enjoyment of such private improvements. The District, like all California communities, may be subject to unpredictable seismic activity, fires due to the vegetation and topography, or flooding in the event of significant rainfall. The occurrence of seismic activity, fires or flooding in or around the District could result in substantial damage to properties in the District, which, in turn, could substantially reduce the value of such properties. As a result of the occurrence of such an event, a substantial portion of the property owners may be unable or unwilling to pay the Special Taxes when due. In addition, the value of land in the District could be diminished in the aftermath of such natural events, reducing the resulting proceeds of foreclosure sales in the event of delinquencies in the payment of the Special Taxes.

According to the Federal Emergency Management Agency (FEMA) National Flood Insurance Program, Flood Insurance Rate Map (FIRM), a majority of the subject is located within Zone X (areas outside of the 2% annual chance flood plain) and the southeast corner is located within Zone X - Shaded (areas of 0.2% annual chance flood; areas of 1% annual chance flood with average depths of less than one foot or with drainage areas less than one square mile; and areas protected by levees from 1% annual chance flood).

Endangered and Threatened Species

On a regular basis, new species are proposed to be added to the State and federal protected species lists. Any action by the State or federal governments to protect species located on or adjacent to the property within the District could negatively affect the developers' ability to complete the development of the properties within the District as planned. This, in turn, could reduce the ability or willingness of the property owners to pay the Special Taxes when due and would likely reduce the value of the land and the potential revenues available at a foreclosure sale for delinquent Special Taxes.

Hazardous Substances

A serious risk in terms of the potential reduction in the value of a parcel within the District is a claim with regard to a hazardous substance. In general, the owners and operators of a parcel within the District may be required by law to remedy conditions of such parcel relating to release or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as “CERCLA” or the “Superfund Act,” is the most well known and widely applicable of these laws, but California laws with regard to hazardous substances are also similarly stringent. Under many of these laws, the owner or operator is obligated to remedy a hazardous substance condition of the property whether or not the owner or operator had anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the parcels within the District be affected by a hazardous substance, will be to reduce the marketability and value of such parcel by the costs of remedying the condition, because the prospective purchaser, upon becoming the owner, will become obligated to remedy the condition just as the seller is.

Although the District is not aware that the owner or operator of any of the taxable parcels in the District has such a current liability, it is possible that such liabilities do currently exist. Further, it is possible that liabilities may arise in the future resulting from the existence, currently, on the parcel of a substance presently classified as hazardous but that has not been released or the release of which is not presently threatened, or may arise in the future resulting from the existence, currently on the parcel of a substance not presently classified as hazardous but that may in the future be so classified. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. All of these possibilities could significantly affect the property values that would otherwise be realized upon a delinquency.

No information is available as to the existence of any hazardous substances within the District.

Assessed or Appraised Valuations; Value-to-Lien Ratios

The value of land within the District is an important factor in evaluating the investment quality of the Bonds. In the event that a property owner defaults in the payment of Special Tax installments, the District’s only remedy is to judicially foreclose on that property. Prospective purchasers of the Bonds should not assume that the property within the District could be sold for the assessed or appraised value described in this Official Statement at a foreclosure sale for delinquent Special Tax installments or for an amount adequate to pay delinquent Special Tax installments. Reductions in property values within the District due to a downturn in the economy or the real estate market, events such as earthquakes, droughts, or floods, stricter land use regulations, threatened or endangered species or other events may adversely impact the security underlying the Special Taxes.

The property values of undeveloped property set forth in the various tables herein are the property values determined by the Appraiser. The Appraisal was prepared for the purpose of estimating and confirming the minimum market value of such property as of October 1, 2019 in its as is condition on the basis of certain assumptions. Prospective purchasers of the Bonds should not assume, however, that such parcels could be sold for the appraised amount described herein at the present time or at a foreclosure sale for delinquent Special Taxes. See the Appraisal included as Appendix D hereto for a brief description of the analysis used and assumptions made by the Appraiser. The actual value of the property is subject to future events that might render invalid the assumptions relied upon by the Appraiser in determining the appraised value. The values for the developed property within the District were determined by the assessed values of such parcels as of January 1, 2019. Therefore, the estimated valuation of the developed parcels in the District set forth in this Official Statement are based on the County Assessor’s values. The assessed value is not an indication of what a willing buyer might pay for a property. The assessed value is not evidence of future value because future facts and circumstances may differ significantly from the present.

No assurance can be given that the estimated value-to-lien ratios as set forth in “ — Estimated Value-to-Lien Ratios” will be maintained over time. As discussed herein, many factors which are beyond the control of the District could adversely affect the property values within the District. The District does not have any control over the amount of additional indebtedness that may be issued by other public agencies, the payment of which through the levy of a tax or an assessment is on a parity with the Special Taxes. A decrease in the assessed values in the District or an increase in the indebtedness secured by taxes and amounts with parity liens on property in the District, or both, could result in a lowering of the value-to-lien ratios of the property in the District. See “ — Estimated Value-to-Lien Ratios” herein.

No assurance can be given that any bid will be received for a parcel with delinquent Special Taxes offered for sale at foreclosure or, if a bid is received, that such bid will be sufficient to pay all delinquent Special Taxes. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Repayment of the Bonds - Special Tax — Proceeds of Foreclosure Sales.”

Concentration of Ownership

For Fiscal Year 2020-21 and based only on the status of development as of September 5, 2019, Lennar is projected to be responsible for almost 58% of the annual special tax levy and individual homeowners are projected to be responsible for 42% of the annual special tax levy. If any property owner is unwilling or unable to pay the Special Tax when due, a potential shortfall in the Bond Fund could occur, which would result in the depletion of the Reserve Fund prior to reimbursement from the resale of foreclosed property or payment of the delinquent Special Taxes and, consequently, a delay or failure in payments of the principal of or interest on the Bonds. No property owner is obligated in any manner to continue to own or develop any of the land it presently owns within the District. The Special Taxes are not a personal obligation of any owner of the parcels, and the District can offer no assurance that any current owner or any future owner will be financially able to pay such Special Taxes or that it will choose to pay even if financially able to do so.

Land Development Costs

Approximately 28% of the lien of the Special Tax is spread on Undeveloped Property based on the current status of development. As of September 5, 2019, Lennar owns 11 improved or finished lots with no vertical construction or permits, along with 233 unimproved lots all of which are currently designated as “Undeveloped.” Lennar estimates it will cost \$8,500,000 to get the lots to finished condition and anticipates the lots to be finished by December 2020, with final closings in 2022-23. Lennar anticipates utilizing the same product line for Unit 2 that it has for Unit 1. The cost of additional improvements plus any further public and private in-tract, on-site and off-site improvements could increase the private debt secured by the Undeveloped Property within the District. See APPENDIX D – “APPRAISAL REPORT” and “THE COMMUNITY FACILITIES DISTRICT - Direct and Overlapping Debt.” This increased debt could reduce the ability or desire of the property owners to pay the annual Special Taxes levied against the property. See “THE COMMUNITY FACILITIES DISTRICT - The Special Taxes.” In that event there could be a default in the payment of principal of, and interest on, the Bonds.

Failure to Develop Undeveloped Property

Land development operations are subject to comprehensive Federal, State and local regulations. Approval is required from various agencies in connection with the layout and design of developments, the nature and extent of improvements, construction activity, land use, zoning, school and health requirements, as well as numerous other matters. While the undeveloped land in the District is entitled as to discretionary City approvals by reason of its Development Agreement, and all other City land use approvals and zoning approvals have been obtained, there is always the possibility that such approvals, even though obtained, will be challenged or subject to subsequent referendum, or that the issuance of additional building permits will be delayed.

Revocation of any such agency approval could adversely affect the development of the undeveloped land. See APPENDIX D – “APPRAISAL REPORT.”

Under current California law, it is generally accepted that proposed development is not exempt from future land use regulations until building permits have been properly issued and substantial work has been performed and substantial liabilities have been incurred in good faith reliance on such permits.

The Undeveloped Property within the District has been final mapped and contains 11 finished lots with offsite infrastructure in place (streets, curbs, gutters, street lighting, etc.) within Unit 1 and 233 unfinished lots within Unit 2. However, development of certain portions of the land within the District is be contingent upon construction or acquisition of additional public improvements, as well as local public and private in-tract improvements. The cost of these additional public and private in tract and off site improvements could increase the private debt for which the land within the District provide security. This increased debt could reduce the willingness and/or ability of the property owners to pay the annual Special Taxes levied against their property.

Development of land is also subject to economic considerations such as the strength of the regional economy and the resulting demand for land and homes. Within the District, very little development activity occurred following its initial development activity when the District was formed in 2006 and 38 homes were built and sold, until Lennar purchased 249 lots in September 2017.

Another economic downturn, similar to the last national recession, for example, could adversely impact the demand for homes and land development operations generally throughout the area. There can be no assurance that the means and incentive to conduct land development operations within the District will occur or will not be adversely affected by future local, State and federal governmental policies relating to real estate development, or the income tax treatment of real property ownership.

The inability or failure to develop property due to adverse regulatory or economic conditions may reduce the value of undeveloped property. The undeveloped property also provides less security to the Bondowners should it be necessary for the District to foreclose on undeveloped property due to the nonpayment of the Special Taxes. Furthermore, an inability to develop the land within the District will likely slow the diversity of ownership of land within the District, making the Bondowners more dependent upon timely payment of the Special Tax levied on the undeveloped property. Because of the current concentration of ownership of the undeveloped property in the District, the timely payment of the Bonds depends upon the willingness and ability of the present owners of the undeveloped property to pay the Special Taxes levied on the undeveloped property when due. See “SPECIAL RISK FACTORS -- Concentration of Ownership” above.

Competition

The housing market in the City has other pending and proposed projects that may be competitive when the undeveloped land within the District is ready for development. This competition could impact the future value of the undeveloped property and the rate at which homes are sold and absorbed.

Parity Taxes and Special Assessments

While the Special Taxes are secured by the taxable parcels in the District, the security only extends to the value of such property that is not subject to priority and parity liens and similar claims.

Tables listing the outstanding governmental obligations affecting the District are set forth under “THE COMMUNITY FACILITIES DISTRICT - Direct and Overlapping Debt.”

In addition, other governmental obligations may be authorized and undertaken or issued in the future, the tax, assessment or charge for which may become an obligation of one or more of the parcels within the District, and may be secured by a lien on a parity with the lien of the Special Taxes securing the Bonds.

In general, the Special Taxes, and all other taxes, assessments and charges also collected on the tax roll, are on a parity, that is, are of equal priority. Questions of priority become significant when collection of one or more of the taxes, assessments or charges is sought by some other procedure, such as foreclosure and sale. If proceedings are brought to foreclose a delinquency, the Special Taxes will generally be on parity with the other taxes, assessments and charges, and will share the proceeds of such foreclosure proceedings on a pro-rata basis.

The Special Taxes have priority over all existing and future private liens imposed on the property except, possibly, for liens or security interests held by the Federal Deposit Insurance Corporation. See “SPECIAL RISK FACTORS — Bankruptcy and Foreclosure” below.

The District has no control over the ability of other entities and districts to issue indebtedness secured by special taxes, ad valorem taxes or assessments payable from all or a portion of the property within the District. In addition, the landowners within the District may, without the consent or knowledge of the City or the District, petition other public agencies to issue public indebtedness secured by special taxes, ad valorem taxes or assessments. Any such special taxes, ad valorem taxes or assessments may have a lien on such property on a parity with the Special Taxes and could reduce the estimated value-to-lien ratios for property within the District as described herein.

The properties within the District are currently subject to special taxes levied annually for the School CFD and the Services CFD. The special tax for the School CFD averages \$825, \$977 and \$1,167 per lot for Tax Zones A, B and C, respectively. The Services CFD is \$1,040.72 per single family residential unit for the District for the 2019-20 fiscal year. Both of these special taxes contains an annual escalators. See “COMMUNITY FACILITIES DISTRICT - Direct and Overlapping Debt.”

Disclosures to Future Purchasers

The willingness or ability of an owner of a parcel to pay the Special Tax, even if the value of the parcel is sufficient, may be affected by whether or not the owner was given due notice of the Special Tax authorization at the time the owner purchased the parcel, was informed of the amount of the Special Tax on the parcel should the Special Tax be levied at the maximum tax rate and the risk of such a levy, and, at the time of such a levy, has the ability to pay it as well as pay other expenses and obligations. The District caused a Notice of Special Tax lien to be recorded in the Office of the Recorder for the County against each parcel. While title companies normally refer to such notices in title reports, there can be no guarantee that such reference will be made or, if made, that a prospective purchaser or lender will consider such Special Tax obligation in the purchase of a property within the District or lending of money thereon.

The Act requires the subdivider (or its agent or representative) of a subdivision to notify a prospective purchaser or long-term lessor of any lot, parcel, or unit subject to a Mello-Roos special tax of the existence and maximum amount of such special tax using a statutorily prescribed form. California Civil Code Section 1102.6b requires that in the case of transfers other than those covered by the above requirement, the seller must at least make a good faith effort to notify the prospective purchaser of the special tax lien in a format prescribed by statute. Failure by an owner of the property to comply with the above requirements, or failure by a purchaser or lessor to consider or understand the nature and existence of the Special Tax, could adversely affect the willingness and ability of the purchaser or lessor to pay the Special Tax when due.

Special Tax Delinquencies

Special Taxes are the primary source for the repayment of the Bonds, and delinquencies could result in a draw on the Reserve Fund and, if the Reserve Fund were depleted, in a default in payment on the Bonds.

Under provisions of the Act, the Special Taxes, from which funds necessary for the payment of principal of, and interest on, the Bonds are derived, are customarily billed to the properties within the District on the ad valorem property tax bills sent to owners of such properties. The Act currently provides that such Special

Tax installments are due and payable and are subject to the same lien priority in the case of delinquency as are *ad valorem* property tax installments.

See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS— Repayment of the Bonds - Special Taxes — *Proceeds of Foreclosure Sales*,” for a discussion of the provisions which apply, and procedures which the District is obligated to follow under the Fiscal Agent Agreement, in the event of delinquencies in the payment of Special Taxes. See “—Delinquency History” for a history of Special Tax delinquency rates in the District. See “SPECIAL RISK FACTORS — Bankruptcy and Foreclosure” below, for a discussion of the policy of the Federal Deposit Insurance Corporation regarding the payment of special taxes and assessments and limitations on the District’s ability to foreclose on the lien of the Special Taxes in certain circumstances.

The County has adopted a Teeter Plan as provided for in Section 4701 et seq. of the California Revenue and Taxation Code, under which a tax distribution procedure is implemented and secured roll taxes are distributed to taxing agencies within the County on the basis of the tax levy, rather than on the basis of actual tax collections. The Special Taxes are included in the County’s Teeter Plan but there can be no assurance that the County will continue the Teeter Plan or that the Special Taxes will continue to be included within the Teeter Plan.

Non-Cash Payments of Special Taxes

Under the Act, the City Council as the legislative body of the District may reserve to itself the right and authority to allow the owner of any taxable parcel to tender a Bond in full or partial payment of any installment of the Special Taxes or the interest or penalties thereon. A Bond so tendered is to be accepted at par and credit is to be given for any interest accrued thereon to the date of the tender. Thus, if Bonds can be purchased in the secondary market at a discount, it may be to the advantage of an owner of a taxable parcel to pay the Special Taxes applicable thereto by tendering a Bond. Such a practice would decrease the cash flow available to the District to make payments with respect to other Bonds then outstanding; and, unless the practice was limited by the District, the Special Taxes paid in cash could be insufficient to pay the debt service due with respect to such other Bonds. In order to provide some protection against the potential adverse impact on cash flows which might be caused by the tender of Bonds in payment of Special Taxes, the Fiscal Agent Agreement includes a covenant pursuant to which the District will not sell a Bond to the owners of taxable parcels to satisfy Special Tax obligations by the tender of such Bond unless the District shall have first obtained a report of an Independent Financial Consultant certifying that doing so would not result in the District having insufficient funds to pay the principal of and interest on all Outstanding Bonds when due.

Payment of the Special Tax is not a Personal Obligation of the Owners

An owner of a taxable parcel is not personally obligated to pay the Special Tax. Rather, the Special Tax is an obligation which is secured only by a lien against the taxable parcel. If the value of a taxable parcel is not sufficient, taking into account other liens imposed by public agencies, to secure fully the Special Tax, the District has no recourse against the owner.

FDIC/Federal Government Interests in Properties

The ability of the District to collect interest and penalties specified by the Act and to foreclose the lien of delinquent Special Taxes may be limited in certain respects with regard to parcels in which the FDIC, or other federal government entities such as Fannie Mae, Freddie Mac, the Drug Enforcement Agency, the Internal Revenue Service or other federal agency, has or obtains an interest.

In the case of FDIC, in the event that any financial institution making a loan which is secured by parcels is taken over by the FDIC and the applicable Special Tax is not paid, the remedies available to the District may be constrained. The FDIC’s policy statement regarding the payment of state and local real property taxes (the

“Policy Statement”) provides that taxes other than *ad valorem* taxes which are secured by a valid lien in effect before the FDIC acquired an interest in a property will be paid unless the FDIC determines that abandonment of its interests is appropriate. The Policy Statement provides that the FDIC generally will not pay installments of non-*ad valorem* taxes which are levied after the time the FDIC acquires its fee interest, nor will the FDIC recognize the validity of any lien to secure payment except in certain cases where the Resolution Trust Corporation had an interest in property on or prior to December 31, 1995. Moreover, the Policy Statement provides that, with respect to parcels on which the FDIC holds a mortgage lien, the FDIC will not permit its lien to be foreclosed out by a taxing authority without its specific consent, nor will the FDIC pay or recognize liens for any penalties, fines or similar claims imposed for the non-payment of taxes.

The FDIC has taken a position similar to that expressed in the Policy Statement in legal proceedings brought against Orange County in United States Bankruptcy Court and in Federal District Court. The Bankruptcy Court issued a ruling in favor of the FDIC on certain of such claims. Orange County appealed that ruling, and the FDIC cross-appealed. On August 28, 2001, the Ninth Circuit Court of Appeals issued a ruling favorable to the FDIC except with respect to the payment of pre-receivership liens based upon delinquent property tax.

The District is unable to predict what effect the application of the Policy Statement would have in the event of a delinquency with respect to parcels in which the FDIC has or obtains an interest, although prohibiting the lien of the FDIC to be foreclosed out at a judicial foreclosure sale would prevent or delay the foreclosure sale.

In the event a parcel of taxable property or a private deed of trust secured by a parcel of taxable property is owned by a federal government entity or federal government sponsored entity, such as Fannie Mae or Freddie Mac, the ability to foreclose on the parcel or to collect delinquent Special Taxes may be limited. Federal courts have held that, based on the supremacy clause of the United States Constitution, in the absence of Congressional intent to the contrary, a state or local agency cannot foreclose to collect delinquent taxes or assessments if foreclosure would impair the federal government interest. This means that, unless Congress has otherwise provided, if a federal government entity owns a parcel of taxable property but does not pay taxes and assessments levied on the parcel (including Special Taxes), the applicable state and local governments cannot foreclose on the parcel to collect the delinquent taxes and assessments.

Moreover, unless Congress has otherwise provided, if the federal government has a mortgage interest in a parcel and the District wishes to foreclose on that parcel as a result of delinquent Special Taxes, the property cannot be sold at a foreclosure sale unless it can be sold for an amount sufficient to pay delinquent taxes and assessments on a parity with the Special Taxes and preserve the federal government’s mortgage interest. For a discussion of risks associated with taxable parcels within the District becoming owned by the federal government, federal government entities or federal government sponsored entities, see “— Insufficiency of Special Taxes.”

The District’s remedies may also be limited in the case of delinquent Special Taxes with respect to parcels in which other federal agencies (such as the Internal Revenue Service and the Drug Enforcement Administration) have or obtain an interest.

Bankruptcy and Foreclosure

Bankruptcy, insolvency and other laws generally affecting creditors’ rights could adversely impact the interests of Beneficial Owners of the Bonds. The payment of property owners’ taxes and the ability of the District to foreclose the lien of a delinquent unpaid Special Tax pursuant to its covenant to pursue judicial foreclosure proceedings may be limited by bankruptcy, insolvency or other laws generally affecting creditors’ rights or by the laws of the State relating to judicial foreclosure. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Repayment of the Bonds - Special Taxes — *Proceeds of Foreclosure Sales.*”

In addition, the prosecution of a foreclosure could be delayed due to many reasons, including crowded local court calendars or lengthy procedural delays.

Although a bankruptcy proceeding would not cause the Special Taxes to become extinguished, the amount of any Special Tax lien could be modified if the value of the property falls below the value of the lien. If the value of the property is less than the lien, such excess amount could be treated as an unsecured claim by the bankruptcy court. In addition, bankruptcy of a property owner could result in a delay in prosecuting Superior Court foreclosure proceedings. Such delay would increase the likelihood of a delay or default in payment of delinquent Special Tax installments and the possibility of delinquent Special Tax installments not being paid in full.

The various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel's approving legal opinion) will be qualified, as to the enforceability of the various legal instruments, by moratorium, bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Moreover, the ability of the District to commence and prosecute enforcement proceedings may be limited by bankruptcy, insolvency and other laws generally affecting creditors' rights and by the laws of the State relating to judicial foreclosure.

No Acceleration Provision

The Bonds do not contain a provision allowing for the acceleration of the Bonds in the event of a payment default or other default under the Bonds or the Fiscal Agent Agreement.

Loss of Tax Exemption

As discussed under the caption "TAX MATTERS," the interest on the Bonds could become includable in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds as a result of a failure of the District to comply with certain provisions of the Internal Revenue Code of 1986, as amended, or a change in legislation. Legislative changes have been proposed in Congress, which, if enacted, would result in additional federal income tax being imposed on certain owners of tax-exempt state or local obligations, such as the Bonds. The introduction or enactment of any of such changes could adversely affect the market value or liquidity of the Bonds. Should such an event of taxability occur, the Bonds are not subject to early redemption and will remain outstanding to maturity or until redeemed under the redemption provisions of the Fiscal Agent Agreement.

Limitations on Remedies

Remedies available to the Beneficial Owners of the Bonds may be limited by a variety of factors and may be inadequate to assure the timely payment of principal of and interest on the Bonds or to preserve the tax-exempt status of the Bonds.

Bond Counsel has limited its opinion as to the enforceability of the Bonds and the Fiscal Agent Agreement to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium, or other similar laws affecting generally the enforcement of creditors' rights, by equitable principles and by the exercise of judicial discretion. The lack of availability of certain remedies or the limitation of remedies may entail risks of delay, limitation or modification of the rights of the Beneficial Owners of the Bonds.

No Ratings and Limited Secondary Market

The District has not applied to have the Bonds rated by any nationally recognized bond rating company and it does not expect to do so in the future.

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that the Bonds can be sold at all or for any particular price. Although the District has committed to provide certain financial and operating information on an annual basis, there can be no assurance that such information will be available to Beneficial Owners on a timely basis. See “CONTINUING DISCLOSURE.” The failure to provide the required annual financial information does not give rise to monetary damages but merely an action for specific performance. Occasionally, because of general market conditions, lack of current information, or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price.

Validity of Landowner Elections

On August 1, 2014, the California Court of Appeal, Fourth Appellate District, Division One (the “Court”), issued its opinion in *City of San Diego v. Melvin Shapiro, et al.* (D063997). The Court of Appeal considered whether Propositions 13 and 218, which amended the California Constitution to require voter approval of taxes, require registered voters to approve a tax or whether a city could limit the qualified voters to just the landowners and lessees paying the tax. The case involved a Convention Center Facilities District (the “CCFD”) established by the City of San Diego. The CCFD is a financing district established under San Diego’s charter and was intended to function much like a community facilities district established under the provisions of the Act. The CCFD is comprised of the entire city of San Diego. However, the special tax to be levied within the CCFD was to be levied only on properties improved with a hotel located within the CCFD.

At the election to authorize such special tax, the San Diego Charter proceeding limited the electorate to owners of hotel properties and lessees of real property owned by a governmental entity on which a hotel is located. Thus, the election was an election limited to landowners and lessees of properties on which the special tax would be levied, and not a registered voter election. Such approach to determining who would constitute the qualified electors of the CCFD was based on Section 53326(c) of the Act, which generally provides that, if a special tax will not be apportioned in any tax year on residential property, the legislative body may provide that the vote shall be by the landowners of the proposed district whose property would be subject to the special tax. In addition, Section 53326(b) of the Act provides that if there are less than 12 registered voters in the district, the landowners shall vote.

The Court held that the CCFD special tax election did not comply with applicable requirements of Proposition 13, which added Article XIII A to the California Constitution (which states “Cities, Counties and special districts, by a two-thirds vote of the qualified electors of such district, may impose special taxes on such district”) and Proposition 218, which added Article XIII C and XIID to the California Constitution (which provides “No local government may impose, extend or increase any special tax unless and until that tax is submitted to the electorate and approved by a two-thirds vote”), or with applicable provisions of San Diego’s Charter, because the electors in such an election were not the registered voters residing within such district.

San Diego argued that the State Constitution does not expressly define the qualified voters for a tax; however, the Legislature defined qualified voters to include landowners in the Act. The Court of Appeal rejected San Diego’s argument, reasoning that the text and history of Propositions 13 and 218 clearly show California voters intended to limit the taxing powers of local government. The Court was unwilling to defer to the Act as legal authority to provide local governments more flexibility in complying with the State’s constitutional requirement to obtain voter approval for taxes. The Court held that the tax was invalid because the registered

voters of San Diego did not approve it. However, the Court expressly stated that it was not addressing the validity of landowners voting to impose special taxes pursuant to the Act in situations where there are fewer than 12 registered voters. In the case of the CCFD, at the time of the election there were several hundred thousand registered voters within the CCFD (i.e., all of the registered voters in the city of San Diego). In the case of the District, there were fewer than 12 registered voters within the District at the time of the election to authorize the District special tax.

Moreover, Section 53341 of Act provides that any “action or proceeding to attack, review, set aside, void or annul the levy of a special tax ... shall be commenced within 30 days after the special tax is approved by the voters.” Similarly, Section 53359 of the Act provides that any action to determine the validity of bonds issued pursuant to the Act or the levy of special taxes authorized pursuant to the Act be brought within 30 days of the voters approving the issuance of such bonds or the special tax. Voters approved the special tax and the issuance of bonds for the District pursuant to the requirements of the Act on November 21, 2005. In the opinion of Bond Counsel, under the provisions of Section 53341 and Section 53359 of the Act, the statute of limitations period to challenge the validity of the special tax has expired.

Ballot Initiatives

Under the California Constitution, the power of initiative is reserved to the voters for the purpose of enacting statutes and constitutional amendments. Since 1978, the voters have exercised this power through the adoption of Proposition 13 and similar measures, including Proposition 218, which was approved in the general election held on November 5, 1996, and Proposition 26, which was approved on November 2, 2010.

Any such initiative may affect the collection of fees, taxes and other types of revenue by local agencies such as the City and the District. Subject to overriding federal constitutional principles, such collection may be materially and adversely affected by voter-approved initiatives, possibly to the extent of creating cash-flow problems in the payment of outstanding obligations such as the Bonds.

Proposition 218-Voter Approval for Local Government Taxes-Limitation on Fees, Assessments, and Charges-Initiative Constitutional Amendment, added Articles XIII C and XIII D to the California Constitution, imposing certain vote requirements and other limitations on the imposition of new or increased taxes, assessments and property-related fees and charges.

On November 2, 2010, California voters approved Proposition 26, entitled the “Supermajority Vote to Pass New Taxes and Fees Act.” Section 1 of Proposition 26 declares that Proposition 26 is intended to limit the ability of the State Legislature and local government to circumvent existing restrictions on increasing taxes by defining the new or expanded taxes as “fees.” Proposition 26 amended Articles XIII A and XIII C of the State Constitution. The amendments to Article XIII A limit the ability of the State Legislature to impose higher taxes (as defined in Proposition 26) without a two-thirds vote of the Legislature. Article XIII C requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes require a majority vote and taxes for specific purposes (“special taxes”) require a two-thirds vote.

The Special Taxes and the Bonds were each authorized by not less than a two-thirds vote of the landowners within the District who constituted the qualified electors at the time of such voted authorization. The District believes, therefore, that issuance of the Bonds does not require the conduct of further proceedings under the Act, Proposition 218 or Proposition 26.

Like their antecedents, Proposition 218 and Proposition 26 are likely to undergo both judicial and legislative scrutiny before the impact on the District can be determined. Certain provisions of Proposition 218 and Proposition 26 may be examined by the courts for their constitutionality under both State and federal constitutional law, the outcome of which cannot be predicted.

From time to time, other initiative measures could be adopted by California voters. The adoption of any such initiative might place limitations on the ability of the State, the City, or local districts to increase revenues or to increase appropriations. See “SPECIAL RISK FACTORS — Risks of Real Estate Secured Investments Generally” herein.

CONTINUING DISCLOSURE

Pursuant to a Continuing Disclosure Agreement (the “Disclosure Agreement”), the District will agree to provide, or cause to be provided, to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access (EMMA) website, or other repository authorized under Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission, certain annual financial information and operating data concerning the District and provide notices of certain enumerated events. The Annual Report to be filed by the District is to be filed not later than January 31 of each year, beginning January 31, 2020. Lennar has covenanted for the benefit of owners of the Bonds to provide certain financial and project information relating to the District, not later than each March 31 and September 30, commencing March 31, 2020, and to provide notices of the occurrences of certain enumerated events. These reports are collectively referred to herein as the “Annual Reports.” The Annual Reports will be filed with EMMA. The full text of the Disclosure Agreements are set forth in APPENDIX E — “FORM OF CONTINUING DISCLOSURE AGREEMENTS.”

Notwithstanding any provision of the Fiscal Agent Agreement, noncompliance with the Disclosure Agreement by the District will not be considered an event of default under the Fiscal Agent Agreement. However, any holder of the Bonds may take such action as is necessary and appropriate, including seeking mandate or a judgment for specific performance, to cause the District to comply with its obligations with respect to the Disclosure Agreement.

As obligated parties under the Rule, the City and its related entities are, or were during the past five years, responsible for providing continuing disclosure with respect to eight bond issues.

In conjunction with the delivery of the Bonds, the City engaged the services of Applied Best Practices LLC (“ABP”) to conduct a continuing disclosure compliance review with respect to the bond issues. During the course of ABP’s review, it was determined that during the past five years, there were instances of non-compliance by the City and its related entities, including the District, with the requirements of certain undertakings due primarily to the failure to timely link Audited Financial Statements (AFS) of the City already filed for one bond issue with all applicable bond issues, and failing to timely file certain Annual Reports.

Specifically, for the City or other related entities:

- The City issued Water System Refunding Revenue Bonds, 2012 Series (the “Water Bonds”) and Wastewater System Refunding Revenue Bonds, 2012 Series (the “Wastewater Bonds”) in June 2012. The undertaking for the Wastewater Bonds erroneously referenced information for the Water System. The City has instead provided material annual information on the Wastewater System. The City is in compliance with its undertaking for the Water Bonds. The City’s undertaking for its Fahrens Park Reassessment District No. 2012 Limited Obligation Improvement Bonds, Series 2012, issued in 2012, erroneously included a reference to water supply. The material information regarding the City’s change in water supply has been filed under the Water Bonds. The City did not file in a timely manner notice of late annual financial information
- The City was 42 days late and 87 days late, respectively, in filing its audited financial statements (AFS) for fiscal years 2016-17 and 2017-18, respectively, regarding its obligation for the California Statewide Communities Development Authority Taxable Pension Obligation Bonds 2004 Series A-1, and the City failed to file its AFS for fiscal year 2017-18 regarding its

obligation for the California Statewide Communities Development Authority Taxable Pension Obligation Bonds 2004 Series A-2.

- The City was 9 days late and 50 days late, respectively, in filing its AFS for fiscal years 2016-17 and 2017-18, respectively for the Prior Bonds, \$8,985,000 Community Facilities District No. 2003-1 (Bellevue Ranch East) of the City of Merced 2016 Special Tax Refunding Bonds, and \$6,330,000 Community Facilities District No. 2005-1 (Bellevue Ranch West) of the City of Merced 2017 Special Tax Refunding Bonds (Improvement Area No. 1) (Bank Qualified).

The City recently undertook a review of its policies and has adopted a formal continuing disclosure policy that will help assure compliance with existing and future continuing disclosure undertakings (including those for related entities) through creation of a disclosure practices working group including a City staff disclosure coordinator. The City believes that its procedures with the Dissemination Agent will be sufficient in the normal due course to assure substantial compliance with its continuing disclosure undertakings in the future, including the Continuing Disclosure Agreement with respect to the Bonds. [As of this date, the District and the City are compliant with all AFS and Annual Report filing requirements].

TAX MATTERS

Tax Exemption

The Internal Revenue Code of 1986 (the “Code”) imposes certain requirements that must be met subsequent to the issuance and delivery of the Bonds for interest thereon to be and remain excluded pursuant to section 103(a) of the Code from the gross income of the owners thereof for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Bonds to be included in the gross income of the owners thereof for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to maintain the exclusion of the interest on the Bonds from the gross income of the owners thereof for federal income tax purposes.

In the opinion of Norton Rose Fulbright US LLP, Los Angeles, California, Bond Counsel, under existing law, interest on the Bonds is exempt from personal income taxes of the State of California and, assuming compliance with the covenants mentioned herein, interest on the Bonds is excluded pursuant to section 103(a) of the Code from the gross income of the owners thereof for federal income tax purposes. It is the further opinion of Bond Counsel that under existing law, the Bonds are not “specified private activity bonds” within the meaning of section 57(a)(5) of the Code and for that reason that interest on the Bonds will not be treated as an item of tax preference for purposes of computing the alternative minimum tax imposed by section 55 of the Code. Receipt or accrual of interest on Bonds owned by a corporation may affect the computation of the alternative minimum taxable income. A corporation’s alternative minimum taxable income is the basis on which the alternative minimum tax imposed by section 55 of the Code will be computed.

Pursuant to the Fiscal Agent Agreement and in the *Tax Certificate Pertaining to Arbitrage and Other Matters under Sections 103 and 141-150 of the Internal Revenue Code of 1986*, to be delivered by the District in connection with the issuance of the Bonds, the District will make representations relevant to the determination of, and will make certain covenants regarding or affecting, the exclusion of interest on the Bonds from the gross income of the owners thereof for federal income tax purposes. In reaching its opinions described in the immediately preceding paragraph, Bond Counsel will assume the accuracy of such representations and the present and future compliance by the District with its covenants.

Except as stated in this section above, Bond Counsel will express no opinion as to any federal or state tax consequence of the receipt of interest on, or the ownership or disposition of, the Bonds. Furthermore, Bond Counsel will express no opinion as to any federal, state or local tax law consequence with respect to the Bonds, or the interest thereon, if any action is taken with respect to the Bonds or the proceeds thereof predicated or

permitted upon the advice or approval of other counsel. Bond Counsel has not undertaken to advise in the future whether any event after the date of issuance of the Bonds may affect the tax status of interest on the Bonds or the tax consequences of the ownership of the Bonds.

Bond Counsel's opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the District described above. No ruling has been sought from the Internal Revenue Service (the "Service") with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel's opinion is not binding on the Service. The Service has an ongoing program of auditing the tax-exempt status of the interest on municipal obligations. If an audit of the Bonds is commenced, under current procedures the Service is likely to treat the District as the "taxpayer", and the owners would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Bonds, the District may have different or conflicting interest from the owners. Public awareness of any future audit of the Bonds could adversely affect the value and liquidity of the Bonds during the pendency of the audit, regardless of its ultimate outcome.

Existing law may change to reduce or eliminate the benefit to bondholders of the exclusion of interest on the Bonds from personal income taxation by the State of California or from gross income for federal income tax purposes. Any proposed legislation or administrative action, whether or not taken, could also affect the value and marketability of the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any proposed or future changes in tax law.

A copy of the form of opinion of Bond Counsel relating to the Bonds is included in APPENDIX F.

Tax Accounting Treatment of Bond Premium and Original Issue Discount on Bonds

To the extent that a purchaser of a Bond acquires that Bond at a price in excess of its "stated redemption price at maturity" (within the meaning of section 1273(a)(2) of the Code), such excess will constitute "bond premium" under the Code. Section 171 of the Code, and the Treasury Regulations promulgated thereunder, provide generally that bond premium on a tax-exempt obligation must be amortized over the remaining term of the obligation (or a shorter period in the case of certain callable obligations); the amount of premium so amortized will reduce the owner's basis in such obligation for federal income tax purposes, but such amortized premium will not be deductible for federal income tax purposes. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of the obligation. The amount of premium that is amortizable each year by a purchaser is determined by using such purchaser's yield to maturity. The rate and timing of the amortization of the bond premium and the corresponding basis reduction may result in an owner realizing a taxable gain when its Bond is sold or disposed of for an amount equal to or in some circumstances even less than the original cost of the Bond to the owner.

The excess, if any, of the stated redemption price at maturity of Bonds of a maturity over the initial offering price to the public of the Bonds of that maturity is "original issue discount." Original issue discount accruing on a Bond is treated as interest excluded from the gross income of the owner thereof for federal income tax purposes and is exempt from California personal income tax to the same extent as would be stated interest on that Bond. Original issue discount on any Bond purchased at such initial offering price and pursuant to such initial offering will accrue on a semiannual basis over the term of the Bond on the basis of a constant yield method and, within each semiannual period, will accrue on a ratable daily basis. The amount of original issue discount on such a Bond accruing during each period is added to the adjusted basis of such Bond to determine taxable gain upon disposition (including sale, redemption or payment on maturity) of such Bond. The Code includes certain provisions relating to the accrual of original issue discount in the case of purchasers of Bonds who purchase such Bonds other than at the initial offering price and pursuant to the initial offering.

Persons considering the purchase of Bonds with original issue discount or initial bond premium should consult with their own tax advisors with respect to the determination of original issue discount or amortizable bond premium on such Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of such Bonds. Bond Counsel will express no opinion regarding such determination or such tax consequences. Bond Counsel will express no opinion regarding such determination or such tax consequences.

Other Federal Income Tax Consequences

Although interest on the Bonds may be exempt from California personal income tax and excluded from the gross income of the owners thereof for federal income tax purposes, an owner's federal, state or local tax liability may be otherwise affected by the ownership or disposition of the Bonds. The nature and extent of these other tax consequences will depend, *inter alia*, upon the owner's other items of income or deduction. Without limiting the generality of the foregoing, prospective purchasers of the Bonds should be aware that (i) section 265 of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Bonds and the Code contains additional limitations on interest deductions applicable to financial institutions that own tax-exempt obligations (such as the Bonds), (ii) with respect to insurance companies subject to the tax imposed by section 831 of the Code, section 832(b)(5)(B)(i) reduces the deduction for loss reserves by 15% of the sum of certain items, including interest on the Bonds, (iii) interest on the Bonds earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by section 884 of the Code, (iv) passive investment income, including interest on the Bonds, may be subject to federal income taxation under section 1375 of the Code for Subchapter S corporations that have Subchapter C earnings and profits at the close of the taxable year if greater than 25% of the gross receipts of such Subchapter S corporation is passive investment income, (v) section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account, in determining the taxability of such benefits, receipts or accruals of interest on the Bonds and (vi) under section 32(i) of the Code, receipt of investment income, including interest on the Bonds, may disqualify the recipient thereof from obtaining the earned income credit. Bond Counsel will express no opinion regarding any such other tax consequence.

BANK QUALIFICATION

Section 265 of the Code provides, in general, that interest expense to acquire or carry tax-exempt obligations is not deductible from the gross income of the owner of such obligations. In addition, section 265 of the Code generally disallows 100% of any deduction for interest expense that is incurred by "financial institutions" described in such section and is allocable, as computed in such section, to tax-exempt interest on obligations acquired after August 7, 1986. The disallowance does not apply to interest expense allocable to tax-exempt obligations (other than private activity bonds that are not qualified 501(c)(3) bonds) that are designated by an issuer as "qualified tax-exempt obligations." An issuer may designate obligations as "qualified tax-exempt obligations" only if the amount of the issue of which they are a part, when added to the amount of all other tax-exempt obligations (other than private activity bonds that are not qualified 501(c)(3) obligations and other than certain refunding bonds) issued or reasonably anticipated to be issued by the issuer during the same calendar year, does not exceed \$10,000,000.

The District has designated the Bonds as "qualified tax-exempt obligations" and has certified its expectation that the above-described \$10,000,000 ceiling will not be exceeded. Accordingly, it is anticipated that financial institutions that purchase the Bonds will not be subject to the 100% disallowance of interest expense allocable to interest on the Bonds under section 265(b) of the Code. However, the deduction for interest expense incurred by a financial institution that is allocable to the interest on the Bonds will be reduced by 20% pursuant to section 291 of the Code.

LEGAL MATTERS

Litigation

The District will furnish a certificate dated the date of delivery of the Bonds to the effect that there is no litigation pending or, to the knowledge of the duly authorized officer of the District executing the certificate, threatened, seeking to restrain or enjoin the execution, sale or delivery of the Bonds, in any way contesting or affecting the authority for the execution, sale or delivery of the Bonds, or the execution and delivery of the Fiscal Agent Agreement or the Continuing Disclosure Agreement, or in any way contesting the existence or powers of the District.

Legal Opinion

The validity of the Bonds and certain other legal matters are subject to the approving opinion of Norton Rose Fulbright US LLP, a member of Norton Rose Fulbright, Los Angeles, California, Bond Counsel. A complete copy of the proposed form of Bond Counsel opinion is contained in APPENDIX F hereto and will accompany the Bonds. Certain legal matters will be passed upon for the District by the City Attorney, and for the District by Norton Rose Fulbright US LLP, as Disclosure Counsel. Norton Rose Fulbright US LLP expresses no opinion as to the accuracy, completeness or fairness of this Official Statement or other offering materials relating to the Bonds and expressly disclaims any duty to advise the Beneficial Owners of the Bonds as to matters related to this Official Statement.

No Rating

The District has not made, and does not contemplate making, application to any rating agency for the assignment of a rating for the Bonds.

Underwriting

The Bonds are being purchased by Brandis Tallman LLC (the "Underwriter"). The Underwriter has agreed to purchase the Bonds at a price of \$_____ (being \$3,860,000 aggregate principal amount thereof, less Underwriter's discount of \$_____ plus/less a net original issue premium/discount of \$_____). The purchase agreement relating to the Bonds provides that the Underwriter will purchase all of the Bonds if any are purchased. The obligation to make such purchase is subject to certain terms and conditions set forth in such purchase agreement, the approval of certain legal matters by counsel and certain other conditions.

The Underwriter may offer and sell the Bonds to certain dealers and others at prices lower than the offering prices stated on the inside cover page hereof. The offering prices may be changed from time to time by the Underwriter.

FINANCIAL INTERESTS

The fees being paid to the Underwriter, Underwriter's Counsel, Bond Counsel, the Municipal Advisor, and the Fiscal Agent are contingent upon the issuance and delivery of the Bonds.

Pending Legislation

The District is not aware of any significant pending legislation which would have material adverse consequences on the Bonds or the ability of the District to pay the principal of and interest on the Bonds when due.

Additional Information

The purpose of this Official Statement is to supply information to prospective buyers of the Bonds. Quotations and summaries and explanations of the Bonds and documents contained in this Official Statement do not purport to be complete, and reference is made to such documents for full and complete statements and their provisions. A copy of the Fiscal Agent Agreement may be obtained after delivery of the Bonds from the City of Merced, 678 West 18th Street, Merced, California 95340.

The execution and delivery of this Official Statement has been authorized by the City Council of the City, acting in its capacity as the legislative body of the District.

COMMUNITY FACILITIES DISTRICT NO. 2006-1 (Moraga of Merced) of the City of Merced

By: _____
City Manager of the City of Merced

APPENDIX A

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES

APPENDIX B

GENERAL INFORMATION REGARDING THE CITY OF MERCED

Set forth below is certain demographic information regarding the City of Merced (the “City”) and the County of Merced (the “County”). This information is provided for informational purposes only and general background. The information set forth herein has been obtained from third party sources believed to be reliable, but such information is not guaranteed by the District as to accuracy or completeness. The information and data within this Appendix B speak only as of the dates indicated and may have changed, perhaps materially, from such time. Neither the delivery of this Official Statement nor any sale thereafter of the securities offered hereby shall under any circumstances create any implication that there has been no change in any information contained in this Appendix B since the date of the Official Statement. The Bonds are not a debt of the City, the County, the State of California (the “State”), or any of its political subdivisions, and none of the City, the County, the State nor any of its political subdivisions is liable thereon.

General Description and Background

The City of Merced (the “City”) is located in Merced County (the “County”) and serves as the county seat. The City is located in the heart of the San Joaquin Valley approximately 110 miles southeast of San Francisco and 310 miles northwest of Los Angeles. The City is located on Highway 99, the dominant north-south freeway in California, and is served also by Highways 140 and 59. Merced is less than two hours by car from Yosemite National Park to the east and to the west is Monterey Bay, the Pacific Ocean, and miles of beaches. The community is served by rail passenger service, a commercial airliner, and two bus lines. The two railroads, Union Pacific and Burlington Northern Santa Fe, have main lines which pass through the City.

The County has six incorporated cities, of which the City is the largest in terms of population. The City lies in the mid-portion of the County.

Population

The following sets forth the City, the County and the State population estimates as of January 1 for the years 2010 to 2019:

TABLE B-1
CITY OF MERCED, MERCED COUNTY AND STATE OF CALIFORNIA
Estimated Population

<u>Year</u> <u>(January 1)</u>	<u>City of</u> <u>Merced</u>	<u>Merced</u> <u>County</u>	<u>State of</u> <u>California</u>
2010	78,958	255,793	37,253,956
2011	79,563	258,852	37,536,835
2012	80,578	262,147	37,881,357
2013	81,589	264,437	38,238,492
2014	82,069	266,556	38,572,211
2015	82,909	269,132	38,915,880
2016	83,955	271,547	39,189,035
2017	84,578	274,665	39,523,613
2018	85,921	279,424	39,740,508
2019	87,110	282,928	39,927,315

Source: State Department of Finance, Demographic Research Unit.

**Includes 2010 Census count information; as of April 1, 2010.*

Commerce

Total taxable sales during the calendar year 2017 in the City were reported to be \$1,088,384,000 compared to total taxable sales of \$_____ reported during the calendar year 2016. The number of establishments selling merchandise subject to sales tax and the valuation of taxable transactions in the City is presented in the following table. Annual figures are not yet available for 2018.

TABLE B-2
CITY OF MERCED
Taxable Transactions
(dollars in thousands)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Retail and Food Services					
Motor Vehicle and Parts Dealers	\$191,217	\$191,858	\$ 217,485		\$ 258,140
Home Furnishings and Appliance Stores	27,677	29,733	35,399		38,452
Bldg. Mat'l. & Garden Equip. & Supplies	62,731	69,180	75,222		86,890
Food and Beverage Stores	42,969	47,543	48,905		57,493
Gasoline Stations	99,882	92,520	76,559		72,041
Clothing & Clothing Accessories Stores	40,435	40,247	41,745		41,794
General Merchandise Stores	186,226	189,211	164,949		92,287
Food Services and Drinking Places	100,236	109,214	117,632		130,701
Other Retail Group	66,358	66,459	66,611		66,610
Total Retail and Food Services	\$817,733	\$835,964	\$ 844,506		\$ 924,359
All Other Outlets	155,559	158,532	155,905		164,026
Total All Outlets ⁽¹⁾	\$973,291	\$994,496	\$1,000,441		\$1,088,384

⁽¹⁾ Detail may not compute to total due to rounding.

Source: "Taxable Sales in California," California State Board of Equalization.

The El Capitan Hotel renovation and expansion into a boutique hotel is currently underway. This will preserve the historic 33-room hotel and add another 77 rooms, plus a restaurant and meeting rooms. Two major retail projects are moving forward; the Merced Mall, adding 90,000 square feet of new retail, food and entertainment space, plus a theatre as a second level and the Merced Gateway Retail Center at Mission-Healy interchange. The Center proposes more than 600,000 square feet of retail commercial development, 178 apartments, and a fire station on 71 acres.

The historic Hotel Tioga is undergoing a major beautification project, which includes restoring the former hotel to its grand stature. Inside, a transformation is taking place and Hotel Tioga will become home to residents wanting to experience life in Merced's Central Business District. The 70-unit structure includes studio, one-bedroom, two-bedroom, and penthouse units. Project completion is scheduled for February 2020.

Revitalization of the City's Downtown area is continuing. A Dickie's BBQ restaurant and an 88-room Marriott TownPlace Suites opened in 2017 and 2018, respectively. Additional recent new retail establishments within the City include a Five Guys Burgers, Cozy Fox, Quickly, Pizza Factory, Stanton Optical, Premiere Car Wash and Les Schwab Tires.

The number of establishments selling merchandise subject to sales tax and the valuation of taxable transactions within the County is presented in the following table. Total taxable sales during the calendar year 2017 in the County were reported to be \$2,940,773,000 compared to total taxable sales reported during the calendar year 2016 of \$2,806,327,000. Annual figures are not yet available for 2018.

TABLE B-3
COUNTY OF MERCED
Taxable Retail Sales
Valuation of Taxable Transactions
(dollars in thousands)

	<u>2013</u>	<u>2014</u>	<u>2015⁽²⁾</u>	<u>2016</u>	<u>2017</u>
Retail and Food Services					
Motor Vehicle and Parts Dealers	\$ 258,784	\$ 265,935	\$ 297,640	\$ 330,986	\$ 354,970
Furniture and Home Furnishing Stores	18,798	20,682	n/a	n/a	n/a
Electronics and Appliance Stores	33,629	35,052	n/a	n/a	n/a
Home Furnishings and Appliance Stores	n/a	n/a	67,155	75,200	72,341
Bldg. Mat'l. & Garden Equip. & Supplies	117,906	129,537	141,507	147,418	157,530
Food and Beverage Stores	134,829	137,132	143,795	145,019	146,054
Health and Personal Care Stores	34,168	34,268	n/a	n/a	n/a
Gasoline Stations	551,141	538,392	443,752	419,968	478,272
Clothing & Clothing Accessories Stores	66,457	67,686	73,246	77,663	77,261
Sporting Goods, Hobby, Book & Music Stores	38,425	38,883	n/a	n/a	n/a
General Merchandise Stores	319,178	327,514	314,314	341,069	326,928
Miscellaneous Store Retailers	60,598	59,653	n/a	n/a	n/a
Nonstore Retailers	22,552	26,927	n/a	n/a	n/a
Other Retail Group	n/a	n/a	172,055	178,961	188,959
Food Services and Drinking Places	214,323	232,164	254,163	274,136	290,024
Total Retail and Food Services	\$1,870,789	\$1,913,822	\$1,907,627	\$1,990,420	\$2,092,340
All Other Outlets	802,208	851,081	1,057,097	815,907	848,433
Total All Outlets	\$2,672,998	\$2,764,904	\$2,964,724	\$2,806,327	\$2,940,773

⁽¹⁾ Detail may not compute to total due to rounding.

⁽²⁾ Categories for 2015 were reevaluated and modified.

Source: "Taxable Sales in California," California State Board of Equalization.

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Employment and Industry

The following table shows the average annual estimated numbers of wage and salary workers by industry for the County of Merced. Figures do not include proprietors, the self-employed, unpaid volunteers or family workers, domestic workers in households, and persons in labor management disputes.

TABLE B-4
MERCED COUNTY
Civilian Labor Force, Employment and Unemployment
(Annual Averages)

TITLE	2014	2015	2016	2017	2018
Civilian Labor Force ⁽¹⁾	114,300	114,100	114,400	115,400	115,400
Civilian Employment	99,700	101,200	102,300	104,600	105,800
Civilian Unemployment	14,700	13,000	12,100	10,800	9,600
Civilian Unemployment Rate	12.8%	11.4%	10.6%	9.4%	8.3%
Total, All Industries ⁽²⁾	75,800	77,500	79,100	81,400	82,500
Total Farm	13,700	14,100	14,000	14,100	14,100
Total Nonfarm	62,000	63,400	65,000	67,200	68,400
Total Private	45,000	45,800	46,600	48,600	49,500
Goods Producing	11,400	11,600	11,500	11,900	12,100
Mining, Logging, and Construction	1,700	1,900	2,200	2,400	2,500
Manufacturing	9,700	9,700	9,300	9,600	9,600
Nondurable Goods	8,300	8,400	7,900	8,200	8,100
Service Providing	50,700	51,800	53,600	55,300	56,300
Private Service Producing	33,600	34,100	35,100	36,700	37,400
Trade, Transportation & Utilities	12,000	12,200	12,600	13,200	13,500
Wholesale Trade	1,400	1,400	1,600	1,700	1,700
Retail Trade	7,800	8,000	8,100	8,300	8,400
Transportation, Warehousing & Utilities	2,800	2,800	2,900	3,200	3,500
Information	400	300	300	300	300
Financial Activities	1,600	1,600	1,800	1,800	1,800
Professional & Business Services	3,800	3,800	3,700	4,100	4,300
Educational & Health Services	9,100	9,400	9,800	10,200	10,300
Leisure & Hospitality	5,400	5,400	5,500	5,600	5,800
Other Services	1,300	1,400	1,400	1,400	1,500
Government	17,100	17,700	18,500	18,600	18,900
Federal Government	800	800	800	800	700
State & Local Government	16,300	16,900	17,700	17,800	18,100
State Government	3,100	3,200	3,500	3,600	3,600
Local Government	2,500	2,600	2,900	3,000	3,000
Special Districts plus Indian Tribes	600	600	600	600	600

⁽¹⁾ Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

⁽²⁾ Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

Source: State of California Employment Development Department.

The following Table B-5 sets forth information regarding the size of the labor force, employment and unemployment rates for the City, the County, the State and the United States for calendar years 2014 through 2018 and for August 2019.

TABLE B-5
LABOR FORCE – ESTIMATED AVERAGE ANNUAL EMPLOYMENT AND
UNEMPLOYMENT OF CITY OF MERCED CIVILIAN LABOR FORCE⁽¹⁾
Calendar Years 2014 through 2018, and August 2019⁽²⁾
(Not Seasonally Adjusted)

	<i>Calendar Year</i>					
	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>August 2019⁽²⁾</i>
Civilian Labor Force						
City of Merced						
Employed	30,200	30,700	31,100	31,500	31,900	32,600
Unemployed	4,200	3,700	2,900	2,600	2,300	2,400
Unemployment Rates						
City	12.1%	10.7%	8.5%	7.6%	6.7%	6.7%
County	12.8	11.4	10.6	9.4	8.3	7.2
California	7.5	6.2	5.5	4.8	4.2	4.2
United States ⁽³⁾	6.2	5.3	4.9	4.5	3.9	3.7

⁽¹⁾ City, County and State 2014-2018 data based on March 2018 Benchmark Report.

⁽²⁾ Preliminary, subject to change.

⁽³⁾ The United States unemployment rates for calendar years 2014-2018 and August 2018 were generated as of February 28, 2019 and September 1, 2019, respectively.

Source: State of California Employment Development Department, Labor Market Information Division; U.S. Department of Labor, Bureau of Labor Statistics.

Major Employers

The following table lists the largest employers within the County as of June 30, 2018.

TABLE B-6
MERCED COUNTY
Top Ten Major Employers

<u>Rank</u>	<u>Employer</u>	<u>Number of Employees</u>	<u>Product/Service</u>
1	Foster Farms Inc.	3,138	Poultry processing
2	UC Merced	2,380	University
3	County of Merced	2,109	Government
4	Merced City School District	1,367	Education
5	Mercy Medical Center	1,340	General Medical and Surgical Hospital
6	Dole Packaged Foods, LLC	1,275	Food Products
7	Merced County Office of Education	1,261	Government
8	Merced Union High School District	1,071	Education
9	Merced College	830	Community College
10	Liberty Packing Company	650	Food Processing

Source: County of Merced, Comprehensive Annual Financial Report, June 30, 2018.

Personal Income

The following Table B-7 sets forth the per capita personal income in the County, the State and the United States for calendar years 2014 through 2018.

TABLE B-7
COUNTY OF MERCED, STATE OF CALIFORNIA AND UNITED STATES
PER CAPITA PERSONAL INCOME⁽¹⁾
Calendar Years 2014 through 2018

<u>Calendar Year</u>	<u>County of Merced</u>	<u>State of California</u>	<u>United States</u>
2014	34,567	50,988	46,414
2015	36,226	55,679	48,940
2016	36,868	57,497	49,831
2017	38,716	59,796	51,640
2018			

(1) Amounts for County and State may not be comparable based on different source methodology.

Source: U.S. Bureau of Economic Analysis.

Transportation and Community Services

Situated on Highway 99, Merced County offers transportation access routes throughout California and the Western United States. Many communities in the County offer small airports for corporate service. Air service is available locally at Merced Regional Airport, and south at Fresno Yosemite International Airport. Boutique Air serves the Merced regional Airport with daily commercial flights to and from Sacramento and Los Angeles. San Francisco International Airport, Oakland International Airport, San Jose International Airport and Sacramento International Airport are each within 2½ hours driving time away.

Union-Southern Pacific and Burlington Northern-Santa Fe Railroads are the San Joaquin Valley Rail companies that serve Merced County with extensive spur track, piggyback service, reciprocal switching, and refrigerated shipping. Amtrak provides passenger service from a station in the City. The City of Merced is part of Phase 1 of the State's High-Speed Rail project that is currently underway. The High Speed Rail Authority and the City are working together to develop a station area plan serving downtown Merced, UC Merced, Merced County and the upper Central Valley. The high-speed rail station in Merced will be located adjacent to State Route 99 and the Union Pacific Rail Road line on Martin Luther King Jr. Way/ Highway 59 and the State Route 99 interchange. The City has a planning grant to study the impacts of the rail on the Downtown area.

In April 2017, the San Joaquin Regional Rail Commission (SJRRRC), which operates the Altamont Corridor Express (ACE Train) currently running from Stockton to San Jose, was notified it will be receiving \$400 million of the Transportation Funding Measure (SB 1) to help make improvements to its system including long-term improvements to expand ACE service to Modesto and Merced, including new track, stations, and trains. When completed the ACE train will link City residents to the Bay Area and jobs in between, along with the Stanford Medical Center, BART connections and three major airports. State transportation funds in the amount of \$100 million will assist in the development of the Campus Parkway Interchange, connecting UC Merced to Highway 99. It will give North and Central Merced residents a direct route to the freeway, eliminating crosstown traffic. The Parkway will open up new commercial opportunities and new possibilities for technology centers and business parks.

In May 1995, Merced was selected as the home of the next University of California campus. On September 5, 2005, the main campus opened for the first 1,000 students for the fall 2005 semester. As of Fall 2019, the University had almost 2,000 faculty and staff employees, and an enrollment of 9,230 undergraduates and graduate students. It is expected that the enrollment will increase by 10,000 students in the next seven to ten years. In fall of 2016, the University broke ground on a major expansion project which will add approximately 1.2 million square feet of teaching, research, residential and student-support facilities by 2020. The first three buildings of the expansion project, a 600-seat dining facility and two residential halls, opened in August 2018. The second phase includes a new

wet-laboratory, computational laboratory buildings with faculty offices, and an outdoor competition field scheduled to be completed by fall 2019, with the remainder of construction to be completed in 2020 including a new wet-lab building with faculty offices and classrooms, 980 new beds in student housing, 630 new parking spaces, a conference center, a dedicated transit hub for buses, a new wellness center, an enrollment center, expansion of the existing Early Childhood Education Center, a swimming pool, three tennis courts and four basketball courts. It is expected that the enrollment will reach 25,000 by the year 2030.

The City's Parks and Community Service Department operates 29 parks within the City. Merced has over 12 miles of class one, grade-separated bike paths, that along with the City's other bike lanes, connect most of Merced's open space park system.

The City provides a broad range of services, including construction and maintenance of highways, streets and infrastructure, planning and zoning activities, public transit, recreational activities and cultural events for all ages. There are authorized two police stations within the City with 98 policemen and officers. Five fire stations are located within the City with 63 firemen and officers.

Pacific Gas & Electric Company (PG&E) and Merced Irrigation District provide electricity and gas service throughout the region. Water and sewer service is supplied to the area by the individual cities within the County. Within the City of Merced, public schools include 12 elementary, 4 middle and 3 high schools, and private schools include 4 K-8 and 3 high schools. Merced Community College, Chapman University a shared campus for California State University Stanislaus and the University of California, Merced, are located in or near the City. There is one general hospital in Merced, Mercy Hospital, located on two campuses.

APPENDIX C

SUMMARY OF THE FISCAL AGENT AGREEMENT

The following is a summary of certain definitions and provisions of the Fiscal Agent Agreement (the “Agreement”) which are not described elsewhere in the Official Statement. This Summary does not purport to be comprehensive and reference should be made to the Agreement for a full and complete statement of their provisions.

APPENDIX D
APPRAISAL REPORT

APPENDIX E
FORM OF CONTINUING DISCLOSURE AGREEMENTS

APPENDIX F
FORM OF OPINION OF BOND COUNSEL

APPENDIX G

BOOK ENTRY ONLY SYSTEM

The information in this section concerning DTC and DTC's book-entry only system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the completeness or accuracy thereof. The following description of the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, premium, if any, accreted value and interest on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfers of beneficial ownership interests in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Reference made to www.dtcc.com is presented as a link for additional information regarding DTC and is not a part of this Official Statement.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds (the "Bonds"). The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal of such issue.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such

other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Paying Agent, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to the Paying Agent. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Paying Agent's DTC account.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, physical Bonds are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, physical Bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.



ADMINISTRATIVE REPORT

Agenda Item J.2.

Meeting Date: 11/4/2019

Report Prepared by: Monique Gama, Recycling Coordinator - Public Works

SUBJECT: Draft Report of the Solid Waste Collection and Related Services Rate Study with R3 Consulting Group, Inc., and Request to Set a Public Hearing Following the Proposition 218 Notification

REPORT IN BRIEF

Presentation of the Draft Solid Waste Collection and Related Services Rate Study.

RECOMMENDATION

City Council - Adopt a motion:

- A. Approving the Solid Waste Collection and Related Services Rate Study Report; and,
- B. Selecting Scenario 3 and specifying with OR without an additional litter abatement program; and,
- C. Authorizing staff to proceed with the Public Notification process following Proposition 218 guidelines; and,
- D. Setting a Public Hearing for February 3, 2020, at 6:00 PM to approve the amended rates.

ALTERNATIVES

1. Select Scenario 1, specifying with or without an additional litter abatement program; or,
2. Select Scenario 2, specifying with or without an additional litter abatement program; or,
3. Deny the Solid Waste Collection and Related Services rate changes as recommended; or,
4. Refer back to staff for further study; or,
5. Continue action until a future City Council meeting, specifying date.

AUTHORITY

Article II, Section 200, and Article IV, Section 405 of the Merced Municipal Code, and Article XIII of the California State Constitution in accordance with MMCC, Title 15.

CITY COUNCIL PRIORITIES

As provided for in the Fiscal Year 2019/2020 Adopted Budget.

DISCUSSION

The City's Solid Waste Collection and Related Services are considered a self-supporting enterprise fund where revenue is derived primarily from refuse, recycling and green waste collection service. Rates for collection services were last revised January 2015 with minimally set annual increases through December 2019. While the Solid Waste Division has been maximally efficient with funds and resources, due to operation changes beyond our control and increased costs, the current rate structure is no longer capable of sustaining on-going operations and maintaining appropriate reserves, as a result the City sought to have a solid waste rate study and financial plan analysis.

On June 4, 2018, Council approved an agreement with R3 Consulting Group, Inc., (R3) to produce an amended 5-year revenue program with rate adjustments structured to meet the projected needs of the City, including future growth, capital improvement projects, and achieving adequate reserves.

The City's solid waste services are not limited to refuse, recycling and green waste collection for residential and commercial customers; it also includes assisted pack-out service, alley cleanup/illegal dumping, encampment cleanup, Spring Clean-Up, bulky waste pickup, tire removal, street sweeping/leaf collection, Christmas tree removal, Street trees, and the newly added year-round Bulky Item Drop-off site.

In addition to our current services, R3 had to account for rare adjustments in the form of state mandated programs geared toward the commercial sector, such as mandatory organic waste diversion and food waste diversion programs; replacement of equipment to meet California Air Resources Board compliance; recycling market changes; and, community litter abatement programs.

Per staff request and with guidance from the City Council Utility Committee, R3 prepared 2 versions of 3 scenarios; one version with a community litter abatement program and one version without a community litter abatement program. R3 will present to Council the Draft Report of the Solid Waste Collection and Related Services Rate Study (attachment 1), and review both versions of the 3 scenarios.

We are one of many communities facing rate increases to accommodate service needs. In the report, a service comparison shows our residential service 11% higher than the average of similar communities; however, our commercial service shows 51% lower. This analysis points towards selecting scenario 3, as this scenario has the majority of the increase focused on the commercial services.

Staff is seeking Council's approval to accept the proposed Draft Report of the Solid Waste Collection and Related Services Rate Study with staff recommendation of scenario 3 and to proceed with the Proposition 218 process. The Proposition 218 process involves public notification of proposed refuse rate changes and a 45-day wait period prior to the public hearing. Allowing for time to produce and distribute the notification and waiting period, staff is requesting the date for public hearing be set for February 3, 2020.

IMPACT ON CITY RESOURCES

No appropriation of funds is needed.

ATTACHMENTS

1. Draft - Final Report on the 2018 Solid Waste and Related Services Rate Study
2. Presentation

Northern California Office

1512 Eureka Road, Suite 220, Roseville, CA 95661
Tel: 916-782-7821 | Fax: 916-782-7824

San Francisco Bay Area Office

2600 Tenth Street, Suite 424, Berkeley, CA 94710
Tel: 510-647-9674

September 17, 2019

Mr. Ken Elwin, P.E.
Director of Public Works
City of Merced
1776 Grogan Avenue
Merced, CA 95341

Subject: Final Report on 10-Year Financial Plan and 5-Year Solid Waste and Related Services Rate Study

Dear Mr. Elwin:

The City of Merced (City) has engaged R3 Consulting Group, Inc. (R3) to produce a 10-Year Financial Plan and 5-Year Solid Waste and Related Services Rate Study to address the City's need to raise revenue over time to ensure that revenues from solid waste service charges are sufficient to cover projected expenses for solid waste services in the Refuse Operations Fund.

The attached report includes three (3) scenarios for adjusting rates over the next 5 years, all of which demonstrate the need for increases to the rates. These increases are necessary to increase revenues to account for the following factors:

- A FY 18/19 budgeted structural Refuse Operations Fund deficit of \$2.2 million;
- Achievement of Refuse Operations Fund reserves amounting to two months of operating expenses during implementation of the Plan;
- The projected capital outlay of \$3.5 million in capital expenses for the first and second phase of a new corporation yard, anticipated to be paid by FY 23/24, while amortizing \$8.8 million in capital expenses for the third phase of the capital improvement project over a 20-year period; and
- Replacing trucks models built prior to 2010 to meet the California Air Resources Board (CARB) compliance requirements.

The three (3) rate adjustment scenarios provided in this report demonstrate the immediate need for increases in revenues to address the factors stated above. The table on the following page provides a summary of actual rate adjustments to typical residential and commercial account.

Proposed Residential Rates by Scenario						Proposed Commercial Rates by Scenario					
Total Monthly Rate Including 64-gallon Garbage, 90-gallon Green Waste, and 64-gallon Recycling Collected Once Weekly						Total Monthly Rate Including 3-cubic yards each of Garbage and Recycling, and 64-gallon Organic Collected Once Weekly					
Scenario	2020 Proposed	2021 Proposed	2022 Proposed	2023 Proposed	2024 Proposed	Scenario	2020 Proposed	2021 Proposed	2022 Proposed	2023 Proposed	2024 Proposed
1	\$47.83	\$52.14	\$54.75	\$56.93	\$56.93	1	\$290.73	\$316.90	\$332.75	\$346.06	\$346.06
2	\$42.46	\$48.61	\$55.66	\$58.17	\$58.17	2	\$261.43	\$299.33	\$342.74	\$358.16	\$358.16
3	\$46.72	\$48.82	\$51.02	\$53.32	\$53.32	3	\$312.97	\$336.44	\$361.67	\$388.80	\$388.80

Residential Dollar Increase over Prior Year by Scenario						Commercial Dollar Increase over Prior Year by Scenario					
Scenario	2020 Proposed	2021 Proposed	2022 Proposed	2023 Proposed	2024 Proposed	Scenario	2020 Proposed	2021 Proposed	2022 Proposed	2023 Proposed	2024 Proposed
1	\$10.75	\$4.30	\$2.61	\$2.19	\$0.00	1	\$88.61	\$26.17	\$15.85	\$13.31	\$0.00
2	\$5.38	\$6.16	\$7.05	\$2.50	\$0.00	2	\$59.31	\$37.91	\$43.40	\$15.42	\$0.00
3	\$9.64	\$2.10	\$2.20	\$2.30	\$0.00	3	\$110.85	\$23.47	\$25.23	\$27.13	\$0.00

Scenario 1: The first scenario demonstrates the magnitude of rate adjustments that would be needed if there was a single large increase followed by low to no increases in all remaining years. Via this scenario, rates would increase by 29.0% in FY 2020, followed by a 9.0% increase in 2021, 5.0% increase in 2022, 4.0% increase in 2023, and no increase in all other future years.

Scenario 2: The second scenario demonstrates the magnitude of rate adjustments that would be needed if those adjustments were spread over time. Via this scenario, projected rate increases are steady with a 14.5% increase for FY 2020 through FY 2022 followed by a 4.5% increase for FY 2023, and no additional increases in all other future years.

Scenario 3: The third scenario demonstrates a larger increase for commercial customers based on survey results of customer rates in jurisdictions with services comparable to those provided by the City. It also keeps the Refuse Operations Fund reserves at or above 16% beginning in FY 2020. In this scenario, residential customer rates increase 26.0% in FY 2020, followed by a 4.5% increase in FY 2021 through FY 2023. Commercial customer rates would increase 40.00% in FY 2020, followed by a 7.5% increase in FY 2021 through FY 2023. Both residential and commercial customer rates would see no additional increases in FY 2024 through FY 2029.

In developing these scenarios, R3 strategized with the City to find the best potential options to meet the City's needs and state compliance requirements. To that end, to mitigate the magnitude of necessary rate increases the 10-year financial plan includes amortizing the third phase of the capital improvement project over a 20-year period.

We appreciate the opportunity to submit our draft report to the City. Should you have any questions regarding our draft report or need any additional information please contact me by phone at (916) 782-7821 or by email at cbaxter@r3cgi.com.

Sincerely,

R3 CONSULTING GROUP



Carrie Baxter | Project Manager

Introduction

The City of Merced (City) Public Works Department contracted with R3 Consulting Group, Inc. (R3) to assist with the preparation of a Rate Study to amend solid waste rate and revenue to meet the projected future expenses and obligations for its solid waste program over the coming five years. This amended Rate Study amends the prior rate study conducted by R3 providing calculated rate adjustments following the currently set January 1, 2019 rate adjustment. Finally, this Rate Study incorporates all identified appropriate and necessary cost elements for the City's solid waste operations.

The Refuse Division provides solid waste services to residents and businesses within the City including solid waste collection (residential, commercial, and roll off), green waste collection, and single stream recycling collection. Street sweeping and street tree maintenance activities are also funding through solid waste rates. The Refuse Division operates on a July 1st through June 30th fiscal year (FY) with customer rates adjusted annually on January 1st.

The City has a population of approximately 86,750 and the Division provides service to approximately 19,000 residential accounts, and approximately 4,250 multi-family, commercial and industrial accounts. The Refuse Division's operating budget in Fund 558 for fiscal year ending (FY) 2019 was approximately \$16.2 million. Rates last increased effective January 1, 2019.

Project Objectives

- Develop a Rate Model that allows the City to evaluate the timing and amount of various rate adjustment options necessary to meet the City's projected revenue requirements and Operating Reserve target funding level at the end of the five-year planning period (FY 2024).
- Develop a Rate Model that allows the City to evaluate impacts from account growth and the points at which additional collection routes will be required.
- Present various rate adjustment scenarios for meeting the City's projected revenue requirements and Operating Reserve target funding level at the end of the five year planning period (FY 2024).¹

¹ For purpose of the rate modeling, the Operating Reserves have been targeted at a minimum of approximately 16 percent of budgeted expenses in Fund 558.

Section 1

Introduction

Amended Rate Study for Solid Waste and Related Services

Current Utility Policies, Procedures, and Regulatory Requirements

R3 reviewed the City's current utility policies, procedures, and regulatory requirements as they relate to the City's solid waste collection operations, capital projects, revenue program requirements, and the rate modeling that is to be performed as part of this engagement. We reviewed the City's Municipal Code as it relates to the collection of solid waste and recyclables within the City.

Summary Findings

R3 found that there are no substantial changes to the current municipal code from the past code; however, with new regulatory legislation expected to be approved and signed in the coming years. The City should consider:

- Tracking AB 341 and 1826 generator compliance data;
- Developing a food waste collection program including adding the necessary staffing (i.e., monitoring, outreach, drivers), routes, and trucks to accommodate the program;
- Structuring the customer rates in a way that adds more resources into the new food waste and organics diversion requirements; and
- Revising the development fee surcharge on commercial and industrial customers to provide for collection of the surcharge starting with subscription to solid waste services.

Rate and Services Survey

R3 conducted a residential and commercial rate survey to compare the City's rates and services to jurisdictions throughout the state that similarly operate municipal collection systems. Survey results were based on information obtained from city websites and/or provided by participating jurisdictions through telephone interviews and emails conducted by R3.

Summary Findings

R3 found that when rates become effective in 2019, Merced's residential rate will be 19 percent higher than the average rate of comparable jurisdictions. On the other hand, Merced's commercial rates are between 28 and 59 percent less than the average rate of comparable jurisdictions. This could be due to a variety of reasons, including unbundled rate services, which are where jurisdictions may offer free recycling and green waste services included in their garbage rate structure as well as service frequencies. As noted in the sections below, this could point towards a need to increase commercial rates more than residential rates to align with the actual cost of services and the market conditions for commercial solid waste services.

R3

Refuse Rate Study

Overall, the City's Solid Waste Fund (Fund 558) has a projected Operating Reserve Fund surplus of approximately \$7.3 million as of June 30, 2018; however, a revenue shortfall of approximately \$573,000 is projected for FY 2021. The Solid Waste Fund shortfall is projected to grow to more than \$19.4 million, or approximately 130% of annual revenues, by FY 2024, assuming there are no rate increases. This is largely due to the need for additional solid waste collection vehicles to meet California Air Resources Board (CARB) compliance requirements; the \$3.5 million budgeted for the first and second phase of a new public works corporation yard, anticipated to be paid by FY 23/24, while amortizing \$8.8 million in capital expenses for the third phase of the capital improvement project over a 20-year period²; and normal increases in other operating costs.

Summary Findings

Table 1-1, on page 5, shows actual expenses from Fund 558 for Fiscal Year Ending (FY) 2017 and 2018; and the budget expenses for FY 2019. As shown, overall budgeted expenses for FY 2019 are approximately \$3.6 million (29.0%) more than for FY 2017. The Solid Waste Fund 10-Year Financial Plan is included as Attachment 1 to this Report. The 10-Year Plan shows:

- FY 2018/19 Revenues and Expenses Based on Adopted FY 2018/19 City Budget:
 - Adjustments have been made to no longer account for Tipping Fee Rebates based on a letter received by the City in September 2018, which is the result of decreased recycling revenues arising from the China National Sword policy.
- Forecasted Revenues and Expenses from FY 2019/20 through FY 2028/29, with the following considerations:
 - Projections of revenues and expenses in forecast years are based on FY 2018/19 figures;
 - Revenue projections are split into halves because service charges are adjusted midway through each FY. Service charge revenues for July - December are shown separately from revenues for January – June; however, in FY 2020 revenue projections are combined with the assumption that customer rates will be adjusted at the beginning of each FY;
 - Expense projections include assumptions for increases in costs for labor, benefits, and other expenses which are consistent with the City's standard budget projections. Expenses for Solid Waste, Recycling, Green Waste, Street Sweeping, and Street Trees Expenses are also projected to increase based on historical rates of adjustment;
 - Recycling processing fees include the assumption that the cost will increase to \$100 per ton in FY 2020³;

² Amortization of the third phase of the capital improvement project is based on a 3.00% annual interest rate. This equates to an annual payment of approximately \$590,000 with cumulative interest over the 20-year term of approximately \$3 million.

³ The Merced County Regional Waste Management Authority contracts recyclables processing for its member agencies, including the City of Merced. The current contract is set to expire in 2020 and it is

R3

Section 1

Introduction

- Anticipated increase in expenses to address programmatic changes required under new regulations (AB 341, AB 1826, AB 1594, and SB 1383);
- New residential development projections through FY 2023/24;
- Replacement trucks for models built prior to 2010 to meet the California Air Resources Board (CARB) compliance requirements; and
- Capital improvement projects identified during several meetings with R3 and City staff.

R3

anticipated that processing rates will increase significantly due decreasing recycling revenues arising from the China National Sword policy.

Section 1

Introduction

Table 1-1: Solid Waste Fund Historical and Budgeted

Account	Actual FY 2017	Actual FY 2018	Approved Budget FY 2019
Refuse (1112)	\$8,448,954	\$9,319,879	\$11,236,058
Annual Change		\$870,925	\$1,916,179
Cumulative vs FY 16/17		\$870,925	\$2,787,104
% Increase FY 16/17		10.3%	33.0%
Recycling (1135)	\$936,997	\$1,012,075	\$1,063,961
Annual Change		\$75,078	\$51,886
Cumulative vs FY 16/17		\$75,078	\$126,964
% Increase FY 16/17		8.0%	13.6%
Green Waste (1133)	\$700,736	\$738,499	\$911,461
Annual Change		\$37,763	\$172,962
Cumulative vs FY 16/17		\$37,763	\$210,725
% Increase FY 16/17		5.4%	30.1%
Street Sweeping (1113)	\$1,366,380	\$1,442,453	\$1,394,984
Annual Change		\$76,073	(\$47,469)
Cumulative vs FY 16/17		\$76,073	\$28,604
% Increase FY 16/17		5.6%	2.1%
Street Trees (1122)	\$839,022	\$1,027,563	\$1,169,501
Annual Change		\$188,541	\$141,938
Cumulative vs FY 16/17		\$188,541	\$330,479
% Increase FY 16/17		22.5%	39.4%
Finance (0701)	\$269,010	\$39,000	\$425,739
Annual Change		(\$230,010)	\$386,739
Cumulative vs FY 16/17		(\$230,010)	\$156,729
% Increase FY 16/17		-85.5%	58.3%
Total	\$12,561,099	\$13,579,469	\$16,201,704
Annual Change		\$1,018,370	\$2,622,235
Cumulative vs FY 16/17		\$1,018,370	\$3,640,605
% Increase from FY 16/17		8.1%	29.0%

R3

Section 1

Introduction

To address the projected revenue shortfall and maintain a sufficient operating reserve, the City is faced with the need to increase rates in the near term. Working with the City, R3 developed the following rate adjustment scenarios designed to meet the City's objectives:

Scenario 1: Larger Increase for One Year Followed by Annual CPI Increases

- Increase rates by 29.0% in FY 2020, followed by 6.0% in FY 2021, 5% in FY 2022, 4% in FY 2023, and no rate adjustments from FY 2024 through 2029.
- Via this Scenario, the City would only need to adopt an initial large increase, with modest increases projected for all future years.

Scenario 1 Results:

- FY 2029 Operating Reserves of \$3.88 million.
- FY 2029 Annual Revenue Shortfall of \$1.49 million.

Scenario 2: Gradual Annual Rate Increase Followed by No Increases in Later Years

- Increase rates gradually beginning with a 12.5% increase for FY 2020 through FY 2022 followed by an 8.0% increase in FY 2023. There would be no rate adjustments from FY 2024 through 2029.
- Via this Scenario, the initial increases would be lower than in Scenario 1, but would require approval of several years of slightly larger than normal increases.

Scenario 2 Results:

- FY 2029 Operating Reserves of \$3.90 million.
- FY 2029 Annual Revenue Shortfall of \$803,000.

Scenario 3: Larger Increase for One Year Followed by Annual CPI Increases including Cost of Service Adjustment for Commercial Customers

- Increase residential rates by 20.0% in FY 2020, followed by a 5.0% increase in FY 2021 through FY 2023.
- Increase commercial rates by a 35.00% increase in FY 2020, followed by a 10.0% increase in FY 2021 through FY 2023.
- Both residential and commercial customer rates would see no additional increases in FY 2024 through FY 2029.
- Via this Scenario the City's commercial rates would increase to be closer to the average of commercial rates surveyed by R3. Additionally, increasing commercial rates as shown in this Scenario accounts for the fact that the impacts of new state law will primarily require new services and programs to divert higher amounts of waste from the commercial sector.
- Via this Scenario, the Refuse Operations Fund reserves are kept at or above 16% beginning in FY 2020.

Scenario 3 Results:

- FY 2029 Operating Reserves of \$7.97 million.
- FY 2029 Annual Revenue Shortfall of \$688,000.

R3

Litter Abatement Program Findings

The City is also considering adding a Litter Abatement Program to the Solid Waste Division. R3 revised the rate adjustment scenarios described above to show the difference in a rate increase when the Litter Abatement Program is added to the Solid Waste Division Financial Plan. The following is a summary of those results:

Scenario 1 (with Litter Abatement Program): Larger Increase for One Year Followed by Annual CPI Increases

- Increase rates by 29.0% in FY 2020, followed by 9.0% in FY 2021, 5% in FY 2022, 4% in FY 2023, and no rate adjustments from FY 2024 through 2029.
- Via this Scenario, the City would need to increase rates by 3.0% more in FY 2021 to maintain a surplus in the reserve fund balance with the addition of the Litter Abatement Program.

Scenario 1 (with Litter Abatement Program) Results:

- FY 2029 Operating Reserves of \$4.14 million.
- FY 2029 Annual Revenue Shortfall of \$1.41 million.

Scenario 2 (with Litter Abatement Program): Gradual Annual Rate Increase Followed by No Increases in Later Years

- Increase rates gradually beginning with a 14.5% increase for FY 2020 through FY 2022 followed by an 4.5% increase in FY 2023. There would be no rate adjustments from FY 2024 through 2029.
- Via this Scenario, the initial increases would be lower than in Scenario 1, but would require approval of several years of slightly larger than normal increases. The rate adjustment would be increased by 2.0% in FY 2020 through FY 2022, but decreased by 3.5% in FY 2024 to maintain a surplus in the reserve fund balance with the addition of the Litter Abatement Program.

Scenario 2 (with Litter Abatement Program) Results:

- FY 2029 Operating Reserves of \$4.08 million.
- FY 2029 Annual Revenue Shortfall of \$896,000.

Scenario 3 (with Litter Abatement Program): Larger Increase for One Year Followed by Annual CPI Increases including Cost of Service Adjustment for Commercial Customers

- Increase residential rates by 26.0% in FY 2020, followed by a 4.5% increase in FY 2021 through FY 2023.
- Increase commercial rates by a 40.0% increase in FY 2020, followed by a 7.5% increase in FY 2021 through FY 2023.
- Both residential and commercial customer rates would see no additional increases in FY 2024 through FY 2029.
- Via this Scenario the City's commercial rates would increase to be closer to the average of commercial rates surveyed by R3. Additionally, increasing commercial rates as shown in this Scenario accounts for the fact that the impacts of new state law will

R3

Section 1

Introduction

primarily require new services and programs to divert higher amounts of waste from the commercial sector.

- The rate adjustment would be increased by 6.0% for residential customers and 5.0% for commercial customers in FY 2020; and 0.5% for residential customers and 2.5% for commercial customers in FY 2021 through FY 2023 to maintain a surplus at or above 16% in the reserve fund balance with the addition of the Litter Abatement Program.

Scenario 3 (with Litter Abatement Program) Results:

- FY 2029 Operating Reserves of \$5.75 million.
- FY 2029 Annual Revenue Shortfall of \$1.13 million.

R3

Current Utility Policies, Procedures, and Regulatory Requirements

R3 reviewed the City's current utility policies, procedures, and regulatory requirements as they relate to the City's solid waste collection operations, capital projects, revenue program requirements, and the rate modeling that is to be performed as part of this engagement. We reviewed the City's Municipal Code as it relates to the collection of solid waste and recyclables within the City.

R3 submitted a data request of the policies, regulations, and municipal code language relevant to the City's solid waste and recycling collection operation. This review is based on information provided by the City, in conjunction with R3's prior knowledge of the City's operations.

Municipal Code Review

R3 contracted with the City in 2008 and 2014 to conduct rate studies. During the 2014 study, the City was requested to submit the then current municipal codes relevant to solid waste. R3 compared the 2014 municipal code with the current (2018) municipal code and found, with the exception of the rates listed in the code, there are no changes in the municipal code. Of the rate changes, the changes in Developmental Fees are relevant to this financial plan and rate schedule.

Residential Development Fee

The changes in development fees for new residents from the 2014 municipal code to the current 2018, pertaining to the collection of garbage, green waste, storm drain, and recycling, in the municipal code are as follows:

Table 2-1: Residential Development Fees

	2014	2018
Garbage, Green Waste, Rubbish, Storm Drainage, and Refuse Service Development Fees		
Single-Family Residence	\$415.00	\$419.15
Mobile Home	\$415.00	\$419.15
All other residential dwellings	\$288.00 per unit	\$290.88 per unit
Recycling Development Fees		
Single-Family Residence	\$89.55	\$92.68
Mobile Home	\$89.55	\$92.68
All other residential dwellings	n/a	n/a

Note: All fees listed in Sections 8.04.235 and 8.04.635 of the Municipal Code

R3

Section 2

Review of
Current Utility
Policies,
Procedures,
and Regulatory
Requirements**Commercial/Industrial Surcharge**

The development fees for new commercial and industrial buildings are a surcharge as percentage of their subscribed collection service level. This surcharge is effective for ninety-six (96) months from the issuance of the building permit. The 2014 surcharge rate was listed as 17.2%, which was increased to 17.37% in the current 2018 municipal code. This information is located in Section 8.04.265 of the Municipal Code.

Services Provided by the City

The City provides its customers with solid waste collection, recycling and green waste collection. Currently the City does not provide collection for food waste. Residential collection for solid waste, recycling, and green waste occur on a weekly basis. The frequency of commercial pickups depends on customer's subscribed service level.

The City provides the following special collection events or services:

- Disabled/Senior Citizen Pack-Out Service;
- Alley Cleanup / Illegal Dumping;
- Drop-off Site Removal (Spring Cleanup Program);
- Bulky Waste pickup;
- Tire Removal;
- Street Sweeping;
- Street Trees;
- Encampment Cleanup; and
- Christmas Tree Removal.

New State Legislation

The follow is a summary of new state legislation that has been recently passed, relevant to the collection of solid waste, recyclable materials, and organic materials (both green waste and food scraps). These laws should be taken into consideration in the process of planning future operational changes or collection programs. Implementation of these laws is known to require additional resources; however, establishing specific estimates of the additional resources needed is not a precise exercise, largely because final rulemaking for certain laws is not yet complete. As such, R3 recommends that the City seek to keep sufficient reserves available to address the potential for higher than anticipated expenses for implementation of new laws. Sufficient reserves that the City should maintain is a minimum target of approximately 16 percent of budgeted expenses annually over the next 5 years.

AB 341 – Mandatory Commercial Recycling

In 2012, AB 341 established California's first statewide diversion goal and requires CalRecycle to develop a report to the legislature that identifies strategies that will assist in achieving the 75 percent recycling goal. This state mandate established mandatory commercial and multi-family recycling regulations for all businesses and public entities that generate more than four cubic yards of solid waste per week, and multi-family dwellings of five or more units are required to either: 1) source separate recyclable materials from solid waste, or 2) subscribe to a recycling service that includes mixed waste processing yielding diversion results comparable to source separation.

Requirements on jurisdictions include offering a commercial recycling program with education and outreach, and monitoring for compliance. CalRecycle also requires an annual report from

Section 2

Review of Current Utility Policies, Procedures, and Regulatory Requirements

each jurisdiction or its reporting agency, which includes details on the commercial recycling program implementation, education, and monitoring.

AB 1826 – Mandatory Commercial Organics Recycling

Signed by Governor Brown in 2014, AB 1826 requires commercial businesses and multi-family properties to implement organics recycling programs for the diversion of organic waste from landfills.

Under AB 1826, local jurisdictions are required to implement an organics recycling program appropriate for that jurisdiction, designed specifically to divert commercial organic waste. AB 1826 implementation includes the following four local jurisdiction requirements:

- Identify Covered Generators Component: Identify commercial businesses and multi-family properties (collectively, “covered generators”) that must comply with the regulations of AB 1826;
- Organics Recycling Service Component: Ensure that organics recycling services are available to all covered generators;
- Education and Outreach Component: Conduct education and outreach to covered generators about the state law and how to comply; and
- Compliance Monitoring Component: Identify covered generators that are not in compliance and inform them of their requirements and how they can comply.

AB 876 – Organic Management Infrastructure Planning

The first reporting cycle for AB 876 was in 2017 (for the 2016 reporting year) via the Electronic Annual Report process submitted by jurisdictions. AB 876 was enacted to address long-term planning for organics infrastructure by requiring counties and regional agencies to report the following information to CalRecycle on an annual basis:

- An estimate of the amount of organic waste in cubic yards that will be disposed by the County or region over a 15-year period.
- An estimate of the additional organic waste recycling facility capacity in cubic yards that will be needed to process the amount of organic waste pursuant to paragraph (1) above.
- Areas identified by the County or regional agency as locations for new or expanded organic waste recycling facilities capable of safely meeting the additional organic waste recycling facility capacity need identified pursuant to paragraph (2).

It should also be noted that the SB 1383 draft regulations also contain specific requirements for planning by counties, which are anticipated to take effect on January 1, 2022.

AB 901 – Recycling and Disposal Facility Reporting Requirements

On January 1, 2019, the state is set to take over disposal reporting from the Counties under AB 901. Several changes to statewide disposal reporting are anticipated, including:

- An online disposal reporting system rather than electronic mail;
- Tracking of the amounts of non-disposal material that is transferred and marketed by facilities; and

R3

Section 2

Review of
Current Utility
Policies,
Procedures,
and Regulatory
Requirements

- Changes to disposal allocation methodologies, including, the allocation of 100 percent of residual waste from recycling and compost processing to the host jurisdiction, rather than (in some cases) an allocation based on jurisdiction of origin of the material received by the facility.

AB 1594 – Green Material as Alternative Daily Cover

AB 1594 changes the way green material used as alternative daily cover (ADC) is accounted for in jurisdiction and statewide disposal reporting. Beginning on January 1, 2020, green material used as ADC will “count” as disposed material, rather than diverted material. Waste haulers can continue to deliver green material to facilities that use green material as ADC; however, they will not be allowed to report the material tonnage as diverted material (particularly important for meeting contractual and/or state diversion requirements). When this law commences, it should be accounted for in revisions to the franchise agreement with waste haulers, in land use permits with facilities, and in municipal codes. This law has the potential to affect jurisdictions throughout the state in the following ways:

- Inability to meet state AB 939 diversion requirements (as reported in the EAR);
- Increase of organic material feedstock to local organic waste facilities; and
- Increased customer rates due to waste hauler alternative method(s) of handling the material (if green material is used as ADC currently, switching to a processing method may be more expensive).

Land Application Reduction of Contamination

As of January 1, 2018, CalRecycle requires that organic waste applied to land contain only 0.5 percent of contaminants. The change in state code is intended to protect the state’s waterways and environment; however, it also sets a standard that may be difficult for many facilities to meet, especially with high rates of contamination from some material streams. The impacts of this law include increased costs associated with the following needs:

- Education and outreach to reduce front-end contamination;
- Processing material to remove contamination prior to composting;
- Changing some composting procedures, such as the type of screening applied to separate finished compost from compost overs;
- Processing material that does not meet the contamination threshold after initial processing; and
- Potentially, a need to dispose of material that does not meet contamination thresholds, or the need to use this material as ADC at landfill rather than land applying it.

SB 1383 – Short-Lived Climate Pollutants

SB 1383 sets a goal to reduce organic waste by 50 percent from the 2014 level by 2020 and 75 percent from the 2014 level by 2025. It also establishes a target of recovering 20 percent of currently disposed edible food for human consumption by 2025. The law’s requirements will become effective on January 1, 2022. Specific regulatory language and an initial statement of reasoning was released by CalRecycle in January 2019 for public comment. Although the exact

language and details of this bill have not been finalized, R3 is aware that potential impacts of SB 1383 to local jurisdictions include the following:

- Local jurisdictions may be required to provide for organics diversion for all generators, either via source separation program or back-end (mixed waste) processing;
- Local jurisdictions may be required to impose subscription and source separation requirements and associated penalties on generators;
- Local jurisdictions may be required to include details on purchasing and procurement of end-use organic waste products internally and/or as a requirement on contractors and/or haulers;
- Local jurisdictions may be required to engage in annual outreach efforts to generators, outreach to edible food generators, and quarterly contamination route monitoring;
- Some edible food generators may be required to donate edible food;
- Self-haulers of organic waste may be required to source-separate, deliver for diversion, keep records of amounts delivered, and report annually to jurisdictions (residential self-haulers are exempt);
- Containers may be required to be replaced by standardized colors statewide; and
- Counties may be required to account for organic waste disposal reductions in landfill financial assurance planning, particularly if 15-year capacity is not adequate (AB 876), and Counties may be required to conduct Edible Food Recovery Capacity planning.

Recommendations

As previously stated, there are no substantial changes to the current municipal code from the past code, however with new regulatory legislation expected to be approved and signed in the coming years, R3 has some recommendations that the City should consider.

- Track compliance with AB 341 and AB 1826 to address state reporting requirements. City should notify any covered MFD and Commercial generator not participating in the recycling or organic material collection program of the requirements to comply with the law.
 - *AB 341 and 1826 Compliance Data: City shall report the total number of Commercial and/or MFD Service Units serviced and the number of containers, container sizes and frequency of collection for Garbage, Recyclable Material and Organic Waste for each of Commercial and/or MFD Service Units.*
- Address the incoming new food waste requirements. Specifically, address the Food Waste Processing Costs and integrate these costs into the current rate structure.
 - *City will need to develop and maintain an organic material collection program in compliance with the AB 1826 and SB 1383 schedule. City will provide the volume of collection service that businesses require in order to be in compliance with the law.*
- Add organic subscription and source-separation requirements and associated penalties for on all generators in compliance with SB 1383.



Section 2

Review of Current Utility Policies, Procedures, and Regulatory Requirements

- Plan to add additional routes and trucks to accommodate an expanding City, and to accommodate the new Food Waste Processing regulations and City's projected growth.
- Add ordinance language to address contamination issues (based on draft SB 1383 language).
 - **Example Ordinance Language:** *City shall monitor the Recyclable and Organic Materials Collection Containers provided to Service Units to minimize prohibited container contaminants as required by SB 1383 and any other state or federal law. The City shall conduct a route review for prohibited container contaminants on randomly selected containers in a manner that results in all Recyclable and Organic Materials Collection routes being reviewed on a quarterly basis.*
- Structure the refuse, recycling, and organics rates in a way that adds more resources into the new food waste and organics diversion requirements (would result in a shrinking revenue stream).

Rate and Services Survey

The following jurisdictions were included in the survey. Residential rates were obtained along with various service information, including recycling and green waste collection frequency, bulky item collection services, and E-waste collection services, for purposes of comparing those rates and services to the City's rates and services. Survey results were based on information obtained from city websites and/or provided by participating jurisdictions through telephone interviews and emails conducted by R3. For comparison purposes, R3 chose jurisdictions throughout the state that operate municipal collection systems, like the City, as well as neighboring jurisdictions.

- | | | |
|---------------------|-----------|-------------------|
| ▪ Atwater | ▪ Lompoc | ▪ Roseville |
| ▪ El Paso de Robles | ▪ Manteca | ▪ Sacramento City |
| ▪ Escalon | ▪ Redding | ▪ Santa Cruz |
| ▪ Folsom | ▪ Reedley | ▪ Santa Maria |
| ▪ Hanford | ▪ Ripon | ▪ Visalia |

Limitations

Many factors can affect the rates in a given jurisdiction, including the rate structure (e.g., variable can rate or unlimited service), the type, frequency and level of services, and the amount of fees. We have not attempted to adjust rates for any such differences. Additionally, the cities of Atwater and El Paso de Robles did not provide any information to their rate structure or services, so they were not included in the following analysis. You will notice that the rate and service comparisons do not have the same number of compared jurisdictions. This is due to a lack of responses or valuable information from several of the jurisdictions.

Findings

Rate Comparison

Table 3-1, provides a comparison of the residential solid waste rates in each of the jurisdictions surveyed. Merced's current residential rate is 15% higher than the average of the other 11 jurisdictions for a 64 gallon cart. By 2019, Merced's residential rate will be 19% higher than average jurisdictions (assuming no increases in those jurisdictions, which is not necessarily the case). This could be due to a variety of reasons, including unbundled rate services, which are where jurisdictions may offer free recycling and green waste services included in their garbage rate structure as well as service frequencies.

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Table 3-1: Residential Rates

Jurisdiction	Effective Year	30-35 Gal	60-65 Gal	90-100 Gal
Merced	2019		\$37.08	
Reedley	2018			\$35.21
Hanford	2018		\$19.25	\$23.60
Lompoc	2017		\$30.88	\$39.97
Santa Maria	2017		\$30.69	\$34.81
Visalia	2018			\$23.85
Folsom	2018		\$22.50	\$25.50
Sacramento	2018	\$18.90	\$23.00	
Escalon	2017		\$25.98	\$33.32
Manteca	2018	\$28.48	\$30.28	\$31.97
Ripon	2018		\$29.60	
Santa Cruz	2018	\$36.04	\$77.25	\$123.60
Roseville	2018			\$24.35
Redding	2017	\$21.92	\$22.91	\$24.52
Average without Merced		\$26.34	\$31.23	\$38.25
Merced 2019 vs. Average			\$5.85	
Percentage Difference 2019			19%	

The City also expressed interest in discovering how their commercial rates compared to neighboring jurisdictions. Table 3-2, below, confirms the City's intuition that their commercial rates are lower than other jurisdictions.

Table 3-2: Commercial Garbage Collection Rates

Jurisdiction	Effective Year	1 YD	2 YD	3YD	4YD	6 YD
Merced	2019	\$63.74	\$83.17	\$91.32	\$99.48	\$115.80
Reedley	2018	\$69.98	\$92.05	\$112.35	\$123.55	\$177.06
Hanford	2018	\$40.60	\$67.60	\$94.50		
Lompoc	2017		\$111.31			
Santa Maria	2017		\$166.72	\$190.61	\$214.49	\$262.26
Visalia	2018	\$52.10	\$67.45	\$83.00	\$98.50	\$129.35
Folsom	2017		\$87.00	\$115.00	\$138.00	\$174.00
Manteca	2018	\$122.90	\$136.07	\$256.12	\$259.16	\$265.24
Santa Cruz	2018	\$218.50	\$325.68	\$456.74	\$557.00	\$788.32
Roseville	2018	\$43.29	\$86.58	\$129.87	\$173.16	\$259.74
Redding	2017	\$69.63	\$96.70	\$123.76	\$150.83	\$204.98
Average without Merced		\$88.14	\$123.72	\$173.55	\$214.34	\$282.62
Merced 2019 vs. Average		\$ (24.40)	\$ (40.55)	\$ (82.23)	\$ (114.86)	\$ (166.82)
Percentage Difference 2019		-28%	-33%	-47%	-54%	-59%

The City's commercial garbage collection rates are substantially lower than other jurisdictions, indicating that the rates for those services are not well aligned with the costs of providing those services. As such, the City may wish to consider increasing commercial rates more than residential rates, and thus ensure that the commercial rates are consistent with market conditions.

Service Comparison

The City of Merced offers residents weekly collection of garbage, recycling, and green waste. Table 3-3 provides an overview of the frequencies of collection and the disposal fees in the surveyed jurisdictions. This table highlights some of the differences in services that can impact rates.

As shown in Table 3-3, of those jurisdictions surveyed:

- 10 have municipal haulers;
- 5 jurisdictions have weekly recycling and green waste pick up;
- 4 have bi-weekly Recycling and green waste pick up;
- 1 offers weekly green waste pick up and bi-weekly recycling pick up;
- 1 has a dirty MRF, which does the sorting for the residents; and
- 1 that does not offer recycling pick up, but does offer green waste every week.

We also found that Merced pays an average of 22% less than similar jurisdictions for disposal of municipal solid waste, and 78% less for green waste processing per ton. However, the green waste disposal fee for many of the other jurisdictions also include food waste, which results in a higher fee.

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Table 3-3: Comparison of Pick-up Frequencies and Disposal Rates

Pick-up Frequencies and Disposal Rates				Frequency		Disposal Fees (per ton)	
Jurisdiction	County	Population	Hauler	Curbside Recycling	Green Waste	MSW	Green Waste
Merced	Merced	86,750	Municipal	Weekly	Weekly	\$43.05	\$21.00
Escalon	San Joaquin	7,558	Gilton Solid Waste	Every other week	Weekly	\$38.11	\$38.11
Folsom	Sacramento	78,447	Municipal	Every other week	Every other week	\$30.00	\$29.42
Lompoc	Santa Barbara	43,599	Municipal	Weekly	Weekly	\$82.34	\$40.00
Manteca	San Joaquin	81,345	Municipal	Every other week	Every other week	\$52.00	\$30.00
Redding	Shasta	91,357	Municipal	Weekly	Weekly	\$44.25	\$24.25
Reedley	Fresno	26,390	Miramonte Sanitation	Weekly	Weekly	\$24.23	\$28.50
Ripon	San Joaquin	15,847	Municipal	Not Offered	Weekly		
Roseville	Placer	137,213	Municipal	Dirty MRF	Every other week	\$70.00	\$38.00
Sacramento	Sacramento	501,344	Municipal	Every other week	Every other week	\$30.00	\$48.00
Santa Cruz	Santa Cruz	66,454	Municipal	Weekly	Weekly	\$90.87	\$46.31
Santa Maria	Santa Barbara	108,470	Municipal	Every other week	Every other week	\$71.00	\$48.00
Visalia	Tulare	136,246	Municipal	Weekly	Weekly	\$45.00	\$40.00
Average without Merced						\$52.53	\$37.33
Merced Vs. Average						-\$9.48	-\$16.33
Percentage Merced Vs. Average						-22%	-78%

In Table 3-4, we compared a variety of services offered by different jurisdictions. These services include bulky waste, street sweeping, and hazardous waste pick-up. In summary:

- 9 jurisdictions offer bulky waste collection services with:
 - 5 being free of charge for curbside collection;
 - 2 that are provided free of charge at a drop off location; and
 - 2 that are provided on-call for an extra fee (curbside).
- The number of bulky waste collections offered to residents per year also vary:
 - 2 have one collection a year;
 - 2 have two collections a year;
 - 2 have 3 collections a year; and
 - 1 has 6 collections a year.

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- Other free services that are offered include:
 - E-waste pick up
 - 5 that pick-up e-waste curbside; and
 - 5 that have drop off locations.
 - Christmas tree pick up
 - 8 that pick up curbside; and
 - 3 that offer drop off locations.
 - Street Sweeping
 - All jurisdictions offer street sweeping services; but
 - 2 jurisdictions fund sweeping outside of refuse rates.
 - Container Cleaning
 - 3 offer container cleaning for a fee;
 - 2 do not provide container cleaning; and
 - The rest did not provide information .
 - Oil & filter collection
 - 4 that pick up curbside; and
 - 6 that offer drop off locations.
 - Household hazardous waste (HHW)
 - 4 with curbside pickup; and
 - 7 that offer drop off locations.

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Comparison of Services

Comparison of Services		Bulky Waste Services						Other Services					
		Bulky Waste Curbside	Number of Collections per Year	On-call or City Scheduled	Size limitations	Appliances?	Curbside E-Waste	Christmas Trees	Street Sweeping	Container cleaning	Curbside Oil & Filter Collection	HHW	
Jurisdiction	Merced	✓	n/a	n/a	n/a	Drop off	Drop off	✓	✓		Drop off	Drop off	
	Escalon	✓	2	On-call		Yes	✓	✓	✓		Drop off	Drop off	
	Folsom	✓	3	On-call	5 CY	Yes	✗	Drop off or GW	Yes, but not through billing	\$20	Pick up and Drop off	On-Call Pick Up	
	Lompoc	✓	3	On Call	2 items	Drop off	Drop off	✓	✓	✗	Drop off	Drop off	
	Manteca	Extra charge	1	On-call	2 CY		✓	✓	Yes, but not through billing	\$50	Drop off	Pick up	
	Redding	\$44 for pick-up and disposal	n/a	On-call	n/a	Drop off for fee	Drop off	✓	✓		Drop off	Drop off	
	Reedley	Drop off	n/a	n/a	n/a	Yes; you drop off	✓	Drop off	✓		Pick up and Drop off	Pick up	
	Roseville	✗	Not specified	On-call	6 cy	No	✓	✓	✓	✗	Pick up and Drop off	Drop off	
	Sacramento	✓	2	On-call	5.3 CY	Yes; limit 2	✓	✓	✓		Yes; by appointment	Pick up and Drop off	
	Santa Cruz	✓	1	On-call	n/a	Yes	Drop off	✓	✓		On-call	Drop off	
	Santa Maria	✗	n/a	n/a	n/a	n/a	Drop off	✓	✓		Drop off	Drop off	
	Visalia	Drop off	6	City Scheduled		Drop off	Drop off	Drop off	✓	Free for Comm., Fee for Residential	Drop off	Drop off	

Other Survey Questions

In addition to the services that are provided by different jurisdictions, the City was also interested in several other questions that we will discuss in the section below:

What are your diversion requirements and how are they enforced?

All jurisdictions have set the same diversion requirements as the state.

How do you handle illegal dumping/homeless encampment clean ups?

Four jurisdictions responded with information on how they handle illegal dumping/homeless encampment cleanups. Two of them work with the police department to clean up on the weekends, one of them is investigating solutions, and one has a report/reward program. The Report/Reward program is implemented by the City of Sacramento. This program allows pedestrians to call in and report illegal dumping. Reporters are eligible for a \$500-\$1000 reward if the information provided results in either an administrative penalty for the violator or an arrest and misdemeanor conviction.

What type of fuel is used in your collection vehicles?

Five jurisdictions responded to this question. Two of which exclusively use Diesel, one uses Liquid Natural Gas (LNG), one switches between both fuels, and one is using Diesel but is planning on switching to Compressed Natural Gas (CNG).

Does the utility billing rate incorporate funding for building/maintaining vehicle maintenance?

Two of the three jurisdictions that provided an answer to this question include building/vehicle maintenance into the customer rates. One of those jurisdictions indicated that the customer rate was the main source of revenue for their solid waste operation.

What is the lifecycle funding for container replacement for both residential and commercial containers?

Only three jurisdictions provided information to this question. The City of Roseville incorporates ongoing contributions to a rehabilitation and replacement fund to cover the costs of the container replacement, Manteca does not have a specific method of funding container replacement and Folsom only replaces them when they no longer function.

Please provide the total number of FTE employees that make up your solid waste division by title:

For this question, information was obtained either through email correspondence or by analyzing published city budget documents. The FTE employees were categorized into these two categories:

- Equipment Operators: Drivers and other types of Operators
- Lead workers: Mechanics, Engineers, etc.

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**Table 3-5:
FTE Employees by Title**

Jurisdiction	Equipment Operators	Lead workers
Merced	33	2
Santa Maria	33	4
Folsom	33	5
Manteca	27	3
Santa Cruz	61	8
Roseville	47	8
Redding	45	17
Average without Merced	41	7.5
Merced vs. Average	-8	-5.5

Table 3-5, above, shows the comparison of employees by two categories of work. Merced, on average, employs 8 less equipment operators, and 5.5 less lead worker positions than similar jurisdictions.

Rate Model Overview

To help achieve the City's objectives of the Rate Study, a Rate Model was developed in Microsoft Excel. The Rate Model was used to project revenues and expenses through FY 2029 and evaluate various rate adjustment scenarios to satisfy the projected annual revenue requirements. The City currently has five divisions within Refuse Fund 558, which are as follows:

1. Refuse Collections: Division 1112
2. Curbside Recycling: Division 1135
3. Green Waste Collection: Division 1133
4. Street Sweeping: Division 1113
5. Street Trees: Division 1122

5-Year Financial Plan

During the development of the 5-year Financial Plan, R3 met with City staff several times to produce a plan that met the City's needs and accurately projected the City's current situation. The plan was developed with historical and budgeted financial information provided by the City.

The Rate Model projects revenues and expenses by line item for each division. It also provides for projecting changes based on growth in the number of residential and commercial accounts. Attachments 1 and 2 model the projected growth based on the number of accounts currently receiving service through the solid waste program offered by the City. The growth is represented using on the current number of residential accounts (~19,100) and the City's projected growth over the next five years. This number is then used to increase the total revenues and expenses that would be affected by an increase in residential accounts.

Productivity Review

As part of our review, R3 interviewed Division management and conducted a desk top analysis of the productivity of the City's solid waste collection systems, based on route workload data provided by the City. That review found that the productivity of the Division's residential, commercial and roll-off solid waste routes fall within what we consider to be industry standard productivity ranges (i.e., the Division appears to be operating with reasonable productivity).

Improving Productivity and Controlling Costs

Our review found that the Division has, and continues to pursue options to improve productivity and control costs. Those actions include reducing the number of rear loader routes, and working with the City's Planning Department to ensure that all new enclosures provide sufficient space so that collection vehicles have direct access to containers without requiring the driver to push or pull those containers into a position where they can be serviced. Commercial services also start at 3:00 am. Scheduling early morning commercial service start times is considered "best practice".

The logo for R3, consisting of the letters 'R' and '3' in a stylized, blue, handwritten font.

Section 4

Rate Model
Overview**Commercial Enclosures**

The Division's commercial front-loader collection productivity, and associated cost, is heavily impacted by the predominance of enclosures for collection containers. Management estimates that 98% of commercial accounts have an enclosure, with some of those accounts also having locks on the enclosure or containers. Enclosures require that the driver exit the vehicle to open and then close the enclosure. This significantly increases the time required to service a commercial account, as compared to accounts where the container can be directly serviced by the front-loader vehicle without the driver having to exit the vehicle. It is not uncommon for accounts with enclosures to increase service time by 25% or more. Management reported that the average number of accounts per front loader route has decreased from 120 per day to 85, due in large part to the increased prevalence of enclosures, locks, and push/pull requirement (a 30% decrease in productivity).

Fleet Maintenance

Both residential and commercial productivity, and cost, are impacted by the number and condition of route vehicles that are available each day to service the daily workload. The City's fleet maintenance division operates a single shift, which has a direct impact on the number of solid waste vehicles that are needed to service the associated workload. It is not uncommon for solid waste fleet maintenance operations to operate a swing shift or second shift that allow regular required preventative maintenance on vehicles to occur after they have completed their daily routes, and thereby keep a lower "spare ratio" of necessary trucks. Without a swing or second shift, the Division needs to have additional spare vehicles to conduct normal collection activities while primary route vehicles are out of service undergoing normal preventative maintenance, which requires a greater level of capital investment.

In addition, The California Air Resources Board (CARB) approved the Solid Waste Collection Vehicle (SWCV) regulation in 2004 to reduce the harmful impacts of exhaust from diesel-fueled waste collection trucks. All solid waste collection vehicles or diesel-fueled trucks over 14,000 pounds gross vehicle weight with model-year engines from 1960 to 2006 must comply with this SWCV regulation by using best available control technology to reduce diesel particulate matter. Trucks with 2007 to 2009 model year engines must meet the CARB compliance requirements of the regulation by January 1, 2023.⁴

Based on the CARB compliance requirements, staff has determined that 8 collection trucks, 2 street sweeper trucks, and 4 street trees maintenance trucks need to be replaced by 2023. Staff has also determined the need for 2 new collection trucks, 1 new street sweeper truck, and 1 new street trees maintenance truck to continue operating efficiently.

Safety

Management reported that historically the Division has had on average 2 to 4 staff unable to work due to injuries; however, this is no longer the case. Safety is the most important factor that contributes to an effective and efficient solid waste collection system. Many of the most successful public and private solid waste management operations have embraced the importance of safety as a critical component of customer service and productivity, and as a central component of controlling costs. Division management appears to have embraced the importance of safety and has taken various steps to improve safety. With that said, while the

⁴ <https://www.arb.ca.gov/msprog/SWCV/SWCV.htm>

Division has a dedicated Safety Specialist position (currently unfilled), it is our understanding that OSHA injury metrics are not currently being tracked. It also appears that rigorous ongoing diagnostic review of accidents and injuries, and the implementation of specific training and operational changes based on that review is not currently occurring. Such rigorous diagnostic review has become an industry standard.

We suggest that the City's Risk Management Department track and report the following accident and injury statistics.

- The number of accidents the Division has per 100 employees (OSHA Total Recordable Incident Rate or TRIR);
- The number of days employees are not at work (lost days), have a job restriction, or are transferred / reassigned (DART Rate – Days Away plus Restriction and Transfer), which is also calculated at a rate per 100 employees;
- Vehicle Accident Recordable Rate (VARR) – The number of operational hours between vehicle accidents – the higher the VARR, the better; and
- Property Accident Recordable Rate (PARR) – The number of operational hours between property accidents – the higher the PARR, the better.

We also suggest that the City's Risk Management Department consider providing additional support to the Division, in the form of more active diagnostic review of accidents and injuries, with the goal of identifying specific meaningful changes to training and operating procedures to address the major causes of the Division's accidents and injuries.

New Operating Expenses

New operating expenses that were identified during several meetings with R3 and City staff are also shown in Attachments 1 and 2 of the Model Financial Plan. These include:

- Public Works Corporate Yard (\$12.3 million):
 - Phase 1 (FY 20/21): Parking Lot (\$219,270)
 - Phase 2 (FY 21/22): Fleet Shop (\$3.3 million)
 - Phase 3 (FY 24/25): Corp Yard Expansion (\$8.7 million)
- Container Maintenance Shed (\$40,000)
- Enterprise Resource Planning (ERP) and Fleet Mind:
 - ERP (\$149,600 + \$176,800 annually)
 - FleetMind (\$400,000 to outfit all trucks + \$2,400 annual subscription)
- Based on the CARB compliance requirements, 8 collection trucks, 2 street sweeper trucks, and 4 street trees maintenance trucks need to be replaced by 2023. In addition, 2 new collection trucks and 1 new street sweeper truck will be needed to continue operating efficiently. New vehicle purchases are scheduled to meet CARB compliance requirements and efficiently continue operations as follows:
 - Between FY 2020 and FY 2022, 3 trucks have been budgeted to be replaced each year:
 - 2 trucks per year (Refuse, Recycling, Green Waste)

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- 1 truck per year (Street Trees)
- In FY 2023, 5 trucks have been budgeted to be replaced:
 - 2 trucks (Refuse, Recycling, Green Waste)
 - 1 truck (Street Trees)
 - 2 truck (Street Sweeping)
- In FY 2024, 3 trucks have been budgeted for acquisition to continue operating efficiently:
 - 2 trucks (Refuse, Recycling, Green Waste)
 - 1 truck (Street Sweeping)
- Between FY 19/20 and FY 23/24, new employees would also be necessary for Division operations, based on the average salary and benefits for each of the following positions:
 - 4 Maintenance Workers (1 each year, FY 19/20 through FY 22/23)
 - 1 Street Sweeping Driver (FY 23/24)
 - 1 Tree Trimmer (FY 23/24)
- Container Replacements (\$9,000 annually)
- Litter Abatement Program (\$400,000 annually)

In addition to the above mentioned new operating expenses, the City should seek to maintain a target of approximately 16 percent of operating expenses in reserves in the event of unanticipated cost increases, emergencies or disasters that could impact revenues and/or expenses in the Refuse Fund, including but not limited to:

- Potential increases in City diversion program expenses in response to new state regulations (e.g., tiered participation and outreach requirements of AB 341 and AB 1826), as well as those that are currently being developed and could result in additional City regulatory obligations, required programs, and state reporting (e.g., CalRecycle is currently in the rule-making phase of SB 1383);
- Potential increases in compensation due to the City as a result of a greater than anticipated increase in tipping fees;
- Potential increased disposal expenses resulting from a natural disaster such as storm event, flood, earthquake or fire; and
- Potential decreased revenues resulting from increased migration and/or economic recession, which generally results in less waste generation and thus revenues from service charges.

New Residential Development Fees

The City charges Development Fees for all new development. These fees were established to pay for the cost of garbage, green waste, rubbish, storm drainage, refuse and recycling services.

The factors considered in developing these fees were the type of container used to store solid waste at the property, and the type of vehicle used to collect solid waste from the property. Based on these factors, single family and mobile home units, which use plastic carts for storage and side load vehicles for collection, were calculated and set on a per unit basis, as identified in Table 4-1 below.

Table 4-1: Current Residential Development Fees

Garbage, Green Waste, Rubbish, Storm Drainage, and Refuse Service Development Fees	
Single-Family Residence / Mobile Home	\$419.15
Multi-Family Units	\$290.88 per unit
Recycling Development Fees	
Single-Family Residence / Mobile Home	\$92.68
Multi-Family Units	n/a

Since those fees were calculated in 2014, the cost of collection trucks, street sweeping trucks service vehicles, residential carts, and commercial containers have all increased.⁵ The City may wish to consider increasing the development fees to account for those increased costs.

Attachment 3 is a worksheet developed for the City to estimate the current costs for new development. As shown, R3 recommends that the City increase the residential development fees by approximately 8.25% to cover associated costs.

Commercial/Industrial Development Fees

R3 does not recommend changing the percentage of the commercial/industrial development fees but does recommend that the City consider revising the Municipal Code to collect the fees for the first ninety-six (96) months from the start of solid waste collection service, not issuance of the building permit. The City has demonstrated that starting collection upon issuance of the building permit is ineffective because solid waste collection service does not start for quite some time – sometimes years – after issuance of the building permit. Based on the current timeframe for collection, the City is not able to collect much of the surcharge for certain projects.

Recommendations

Review of City Municipal Code

R3 has reviewed the City's Municipal Code and identified that amendments should be made to reflect current legislation. The City should consider making changes to the Municipal Code to support the collection of organics and implementation of newly enacted state laws. Specifically, the City should consider making changes to the Municipal Code that includes language that mirrors AB 1826 and SB 1383 (as described in the New State Legislation section

⁵ Vehicle costs are estimated to comprise approximately 70% (55% collection trucks, 15% street sweeping and street tree service trucks) of the New Residential Development Fees. Recent tariffs on imported steel and aluminum may further increase truck and commercial bin costs the same.

Section 4

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Overview

above). This would allow for businesses to make these changes and adjust to the new policies as regulations continue to be phased in. R3 recommends that the City amend the Municipal Code to encourage and enforce the diversion of organic material.

Annual Service Charge Adjustment

To address the projected revenue shortfall and maintain a sufficient operating reserve, the City is faced with the need to increase rates in the near term. Working with the City, R3 developed the following rate adjustment scenarios designed to meet the City's objectives:

Scenario 1: Larger Increase for One Year Followed by Annual CPI Increases

- Increase rates by 29.0% in FY 2020, followed by 6.0% in FY 2021, 5% in FY 2022, 4% in FY 2023, and no rate adjustments from FY 2024 through 2029.
- Via this Scenario, the City would only need to adopt an initial large increase, with modest increases projected for all future years.

Scenario 1 Results:

- FY 2029 Operating Reserves of \$3.88 million.
- FY 2029 Annual Revenue Shortfall of \$1.49 million.

Scenario 2: Gradual Annual Rate Increase Followed by No Increases in Later Years

- Increase rates gradually beginning with a 12.5% increase for FY 2020 through FY 2022 followed by an 8.0% increase in FY 2023. There would be no rate adjustments from FY 2024 through 2029.
- Via this Scenario, the initial increases would be lower than in Scenario 1, but would require approval of several years of slightly larger than normal increases.

Scenario 2 Results:

- FY 2029 Operating Reserves of \$3.90 million.
- FY 2029 Annual Revenue Shortfall of \$803,000.

Scenario 3: Larger Increase for One Year Followed by Annual CPI Increases including Cost of Service Adjustment for Commercial Customers

- Increase residential rates by 20.0% in FY 2020, followed by a 5.0% increase in FY 2021 through FY 2023.
- Increase commercial rates by a 35.00% increase in FY 2020, followed by a 10.0% increase in FY 2021 through FY 2023.
- Both residential and commercial customer rates would see no additional increases in FY 2024 through FY 2029.
- Via this Scenario the City's commercial rates would increase to be closer to the average of commercial rates surveyed by R3. Additionally, increasing commercial rates as shown in this Scenario accounts for the fact that the impacts of new state law will primarily require new services and programs to divert higher amounts of waste from the commercial sector.
- Via this Scenario, the Refuse Operations Fund reserves are kept at or above 16% beginning in FY 2020.

Scenario 3 Results:

- FY 2029 Operating Reserves of \$7.97 million.
- FY 2029 Annual Revenue Shortfall of \$688,000.

Annual Service Charge Adjustment with the Litter Abatement Program

The City is also considering adding a Litter Abatement Program to the Solid Waste Division. R3 revised the rate adjustment scenarios described above to show the difference in a rate increase when the Litter Abatement Program is added to the Solid Waste Division Financial Plan. The following is a summary of those results:

Scenario 1 (with Litter Abatement Program): Larger Increase for One Year Followed by Annual CPI Increases

- Increase rates by 29.0% in FY 2020, followed by 9.0% in FY 2021, 5% in FY 2022, 4% in FY 2023, and no rate adjustments from FY 2024 through 2029.
- Via this Scenario, the City would need to increase rates by 3.0% more in FY 2021 to maintain a surplus in the reserve fund balance with the addition of the Litter Abatement Program.

Scenario 1 (with Litter Abatement Program) Results:

- FY 2029 Operating Reserves of \$4.14 million.
- FY 2029 Annual Revenue Shortfall of \$1.41 million.

Scenario 2 (with Litter Abatement Program): Gradual Annual Rate Increase Followed by No Increases in Later Years

- Increase rates gradually beginning with a 14.5% increase for FY 2020 through FY 2022 followed by an 4.5% increase in FY 2023. There would be no rate adjustments from FY 2024 through 2029.
- Via this Scenario, the initial increases would be lower than in Scenario 1, but would require approval of several years of slightly larger than normal increases. The rate adjustment would be increased by 2.0% in FY 2020 through FY 2022, but decreased by 3.5% in FY 2024 to maintain a surplus in the reserve fund balance with the addition of the Litter Abatement Program.

Scenario 2 (with Litter Abatement Program) Results:

- FY 2029 Operating Reserves of \$4.08 million.
- FY 2029 Annual Revenue Shortfall of \$896,000.

Scenario 3 (with Litter Abatement Program): Larger Increase for One Year Followed by Annual CPI Increases including Cost of Service Adjustment for Commercial Customers

- Increase residential rates by 26.0% in FY 2020, followed by a 4.5% increase in FY 2021 through FY 2023.
- Increase commercial rates by a 40.0% increase in FY 2020, followed by a 7.5% increase in FY 2021 through FY 2023.
- Both residential and commercial customer rates would see no additional increases in FY 2024 through FY 2029.

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- Via this Scenario the City's commercial rates would increase to be closer to the average of commercial rates surveyed by R3. Additionally, increasing commercial rates as shown in this Scenario accounts for the fact that the impacts of new state law will primarily require new services and programs to divert higher amounts of waste from the commercial sector.
- The rate adjustment would be increased by 6.0% for residential customers and 5.0% for commercial customers in FY 2020; and 0.5% for residential customers and 2.5% for commercial customers in FY 2021 through FY 2023 to maintain a surplus at or above 16% in the reserve fund balance with the addition of the Litter Abatement Program.

Scenario 3 (with Litter Abatement Program) Results:

- FY 2029 Operating Reserves of \$5.75 million.
- FY 2029 Annual Revenue Shortfall of \$1.13 million.

Please see Attachment 2 for a summary of Scenarios 1, 2, and 3.

Ending Fund Balance

The scenarios identified above allow the City to achieve an Ending Fund Balance with Operating Reserves targeting a minimum of approximately 16 percent of budgeted expenses in Fund 558. There are no favorable near term solutions due to the structural deficit in the current FY 2018/19, and capital improvement costs of 12.3 million beginning in FY 2020/21. The City may also consider allowing a negative fund balance to reduce the recommended rate increases.

5-Year Service Charges Based on 10-Year Financial Plan

R3 has prepared draft proposed service charge tables of the City's solid waste service charges for the next five years (2020-2024) showing the monthly service charges for single family dwellings, commercial and multi-family, drop-box and suggested organic food waste collection rates.

These proposed service charge tables are based on the City's current solid waste service charges, and an analysis of the cost of service to provide collection, processing, and disposal of solid waste, street sweeping, and street trees services to the residents and businesses in the City. The recycling rate for the 8-CY Bin collected 3 times per week was found to be miscalculated prior to this rate study. To correct this error, the 8-CY Bin collected 3 times per week service charge was adjusted to 15% less than the equivalent refuse container⁶. In addition, all 2019 service charges for commercial customers were increased by \$10.00 to account for the loss of revenue based on the total expenses associated with each line of business. These rates are then being escalated by the adjustments shown in the 10-Year Plan.

Tables 4-2 and 4-3 show the current 2019 and draft proposed 2020-2024 single-family residential solid waste service charges and an example of an average commercial customer with a 3 CY solid waste and recycling bin, and 64-gallon organic waste cart. A complete rate sheet for each scenario is provided in Attachment 4.

Another option the City may consider in conjunction with the above scenarios is to structure commercial rates to include a universal roll-out with a minimum weekly collection of a

⁶ Based on customer accounts as of June 2018, this service charge adjustment will affect three commercial customers.

64-gallon organic cart to all commercial customers. With this option, the City could include the cost of a weekly 64-gallon organic cart for every customer in the garbage collection rate and only charge commercial customers if they requested a larger container or more frequent collection services.

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**Table 4-2: Current and Draft Proposed Solid Waste Monthly Service Charges by Year
(Without Litter Abatement Program)**

**Scenario 1: Larger Increase for One Year
Followed by Annual CPI Increases**

	Current 2019	Proposed 2020	Proposed 2021	Proposed 2022	Proposed 2023	Proposed 2024	Total Increase
Residential							
Garbage (64 gal)	\$25.92	\$33.44	\$35.44	\$37.22	\$38.70	\$38.70	\$12.78
Green Waste (90 gal)	\$5.57	\$7.19	\$7.62	\$8.00	\$8.32	\$8.32	\$2.75
Recycling (64 gal)	\$5.59	\$7.21	\$7.64	\$8.03	\$8.35	\$8.35	\$2.76
Scenario 3 Subtotal	\$37.08	\$47.83	\$50.70	\$53.24	\$55.37	\$55.37	\$18.29
\$ Increase/year		\$10.75	\$2.87	\$2.54	\$2.13	\$0.00	
% Increase/year (Residential)		29.0%	6.0%	5.0%	4.0%	0.0%	
Commercial							
Garbage (3 CY)	\$91.32	\$127.80	\$135.47	\$142.24	\$147.93	\$147.93	\$56.61
Organic (64 gal)	\$32.40	\$51.80	\$54.90	\$57.65	\$59.95	\$59.95	\$27.55
Recycling (3 CY)	\$78.40	\$111.14	\$117.80	\$123.69	\$128.64	\$128.64	\$50.24
Scenario 3 Subtotal	\$202.12	\$290.73	\$308.18	\$323.59	\$336.53	\$336.53	\$134.41
\$ Increase/year		\$88.61	\$17.44	\$15.41	\$12.94	\$0.00	
% Increase/year (Commercial)		29.0%	6.0%	5.0%	4.0%	0.0%	

**Scenario 2: Gradual Annual Rate Increase
Followed by No Increases in Later Years**

	Current 2019	Proposed 2020	Proposed 2021	Proposed 2022	Proposed 2023	Proposed 2024	Total Increase
Residential							
Garbage (64 gal)	\$25.92	\$29.16	\$32.81	\$36.91	\$39.86	\$39.86	\$13.94
Green Waste (90 gal)	\$5.57	\$6.27	\$7.05	\$7.93	\$8.57	\$8.57	\$3.00
Recycling (64 gal)	\$5.59	\$6.29	\$7.07	\$7.96	\$8.60	\$8.60	\$3.01
Scenario 3 Subtotal	\$37.08	\$41.72	\$46.93	\$52.80	\$57.02	\$57.02	\$19.94
\$ Increase/year		\$4.64	\$5.21	\$5.87	\$4.22	\$0.00	
% Increase/year (Residential)		12.5%	12.5%	12.5%	8.0%	0.0%	
Commercial							
Garbage (3 CY)	\$91.32	\$112.74	\$126.83	\$142.68	\$154.09	\$154.09	\$62.77
Organic (64 gal)	\$32.40	\$46.45	\$52.26	\$58.79	\$63.49	\$63.49	\$31.09
Recycling (3 CY)	\$78.40	\$98.20	\$110.48	\$124.28	\$134.23	\$134.23	\$55.83
Scenario 3 Subtotal	\$202.12	\$257.39	\$289.56	\$325.75	\$351.81	\$351.81	\$149.69
\$ Increase/year		\$55.27	\$32.17	\$36.19	\$26.06	\$0.00	
% Increase/year (Commercial)		12.5%	12.5%	12.5%	8.0%	0.0%	

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**Scenario 3: Larger Increase for One Year Followed by Annual CPI Increases
including Cost of Service Adjustment for Commercial Customers**

	Current 2019	Proposed 2020	Proposed 2021	Proposed 2022	Proposed 2023	Proposed 2024	Total Increase
Residential							
Garbage (64 gal)	\$25.92	\$31.10	\$32.66	\$34.29	\$36.01	\$36.01	\$10.09
Green Waste (90 gal)	\$5.57	\$6.68	\$7.02	\$7.37	\$7.74	\$7.74	\$2.17
Recycling (64 gal)	\$5.59	\$6.71	\$7.04	\$7.40	\$7.77	\$7.77	\$2.18
Scenario 2 Subtotal	\$37.08	\$44.50	\$46.72	\$49.06	\$51.51	\$51.51	\$14.43
\$ Increase/year		\$7.42	\$2.22	\$2.34	\$2.45	\$0.00	
% Increase/year (Residential)		20.0%	5.0%	5.0%	5.0%	0.0%	
Commercial							
Garbage (3 CY)	\$91.32	\$133.28	\$146.61	\$161.27	\$177.40	\$177.40	\$86.08
Organic (64 gal)	\$32.40	\$53.74	\$59.11	\$65.03	\$71.53	\$71.53	\$39.13
Recycling (3 CY)	\$78.40	\$115.84	\$127.42	\$140.17	\$154.18	\$154.18	\$75.78
Scenario 2 Subtotal	\$202.12	\$302.86	\$333.15	\$366.46	\$403.11	\$403.11	\$200.99
\$ Increase/year		\$100.74	\$30.29	\$33.31	\$36.65	\$0.00	
% Increase/year (Commercial)		35.0%	10.0%	10.0%	10.0%	0.0%	

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**Table 4-3: Current and Draft Proposed Solid Waste Monthly Service Charges by Year
(With Litter Abatement Program)****Scenario 1: Larger Increase for One Year
Followed by Annual CPI Increases**

	Current 2019	Proposed 2020	Proposed 2021	Proposed 2022	Proposed 2023	Proposed 2024	Total Increase
Residential							
Garbage (64 gal)	\$25.92	\$33.44	\$36.45	\$38.27	\$39.80	\$39.80	\$13.88
Green Waste (90 gal)	\$5.57	\$7.19	\$7.83	\$8.22	\$8.55	\$8.55	\$2.98
Recycling (64 gal)	\$5.59	\$7.21	\$7.86	\$8.25	\$8.58	\$8.58	\$2.99
Scenario 3 Subtotal	\$37.08	\$47.83	\$52.14	\$54.75	\$56.93	\$56.93	\$19.85
\$ Increase/year		\$10.75	\$4.30	\$2.61	\$2.19	\$0.00	
% Increase/year (Residential)		29.0%	9.0%	5.0%	4.0%	0.0%	
Commercial							
Garbage (3 CY)	\$91.32	\$127.80	\$139.31	\$146.27	\$152.12	\$152.12	\$60.80
Organic (64 gal)	\$32.40	\$51.80	\$56.46	\$59.28	\$61.65	\$61.65	\$29.25
Recycling (3 CY)	\$78.40	\$111.14	\$121.14	\$127.20	\$132.28	\$132.28	\$53.88
Scenario 3 Subtotal	\$202.12	\$290.73	\$316.90	\$332.75	\$346.06	\$346.06	\$143.94
\$ Increase/year		\$88.61	\$26.17	\$15.85	\$13.31	\$0.00	
% Increase/year (Commercial)		29.0%	9.0%	5.0%	4.0%	0.0%	

**Scenario 2: Gradual Annual Rate Increase
Followed by No Increases in Later Years**

	Current 2019	Proposed 2020	Proposed 2021	Proposed 2022	Proposed 2023	Proposed 2024	Total Increase
Residential							
Garbage (64 gal)	\$25.92	\$26.96	\$28.04	\$29.16	\$30.32	\$31.54	\$5.62
Green Waste (90 gal)	\$5.57	\$5.79	\$6.02	\$6.27	\$6.52	\$6.78	\$1.21
Recycling (64 gal)	\$5.59	\$5.81	\$6.05	\$6.29	\$6.54	\$6.80	\$1.21
Scenario 3 Subtotal	\$37.08	\$38.56	\$40.11	\$41.71	\$43.38	\$45.11	\$8.03
\$ Increase/year		\$5.38	\$6.16	\$7.05	\$2.50	\$0.00	
% Increase/year (Residential)		14.5%	14.5%	14.5%	4.5%	0.0%	
Commercial							
Garbage (3 CY)	\$91.32	\$114.56	\$131.17	\$150.19	\$156.95	\$156.95	\$65.63
Organic (64 gal)	\$32.40	\$47.10	\$53.93	\$61.75	\$64.53	\$64.53	\$32.13
Recycling (3 CY)	\$78.40	\$99.77	\$114.23	\$130.80	\$136.68	\$136.68	\$58.28
Scenario 3 Subtotal	\$202.12	\$261.43	\$299.33	\$342.74	\$358.16	\$358.16	\$156.04
\$ Increase/year		\$59.31	\$37.91	\$43.40	\$15.42	\$0.00	
% Increase/year (Commercial)		14.5%	14.5%	14.5%	4.5%	0.0%	

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including Cost of Service Adjustment for Commercial Customers

	Current 2019	Proposed 2020	Proposed 2021	Proposed 2022	Proposed 2023	Proposed 2024	Total Increase
Residential							
Garbage (64 gal)	\$25.92	\$32.66	\$34.13	\$35.66	\$37.27	\$37.27	\$11.35
Green Waste (90 gal)	\$5.57	\$7.02	\$7.33	\$7.66	\$8.01	\$8.01	\$2.44
Recycling (64 gal)	\$5.59	\$7.04	\$7.36	\$7.69	\$8.04	\$8.04	\$2.45
Scenario 2 Subtotal	\$37.08	\$46.72	\$48.82	\$51.02	\$53.32	\$53.32	\$16.24
\$ Increase/year		\$9.64	\$2.10	\$2.20	\$2.30	\$0.00	
% Increase/year (Residential)		26.0%	4.5%	4.5%	4.5%	0.0%	
Commercial							
Garbage (3 CY)	\$91.32	\$137.85	\$148.19	\$159.30	\$171.25	\$171.25	\$79.93
Organic (64 gal)	\$32.40	\$55.36	\$59.51	\$63.98	\$68.77	\$68.77	\$36.37
Recycling (3 CY)	\$78.40	\$119.76	\$128.74	\$138.40	\$148.78	\$148.78	\$70.38
Scenario 2 Subtotal	\$202.12	\$312.97	\$336.44	\$361.67	\$388.80	\$388.80	\$186.68
\$ Increase/year		\$110.85	\$23.47	\$25.23	\$27.13	\$0.00	
% Increase/year (Commercial)		40.0%	7.5%	7.5%	7.5%	0.0%	

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2	City of Merced																		
3	10-Year Financial Plan and 5-Year Rate Model (with Litter Abatement Program)																		
4	Income and Expense Detail		Actual					Budgeted	Forecast										
2013 - 2014			2014 - 2015	2015 - 2016	2016 - 2017	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023	2023 - 2024	2024 - 2025	2025 - 2026	2026 - 2027	2027 - 2028	2028 - 2029		
5																			
6	Beginning Fund 558 Balance		\$ 6,276,764	\$ 6,020,954	\$ 6,306,524	\$ 6,438,741	\$ 7,160,069	\$ 7,334,000	\$ 5,127,000	\$ 2,606,000	\$ (1,236,000)	\$ (6,194,000)	\$ (13,279,000)	\$ (21,650,000)	\$ (28,268,000)	\$ (35,605,000)	\$ (43,680,000)	\$ (52,519,000)	
7	Beginning Fund 562 Balance		214,085	243,884	285,313	343,130	128,914	208,000	289,000	371,000	456,000	534,000	612,000	682,000	613,000	539,000	460,000	376,000	
8	Beginning Fund 674 Balance		294,416	1,132,186	1,989,635	2,785,071	3,685,609	4,596,000	4,738,000	4,300,000	3,855,000	3,667,000	5,183,000	6,183,000	6,662,000	7,876,000	9,277,000	10,243,000	
10	Recommended Annual Residential Service Charge Adjustment (Effective January 1 of each FY)																		
11	Recommended Annual Commercial Service Charge Adjustment (Effective January 1 of each FY)																		
12	Growth Rate Adjustment (Residential)																		
13	Growth Rate Adjustment (Commercial)																		
16	Income																		
17	Fund 558																		
18	Refuse																		
19	Residential																		
20	Charges for Service July - December																		
21	Charges for Service January - June																		
22	Charges for Service July - June																		
23	Commercial																		
24	Charges for Service July - December																		
25	Charges for Service January - June																		
26	Charges for Service July - June																		
27	Subtotal Refuse Service Charges																		
28	Recycling																		
29	Residential																		
30	Charges for Service July - December																		
31	Charges for Service January - June																		
32	Charges for Service July - June																		
33	Commercial																		
34	Charges for Service July - December																		
35	Charges for Service January - June																		
36	Charges for Service July - June																		
37	Tipping Fee Rebates																		
38	Subtotal Recycling Service Charges																		
39	Green Waste																		
40	Residential																		
41	Charges for Service July - December																		
42	Charges for Service January - June																		
43	Charges for Service July - June																		
44	Commercial																		
45	Charges for Service July - December																		
46	Charges for Service January - June																		
47	Charges for Service July - June																		
48	Subtotal Green Waste Service Charges																		
49	Subtotal Service Charges - Fund 558																		
50	CalPERS																		
51	Refuse																		
52	Recycling																		
53	Green Waste																		
54	Street Sweeping																		
55	Street Trees																		
56	Subtotal CalPERS																		
57	Other Revenues																		
58	Refuse																		
59	Recycling																		
60	Green Waste																		
61	Street Sweeping																		
62	Street Trees																		
63	Finance																		
64	Subtotal Other Revenues - Fund 558																		
65	Total Income Fund 558																		
66	Fund 562																		
67	Other Revenues																		
68	Industrial/Commercial Surcharge																		
69	Building Permits Recycling Surcharge																		
70	Building Permits Refuse Surcharge																		
71	Finance																		
72	Subtotal Other Revenues - Fund 562																		
73	Total Income Fund 562																		
74	Fund 674																		
75	Vehicle Replacement Fund																		
76	Refuse Vehicle Replacement																		
77	Recycling Vehicle Replacement																		
78	Green Waste Vehicle Replacement																		
79	Street Sweeping Vehicle Replacement																		
80	Street Trees Vehicle Replacement																		
81	*New Operating Expense* New Vehicle Replacements																		
82	Subtotal Vehicle Replacement Fund																		
83	Total Income Fund 674																		
84	Total Income (Funds 558, 562, 674)																		

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	City of Merced																			
	10-Year Financial Plan and 5-Year Rate Model (with Litter Abatement Program)																			
	Actual					Budgeted		Forecast												
	Income and Expense Detail					2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023	2023 - 2024	2024 - 2025	2025 - 2026	2026 - 2027	2027 - 2028	2028 - 2029				
Budgeted Operating Expenses																				
Fund 558 - Refuse																				
Personnel Services																				
531 1-0 Regular Salaries	1,277,114	1,255,506	1,313,406	1,371,012	1,574,288	1,758,133	1,890,000	1,995,000	2,100,000	2,209,000	2,318,000	2,388,000	2,460,000	2,534,000	2,610,000	2,688,000				
531 10-33 Core Allowance	348,405	360,538	371,689	389,481	491,197	503,753	534,000	566,000	599,000	633,000	667,000	690,000	714,000	739,000	765,000	792,000				
531 4-1 Regular Overtime	247,578	246,264	257,336	244,105	296,528	158,323	167,000	176,000	185,000	195,000	205,000	211,000	217,000	224,000	231,000	238,000				
531 10-73 Retirement UAL Misc	-	-	-	-	177,565	213,675	235,000	259,000	284,000	312,000	342,000	368,000	396,000	426,000	458,000	492,000				
531 10-6 Social Security-OASDI	92,220	90,563	94,915	98,789	108,399	119,862	126,000	133,000	140,000	147,000	154,000	159,000	164,000	169,000	174,000	179,000				
531 10-5 Retirement PERS Classic	265,604	252,348	280,304	191,701	77,710	85,377	90,000	95,000	100,000	105,000	110,000	113,000	116,000	119,000	123,000	127,000				
531 10-12 Workers Compensation	96,578	115,183	76,964	57,671	71,209	98,127	104,000	116,000	116,000	123,000	130,000	135,000	140,000	145,000	150,000	155,000				
531 3-0 Extra Help	24,741	16,643	15,926	-	51,394	37,047	39,000	41,000	43,000	45,000	47,000	48,000	49,000	50,000	52,000	54,000				
531 10-35 Post Employment Benefits	62,331	59,603	55,667	37,392	40,857	51,518	55,000	59,000	63,000	67,000	71,000	74,000	78,000	82,000	86,000	90,000				
531 10-10 Retirement-PERS New Membr	11,423	37,942	54,895	50,175	40,963	52,862	56,000	59,000	62,000	65,000	68,000	70,000	72,000	74,000	76,000	78,000				
531 10-17 Stand By Pay	297	-	29,595	33,240	41,256	44,256	46,000	48,000	50,000	52,000	54,000	56,000	58,000	60,000	62,000	64,000				
531 10-17 Social Security-Medicare	21,934	21,422	22,429	23,104	26,097	28,570	30,000	32,000	34,000	36,000	38,000	39,000	40,000	41,000	42,000	43,000				
531 10-1 Holiday Pay	8,242	7,607	11,904	7,965	15,193	24,103	25,000	26,000	27,000	28,000	29,000	30,000	31,000	32,000	33,000	34,000				
531 10-23 Uniform Cleaning	4,937	5,540	5,713	6,645	8,088	8,933	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000				
531 10-9 Retirement-PERS Lateral	-	-	-	4,267	3,907	4,429	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000				
531 10-2 Unused Sick Leave	-	1,190	1,214	1,860	3,375	-	-	-	-	-	-	-	-	-	-	-				
531 10-20 Earned Benefit	10,279	4,601	4,079	3,178	2,864	9,242	10,000	11,000	12,000	13,000	14,000	14,000	14,000	14,000	14,000	14,000				
531 10-21 Bilingual Pay Program	54	38	-	459	833	1,200	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000				
531 10-27 PTS Plan FICA Alternative	328	218	207	-	669	482	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000				
531 10-75 Ret-EE Share PERS Classic	-	-	-	82,723	-	-	-	-	-	-	-	-	-	-	-	-				
531 10-77 Ret-EE Share PERS NewMembr	-	-	-	17,480	-	-	-	-	-	-	-	-	-	-	-	-				
531 10-8 State Unemployment	-	14,872	16,496	16,316	-	-	-	-	-	-	-	-	-	-	-	-				
531 10-76 Ret-EE Share PERS Lateral	-	-	-	1,633	-	-	-	-	-	-	-	-	-	-	-	-				
539 10-23 Uniform Cleaning	-	-	-	7	-	-	-	-	-	-	-	-	-	-	-	-				
Subtotal Refuse Personnel Services	2,472,065	2,490,078	2,583,144	2,635,558	2,924,376	3,196,892	3,421,000	3,624,000	3,829,000	4,044,000	4,261,000	4,409,000	4,563,000	4,723,000	4,890,000	5,062,000				
Supplies and Services																				
532 25-0 Tipping Fees	2,118,712	2,187,013	2,438,687	2,523,412	2,508,593	2,759,452	2,939,000	3,132,000	3,328,000	3,535,000	3,745,000	3,895,000	4,051,000	4,213,000	4,382,000	4,557,000				
532 23-0 Vehicle Operations/Maint	1,110,191	1,101,413	1,138,477	1,019,086	1,097,721	1,231,957	1,300,000	1,372,000	1,444,000	1,519,000	1,594,000	1,642,000	1,691,000	1,742,000	1,794,000	1,848,000				
532 32-0 Vehicle Replacement Fee	531,217	538,293	477,965	511,941	515,420	600,682	634,000	669,000	704,000	741,000	777,000	800,000	824,000	849,000	874,000	900,000				
532 38-0 Support Services	151,284	148,557	151,448	173,665	168,798	171,477	181,000	191,000	201,000	211,000	221,000	228,000	235,000	242,000	249,000	256,000				
532 25-0 Maintenance Matls & Svcs	116,566	259,736	195,959	112,507	134,056	190,089	201,000	212,000	223,000	235,000	247,000	254,000	262,000	270,000	278,000	286,000				
532 30-1 Dept Share of Insurance	48,400	43,215	69,495	100,439	118,204	98,033	103,000	109,000	115,000	121,000	127,000	131,000	135,000	139,000	143,000	147,000				
532 17-0 Professional Services	80,066	53,400	51,482	56,733	62,231	63,312	67,000	71,000	75,000	79,000	83,000	85,000	88,000	91,000	94,000	97,000				
532 45-0 Facilities Maint Charge	32,132	33,091	27,308	43,464	58,170	57,214	60,000	63,000	66,000	69,000	72,000	74,000	76,000	78,000	80,000	82,000				
532 13-0 Postage	44,542	47,704	36,044	46,656	46,993	53,646	57,000	60,000	63,000	66,000	69,000	71,000	73,000	75,000	77,000	79,000				
532 24-0 Memberships, Subscription	1,611	1,392	17,844	17,663	19,739	37,378	48,000	41,000	43,000	45,000	47,000	48,000	49,000	50,000	52,000	54,000				
532 11-0 Utilities	18,456	20,022	17,408	16,274	16,920	26,856	28,000	30,000	32,000	34,000	36,000	37,000	38,000	39,000	40,000	41,000				
532 26-0 Other Equipment O & M	13,931	19,382	11,323	12,500	13,463	20,979	22,000	23,000	24,000	25,000	26,000	27,000	28,000	29,000	30,000	31,000				
532 16-0 Printing	5,529	8,245	9,991	10,765	12,936	13,988	15,000	16,000	17,000	18,000	19,000	20,000	21,000	22,000	23,000	24,000				
532 28-0 Safety Supplies	5,938	6,394	4,995	7,295	9,955	13,000	11,000	12,000	13,000	14,000	15,000	15,000	15,000	15,000	15,000	15,000				
532 21-0 Rents/Leases	7,200	6,667	13,200	13,200	6,060	5,625	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000				
532 12-0 Telephone	3,656	4,002	4,778	4,985	6,397	8,448	9,000	10,000	11,000	12,000	13,000	13,000	13,000	13,000	13,000	13,000				
539 25-0 Maintenance Matls & Svcs	87,490	38,155	53,432	1,695	4,738	-	-	-	-	-	-	-	-	-	-	-				
532 60-0 Computer Replacement Chrg	3,066	3,255	3,206	2,359	2,225	2,432	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000				
532 18-0 Travel and Meetings	427	956	1,573	585	1,413	3,322	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000				
532 20-0 Training Expense	582	2,375	495	920	250	1,400	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000				
532 27-0 Small Tools	-	488	263	-	179	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000				
539 17-0 Professional Services	7,866	5,843	2,846	267	112	-	-	-	-	-	-	-	-	-	-	-				
532 35-84 Retro Fee Expense	55	100	100	350	50	-	-	-	-	-	-	-	-	-	-	-				
532 19-0 Mileage	16	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
539 13-0 Postage	10,535	10,176	12,058	62	-	-	-	-	-	-	-	-	-	-	-	-				
539 16-0 Printing	668	52	339	35	-	-	-	-	-	-	-	-	-	-	-	-				
539 21-0 Rents/Leases	-	-	-	36,000	-	-	-	-	-	-	-	-	-	-	-	-				
539 24-0 Memberships, Subscription	113	225	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
539 26-0 Other Equipment O & M	3,587	-	2,956	-	-	-	-	-	-	-	-	-	-	-	-	-				
Subtotal Refuse Supplies and Services	4,404,329	4,539,898	4,741,672	4,713,201	4,801,963	5,361,245	5,685,000	6,030,000	6,378,000	6,743,000	7,110,000	7,359,000	7,618,000	7,886,000	8,163,000	8,449,000				
Administrative																				
534 91-9 Adm Exp-Finance	123,076	122,626	140,232	145,472	176,230	201,387	207,000	213,000	219,000	226,000	233,000	240,000	247,000	254,000	262,000	270,000				
534 91-11 Adm Exp-Public Works	120,789	146,126	139,334	141,893	151,670	173,078	178,000	183,000	188,000	194,000	200,000	206,000	212,000	218,000	225,000	232,000				
534 91-1 Adm Exp-City Manager	51,201	26,875	39,312	51,022	66,274	80,649	83,000	85,000	88,000	91,000	94,000	97,000	100,000	103,000	106,000	109,000				
534 91-3 Adm Exp-City Clerk	-	46,884	24,808	26,376	27,158	29,694	31,000	32,000	33,000	34,000	35,000	36,000	37,000	38,000	39,000	40,000				
534 91-10 Adm Exp-Purchasing	16,943	15,653	19,393	21,434	21,558	23,000	22,000	23,000	24,000	25,000	26,000	27,000	28,000	29,000	30,000	31,000				
534 91-16 Adm Exp-City Council	11,720	12,053	15,729	16,250	18,172	19,464	20,000	21,000	22,000	23,000	24,000	25,000	26,000	27,000	28,000	29,000				
534 91-2 Adm Exp-City Attorney	16,062	12,603	8,539	10,067	17,619	17,076	18,000	19,000	20,000	21,000	22,000	23,000	24,000	25,000	26,000	27,000				
Subtotal Refuse Administrative	339,791	382,820	384,619	410,473	478,557	542,906	559,000	576,000	594,000	614,000	634,000	654,000	674,000	694,000	716,000	738,000				
Capital Improvement Projects																				
637 65-0 Capital Imp. Projects	153,268	39,963	388,799	-	-	1,264,913	-	-	-	-	-	-	-	-	-	-				
Subtotal Refuse Capital Improvement Projects	153,268	39,963	388,799	-	-	1,264,913	-													

ATTACHMENT 1

	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T			
	City of Merced																					
	10-Year Financial Plan and 5-Year Rate Model (with Litter Abatement Program)																					
	Actual						Budgeted	Forecast														
	Income and Expense Detail						2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023	2023 - 2024	2024 - 2025	2025 - 2026	2026 - 2027	2027 - 2028	2028 - 2029					
	2013 - 2014	2014 - 2015	2015 - 2016	2016 - 2017	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023	2023 - 2024	2024 - 2025	2025 - 2026	2026 - 2027	2027 - 2028	2028 - 2029						
160	Subtotal Refuse Machinery/Equip						49,060	-	17,069	-	409,491	136,160	144,000	152,000	160,000	168,000	176,000	181,000	186,000	192,000	198,000	204,000
161	Interdepartmental																					
162	535 92-29 Intercept DSC-Pub Works	203,737	206,464	230,399	225,042	252,842	270,229	278,000	286,000	295,000	304,000	313,000	322,000	332,000	342,000	352,000	363,000					
163	535 92-1 Intercept DSC-General Fnd	239,574	244,399	235,016	247,186	232,228	239,644	247,000	254,000	262,000	270,000	278,000	286,000	295,000	304,000	313,000	322,000					
164	535 92-70 Intercept DSC-Hsg Admin	47,864	52,119	45,128	46,915	44,779	46,040	47,000	48,000	50,000	52,000	54,000	56,000	58,000	60,000	62,000	64,000					
165	535 92-17 Intercept DSC-Develop Svc	42,794	45,206	46,148	47,096	44,686	52,331	54,000	56,000	58,000	60,000	62,000	64,000	66,000	68,000	70,000	72,000					
166	535 92-57 Intercept DSC-Water Sys	41,281	46,605	45,836	42,431	39,969	35,356	37,000	38,000	39,000	40,000	41,000	42,000	43,000	44,000	45,000	46,000					
167	535 92-53 Intercept DSC-Wastewater	24,062	29,466	27,011	23,605	33,669	39,445	41,000	42,000	43,000	44,000	45,000	46,000	47,000	48,000	49,000	50,000					
168	535 92-58 Intercept DSC-Refuse	17,788	39,275	35,695	27,763	23,852	23,852	25,000	26,000	27,000	28,000	29,000	30,000	31,000	32,000	33,000	34,000					
169	535 92-72 Intercept DSC-Support Sr	21,690	21,892	20,925	18,892	23,769	16,891	17,000	18,000	19,000	20,000	21,000	22,000	23,000	24,000	25,000	26,000					
170	535 92-22 Intercept DSC-Streets	15,501	11,057	14,575	5,231	8,461	7,430	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000					
171	535 92-71 Intercept DSC-Facilities	-	-	-	-	1,237	2,724	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000					
172	535 92-21 Intercept DSC-Street Tree	7,704	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
173	535 92-48 Intercept DSC-CFD Parks	-	2,673	2,760	2,561	-	-	-	-	-	-	-	-	-	-	-	-					
174	Subtotal Refuse Interdepartmental						661,995	697,119	703,493	689,722	705,492	733,942	756,000	778,000	802,000	826,000	851,000	876,000	903,000	930,000	957,000	985,000
175	Total Operating Expenses Refuse						8,080,508	8,149,878	8,818,796	8,448,954	9,319,879	11,236,058	10,565,000	11,160,000	11,763,000	12,395,000	13,032,000	13,479,000	13,944,000	14,425,000	14,924,000	15,438,000

ATTACHMENT 1

B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T				
2	City of Merced																					
3	10-Year Financial Plan and 5-Year Rate Model (with Litter Abatement Program)																					
4	Actual						Budgeted		Forecast													
5	Income and Expense Detail						2013 - 2014	2014 - 2015	2015 - 2016	2016 - 2017	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023	2023 - 2024	2024 - 2025	2025 - 2026	2026 - 2027	2027 - 2028	2028 - 2029
176	Fund 558 - Recycling																					
177	Personnel Services																					
178	5311-0 Regular Salaries	207,829	213,931	219,575	219,309	238,522	246,706	260,000	274,000	288,000	303,000	318,000	328,000	338,000	348,000	358,000	369,000					
179	53110-33 Core Allowance	63,511	66,268	69,838	73,399	76,996	80,674	86,000	91,000	96,000	101,000	106,000	110,000	114,000	118,000	122,000	126,000					
180	5314-1 Regular Overtime	32,879	27,104	23,176	25,674	29,538	27,807	29,000	31,000	33,000	35,000	37,000	38,000	39,000	40,000	41,000	42,000					
181	53110-73 Retirement UAL Misc	-	-	-	-	24,355	29,983	33,000	36,000	39,000	43,000	47,000	50,000	54,000	58,000	62,000	66,000					
182	53110-12 Workers Compensation	9,832	11,102	6,959	10,390	19,861	17,103	18,000	19,000	20,000	21,000	22,000	23,000	24,000	25,000	26,000	27,000					
183	53110-5 Retirement PERS Classic	45,348	50,111	50,241	36,991	18,182	19,853	21,000	22,000	23,000	24,000	25,000	26,000	27,000	28,000	29,000	30,000					
184	53110-6 Social Security -OASDI	14,653	14,638	13,250	14,350	16,424	16,691	18,000	19,000	20,000	21,000	22,000	23,000	24,000	25,000	26,000	27,000					
185	53110-17 Stand By Pay	-	-	-	-	9,711	-	-	-	-	-	-	-	-	-	-	-					
186	53110-35 Post Employment Benefits	6,856	6,752	6,416	3,867	4,384	3,859	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000					
187	53110-7 Social Security-Medicare	3,427	3,423	3,099	3,356	3,841	3,904	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000					
188	53110-1 Holiday Pay	898	703	418	691	1,109	1,303	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000					
189	53110-20 Earned Benefit	817	757	2,100	610	625	2,172	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000					
190	53110-21 Bilingual Pay Program	928	832	603	603	600	600	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000					
191	53110-2 Unused Sick Leave	-	-	-	190	502	-	-	-	-	-	-	-	-	-	-	-					
192	53110-23 Uniform Cleaning	369	355	382	451	468	-	-	-	-	-	-	-	-	-	-	-					
193	53110-75 Ret-EE Share PERS Classic	-	-	-	15,985	-	-	-	-	-	-	-	-	-	-	-	-					
194	53910-23 Uniform Cleaning	-	-	-	13	-	631	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000					
195	Subtotal Recycling Personnel Services						387,347	395,976	396,057	413,192	445,118	451,286	478,000	505,000	532,000	561,000	590,000	611,000	633,000	655,000	677,000	700,000
196	Supplies and Services																					
197	53223-0 Vehicle Operations/Maint	191,109	157,062	121,671	157,790	195,853	179,965	190,000	201,000	212,000	223,000	234,000	241,000	248,000	255,000	263,000	271,000					
198	53232-0 Vehicle Replacement Fee	51,009	82,564	113,700	123,284	123,284	132,793	140,000	148,000	156,000	164,000	172,000	177,000	182,000	187,000	193,000	199,000					
199	53225-0 Tipping Fees	60,000	58,793	54,335	45,681	34,422	37,864	40,000	441,000	469,000	498,000	528,000	549,000	571,000	594,000	618,000	643,000					
200	53214-0 Advertising	19,665	31,411	18,513	32,764	41,124	43,000	45,000	48,000	51,000	54,000	57,000	59,000	61,000	63,000	65,000	67,000					
201	53238-0 Support Services	17,558	16,808	17,258	19,763	19,189	18,887	20,000	21,000	22,000	23,000	24,000	25,000	26,000	27,000	28,000	29,000					
202	53230-1 Dept Share of Insurance	6,157	5,490	8,143	10,287	10,259	8,912	9,000	10,000	11,000	12,000	13,000	13,000	13,000	13,000	13,000	13,000					
203	53225-0 Maintenance Mats & Svcs	18,837	3,869	17,988	13,282	11,222	52,300	55,000	58,000	61,000	64,000	67,000	69,000	71,000	73,000	75,000	77,000					
204	53914-0 Advertising	-	15,752	14,088	19,161	8,000	-	-	-	-	-	-	-	-	-	-	-					
205	53226-0 Other Equipment O & M	360	894	1,260	2,339	2,082	2,331	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000					
206	53245-0 Facilities Maint Charge	-	1,182	836	929	1,272	1,256	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000					
207	53220-0 Training Expense	1,063	2,006	1,050	1,000	1,150	1,150	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000					
208	53218-0 Travel and Meetings	1,555	162	1,028	-	220	753	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000					
209	53217-0 Professional Services	50	80	180	-	180	340	-	-	-	-	-	-	-	-	-	-					
210	53213-0 Postage	-	4,000	-	-	152	10,800	11,000	12,000	13,000	14,000	15,000	15,000	15,000	15,000	15,000	15,000					
211	53228-0 Safety Supplies	257	300	263	288	12	695	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000					
212	53235-84 Retro Fee Expense	80	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
213	53917-0 Professional Services	130	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
214	53224-0 Memberships, Subscription	-	-	-	-	-	633	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000					
215	53925-0 Maintenance Mats & Svcs	180	-	12,009	-	-	-	-	-	-	-	-	-	-	-	-	-					
216	Subtotal Recycling Supplies and Services						368,010	380,373	382,322	425,568	447,725	491,679	517,000	946,000	1,002,000	1,059,000	1,117,000	1,155,000	1,194,000	1,234,000	1,277,000	1,321,000
217	Administrative																					
218	53491-9 Adm Exp-Finance	20,038	20,388	19,468	19,759	23,169	25,205	26,000	27,000	28,000	29,000	30,000	31,000	32,000	33,000	34,000	35,000					
219	53491-11 Adm Exp-Public Works	16,604	20,385	18,319	18,148	17,852	19,642	20,000	21,000	22,000	23,000	24,000	25,000	26,000	27,000	28,000	29,000					
220	53491-1 Adm Exp-City Manager	8,297	4,468	5,457	6,930	8,713	10,094	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000					
221	53491-3 Adm Exp-City Clerk	-	8,171	3,413	3,549	3,562	3,708	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000					
222	53491-10 Adm Exp-Purchasing	2,758	2,603	2,314	2,634	2,818	2,698	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000					
223	53491-16 Adm Exp-City Council	1,908	2,004	2,184	2,207	2,389	2,436	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000					
224	53491-2 Adm Exp-City Attorney	2,615	1,966	1,185	1,367	2,316	2,137	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000					
225	Subtotal Recycling Administrative						52,220	59,985	52,340	54,594	60,819	65,920	68,000	70,000	72,000	74,000	76,000	78,000	80,000	82,000	84,000	86,000
226	Machinery/Equip																					
227	53343-0 Machinery/Equipment	15,462	10,214	6,941	13,642	27,684	24,290	26,000	27,000	28,000	29,000	30,000	31,000	32,000	33,000	34,000	35,000					
228	Subtotal Recycling Machinery/Equip						15,462	10,214	6,941	13,642	27,684	24,290	26,000	27,000	28,000	29,000	30,000	31,000	32,000	33,000	34,000	35,000
229	Interdepartmental																					
230	53592-29 Interdept DSC-Pub Works	65,243	65,798	29,611	30,001	30,729	30,786	32,000	33,000	34,000	35,000	36,000	37,000	38,000	39,000	40,000	41,000					
231	Subtotal Recycling Interdepartmental						65,243	65,798	29,611	30,001	30,729	30,786	32,000	33,000	34,000	35,000	36,000	37,000	38,000	39,000	40,000	41,000
232	Total Operating Expenses Recycling		888,282	912,346	867,271	936,997	1,012,075	1,063,961	1,121,000	1,581,000	1,668,000	1,758,000	1,849,000	1,912,000	1,977,000	2,043,000	2,112,000	2,183,000				

ATTACHMENT 1

	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	
2	City of Merced																			
3	10-Year Financial Plan and 5-Year Rate Model (with Litter Abatement Program)																			
4																				
5	Income and Expense Detail					Actual					Budgeted					Forecast				
	2013 - 2014	2014 - 2015	2015 - 2016	2016 - 2017	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023	2023 - 2024	2024 - 2025	2025 - 2026	2026 - 2027	2027 - 2028	2028 - 2029				
232	Fund 558 - Green Waste																			
234	Personnel Services																			
235	531 1-0 Regular Salaries	168,170	170,017	142,336	165,823	176,436	191,334	202,000	213,000	224,000	236,000	248,000	255,000	263,000	271,000	279,000	287,000			
236	531 10-33 Core Allowance	42,934	45,054	44,136	48,555	51,984	53,655	57,000	60,000	63,000	67,000	71,000	73,000	76,000	79,000	82,000	85,000			
237	531 4-1 Regular Overtime	15,898	12,765	17,385	21,631	22,306	19,862	21,000	22,000	23,000	24,000	25,000	26,000	27,000	28,000	29,000	30,000			
238	531 10-73 Retirement UAL Misc	-	-	-	-	18,767	23,254	26,000	29,000	32,000	35,000	38,000	41,000	44,000	47,000	50,000	54,000			
239	531 10-6 Social Security-OASDI	9,978	10,398	9,736	11,566	10,512	13,072	14,000	15,000	16,000	17,000	18,000	19,000	20,000	21,000	22,000	23,000			
240	531 10-5 Retirement PERS Classic	32,248	35,372	31,665	21,871	7,671	11,350	12,000	13,000	14,000	15,000	16,000	16,000	16,000	16,000	16,000	16,000			
241	531 10-35 Post Employment Benefits	-	-	-	6,696	7,013	6,498	7,000	8,000	9,000	10,000	11,000	12,000	13,000	14,000	15,000	16,000			
242	531 10-12 Workers Compensation	8,146	22,084	16,018	6,462	6,071	15,977	17,000	18,000	19,000	20,000	21,000	22,000	23,000	24,000	25,000	26,000			
243	531 10-17 Stand By Pay	-	-	-	2,668	3,839	1,737	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000			
244	531 10-10 Retirement-PERS New Membr	-	-	4,890	8,166	3,826	4,123	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000			
245	531 10-7 Social Security-Medicare	2,334	2,432	2,277	2,705	2,458	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000			
246	531 10-23 Uniform Cleaning	404	431	462	710	771	837	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000			
247	531 10-1 Holiday Pay	298	670	991	994	767	1,955	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000			
248	531 10-21 Bilingual Pay Program	163	114	-	231	415	600	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000			
249	531 10-2 Unused Sick Leave	-	-	-	143	377	-	-	-	-	-	-	-	-	-	-	-			
250	531 10-20 Earned Benefit	378	6,600	311	174	179	1,087	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000			
251	531 10-75 Ret-EE Share PERS Classic	-	-	-	9,452	-	-	-	-	-	-	-	-	-	-	-	-			
252	531 10-77 Ret-EE Share PERS NewMemb	-	-	-	2,839	-	-	-	-	-	-	-	-	-	-	-	-			
253	Subtotal Green Waste Personnel Services	280,951	305,937	270,207	310,295	313,783	348,399	370,000	392,000	414,000	438,000	462,000	478,000	496,000	514,000	532,000	551,000			
254	Supplies and Services																			
255	532 23-0 Vehicle Operations/Maint	196,166	156,597	169,822	141,215	164,077	141,518	149,000	157,000	165,000	174,000	183,000	188,000	194,000	200,000	206,000	212,000			
256	532 32-0 Vehicle Replacement Fee	74,801	70,527	50,432	58,466	79,441	114,567	121,000	128,000	135,000	142,000	149,000	153,000	158,000	163,000	168,000	173,000			
257	532 25-0 Tipping Fee	70,061	61,388	63,243	80,766	61,638	78,911	81,000	89,000	99,000	108,000	118,000	126,000	135,000	144,000	153,000	165,000			
258	532 38-0 Support Services	14,708	13,796	14,247	15,646	15,751	16,146	17,000	18,000	19,000	20,000	21,000	22,000	23,000	24,000	25,000	26,000			
259	532 30-1 Dept Share of Insurance	5,065	4,549	6,777	8,561	8,313	7,257	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000			
260	532 14-0 Advertising	13,713	15,983	6,592	9,263	11,816	22,000	23,000	24,000	25,000	26,000	27,000	28,000	29,000	30,000	31,000	32,000			
261	532 25-0 Maintenance Matls & Svcs	(1,616)	1,961	2,007	474	9,241	74,500	79,000	83,000	87,000	92,000	97,000	100,000	103,000	106,000	109,000	112,000			
262	532 45-0 Facilities Maint Charge	1,057	1,557	1,722	1,911	1,660	1,708	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000			
263	532 26-0 Other Equipment O & M	1,137	1,175	1,385	2,237	1,652	2,154	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000			
264	532 13-0 Postage	-	-	-	-	226	10,800	11,000	12,000	13,000	14,000	15,000	15,000	15,000	15,000	15,000	15,000			
265	532 17-0 Professional Services	100	130	90	-	90	490	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000			
266	532 35-84 Retro Fee Expense	15	-	-	50	-	-	-	-	-	-	-	-	-	-	-	-			
267	539 14-0 Advertising	-	8,728	7,333	2,165	-	-	-	-	-	-	-	-	-	-	-	-			
268	539 17-0 Professional Services	70	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
269	539 25-0 Maintenance Matls & Svcs	5,100	-	295	-	-	-	-	-	-	-	-	-	-	-	-	-			
270	Subtotal Green Waste Supplies and Services	380,377	336,641	323,945	331,729	361,277	467,051	496,000	526,000	556,000	589,000	623,000	645,000	670,000	695,000	721,000	748,000			
271	Administrative																			
272	534 91-1 Adm Exp-City Manager	17,001	17,009	16,737	16,788	19,350	8,566	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000			
273	534 91-2 Adm Exp-City Attorney	13,888	16,714	15,137	14,441	14,246	1,814	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000			
274	534 91-3 Adm Exp-City Clerk	7,040	3,728	4,692	5,888	7,277	3,147	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000			
275	534 91-9 Adm Exp-Finance	-	6,955	2,935	3,016	2,975	21,391	22,000	23,000	24,000	25,000	26,000	27,000	28,000	29,000	30,000	31,000			
276	534 91-10 Adm Exp-Purchasing	2,340	2,171	1,989	2,238	2,354	2,290	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000			
277	534 91-11 Adm Exp-Public Works	1,619	1,672	1,877	1,875	1,995	16,122	17,000	18,000	19,000	20,000	21,000	22,000	23,000	24,000	25,000	26,000			
278	534 91-16 Adm Exp-City Council	2,219	1,590	1,019	1,162	1,935	2,067	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000			
279	Subtotal Green Waste Administrative	44,107	49,839	44,386	45,408	50,132	55,397	57,000	59,000	61,000	63,000	65,000	67,000	69,000	71,000	73,000	75,000			
280	Machinery/Equip																			
281	533 43-0 Machinery/Equipment	-	-	-	-	-	14,250	-	-	-	-	-	-	-	-	-	-			
282	Subtotal Green Waste Machinery/Equip	-	-	-	-	-	14,250	-	-	-	-	-	-	-	-	-	-			
283	Interdepartmental																			
284	535 92-29 Interdept OSC-Pub Works	30,140	30,284	12,762	13,304	13,307	26,364	27,000	28,000	29,000	30,000	31,000	32,000	33,000	34,000	35,000	36,000			
285	Subtotal Green Waste Interdepartmental	30,140	30,284	12,762	13,304	13,307	26,364	27,000	28,000	29,000	30,000	31,000	32,000	33,000	34,000	35,000	36,000			
286	Total Operating Expenses Green Waste	735,575	722,701	651,300	700,736	738,499	911,461	950,000	1,005,000	1,060,000	1,120,000	1,181,000	1,222,000	1,268,000	1,314,000	1,361,000	1,410,000			

ATTACHMENT 1

	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T
2	City of Merced																		
3	10-Year Financial Plan and 5-Year Rate Model (with Litter Abatement Program)																		
4	Income and Expense Detail			Actual					Budgeted	Forecast									
5				2013 - 2014	2014 - 2015	2015 - 2016	2016 - 2017	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023	2023 - 2024	2024 - 2025	2025 - 2026	2026 - 2027	2027 - 2028	2028 - 2029
287	Fund 558 - Storm Drains																		
288	Personnel Services																		
289	531 3-0 Extra Help			27,907	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
290	531 1-0 Regular Salaries			21,674	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
291	531 10-8 State Unemployment			8,996	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
292	531 10-12 Workers Compensation			5,767	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
293	531 10-33 Core Allowance			5,389	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
294	531 10-5 Retirement PERS Classic			4,686	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
295	531 4-1 Regular Overtime			4,499	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
296	531 10-6 Social Security-OASDI			1,766	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
297	531 10-17 Stand By Pay			1,485	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
298	531 4-4 Call Back Time Worked			1,451	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
299	531 10-7 Social Security-Medicare			818	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
300	531 10-27 PTS Plan FICA Alternative			363	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
301	Subtotal Storm Drains Personnel Services			84,801	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
302	Supplies and Services																		
303	532 17-0 Professional Services			123,121	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
304	532 25-0 Maintenance Mats & Svcs			65,287	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
305	532 23-0 Vehicle Operations/Maint			46,533	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
306	532 32-0 Vehicle Replacement Fee			32,326	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
307	539 17-0 Professional Services			30,699	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
308	532 11-0 Utilities			19,867	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
309	532 38-0 Support Services			10,743	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
310	539 25-0 Maintenance Mats & Svcs			8,329	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
311	532 26-0 Other Equipment O & M			5,298	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
312	532 30-1 Dept Share of Insurance			3,478	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
313	532 14-0 Advertising			2,362	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
314	532 28-0 Safety Supplies			1,854	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
315	532 21-0 Rents/Leases			1,802	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
316	532 12-0 Telephone			843	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
317	Subtotal Storm Drains Supplies and Services			352,542	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
318	Administrative																		
319	534 91-9 Adm Exp-Finance			9,907	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
320	534 91-11 Adm Exp-Public Works			6,916	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
321	534 91-1 Adm Exp-City Manager			4,102	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
322	534 91-10 Adm Exp-Purchasing			1,364	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
323	534 91-2 Adm Exp-City Attorney			1,293	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
324	534 91-16 Adm Exp-City Council			943	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
325	Subtotal Storm Drains Administrative			24,525	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
326	Capital Improvement Projects																		
327	637 65-0 Capital Imp. Projects			33,459	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
328	Subtotal Storm Drain Capital Improvement Projects			33,459	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
329	Machinery/Equip																		
330	533 43-0 Machinery/Equipment			50,792	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
331	539 43-0 Machinery/Equipment			1,264	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
332	Subtotal Storm Drain Machinery/Equip			52,056	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
333	Interdepartmental																		
334	535 92-53 Interdept DSC-Wastewater			115,892	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
335	535 92-29 Interdept DSC-Pub Works			10,149	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
336	Subtotal Storm Drain Interdepartmental			126,041	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
337	Total Operating Expenses Storm Drains			673,424	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
338	Fund 558 - Street Sweeping																		
339	Personnel Services																		
340	531 1-0 Regular Salaries			292,569	287,654	264,320	326,261	345,633	293,829	310,000	327,000	344,000	362,000	380,000	391,000	403,000	415,000	427,000	440,000
341	531 10-33 Core Allowance			91,473	95,285	91,896	116,109	113,117	99,325	105,000	111,000	117,000	124,000	131,000	136,000	141,000	146,000	151,000	156,000
342	531 4-1 Regular Overtime			22,790	28,533	21,429	30,853	43,459	31,274	33,000	35,000	37,000	39,000	41,000	42,000	43,000	44,000	45,000	46,000
343	531 10-73 Retirement UAL Misc			-	-	-	-	34,527	35,711	39,000	43,000	47,000	52,000	57,000	61,000	66,000	71,000	76,000	82,000
344	531 10-6 Social Security-OASDI			19,340	19,162	17,513	21,468	24,054	19,722	21,000	22,000	23,000	24,000	25,000	26,000	27,000	28,000	29,000	30,000
345	531 10-5 Retirement PERS Classic			63,911	67,391	55,421	36,660	20,049	15,900	17,000	18,000	19,000	20,000	21,000	22,000	23,000	24,000	25,000	26,000
346	531 3-0 Extra Help			24,785	31,524	30,308	9,996	17,998	35,837	38,000	40,000	42,000	44,000	46,000	47,000	48,000	49,000	50,000	52,000
347	531 10-35 Post Employment Benefits			14,683	14,655	12,830	15,638	16,939	17,642	19,000	21,000	23,000	25,000	27,000	29,000	31,000	33,000	35,000	37,000
348	531 10-12 Workers Compensation			19,251	16,027	9,820	14,841	13,684	17,540	19,000	20,000	21,000	22,000	23,000	24,000	25,000	26,000	27,000	28,000
349	531 10-10 Retirement-PERS New Memb			-	-	11,721	22,127	6,858	7,649	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
350	531 10-17 Stand By Pay			1,359	699	1,411	1,360	6,510	1,613	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
351	531 10-7 Social Security-Medicare			4,892	4,954	4,535	5,166	5,887	5,133	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
352	531 4-4 Call Back Time Worked			1,119	338	788	950	3,961	1,016	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
353	531 10-21 Bilingual Pay Program			-	110	121	627	1,967	1,440	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
354	531 10-2 Unused Sick Leave			297	-	-	86	1,468	348	-	-	-	-	-	-	-	-	-	-
355	531 10-23 Uniform Cleaning			973	1,139	1,272	973	1,263	2,153	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
356	531 10-20 Earned Benefit			838	6,755	5,760	697	714	1,486	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
357	531 10-27 PTS Plan FICA Alternative			329	425	394	132	234	466	-	-	-	-	-	-	-	-	-	-
358	531 10-8 State Unemployment			8,996	-	6,225	8,942	-	-	-	-	-	-	-	-	-	-	-	-
359	531 10-75 Ret-EE Share PERS Classic			-	-	-	15,828	-	-	-	-	-	-	-	-	-	-	-	-
360	531 10-77 Ret-EE Share PERS NewMemb			-	-	-	7,679	-	-	-	-	-	-	-	-	-	-	-	-

ATTACHMENT 1

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T		
	City of Merced																					
	10-Year Financial Plan and 5-Year Rate Model (with Litter Abatement Program)																					
	Actual						Budgeted		Forecast													
	Income and Expense Detail						2013 - 2014	2014 - 2015	2015 - 2016	2016 - 2017	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023	2023 - 2024	2024 - 2025	2025 - 2026	2026 - 2027	2027 - 2028	2028 - 2029
361	Subtotal Street Sweeping Personnel Services						567,605	574,651	535,764	636,609	658,322	588,084	622,000	658,000	694,000	733,000	772,000	799,000	828,000	857,000	886,000	918,000
362	Supplies and Services																					
363	532 23-0 Vehicle Operations/Maint						244,879	263,776	261,653	178,898	227,122	197,393	208,000	220,000	232,000	244,000	256,000	264,000	272,000	280,000	288,000	297,000
364	532 32-0 Vehicle Replacement Fee						180,743	166,065	153,339	185,872	192,156	214,702	208,000	226,000	239,000	265,000	278,000	286,000	295,000	304,000	313,000	322,000
365	532 11-0 Utilities						76,244	67,177	78,184	90,541	89,210	91,841	97,000	102,000	107,000	113,000	119,000	123,000	127,000	131,000	135,000	139,000
366	532 38-0 Support Services						26,870	25,874	27,406	29,746	25,718	24,399	26,000	27,000	28,000	29,000	30,000	31,000	32,000	33,000	34,000	35,000
367	532 30-1 Dept Share of Insurance						8,807	7,960	11,785	14,781	14,481	15,000	13,000	15,000	16,000	17,000	18,000	19,000	20,000	21,000	22,000	23,000
368	532 13-0 Postage						7,597	7,356	7,724	6,872	7,940	8,300	9,000	10,000	11,000	12,000	13,000	13,000	13,000	13,000	13,000	13,000
369	532 45-0 Facilities Maint Charge						1,789	2,608	3,362	3,732	4,471	4,639	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
370	532 28-0 Safety Supplies						748	850	1,308	740	904	1,350	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
371	532 17-0 Professional Services						201	440	90	293	360	405	-	-	-	-	-	-	-	-	-	-
372	532 26-0 Other Equipment O & M						509	1,112	810	743	256	998	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
373	532 21-0 Rents/Leases						-	-	-	-	60	60	-	-	-	-	-	-	-	-	-	-
374	532 25-0 Maintenance Matris & Svcs						277	440	-	261	24	500	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
375	539 17-0 Professional Services						-	-	-	-	100	-	-	-	-	-	-	-	-	-	-	-
376	539 26-0 Other Equipment O & M						140	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
377	539 28-0 Safety Supplies						2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
378	Subtotal Street Sweeping Supplies and Services						548,906	543,658	545,661	512,610	562,515	557,062	587,000	620,000	653,000	687,000	721,000	743,000	766,000	789,000	812,000	836,000
379	Administrative																					
380	534 91-11 Adm Exp-Public Works						23,637	28,076	27,159	25,574	24,547	26,539	27,000	28,000	29,000	30,000	31,000	32,000	33,000	34,000	35,000	36,000
381	534 91-9 Adm Exp-Finance						20,262	19,816	25,022	21,930	24,415	26,425	27,000	28,000	29,000	30,000	31,000	32,000	33,000	34,000	35,000	36,000
382	534 91-1 Adm Exp-City Manager						8,390	4,343	7,692	9,182	10,582	11,082	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000
383	534 91-3 Adm Exp-City Clerk						7,466	4,387	3,939	3,753	3,888	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
384	534 91-10 Adm Exp-Purchasing						2,789	2,924	2,974	3,829	3,970	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
385	534 91-16 Adm Exp-City Council						1,929	1,948	2,807	2,454	2,517	2,500	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
386	534 91-2 Adm Exp-City Administrative						2,644	2,120	1,524	1,518	2,441	2,241	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
387	Subtotal Street Sweeping Administrative						59,651	66,298	70,887	66,027	69,825	75,058	77,000	79,000	81,000	83,000	85,000	87,000	89,000	91,000	93,000	95,000
388	Interdepartmental																					
389	535 92-22 Intercept DSC-Streets						123,945	89,717	77,505	103,327	119,730	149,726	154,000	159,000	164,000	169,000	174,000	179,000	184,000	190,000	196,000	202,000
390	535 92-29 Intercept DSC-Pub Works						6,090	6,245	28,262	28,282	22,879	23,840	25,000	26,000	27,000	28,000	29,000	30,000	31,000	32,000	33,000	34,000
391	535 92-58 Intercept DSC-Refuse						5,036	1,951	11,335	4,889	5,867	-	-	-	-	-	-	-	-	-	-	-
392	535 92-1 Intercept DSC-General Fnd						13,752	1,121	3,092	907	2,168	967	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
393	535 92-48 Intercept DSC-CFD Parks						-	6,182	-	2,804	-	247	-	-	-	-	-	-	-	-	-	-
394	535 92-72 Intercept DSC-Support Sr						-	192	247	296	900	-	-	-	-	-	-	-	-	-	-	-
395	535 92-21 Intercept DSC-Street Tree						12,397	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
396	535 92-53 Intercept DSC-Wastewater						24,070	13,999	6,478	13,433	-	-	-	-	-	-	-	-	-	-	-	-
397	Subtotal Street Sweeping Interdepartmental						188,286	119,407	126,919	151,134	151,791	174,780	180,000	186,000	192,000	198,000	204,000	210,000	216,000	223,000	230,000	237,000
398	Total Operating Expenses Street Sweeping						1,364,448	1,304,014	1,279,231	1,366,380	1,442,453	1,394,984	1,466,000	1,543,000	1,620,000	1,701,000	1,782,000	1,839,000	1,899,000	1,960,000	2,021,000	2,086,000

ATTACHMENT 1

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	
	City of Merced																				
	10-Year Financial Plan and 5-Year Rate Model (with Litter Abatement Program)																				
	Actual					Budgeted		Forecast													
	Income and Expense Detail					2013 - 2014	2014 - 2015	2015 - 2016	2016 - 2017	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023	2023 - 2024	2024 - 2025	2025 - 2026	2026 - 2027	2027 - 2028	2028 - 2029
399	Fund 558 - Street Trees																				
400	Personnel Services																				
401	531 1-0 Regular Salaries	-	270,612	304,436	307,201	355,626	434,711	459,000	485,000	510,000	537,000	563,000	580,000	597,000	615,000	633,000	652,000				
402	531 10-33 Core Allowance	-	83,056	101,809	100,830	125,629	139,302	148,000	157,000	166,000	175,000	184,000	190,000	197,000	204,000	211,000	218,000				
403	531 10-12 Workers Compensation	-	42,962	30,062	37,066	46,846	52,830	16,000	17,000	18,000	19,000	20,000	21,000	22,000	23,000	24,000	25,000				
404	531 10-73 Retirement UAL Misc	-	-	-	-	42,163	14,940	58,000	64,000	70,000	77,000	84,000	90,000	97,000	104,000	112,000	120,000				
405	531 4-1 Regular Overtime	-	26,234	27,583	35,824	32,354	31,210	33,000	35,000	37,000	39,000	41,000	42,000	43,000	44,000	45,000	46,000				
406	531 10-6 Social Security-OASDI	-	18,404	20,713	21,747	25,447	30,744	32,000	34,000	36,000	38,000	40,000	41,000	42,000	43,000	44,000	45,000				
407	531 10-5 Retirement PERS Classic	-	63,346	71,234	50,920	22,457	23,755	25,000	26,000	27,000	28,000	29,000	30,000	31,000	32,000	33,000	34,000				
408	531 10-17 Stand By Pay	-	3,840	3,439	8,827	20,904	28,985	31,000	33,000	35,000	37,000	39,000	40,000	41,000	42,000	43,000	44,000				
409	531 10-20 Earned Benefits	-	1,399	5,775	4,263	4,786	5,018	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000				
410	531 10-7 Social Security-Medicare	-	4,304	4,844	5,086	5,951	7,190	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000				
411	531 10-10 Retirement-PERS New Memb	-	48	6,603	4,510	5,256	11,043	12,000	13,000	14,000	15,000	16,000	16,000	16,000	16,000	16,000	16,000				
412	531 10-35 Post Employment Benefits	-	6,105	6,415	4,471	4,963	5,572	6,000	7,000	8,000	9,000	10,000	11,000	12,000	13,000	14,000	15,000				
413	531 4-4 Call Back Time Worked	-	2,734	2,775	4,444	4,051	5,367	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000				
414	531 10-23 Uniform Cleaning	-	779	1,160	947	1,654	1,963	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000				
415	531 10-21 Bilingual Pay Program	-	299	302	301	300	360	-	-	-	-	-	-	-	-	-	-				
416	531 10-75 Ret-EE Share PERS Classic	-	-	-	22,007	-	-	-	-	-	-	-	-	-	-	-	-				
417	531 10-77 Ret-EE Share PERS NewMemb	-	-	-	1,569	-	-	-	-	-	-	-	-	-	-	-	-				
418	Subtotal Street Trees Personnel Services	-	524,122	587,150	610,013	702,619	792,761	841,000	892,000	942,000	995,000	1,047,000	1,082,000	1,119,000	1,157,000	1,196,000	1,236,000				
419	Supplies and Services																				
420	532 23-0 Vehicle Operations/Maint	-	81,537	117,449	49,477	92,586	131,601	139,000	147,000	155,000	163,000	171,000	176,000	181,000	186,000	192,000	198,000				
421	532 25-0 Maintenance Matls & Svcs	-	19,754	22,237	26,176	50,504	41,663	44,000	46,000	48,000	50,000	52,000	54,000	56,000	58,000	60,000	62,000				
422	532 38-0 Support Services	-	16,723	20,565	22,234	27,720	29,316	33,000	33,000	35,000	37,000	39,000	40,000	41,000	42,000	43,000	44,000				
423	532 30-1 Dept Share of Insurance	-	6,437	10,415	12,918	15,726	14,285	15,000	16,000	17,000	18,000	19,000	20,000	21,000	22,000	23,000	24,000				
424	532 45-0 Facilities Maint Charge	-	231	674	4,924	5,930	5,844	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000				
425	532 12-0 Telephone	-	1,061	1,166	1,359	3,133	2,628	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000				
426	532 28-0 Safety Supplies	-	2,312	3,343	887	2,054	3,940	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000				
427	532 11-0 Utilities	-	2,702	1,280	2,131	1,580	2,167	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000				
428	532 18-0 Travel and Meetings	-	837	1,760	1,018	1,166	1,359	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000				
429	539 28-0 Safety Supplies	-	-	-	-	841	-	-	-	-	-	-	-	-	-	-	-				
430	532 24-0 Memberships, Subscription	-	333	488	495	620	2,337	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000				
431	532 20-0 Training Expense	-	735	1,525	288	550	832	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000				
432	532 21-0 Rents/Leases	-	1,429	520	520	520	720	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000				
433	532 46-0 Computer Replacement Chrg	-	-	-	1,758	319	-	-	-	-	-	-	-	-	-	-	-				
434	532 17-0 Professional Services	-	322	173	385	90	3,198	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000				
435	532 13-0 Postage	-	-	-	-	1	30	-	-	-	-	-	-	-	-	-	-				
436	532 26-0 Other Equipment O & M	-	57	294	258	-	418	-	-	-	-	-	-	-	-	-	-				
437	539 21-0 Rents/Leases	-	-	27	-	-	-	-	-	-	-	-	-	-	-	-	-				
438	539 25-0 Maintenance Matls & Svcs	-	816	-	1,170	-	-	-	-	-	-	-	-	-	-	-	-				
439	539 27-0 Small Tools	-	2,138	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
440	Subtotal Street Trees Supplies and Services	-	137,424	181,916	125,998	203,340	240,657	252,000	265,000	278,000	291,000	304,000	313,000	322,000	331,000	341,000	351,000				
441	Administrative																				
442	534 91-11 Adm Exp-Public Works	-	20,142	22,259	20,949	25,983	29,890	31,000	32,000	33,000	34,000	35,000	36,000	37,000	38,000	39,000	40,000				
443	534 91-9 Adm Exp-Finance	-	15,160	17,029	17,953	24,000	28,337	29,000	30,000	31,000	32,000	33,000	34,000	35,000	36,000	37,000	38,000				
444	534 91-1 Adm Exp-City Manager	-	3,323	5,026	6,297	9,056	11,348	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000				
445	534 91-3 Adm Exp-City Clerk	-	6,560	3,144	3,225	3,702	4,169	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000				
446	534 91-10 Adm Exp-Purchasing	-	1,935	2,131	2,393	2,929	3,033	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000				
447	534 91-16 Adm Exp-City Council	-	1,490	2,011	2,005	2,483	2,739	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000				
448	534 91-2 Adm Exp-City Attorney	-	1,594	1,092	1,242	2,408	2,403	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000				
449	Subtotal Street Trees Administrative	-	50,204	53,592	54,064	70,641	81,919	84,000	86,000	88,000	90,000	92,000	94,000	96,000	98,000	100,000	102,000				
450	Interdepartmental																				
451	535 92-29 Intercept DSC-Pub Works	-	44,186	49,675	48,750	50,716	53,868	55,000	56,000	57,000	58,000	59,000	60,000	62,000	64,000	66,000	68,000				
452	535 92-72 Intercept DSC-Support Sr	-	192	346	197	247	296	-	-	-	-	-	-	-	-	-	-				
453	Subtotal Street Trees Interdepartmental	-	44,378	50,021	48,947	50,963	54,164	55,000	56,000	57,000	58,000	59,000	60,000	62,000	64,000	66,000	68,000				
454	Total Operating Expenses Street Trees	-	756,128	872,679	839,022	1,027,563	1,169,501	1,232,000	1,299,000	1,365,000	1,434,000	1,502,000	1,549,000	1,599,000	1,650,000	1,703,000	1,757,000				
456	Fund 558 - Finance																				
457	Other																				
458	958 93-53 Trsf-Wastewater Sys (553)	-	-	-	-	-	276,143	-	-	-	-	-	-	-	-	-	-				
459	958 93-57 Trsf-Water System Fu(557)	-	117,782	92,977	269,010	39,000	-	-	-	-	-	-	-	-	-	-	-				
460	908 93-21 Trsf-Street/Subd Tre(021)	640,008	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
461	Other - one time expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
462	968 93-72 Trsf-Support Service(672)	-	26,614	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
463	968 93-74 Trsf-Fleet Replacem(674)	-	15,108	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
464	Subtotal Other Finance Expenses	640,008	159,504	92,977	269,010	39,000	425,739	-	-	-	-	-	-	-	-	-	-				
465	Total Operating Expenses Finance	640,008	159,504	92,977	269,010	39,000	425,739	-	-	-	-	-	-	-	-	-	-				
466	Fund 558 - New Operating Expenses																				
467	New Operating Expenses																				
468	Public Works Corporate Yard Phases I and II	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
469	Public Works Corporate Yard Phase III (20 Year Amortization)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
470	Container Maintenance Shed	-	-	-	-	-	-	40,000	-	-	-	-	-	-	-	-	-				
471	Fleet Mind / ERP Finance System	-	-	-	-	-	-	576,795	179,195	179,195	2,400	2,400	2,400	2,400	2,400	2,400	2,400				
472	New Trucks (CARB compliance)	-	-	-	-	-	-	856,000	890,240	925,850	1,757,038	1,238,880	734,498	734,498	734,498	734,498	734,498				
473	New Vehicle Replacements	-	-	-	-	-	-	22,204	153,981	291,029	551,114	734,498	734,498	734,498	734,498	734,498	734,498				

ATTACHMENT 1

	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T
2	City of Merced																		
3	10-Year Financial Plan and 5-Year Rate Model (with Litter Abatement Program)																		
4																			
5	Income and Expense Detail			Actual					Budgeted		Forecast								
2013 - 2014				2014 - 2015	2015 - 2016	2016 - 2017	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023	2023 - 2024	2024 - 2025	2025 - 2026	2026 - 2027	2027 - 2028	2028 - 2029	
473	New Employees									66,000	136,000	210,000	288,000	445,000	458,000	472,000	486,000	501,000	516,000
474	Container Replacement									9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
475	Litter Abatement Program										400,000	416,000	433,000	450,000	468,000	487,000	506,000	526,000	547,000
476	Subtotal New Operating Expenses			-	-	-	-	-	-	1,569,999	1,987,687	2,531,074	4,040,551	4,668,835	2,261,435	2,294,435	2,327,435	2,362,435	2,398,435
477	Total New Operating Expenses			-	-	-	-	-	-	1,569,999	1,987,687	2,531,074	4,040,551	4,668,835	2,261,435	2,294,435	2,327,435	2,362,435	2,398,435
478	Total Operating Expenses Fund 558			12,382,245	12,004,571	12,582,254	12,561,099	13,579,469	16,201,703	16,903,999	18,575,687	20,007,074	22,448,551	24,014,835	22,262,435	22,981,435	23,719,435	24,483,435	25,272,435
479	Percent Change (2016/17 - 2018/19)								22.5%										
480	Fund 562																		
481	Refuse Capital Equipment																		
482	Machinery/Equip																		
483	533 43-0 Machinery/Equipment			-	-	-	304,524	93,685	118,035	192,598	202,734	182,461	182,461	162,188	167,000	172,000	177,000	182,000	187,000
484	Total Operating Expenses Refuse Capital Equipment			-	-	-	304,524	93,685	118,035	192,598	202,734	182,461	182,461	162,188	167,000	172,000	177,000	182,000	187,000
485	Total Operating Expenses Fund 562			-	-	-	304,524	93,685	118,035	192,598	202,734	182,461	182,461	162,188	167,000	172,000	177,000	182,000	187,000
486	Fund 674																		
487	Vehicle Replacement Fund								921,000	1,581,000	1,783,000	1,726,000	347,000	1,110,000	1,671,000	979,000	836,000	1,316,000	2,604,000
488	Vehicle Replacement								921,000	1,581,000	1,783,000	1,726,000	347,000	1,110,000	1,671,000	979,000	836,000	1,316,000	2,604,000
489	Total Vehicle Replacement Fund Expenses								921,000	1,581,000	1,783,000	1,726,000	347,000	1,110,000	1,671,000	979,000	836,000	1,316,000	2,604,000
490	Total Operating Expenses Fund 674								921,000	1,581,000	1,783,000	1,726,000	347,000	1,110,000	1,671,000	979,000	836,000	1,316,000	2,604,000
491	Total Operating Expenses (Funds 558, 562, 674)			12,382,245	12,004,571	12,582,254	12,865,623	13,673,154	17,240,738	18,677,597	20,561,421	21,915,535	22,978,012	25,287,022	24,100,435	24,132,435	24,732,435	25,981,435	28,063,435
493	Fund 558 Income less Operating Expenses			(255,810)	285,570	132,217	721,328	174,138	(2,207,403)	(2,520,999)	(3,841,687)	(4,958,074)	(7,084,551)	(8,370,835)	(6,618,435)	(7,337,435)	(8,075,435)	(8,839,435)	(9,628,435)
494	Fund 562 Income less Operating Expenses			29,799	41,429	57,817	(214,216)	79,084	81,410	81,590	85,306	77,875	77,875	70,444	(69,000)	(74,000)	(79,000)	(84,000)	(89,000)
495	Fund 674 Income less Operating Expenses			837,770	857,449	795,436	900,538	910,301	141,744	(437,796)	(445,019)	(187,971)	1,516,114	1,000,498	479,498	1,214,498	1,401,498	966,498	(275,502)
503	Ending Fund Balance																		
504	Ending Fund Balance - Fund 558			6,020,954	6,306,524	6,438,741	7,160,069	7,334,207	5,126,597	2,606,001	(1,235,687)	(6,194,074)	(13,278,551)	(21,649,835)	(28,268,435)	(35,605,435)	(43,680,435)	(52,519,435)	(62,147,435)
505	Ending Fund Balance - Fund 562			243,884	285,313	343,130	128,914	207,998	289,410	370,590	456,306	533,875	611,875	682,444	613,000	539,000	460,000	376,000	287,000
506	Ending Fund Balance - Fund 674			1,132,186	1,989,635	2,785,071	3,685,609	4,595,910	4,737,744	4,300,204	3,854,981	3,667,029	5,183,114	6,183,498	6,662,498	7,876,498	9,277,498	10,243,498	9,967,498
507																			
508	Fund 558 Balance as Percent of Operating Expense			49%	53%	51%	57%	54%	32%	15%	-7%	-31%	-59%	-90%	-127%	-155%	-184%	-215%	-246%

ATTACHMENT 2

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ATTACHMENT 2

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1	City of Merced																				
2	Scenario 1 (Including Litter Abatement Program)																				
3	10-Year Financial Plan Summary																				
4	Income and Expense Detail				Actual					Budgeted		Forecast									
5					2013 - 2014	2014 - 2015	2015 - 2016	2016 - 2017	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023	2023 - 2024	2024 - 2025	2025 - 2026	2026 - 2027	2027 - 2028	2028 - 2029	
6	Beginning Fund 558 Balance				6,276,764	6,020,954	\$ 6,306,524	\$ 6,438,741	\$ 7,160,069	\$ 7,334,000	\$ 5,127,000	\$ 2,206,000	\$ 2,547,000	\$ 3,581,000	\$ 3,678,000	\$ 3,530,000	\$ 5,134,000	\$ 6,019,000	\$ 6,165,000	\$ 5,546,000	
7	Beginning Fund 562 Balance				214,085	243,884	285,313	343,130	128,914	208,000	289,000	371,000	456,000	534,000	612,000	682,000	613,000	539,000	460,000	376,000	
8	Beginning Fund 674 Balance				294,416	1,132,186	1,989,635	2,785,071	3,685,609	4,596,000	4,738,000	4,300,000	3,855,000	3,667,000	5,183,000	6,183,000	6,662,000	7,876,000	9,277,000	10,243,000	
9																					
10	Fund 558 Ending Fund Balance as % of Operating Expenses				49%	53%	51%	57%	54%	32%	13%	14%	18%	16%	15%	23%	26%	26%	23%	16%	
11																					
12	Recommended Annual Residential Service Charge Adjustment (Effective January 1 of each FY)										0.00%	29.00%	9.00%	5.00%	4.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
13	Recommended Annual Commercial Service Charge Adjustment (Effective January 1 of each FY)										0.00%	29.00%	9.00%	5.00%	4.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
14																					
15	Income	Fund 558	Service Charges	11,685,601	11,914,252	12,326,087	12,856,164	13,409,066	13,743,714	14,130,000	18,680,000	20,805,000	22,310,000	23,632,000	23,632,000	23,632,000	23,632,000	23,632,000	23,632,000	23,632,000	
16			Other Revenues	440,834	375,889	388,384	426,263	344,541	250,587	253,000	253,000	253,000	253,000	253,000	253,000	253,000	253,000	253,000	253,000	253,000	
17			Total Income Fund 558	12,126,435	12,290,141	12,714,471	13,282,427	13,753,607	13,994,301	14,383,000	18,933,000	21,058,000	22,563,000	23,885,000	23,885,000	23,885,000	23,885,000	23,885,000	23,885,000	23,885,000	
18		Fund 562	Building Permit Surcharge	11,605	32,481	49,416	78,870	161,986	191,905	263,188	277,040	249,336	249,336	221,632	87,000	87,000	87,000	87,000	87,000	87,000	
19			Other	18,194	8,948	8,401	11,438	10,783	7,540	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000		
20			Total Income Fund 562	29,799	41,429	57,817	90,308	172,769	199,445	274,188	288,040	260,336	260,336	232,632	98,000	98,000	98,000	98,000	98,000		
21	Income	Fund 674	Vehicle Replacement Fund	837,770	857,449	795,436	900,538	910,301	1,062,744	1,143,204	1,337,981	1,538,029	1,863,114	2,110,498	2,150,498	2,193,498	2,237,498	2,282,498	2,328,498		
22			Total Income Fund 674	837,770	857,449	795,436	900,538	910,301	1,062,744	1,143,204	1,337,981	1,538,029	1,863,114	2,110,498	2,150,498	2,193,498	2,237,498	2,282,498	2,328,498		
23																					
24																					
25																					
26	Expenses	Refuse	Subtotal Refuse Personnel Services	2,472,065	2,490,078	2,583,144	2,635,558	2,924,376	3,196,892	3,421,000	3,624,000	3,829,000	4,044,000	4,261,000	4,409,000	4,563,000	4,723,000	4,890,000	5,062,000		
27			532 25-0 Tipping Fees	2,118,712	2,187,013	2,438,687	2,523,412	2,508,593	2,759,452	2,939,000	3,132,000	3,328,000	3,535,000	3,745,000	3,895,000	4,051,000	4,213,000	4,382,000	4,557,000		
28			532 23-0 Vehicle Operations/Maint	1,110,191	1,101,413	1,138,477	1,019,086	1,097,721	1,231,957	1,300,000	1,372,000	1,444,000	1,519,000	1,594,000	1,642,000	1,691,000	1,742,000	1,794,000	1,848,000		
29			532 32-0 Vehicle Replacement Fee	531,217	538,293	477,965	511,941	515,420	600,682	634,000	669,000	704,000	741,000	777,000	800,000	824,000	849,000	874,000	900,000		
30			All Other Refuse Supplies and Services	644,209	713,179	686,543	658,762	680,229	769,154	812,000	857,000	902,000	948,000	994,000	1,022,000	1,052,000	1,082,000	1,113,000	1,144,000		
31	Expenses	Fund 558 - Recycling	Subtotal Refuse Administrative	339,791	382,820	384,619	410,473	478,557	542,906	559,000	576,000	594,000	614,000	634,000	654,000	674,000	694,000	716,000	738,000		
32			Subtotal Refuse Capital Improvement Projects	153,268	39,963	388,799	-	-	1,264,913	-	-	-	-	-	-	-	-	-	-		
33			Subtotal Refuse Machinery/Equip	49,060	-	17,069	-	409,491	136,160	144,000	152,000	160,000	168,000	176,000	181,000	186,000	192,000	198,000	204,000		
34			Subtotal Refuse Interdepartmental	461,995	697,119	703,493	689,722	705,492	733,942	756,000	778,000	802,000	826,000	851,000	876,000	903,000	930,000	957,000	985,000		
35			Total Operating Expenses Refuse	8,080,508	8,149,878	8,818,796	8,448,954	9,319,879	11,236,058	10,565,000	11,160,000	11,763,000	12,395,000	13,032,000	13,479,000	13,944,000	14,425,000	14,924,000	15,438,000		
36	Expenses	Fund 558 - Recycling	Subtotal Recycling Personnel Services	387,347	395,976	396,057	445,118	413,192	451,286	478,000	505,000	532,000	561,000	590,000	611,000	633,000	655,000	677,000	700,000		
37			532 25-0 Tipping Fees	60,000	58,793	54,335	45,681	34,422	37,864	40,000	441,000	469,000	498,000	528,000	549,000	571,000	594,000	618,000	643,000		
38			532 23-0 Vehicle Operations/Maint	191,109	157,062	121,671	157,790	195,853	179,965	190,000	201,000	212,000	223,000	234,000	241,000	248,000	255,000	263,000	271,000		
39			532 32-0 Vehicle Replacement Fee	51,009	82,564	113,700	123,284	123,284	132,793	140,000	148,000	156,000	164,000	172,000	177,000	182,000	187,000	193,000	199,000		
40			All Other Recycling Supplies and Services	65,892	81,954	92,616	98,813	94,167	141,057	147,000	156,000	165,000	174,000	183,000	188,000	193,000	198,000	203,000	208,000		
41	Expenses	Fund 558 - Recycling	Subtotal Recycling Administrative	52,220	59,985	52,340	54,594	60,819	65,920	68,000	70,000	72,000	74,000	76,000	78,000	80,000	82,000	84,000	86,000		
42			Subtotal Recycling Machinery/Equip	15,462	10,214	6,941	13,642	27,684	24,290	26,000	27,000	28,000	29,000	30,000	31,000	32,000	33,000	34,000	35,000		
43			Subtotal Recycling Interdepartmental	65,243	65,798	29,611	30,001	30,729	30,786	32,000	33,000	34,000	35,000	36,000	37,000	38,000	39,000	40,000	41,000		
44			Total Operating Expenses Recycling	888,282	912,346	867,271	936,597	1,012,075	1,063,961	1,121,000	1,181,000	1,240,000	1,300,000	1,360,000	1,420,000	1,480,000	1,540,000	1,600,000	1,660,000		
45			Subtotal Green Waste Personnel Services	280,951	305,937	270,207	310,295	313,783	348,399	370,000	392,000	414,000	438,000	462,000	478,000	496,000	514,000	532,000	551,000		
46	Expenses	Fund 558 - Green Waste	532 25-0 Tipping Fees	70,061	61,638	63,243	70,766	69,010	75,911	83,000	91,000	99,000	108,000	118,000	126,000	135,000	144,000	154,000	165,000		
47			532 23-0 Vehicle Operations/Maint	196,166	156,597	169,822	141,215	164,077	141,518	149,000	157,000	165,000	174,000	183,000	188,000	194,000	200,000	206,000	212,000		
48			532 32-0 Vehicle Replacement Fee	74,801	70,527	50,432	79,441	79,441	114,567	121,000	128,000	135,000	142,000	149,000	153,000	158,000	163,000	168,000	173,000		
49			All Other Green Waste Supplies and Services	39,349	47,879	40,448	40,307	48,749	135,055	143,000	150,000	157,000	165,000	173,000	178,000	183,000	188,000	193,000	198,000		
50			Subtotal Green Waste Administrative	44,107	49,839	44,386	45,408	50,132	55,397	57,000	59,000	61,000	63,000	65,000	67,000	69,000	71,000	73,000	75,000		
51	Expenses	Fund 558 - Green Waste	Subtotal Green Waste Machinery/Equip	-	-	-	-	-	14,250	-	-	-	-	-	-	-	-	-	-		
52			Subtotal Green Waste Interdepartmental	30,140	30,284	12,762	13,304	13,307	26,364	27,000	28,000	29,000	30,000	31,000	32,000	33,000	34,000	35,000	36,000		
53			Total Operating Expenses Green Waste	735,575	722,701	651,300	700,736	738,499	911,461	950,000	1,005,000	1,060,000	1,120,000	1,181,000	1,222,000	1,268,000	1,314,000	1,361,000	1,410,000		
54			Total Operating Expenses Storm Drains	673,424	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
55			Total Operating Expenses Street Sweeping	1,364,448	-	1,304,014	1,279,231	1,366,380	1,442,452	1,394,984	1,466,000	1,542,000	1,620,000	1,701,000	1,782,000	1,839,000	1,899,000	1,960,000	2,021,000	2,086,000	
56	Expenses	Street Trees	Total Operating Expenses Street Trees	-	756,128	872,679	839,022	1,027,563	1,169,501	1,232,000	1,299,000	1,365,000	1,434,000	1,502,000	1,549,000	1,599,000	1,650,000	1,703,000	1,757,000		
57			Finance	Total Operating Expenses Finance	640,008	159,504	92,977	269,010	39,000	425,739	-	-	-	-	-	-	-	-	-	-	
58			Fund 558 - New Operating Expenses	Public Works Corporate Yard Phases I and II	-	-	-	-	-	-	-	219,270	500,000	1,000,000	1,789,056	-	-	-	-	-	
59				Public Works Corporate Yard Phase III (20 Year Amortization)	-	-	-	-	-	-	-	-	-	-	-	589,537	589,537	589,537	589,537	589,537	
60				Container Maintenance Shed	-	-	-	-	-	-	-	40,000	-	-	-	-	-	-	-	-	-
61	Fleet Mind / ERP Finance System	-		-	-	-	-	-	-	576,795	179,195	179,195	2,400	2,400	2,400	2,400	2,400	2,400	2,400		
62	New Trucks (CARB compliance)	-		-	-	-	-	-	-	856,000	890,240	925,850	1,757,038	1,238,880	-	-	-	-	-		
63	Expenses	New Operating Expenses	New Vehicle Replacements	-	-	-	-	-	-	22,204	153,981	291,029	551,114	734,498	734,498	734,498	734,498	734,498	734,498		
64			New Employees	-	-	-	-	-	-	-	66,000	136,000	210,000	458,000	458,000	458,000	458,000	501,000	516,000		
65			Container Replacement	-	-	-	-	-	-	-	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000		
66			Litter Abatement Program	-	-	-	-	-	-	-	400,000	416,000	433,000	450,000	468,000	487,000	506,000	526,000	547,000		
67			Total New Operating Expenses	-	-	-	-	-	-	-	1,969,999	2,003,687	2,548,074	4,057,551	4,686,835	2,280,435	2,313,435	2,347,435	2,383,435	2,420,435	
68	Total Operating Expenses Fund 558				12,382,245	12,004,571	12,582,254	12,561,099	13,579,469	16,201,703	17,303,9										

ATTACHMENT 2

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1	City of Merced																				
2	Scenario 2 (Including Litter Abatement Program)																				
3	10-Year Financial Plan Summary																				
4	Income and Expense Detail			Actual					Budgeted					Forecast							
5				2013 - 2014	2014 - 2015	2015 - 2016	2016 - 2017	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023	2023 - 2024	2024 - 2025	2025 - 2026	2026 - 2027	2027 - 2028	2028 - 2029		
6	Beginning Fund 558 Balance			6,276,764	6,020,954	\$ 6,306,524	\$ 6,438,741	\$ 7,160,069	\$ 7,334,000	\$ 5,127,000	\$ 2,206,000	\$ 447,000	\$ 74,000	\$ 546,000	\$ 911,000	\$ 3,028,000	\$ 4,426,000	\$ 5,085,000	\$ 4,979,000		
7	Beginning Fund 562 Balance			214,085	243,884	285,313	343,130	128,914	208,000	289,000	371,000	456,000	534,000	612,000	682,000	613,000	539,000	460,000	376,000		
8	Beginning Fund 674 Balance			294,416	1,132,186	1,989,635	2,785,071	3,685,609	4,596,000	4,738,000	4,300,000	3,855,000	3,667,000	5,183,000	6,183,000	6,662,000	7,876,000	9,277,000	10,243,000		
9																					
10	Fund 558 Ending Fund Balance as % of Operating Expenses			49%	53%	51%	57%	54%	32%	13%	2%	0%	2%	4%	14%	19%	21%	20%	16%		
11																					
12	Recommended Annual Residential Service Charge Adjustment (Effective January 1 of each FY)									0.00%	14.50%	14.50%	14.50%	4.50%	0.00%	0.00%	0.00%	0.00%	0.00%		
13	Recommended Annual Commercial Service Charge Adjustment (Effective January 1 of each FY)									0.00%	14.50%	14.50%	14.50%	4.50%	0.00%	0.00%	0.00%	0.00%	0.00%		
14																					
15	Income	Fund 558	Service Charges	11,685,601	11,914,252	12,326,087	12,856,164	13,409,066	13,743,714	14,130,000	16,580,000	19,398,000	22,685,000	24,145,000	24,145,000	24,145,000	24,145,000	24,145,000	24,145,000		
16			Other Revenues	440,834	375,889	388,384	426,263	344,541	250,587	253,000	253,000	253,000	253,000	253,000	253,000	253,000	253,000	253,000	253,000		
17			Total Income Fund 558	12,126,435	12,290,141	12,714,471	13,282,427	13,753,607	13,994,301	14,383,000	16,833,000	19,651,000	22,938,000	24,398,000	24,398,000	24,398,000	24,398,000	24,398,000	24,398,000		
18		Fund 562	Building Permit Surcharge	11,605	32,481	49,416	78,870	161,986	191,905	263,188	277,040	249,336	249,336	221,632	87,000	87,000	87,000	87,000	87,000		
19			Other	18,194	8,948	8,401	11,438	10,783	7,540	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000		
20			Total Income Fund 562	29,799	41,429	57,817	90,308	172,769	199,445	274,188	288,040	260,336	260,336	232,632	98,000	98,000	98,000	98,000	98,000		
21	Income	Fund 674	Vehicle Replacement Fund	837,770	857,449	795,436	900,538	910,301	1,062,744	1,143,204	1,337,981	1,538,029	1,863,114	2,110,498	2,150,498	2,193,498	2,237,498	2,282,498	2,328,498		
22			Total Income Fund 674	837,770	857,449	795,436	900,538	910,301	1,062,744	1,143,204	1,337,981	1,538,029	1,863,114	2,110,498	2,150,498	2,193,498	2,237,498	2,282,498	2,328,498		
23																					
24	Expenses	Refuse	Subtotal Refuse Personnel Services	2,472,065	2,490,078	2,583,144	2,635,558	2,924,376	3,196,892	3,421,000	3,624,000	3,829,000	4,044,000	4,261,000	4,409,000	4,563,000	4,723,000	4,890,000	5,062,000		
25			532 25-0 Tipping Fees	2,118,712	2,187,013	2,438,687	2,523,412	2,508,593	2,759,452	2,939,000	3,132,000	3,328,000	3,535,000	3,745,000	3,895,000	4,051,000	4,213,000	4,382,000	4,557,000		
26			532 23-0 Vehicle Operations/Maint	1,110,191	1,101,413	1,138,477	1,019,086	1,097,721	1,231,957	1,300,000	1,372,000	1,444,000	1,519,000	1,594,000	1,642,000	1,691,000	1,742,000	1,794,000	1,848,000		
27			532 32-0 Vehicle Replacement Fee	531,217	538,293	477,965	511,941	515,420	600,682	634,000	669,000	704,000	741,000	777,000	800,000	824,000	849,000	874,000	900,000		
28			All Other Refuse Supplies and Services	644,209	713,179	686,543	658,762	680,229	769,154	812,000	857,000	902,000	948,000	994,000	1,022,000	1,052,000	1,082,000	1,113,000	1,144,000		
29	Expenses	Fund 558 - Recycling	Subtotal Refuse Administrative	339,791	382,820	384,619	410,473	478,557	542,906	559,000	576,000	594,000	614,000	634,000	654,000	674,000	694,000	716,000	738,000		
30			Subtotal Refuse Capital Improvement Projects	153,268	39,963	388,799	-	-	1,264,913	-	-	-	-	-	-	-	-	-	-		
31			Subtotal Refuse Machinery/Equip	49,060	-	17,069	-	409,491	136,160	144,000	152,000	160,000	168,000	176,000	181,000	186,000	192,000	198,000	204,000		
32			Subtotal Refuse Interdepartmental	661,995	697,119	703,493	689,722	705,492	733,942	756,000	778,000	802,000	826,000	851,000	876,000	903,000	930,000	957,000	985,000		
33			Total Operating Expenses Refuse	8,080,588	8,149,878	8,818,796	8,448,954	9,319,879	11,236,058	10,565,000	11,160,000	11,763,000	12,395,000	13,032,000	13,479,000	13,944,000	14,425,000	14,924,000	15,438,000		
34	Expenses	Fund 558 - Recycling	Subtotal Recycling Personnel Services	387,347	395,976	396,057	445,118	442,192	445,118	478,000	505,000	532,000	561,000	590,000	611,000	633,000	655,000	677,000	700,000		
35			532 25-0 Tipping Fees	60,000	58,793	54,335	45,681	34,422	37,864	40,000	441,000	469,000	498,000	528,000	549,000	571,000	594,000	618,000	643,000		
36			532 23-0 Vehicle Operations/Maint	191,109	157,062	121,671	157,790	195,853	179,965	190,000	201,000	212,000	223,000	234,000	241,000	248,000	255,000	263,000	271,000		
37			532 32-0 Vehicle Replacement Fee	51,009	82,564	113,700	123,284	123,284	132,793	140,000	148,000	156,000	164,000	172,000	177,000	182,000	187,000	193,000	199,000		
38			All Other Recycling Supplies and Services	65,892	81,954	92,616	98,813	94,167	141,057	147,000	156,000	165,000	174,000	183,000	188,000	193,000	198,000	203,000	208,000		
39	Expenses	Fund 558 - Recycling	Subtotal Recycling Administrative	52,220	59,985	52,340	54,594	60,819	65,920	68,000	70,000	72,000	74,000	76,000	78,000	80,000	82,000	84,000	86,000		
40			Subtotal Recycling Machinery/Equip	15,462	10,214	6,941	13,642	27,684	24,290	26,000	27,000	28,000	29,000	30,000	31,000	32,000	33,000	34,000	35,000		
41			Subtotal Recycling Interdepartmental	65,243	65,798	29,611	30,001	30,729	30,786	32,000	33,000	34,000	35,000	36,000	37,000	38,000	39,000	40,000	41,000		
42			Total Operating Expenses Recycling	888,282	912,346	867,271	936,597	1,012,075	1,063,961	1,121,000	1,181,000	1,241,000	1,301,000	1,361,000	1,421,000	1,481,000	1,541,000	1,601,000	1,661,000		
43			Subtotal Green Waste Personnel Services	280,951	305,937	270,207	310,295	313,783	348,399	370,000	392,000	414,000	438,000	462,000	478,000	496,000	514,000	532,000	551,000		
44	Expenses	Fund 558 - Green Waste	532 25-0 Tipping Fees	70,061	61,638	63,243	70,766	69,010	75,911	83,000	91,000	99,000	108,000	118,000	126,000	135,000	144,000	154,000	165,000		
45			532 23-0 Vehicle Operations/Maint	196,166	156,597	169,822	141,215	164,077	141,518	149,000	157,000	165,000	174,000	183,000	188,000	194,000	200,000	206,000	212,000		
46			532 32-0 Vehicle Replacement Fee	74,801	70,527	50,432	79,441	79,441	114,567	121,000	128,000	135,000	142,000	149,000	153,000	158,000	163,000	168,000	173,000		
47			All Other Green Waste Supplies and Services	39,349	47,879	40,448	40,307	48,749	135,055	143,000	150,000	157,000	165,000	173,000	178,000	183,000	188,000	193,000	198,000		
48			Subtotal Green Waste Administrative	44,107	49,839	44,386	45,408	50,132	55,397	57,000	59,000	61,000	63,000	65,000	67,000	69,000	71,000	73,000	75,000		
49	Expenses	Fund 558 - Green Waste	Subtotal Green Waste Machinery/Equip	-	-	-	-	-	14,250	-	-	-	-	-	-	-	-	-	-		
50			Subtotal Green Waste Interdepartmental	30,140	30,284	12,762	13,304	13,307	26,364	27,000	28,000	29,000	30,000	31,000	32,000	33,000	34,000	35,000	36,000		
51			Total Operating Expenses Green Waste	735,575	722,701	651,300	700,736	738,499	911,461	950,000	1,005,000	1,060,000	1,120,000	1,181,000	1,222,000	1,268,000	1,314,000	1,361,000	1,410,000		
52			Total Operating Expenses Storm Drains	673,424	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
53			Total Operating Expenses Street Sweeping	1,364,448	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
54	Expenses	Fund 558 - New Operating Expenses	Total Operating Expenses Street Trees	-	1,304,014	1,279,231	1,366,380	1,442,452	1,394,984	1,466,000	1,542,000	1,620,000	1,701,000	1,782,000	1,839,000	1,899,000	1,960,000	2,021,000	2,086,000		
55			Finance	Total Operating Expenses Finance	640,008	159,504	92,977	269,010	39,000	425,739	-	-	-	-	-	-	-	-	-	-	
56			Public Works Corporate Yard Phases I and II	-	-	-	-	-	-	-	-	219,270	500,000	1,000,000	1,789,056	-	-	-	-	-	
57			Public Works Corporate Yard Phase III (20 Year Amortization)	-	-	-	-	-	-	-	-	-	-	-	-	589,537	589,537	589,537	589,537	589,537	
58			Container Maintenance Shed	-	-	-	-	-	-	-	-	40,000	-	-	-	-	-	-	-	-	-
59	Expenses	Fund 558 - New Operating Expenses	Fleet Mind / ERP Finance System	-	-	-	-	-	-	576,795	179,195	179,195	2,400	2,400	2,400	2,400	2,400	2,400	2,400		
60			New Trucks (CARB compliance)	-	-	-	-	-	-	-	856,000	890,240	925,850	1,757,038	1,238,880	-	-	-	-	-	
61			New Vehicle Replacements	-	-	-	-	-	-	-	22,204	153,981	291,029	551,114	734,498	734,498	734,498	734,498	734,498		
62			New Employees	-	-	-	-	-	-	-	66,000	136,000	210,000	288,000	445,000	458,000	472,000	485,000	501,000	516,000	
63			Container Replacement	-	-	-	-	-	-	-	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	
64	Expenses	Fund 558 - New Operating Expenses	Litter Abatement Program	-	-	-	-	-	-	400,000	416,000	433,000	450,000	468,000	487,000	506,000	526,000	547,000	569,000		
65			Total New Operating Expenses	-	-	-	-	-	-	-	1,969,999	2,003,687,									

ATTACHMENT 2

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T
1	City of Merced																			
2	Scenario 3 (Including Litter Abatement Program)																			
3	10-Year Financial Plan Summary																			
4	Income and Expense Detail				Actual										Forecast					
2013 - 2014					2014 - 2015	2015 - 2016	2016 - 2017	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023	2023 - 2024	2024 - 2025	2025 - 2026	2026 - 2027	2027 - 2028	2028 - 2029	
5	Beginning Fund 558 Balance				6,276,764	6,020,954	\$ 6,306,524	\$ 6,438,741	\$ 7,160,069	\$ 7,334,000	\$ 5,127,000	\$ 2,206,000	\$ 2,889,000	\$ 3,667,000	\$ 3,646,000	\$ 3,773,000	\$ 5,652,000	\$ 6,812,000	\$ 7,233,000	\$ 6,889,000
6	Beginning Fund 562 Balance				214,085	243,884	285,313	343,130	128,914	208,000	289,000	371,000	456,000	534,000	612,000	682,000	613,000	539,000	460,000	376,000
7	Beginning Fund 674 Balance				294,416	1,132,186	1,989,635	2,785,071	3,685,609	4,596,000	4,738,000	4,300,000	3,855,000	3,667,000	5,183,000	6,183,000	6,662,000	7,876,000	9,277,000	10,243,000
8	Fund 558 Ending Fund Balance as % of Operating Expenses				49%	53%	51%	57%	54%	32%	13%	16%	18%	16%	16%	25%	30%	30%	28%	23%
9																				
10	Recommended Annual Residential Service Charge Adjustment (Effective January 1 of each FY)										0.00%	26.00%	4.50%	4.50%	4.50%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Recommended Annual Commercial Service Charge Adjustment (Effective January 1 of each FY)										0.00%	40.00%	7.50%	7.50%	7.50%	0.00%	0.00%	0.00%	0.00%	0.00%
12																				
13	Income	Fund 558	Service Charges	11,685,601	11,914,252	12,326,087	12,856,164	13,409,066	13,743,714	14,130,000	19,022,000	20,549,000	22,192,000	23,907,000	23,907,000	23,907,000	23,907,000	23,907,000	23,907,000	23,907,000
14			Other Revenues	440,834	375,889	388,384	426,263	344,541	250,587	253,000	253,000	253,000	253,000	253,000	253,000	253,000	253,000	253,000	253,000	253,000
15			Total Income Fund 558	12,126,435	12,290,141	12,714,471	13,282,427	13,753,607	13,994,301	14,383,000	19,275,000	20,802,000	22,445,000	24,160,000	24,160,000	24,160,000	24,160,000	24,160,000	24,160,000	24,160,000
16		Fund 562	Building Permit Surcharge	11,605	32,481	49,416	78,870	161,986	191,905	263,188	277,040	249,336	249,336	221,632	87,000	87,000	87,000	87,000	87,000	87,000
17			Other	18,194	8,948	8,401	11,438	10,783	7,540	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	
18	Total Income Fund 562		29,799	41,429	57,817	90,308	172,769	199,445	274,188	288,040	260,336	260,336	232,632	98,000	98,000	98,000	98,000	98,000	98,000	
19	Fund 674	Vehicle Replacement Fund	837,770	857,449	795,436	900,538	910,301	1,062,744	1,143,204	1,337,981	1,538,029	1,863,114	2,110,498	2,150,498	2,193,498	2,237,498	2,282,498	2,328,498	2,328,498	
20		Total Income Fund 674	837,770	857,449	795,436	900,538	910,301	1,062,744	1,143,204	1,337,981	1,538,029	1,863,114	2,110,498	2,150,498	2,193,498	2,237,498	2,282,498	2,328,498	2,328,498	
21																				
22	Expenses	Refuse	Subtotal Refuse Personnel Services	2,472,065	2,490,078	2,583,144	2,635,558	2,924,376	3,196,892	3,421,000	3,624,000	3,829,000	4,044,000	4,261,000	4,409,000	4,563,000	4,723,000	4,890,000	5,062,000	
23			532 25-0 Tipping Fees	2,118,712	2,187,013	2,438,687	2,523,412	2,508,593	2,759,452	2,939,000	3,132,000	3,328,000	3,535,000	3,745,000	3,895,000	4,051,000	4,213,000	4,382,000	4,557,000	
24			532 23-0 Vehicle Operations/Maint	1,110,191	1,101,413	1,138,477	1,019,086	1,097,721	1,231,957	1,300,000	1,372,000	1,444,000	1,519,000	1,594,000	1,642,000	1,691,000	1,742,000	1,794,000	1,848,000	
25			532 32-0 Vehicle Replacement Fee	531,217	538,293	477,965	511,941	515,420	600,682	634,000	669,000	704,000	741,000	777,000	800,000	824,000	849,000	874,000	900,000	
26			All Other Refuse Supplies and Services	644,209	713,179	686,543	658,762	680,229	769,154	812,000	857,000	902,000	948,000	994,000	1,022,000	1,052,000	1,082,000	1,113,000	1,144,000	
27			Subtotal Refuse Administrative	339,791	382,820	384,619	410,473	478,557	542,906	559,000	576,000	594,000	614,000	634,000	654,000	674,000	694,000	716,000	738,000	
28			Subtotal Refuse Capital Improvement Projects	153,268	39,963	388,799	-	-	1,264,913	-	-	-	-	-	-	-	-	-	-	-
29			Subtotal Refuse Machinery/Equip	49,060	-	17,069	-	409,491	136,160	144,000	152,000	160,000	168,000	176,000	181,000	186,000	192,000	198,000	204,000	
30			Subtotal Refuse Interdepartmental	661,995	697,119	703,493	689,722	705,492	733,942	756,000	778,000	802,000	826,000	851,000	876,000	903,000	930,000	957,000	985,000	
31			Total Operating Expenses Refuse	8,080,508	8,149,878	8,818,796	8,448,954	9,319,879	11,236,058	10,565,000	11,160,000	11,763,000	12,395,000	13,032,000	13,479,000	13,944,000	14,425,000	14,924,000	15,438,000	
32		Fund 558 - Recycling	Subtotal Recycling Personnel Services	387,347	395,976	396,057	413,192	445,118	451,286	478,000	505,000	532,000	561,000	590,000	611,000	633,000	655,000	677,000	700,000	
33			532 25-0 Tipping Fees	60,000	58,793	54,335	45,681	34,422	37,864	40,000	441,000	469,000	498,000	528,000	549,000	571,000	594,000	618,000	643,000	
34			532 23-0 Vehicle Operations/Maint	191,109	157,062	121,671	157,790	195,853	179,965	190,000	201,000	212,000	223,000	234,000	241,000	248,000	255,000	263,000	271,000	
35			532 32-0 Vehicle Replacement Fee	51,009	82,564	113,700	123,284	123,284	132,793	140,000	148,000	156,000	164,000	172,000	177,000	182,000	187,000	193,000	199,000	
36			All Other Recycling Supplies and Services	65,892	81,954	92,616	98,813	94,167	141,057	147,000	156,000	165,000	174,000	183,000	188,000	193,000	198,000	203,000	208,000	
37			Subtotal Recycling Administrative	52,220	59,985	52,340	54,594	60,819	65,920	68,000	70,000	72,000	74,000	76,000	78,000	80,000	82,000	84,000	86,000	
38			Subtotal Recycling Machinery/Equip	15,462	10,214	6,941	13,642	27,684	24,290	26,000	27,000	28,000	29,000	30,000	31,000	32,000	33,000	34,000	35,000	
39			Subtotal Recycling Interdepartmental	65,243	65,798	29,611	30,001	30,729	30,786	32,000	33,000	34,000	35,000	36,000	37,000	38,000	39,000	40,000	41,000	
40			Total Operating Expenses Recycling	888,282	912,346	867,271	936,597	1,012,075	1,063,961	1,121,000	1,581,000	1,668,000	1,758,000	1,849,000	1,912,000	1,977,000	2,043,000	2,112,000	2,183,000	
41		Fund 558 - Green Waste	Subtotal Green Waste Personnel Services	280,951	305,937	270,207	310,295	313,783	348,399	370,000	392,000	414,000	438,000	462,000	478,000	496,000	514,000	532,000	551,000	
42			532 25-0 Tipping Fees	70,061	61,638	63,243	70,766	69,010	75,911	83,000	91,000	99,000	108,000	118,000	126,000	135,000	144,000	154,000	165,000	
43			532 23-0 Vehicle Operations/Maint	196,166	156,597	169,822	141,215	164,077	141,518	149,000	157,000	165,000	174,000	183,000	188,000	194,000	200,000	206,000	212,000	
44			532 32-0 Vehicle Replacement Fee	74,801	70,527	50,432	79,441	79,441	114,567	121,000	128,000	135,000	142,000	149,000	153,000	158,000	163,000	168,000	173,000	
45			All Other Green Waste Supplies and Services	39,349	47,879	40,448	40,307	48,749	135,055	143,000	150,000	157,000	165,000	173,000	178,000	183,000	188,000	193,000	198,000	
46			Subtotal Green Waste Administrative	44,107	49,839	44,386	45,408	50,132	55,397	57,000	59,000	61,000	63,000	65,000	67,000	69,000	71,000	73,000	75,000	
47			Subtotal Green Waste Machinery/Equip	-	-	-	-	-	14,250	-	-	-	-	-	-	-	-	-	-	
48			Subtotal Green Waste Interdepartmental	30,140	30,284	12,762	13,304	13,307	26,364	27,000	28,000	29,000	30,000	31,000	32,000	33,000	34,000	35,000	36,000	
49		Total Operating Expenses Green Waste	735,575	722,701	651,300	700,736	738,499	911,461	950,000	1,005,000	1,060,000	1,120,000	1,181,000	1,222,000	1,268,000	1,314,000	1,361,000	1,410,000		
50	Storm Drain	673,424	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
51	Street Sweeping	1,364,448	1,304,014	1,279,231	1,366,380	1,442,453	1,394,984	1,466,000	1,543,000	1,620,000	1,701,000	1,782,000	1,839,000	1,899,000	1,960,000	2,021,000	2,086,000			
52	Street Trees	-	756,128	872,679	839,022	1,027,563	1,169,501	1,232,000	1,439,000	1,365,000	1,434,000	1,502,000	1,599,000	1,650,000	1,703,000	1,757,000	-	-		
53	Finance	640,008	159,504	92,977	269,010	39,000	425,739	-	-	-	-	-	-	-	-	-	-	-		
54	Fund 558 - New Operating Expenses	Public Works Corporate Yard Phases I and II	-	-	-	-	-	-	-	219,270	500,000	1,000,000	1,789,056	-	-	-	-	-		
55		Public Works Corporate Yard Phase III (20 Year Amortization)	-	-	-	-	-	-	-	-	-	-	-	589,537	589,537	589,537	589,537	589,537		
56		Container Maintenance Shed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
57		Fleet Mind / ERP Finance System	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
58		New Trucks (CARB compliance)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
59		New Vehicle Replacements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
60		New Employees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
61		Container Replacement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
62		Litter Abatement Program	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
63		New Operating Expenses	Total New Operating Expenses	-	-	-	-	-	-	-	1,969,999	2,003,687	2,548,074	4,057,551	4,686,835	2,280,435	2,313,435	2,347,435	2,383,435	2,420,435
64	Total Operating Expenses Fund 558				12,382,245	12,004,571	12,582,254	12,561,099	13,579,469	16,201,703	17,303,999	18,591,687	20,024,074	22,465,551	24,032,835	22,281,435	23,000,435	23,739,435	24,504,435	25,294,435
65	Fund 562	Total Operating Expenses Fund 562	-	-	-	-	304,524	93,685	118,035	192,598	202,734	182,461	182,461	162,188	167,000	172,000	177,000	182,000	187,000	
66	Fund 674	Total Operating Expenses Fund 674	-	-	-	-	-	-	-	921,000	1,581,000	1,783,000	1,726,000	347,000	1,110,000	1,671,000	979,000	836,000	1,316,000	2,604,000
67																				
68	Fund 558 Income less Operating Expenses				(255,810)	285,570	132,217	721,328</												

Attachment 3
Residential Development Fees Worksheet

Current Residential Development Fees		
Refuse and Green Waste	\$	419.15
Recycling	\$	92.68
Total Development Fee	\$	511.83

Current Multi Family Development Fees		
Refuse and Green Waste	\$	290.88
Recycling	\$	-
Total Development Fee	\$	290.88

Residential Developer Fee Worksheet

Assumptions

Homes Served per Vehicle	
Per Day	Per Week
Garbage 600	3,000
Organic Waste 1,200	6,000
Recycling 900	4,500

				Fee	
				per SF Home	per MF Home
1) Cost per Vehicle	19/20	Spare Ratio	Adjusted Cost		
Garbage	\$ 355,000	25%	\$ 443,750	\$ 147.92	
Organic Waste	\$ 355,000	25%	\$ 443,750	\$ 73.96	
Recycling	\$ 355,000	25%	\$ 443,750	\$ 98.61	
				\$ 320.49	
2) Cost per Container					
Garbage	\$ 50.00			\$ 50.00	
Organic Waste	\$ 50.00			\$ 50.00	
Recycling	\$ 50.00			\$ 50.00	
				\$ 150.00	
3) Other Potential Costs					
			Corporation Yard Allocation for Growth	\$ -	
			Street Sweeping Allocation for Growth	\$ 54.69	
			Street Trees Allocation for Growth	\$ 28.91	
			Subtotal Garbage (Includes Street Sweeping and Street Trees)	\$ 281.51	\$ 159.99
			Subtotal Organic Waste	\$ 123.96	\$ 70.45
			Subtotal Recycling	\$ 148.61	\$ 84.46
			Total =	\$ 554.08	\$ 314.89
			Current Fee =	\$ 511.83	\$ 290.88
			Percentage Adjustment =	8.25%	8.25%

Street Sweeping			
Cost per Vehicle	\$ 350,000	Spare Ratio 25%	Adjusted Cost \$ 437,500
Homes serviced per vehicle			
Street Sweeper	accts/sweeper 8,000	one street sweeper can handle 8,000 residential account lane miles currently 2 street sweepers for 16,000 residential accounts	

Street Trees			
Cost per Vehicle	\$ 185,000	Spare Ratio 25%	Adjusted Cost \$ 231,250
Homes serviced per vehicle			
Street Sweeper	accts/street trees truck 8,000	one street trees truck can handle 8,000 residential account lane miles currently 2 street trees trucks for 16,000 residential accounts	

Current Rates: Effective January 1, 2019							
Residential Collection rates							
Subscription Item							2019 Rate
90 Gal Pack-out (Single Family Units)							\$96.16
64 Gal (Gray) Curbside (Single Family Unit & Multi Unit extra cans).							\$25.92
90 Gal Green Waste (Green) Container							\$5.57
64 Gal Recycling (Blue) Container							\$5.59
90 Gal Disabled Pack-out (Single Family Unit)							\$25.92
90 Gal Pack-out (Mobile home)							\$92.54
90 Gal Curbside (Mobile home)							\$19.77
Extra 64 Gal Refuse (Gray) Container single Residential only NOT MULTI UNITS							\$16.41
							per month
							\$196.98
Residential Go-Back Fee All Cans							per year
Residential Special Pick Up Fee Any single can or All Cans (includes extra service or refilling of cans) Courtesy call back not allowed.							\$25.00
Contamination Fee (Garbage in Green or Blue can)							\$25.00
Commercial and Industrial Collection Rates							
Solid Waste Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$52.09	\$98.95	\$145.81	\$192.66	\$239.51	\$286.37	\$333.23
1 YD	\$63.74	\$120.51	\$177.29	\$234.06	\$290.84	\$347.60	\$404.38
1.5 YD	\$69.45	\$131.93	\$194.41	\$256.88	\$319.35	\$381.83	\$444.31
2 YD	\$83.17	\$159.38	\$235.60	\$311.82	\$388.00	\$464.21	\$540.44
3 YD	\$91.32	\$175.70	\$260.06	\$344.43	\$428.79	\$513.05	\$597.54
4 YD	\$98.50	\$190.11	\$281.73	\$373.32	\$464.93	\$556.53	\$648.13
6 YD	\$115.80	\$224.64	\$333.46	\$442.31	\$551.11	\$659.96	\$768.79
8 YD	\$132.10	\$257.25	\$382.40	\$507.54	\$632.70	\$757.83	\$882.98
Recycling Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$44.05	\$83.70	\$118.93	\$158.58	\$198.22	\$237.86	\$277.51
1 YD	\$54.71	\$103.46	\$152.20	\$200.94	\$249.68	\$298.41	\$347.17
1.5 YD	\$59.63	\$113.26	\$166.90	\$220.54	\$274.17	\$327.80	\$366.55
2 YD	\$71.40	\$136.83	\$202.26	\$267.70	\$333.10	\$398.53	\$463.96
3 YD	\$78.40	\$150.84	\$223.26	\$295.70	\$368.11	\$440.54	\$512.99
4 YD	\$85.41	\$164.84	\$244.27	\$323.70	\$403.13	\$482.56	\$561.99
6 YD	\$99.41	\$192.86	\$286.27	\$379.73	\$473.13	\$566.58	\$660.00
8 YD	\$113.42	\$220.85	\$280.53	\$435.73	\$543.17	\$650.60	\$758.05
Organics Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
64 Gallon	\$32.40	\$64.80	\$97.20	\$129.60	\$162.00	\$194.40	\$226.80
300 Gallon	\$55.06	\$104.63	\$148.66	\$198.23	\$247.78	\$297.33	\$346.89
1 YD	\$68.39	\$129.33	\$190.25	\$251.18	\$312.10	\$373.01	\$433.96
1.5 YD	\$74.54	\$141.58	\$208.63	\$275.68	\$342.71	\$409.75	\$458.19
2 YD	\$89.25	\$171.04	\$252.83	\$334.63	\$416.38	\$498.16	\$579.95

Solid Waste Compactor Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
2 YD	\$166.34	\$318.76	\$471.20	\$623.64	\$776.00	\$928.42	\$1,080.88
3 YD	\$182.64	\$351.40	\$520.12	\$688.86	\$857.58	\$1,026.10	\$1,195.08
4 YD	\$197.00	\$380.22	\$563.46	\$746.64	\$929.86	\$1,113.06	\$1,296.26
Roll Off Rates							
10 Cubic Yards (16' x 8' x 3')							
20 Cubic Yards (16' x 6' x 5')							
30 Cubic Yards (18' x 8' x 6')							
MOVE CONTAINER FEE after intial placement. Customers must give specific placement instructions, or have a spotter on site.						\$66.38	
SCHEDULED PICK-UPS per empty plus actual landfill charges. No container rental fee and MUST KEEP Roll Off bin for at least 90 days to qualify for scheduled pick-ups.						\$187.22	
UNSCHEDULED PICK-UPS per empty plus actual landfill charges plus oer day container charge as shown below.						\$222.86	
Daily Container Rental Charge for Unscheduled Service						\$5.11	
UNSCHEDULED PICK-UPS additional fee for nights, weekends, or holidays						\$118.80	
Temporary Construction Recycle Rates (Service < 90 Days, includes Delivery & Removal)							
1 YD						\$194.71	
1.5 YD						\$199.63	
2 YD						\$211.40	
3 YD						\$218.40	
4 YD						\$225.41	
6 YD						\$239.41	
8 YD						\$253.42	
Special Service Rates							
Subscription Item					Rate	Frequency of Charge	
Can/Bin Cleaning					\$25.00	/Request	
Can/Bin Re-Deliver Fee (after removal for missed payments)					\$25.00	/Occurrence	
Rear Loader Bulky Waste Pickup					\$25.00	/Request	
Roll-Off Overweight Charge					\$200.00	/Occurrence	
Commercial Recycling Contamination Fee					\$40.40	/Occurrence + \$1/CY	
Return Fee					\$40.00	/Occurrence	

Scenario 1: Effective July 1, 2020							
Residential Collection Rates							
Subscription Item					2019 Rate	2020 Rate	
90 Gal Pack-out (Single Family Units)					\$96.16	\$124.05	
64 Gal (Gray) Curbside (Single Family Unit & Multi Unit extra cans).					\$25.92	\$33.44	
90 Gal Green Waste (Green) Container					\$5.57	\$7.19	
64 Gal Recycling (Blue) Container					\$5.59	\$7.21	
90 Gal Disabled Pack-out (Single Family Unit)					\$25.92	\$33.44	
90 Gal Pack-out (Mobile home)					\$92.54	\$119.38	
90 Gal Curbside (Mobile home)					\$19.77	\$25.50	
Extra 64 Gal Refuse (Gray) Container single Residential only NOT MULTI UNITS					\$16.41	\$21.17	
					per month	per month	
					\$196.98	\$254.10	
					per year	per year	
Residential Go-Back Fee All Cans					\$25.00		
Residential Special Pick Up Fee Any single can or All Cans (includes extra service or refilling of cans) Courtesy call back not allowed.					\$25.00		
Contamination Fee (Garbage in Green or Blue can)					\$25.00		
Commercial and Industrial Collection Rates							
Solid Waste Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$77.19	\$137.64	\$198.09	\$258.53	\$318.97	\$379.42	\$439.87
1 YD	\$92.22	\$165.46	\$238.70	\$311.94	\$385.18	\$458.40	\$531.65
1.5 YD	\$99.59	\$180.19	\$260.79	\$341.38	\$421.96	\$502.56	\$583.16
2 YD	\$117.29	\$215.60	\$313.92	\$412.25	\$510.52	\$608.83	\$707.17
3 YD	\$127.80	\$236.65	\$345.48	\$454.31	\$563.14	\$671.83	\$780.83
4 YD	\$137.07	\$255.24	\$373.43	\$491.58	\$609.76	\$727.92	\$846.09
6 YD	\$159.38	\$299.79	\$440.16	\$580.58	\$720.93	\$861.35	\$1,001.74
8 YD	\$180.41	\$341.85	\$503.30	\$664.73	\$826.18	\$987.60	\$1,149.04
Recycling Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$66.82	\$117.97	\$163.42	\$214.57	\$265.70	\$316.84	\$367.99
1 YD	\$80.58	\$143.46	\$206.34	\$269.21	\$332.09	\$394.95	\$457.85
1.5 YD	\$86.92	\$156.11	\$225.30	\$294.50	\$363.68	\$432.86	\$482.85
2 YD	\$102.11	\$186.51	\$270.92	\$355.33	\$439.70	\$524.10	\$608.51
3 YD	\$111.14	\$204.58	\$298.01	\$391.45	\$484.86	\$578.30	\$671.76
4 YD	\$120.18	\$222.64	\$325.11	\$427.57	\$530.04	\$632.50	\$734.97
6 YD	\$138.24	\$258.79	\$379.29	\$499.85	\$620.34	\$740.89	\$861.40
8 YD	\$156.31	\$294.90	\$429.30	\$572.09	\$710.69	\$849.27	\$987.88
Organics Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
64 Gallon	\$51.80	\$93.59	\$135.39	\$177.18	\$218.98	\$260.78	\$302.57
300 Gallon	\$81.03	\$144.97	\$201.77	\$265.71	\$329.63	\$393.55	\$457.48
1 YD	\$98.22	\$176.83	\$255.42	\$334.02	\$412.61	\$491.19	\$569.81
1.5 YD	\$106.15	\$192.63	\$279.13	\$365.62	\$452.10	\$538.58	\$601.06
2 YD	\$125.13	\$230.64	\$336.14	\$441.67	\$547.12	\$652.63	\$758.14

Solid Waste Compactor Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
2 YD	\$234.58	\$431.20	\$627.85	\$824.50	\$1,021.04	\$1,217.66	\$1,414.34
3 YD	\$255.61	\$473.31	\$690.95	\$908.63	\$1,126.28	\$1,343.67	\$1,561.65
4 YD	\$274.13	\$510.48	\$746.86	\$983.17	\$1,219.52	\$1,455.85	\$1,692.18
Roll Off Rates							
10 Cubic Yards (16' x 8' x 3')							
20 Cubic Yards (16' x 6' x 5')							
30 Cubic Yards (18' x 8' x 6')							
MOVE CONTAINER FEE after intial placement. Customers must give specific placement instructions, or have a spotter on site.						\$85.63	
SCHEDULED PICK-UPS per empty plus actual landfill charges. No container rental fee and MUST KEEP Roll Off bin for at least 90 days to qualify for scheduled pick-ups.						\$241.51	
UNSCHEDULED PICK-UPS per empty plus actual landfill charges plus oer day container charge as shown below.						\$287.49	
Daily Container Rental Charge for Unscheduled Service						\$6.59	
UNSCHEDULED PICK-UPS additional fee for nights, weekends, or holidays						\$153.25	
Temporary Construction Recycle Rates (Service < 90 Days, includes Delivery & Removal)							
1 YD						\$251.18	
1.5 YD						\$257.52	
2 YD						\$272.71	
3 YD						\$281.74	
4 YD						\$290.78	
6 YD						\$308.84	
8 YD						\$326.91	
Special Service Rates							
Subscription Item					Rate	Frequency of Charge	
Can/Bin Cleaning					\$25.00	/Request	
Can/Bin Re-Deliver Fee (after removal for missed payments)					\$25.00	/Occurrence	
Rear Loader Bulky Waste Pickup					\$25.00	/Request	
Roll-Off Overweight Charge					\$258.00	/Occurrence	
Commercial Recycling Contamination Fee					\$52.12	/Occurrence + \$1/CY	
Return Fee					\$51.60	/Occurrence	

Scenario 1: Effective July 1, 2021							
Residential Collection Rates							
Subscription Item					2020 Rate	2021 Rate	
90 Gal Pack-out (Single Family Units)					\$124.05	\$131.49	
64 Gal (Gray) Curbside (Single Family Unit & Multi Unit extra cans).					\$33.44	\$35.44	
90 Gal Green Waste (Green) Container					\$7.19	\$7.62	
64 Gal Recycling (Blue) Container					\$7.21	\$7.64	
90 Gal Disabled Pack-out (Single Family Unit)					\$33.44	\$35.44	
90 Gal Pack-out (Mobile home)					\$119.38	\$126.54	
90 Gal Curbside (Mobile home)					\$25.50	\$27.03	
Extra 64 Gal Refuse (Gray) Container single Residential only NOT MULTI UNITS					\$21.17	\$22.44	
					per month	per month	
					\$254.10	\$269.35	
					per year	per year	
Residential Go-Back Fee All Cans					\$25.00		
Residential Special Pick Up Fee Any single can or All Cans (includes extra service or refilling of cans) Courtesy call back not allowed.					\$25.00		
Contamination Fee (Garbage in Green or Blue can)					\$25.00		
Commercial and Industrial Collection Rates							
Solid Waste Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$81.82	\$145.90	\$209.98	\$274.04	\$338.11	\$402.19	\$466.26
1 YD	\$97.76	\$175.39	\$253.03	\$330.65	\$408.29	\$485.91	\$563.55
1.5 YD	\$105.57	\$191.00	\$276.44	\$361.86	\$447.28	\$532.71	\$618.15
2 YD	\$124.33	\$228.54	\$332.76	\$436.98	\$541.15	\$645.36	\$749.60
3 YD	\$135.47	\$250.85	\$366.21	\$481.57	\$596.93	\$712.14	\$827.68
4 YD	\$145.29	\$270.56	\$395.84	\$521.08	\$646.35	\$771.60	\$896.85
6 YD	\$168.94	\$317.77	\$466.57	\$615.41	\$764.19	\$913.03	\$1,061.84
8 YD	\$191.23	\$362.36	\$533.49	\$704.61	\$875.75	\$1,046.86	\$1,217.99
Recycling Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$70.83	\$125.05	\$173.22	\$227.44	\$281.65	\$335.85	\$390.07
1 YD	\$85.41	\$152.07	\$218.72	\$285.37	\$352.01	\$418.65	\$485.32
1.5 YD	\$92.14	\$165.47	\$238.82	\$312.17	\$385.50	\$458.83	\$511.82
2 YD	\$108.23	\$197.70	\$287.17	\$376.65	\$466.08	\$555.55	\$645.02
3 YD	\$117.80	\$216.86	\$315.89	\$414.94	\$513.95	\$612.99	\$712.06
4 YD	\$127.39	\$236.00	\$344.61	\$453.23	\$561.84	\$670.45	\$779.07
6 YD	\$146.53	\$274.32	\$402.05	\$529.84	\$657.56	\$785.34	\$913.08
8 YD	\$165.69	\$312.59	\$455.06	\$606.42	\$753.33	\$900.23	\$1,047.16
Organics Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
64 Gallon	\$54.90	\$99.21	\$143.51	\$187.82	\$232.12	\$276.42	\$320.73
300 Gallon	\$85.89	\$153.66	\$213.88	\$281.65	\$349.41	\$417.16	\$484.93
1 YD	\$104.11	\$187.44	\$270.75	\$354.06	\$437.37	\$520.66	\$604.00
1.5 YD	\$112.52	\$204.19	\$295.87	\$387.56	\$479.23	\$570.89	\$637.13
2 YD	\$132.64	\$244.48	\$356.31	\$468.17	\$579.95	\$691.79	\$803.62

Solid Waste Compactor Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
2 YD	\$248.65	\$457.07	\$665.52	\$873.97	\$1,082.30	\$1,290.72	\$1,499.20
3 YD	\$270.94	\$501.70	\$732.41	\$963.15	\$1,193.85	\$1,424.29	\$1,655.35
4 YD	\$290.58	\$541.11	\$791.68	\$1,042.16	\$1,292.69	\$1,543.20	\$1,793.71
Roll Off Rates							
10 Cubic Yards (16' x 8' x 3')							
20 Cubic Yards (16' x 6' x 5')							
30 Cubic Yards (18' x 8' x 6')							
MOVE CONTAINER FEE after intial placement. Customers must give specific placement instructions, or have a spotter on site.						\$90.77	
SCHEDULED PICK-UPS per empty plus actual landfill charges. No container rental fee and MUST KEEP Roll Off bin for at least 90 days to qualify for scheduled pick-ups.						\$256.00	
UNSCHEDULED PICK-UPS per empty plus actual landfill charges plus oer day container charge as shown below.						\$304.74	
Daily Container Rental Charge for Unscheduled Service						\$6.99	
UNSCHEDULED PICK-UPS additional fee for nights, weekends, or holidays						\$162.45	
Temporary Construction Recycle Rates (Service < 90 Days, includes Delivery & Removal)							
1 YD						\$266.25	
1.5 YD						\$272.97	
2 YD						\$289.07	
3 YD						\$298.64	
4 YD						\$308.23	
6 YD						\$327.37	
8 YD						\$346.53	
Special Service Rates							
Subscription Item					Rate	Frequency of Charge	
Can/Bin Cleaning					\$25.00	/Request	
Can/Bin Re-Deliver Fee (after removal for missed payments)					\$25.00	/Occurrence	
Rear Loader Bulky Waste Pickup					\$25.00	/Request	
Roll-Off Overweight Charge					\$273.48	/Occurrence	
Commercial Recycling Contamination Fee					\$55.24	/Occurrence + \$1/CY	
Return Fee					\$54.70	/Occurrence	

Scenario 1: Effective July 1, 2022							
Residential Collection Rates							
Subscription Item				2021 Rate		2022 Rate	
90 Gal Pack-out (Single Family Units)				\$131.49		\$138.06	
64 Gal (Gray) Curbside (Single Family Unit & Multi Unit extra cans).				\$35.44		\$37.22	
90 Gal Green Waste (Green) Container				\$7.62		\$8.00	
64 Gal Recycling (Blue) Container				\$7.64		\$8.03	
90 Gal Disabled Pack-out (Single Family Unit)				\$35.44		\$37.22	
90 Gal Pack-out (Mobile home)				\$126.54		\$132.87	
90 Gal Curbside (Mobile home)				\$27.03		\$28.39	
Extra 64 Gal Refuse (Gray) Container single Residential only NOT MULTI UNITS				\$22.44		\$23.56	
				per month		per month	
				\$269.35		\$282.82	
				per year		per year	
Residential Go-Back Fee All Cans				\$25.00			
Residential Special Pick Up Fee Any single can or All Cans (includes extra service or refilling of cans) Courtesy call back not allowed.				\$25.00			
Contamination Fee (Garbage in Green or Blue can)				\$25.00			
Commercial and Industrial Collection Rates							
Solid Waste Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$85.92	\$153.20	\$220.48	\$287.75	\$355.01	\$422.30	\$489.58
1 YD	\$102.65	\$184.15	\$265.68	\$347.19	\$428.71	\$510.20	\$591.73
1.5 YD	\$110.84	\$200.55	\$290.26	\$379.95	\$469.64	\$559.35	\$649.06
2 YD	\$130.54	\$239.96	\$349.40	\$458.83	\$568.21	\$677.63	\$787.08
3 YD	\$142.24	\$263.39	\$384.52	\$505.65	\$626.77	\$747.75	\$869.06
4 YD	\$152.55	\$284.08	\$415.63	\$547.13	\$678.66	\$810.18	\$941.70
6 YD	\$177.39	\$333.66	\$489.90	\$646.19	\$802.40	\$958.68	\$1,114.94
8 YD	\$200.80	\$380.48	\$560.17	\$739.84	\$919.54	\$1,099.20	\$1,278.89
Recycling Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$74.38	\$131.30	\$181.89	\$238.81	\$295.73	\$352.64	\$409.57
1 YD	\$89.68	\$159.67	\$229.65	\$299.63	\$369.61	\$439.58	\$509.59
1.5 YD	\$96.74	\$173.75	\$250.76	\$327.77	\$404.78	\$481.78	\$537.41
2 YD	\$113.64	\$207.59	\$301.53	\$395.49	\$489.38	\$583.33	\$677.27
3 YD	\$123.69	\$227.70	\$331.68	\$435.69	\$539.65	\$643.64	\$747.67
4 YD	\$133.76	\$247.80	\$361.85	\$475.89	\$589.93	\$703.98	\$818.02
6 YD	\$153.86	\$288.03	\$422.15	\$556.33	\$690.44	\$824.61	\$958.74
8 YD	\$173.98	\$328.22	\$477.81	\$636.74	\$791.00	\$945.24	\$1,099.52
Organics Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
64 Gallon	\$57.65	\$104.17	\$150.69	\$197.21	\$243.72	\$290.24	\$336.76
300 Gallon	\$90.19	\$161.35	\$224.58	\$295.74	\$366.88	\$438.02	\$509.18
1 YD	\$109.32	\$196.81	\$284.29	\$371.76	\$459.23	\$546.69	\$634.20
1.5 YD	\$118.15	\$214.40	\$310.67	\$406.94	\$503.19	\$599.44	\$668.98
2 YD	\$139.27	\$256.70	\$374.13	\$491.57	\$608.95	\$726.38	\$843.80

Solid Waste Compactor Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
2 YD	\$261.09	\$479.93	\$698.79	\$917.66	\$1,136.42	\$1,355.26	\$1,574.16
3 YD	\$284.49	\$526.79	\$769.03	\$1,011.30	\$1,253.55	\$1,495.50	\$1,738.12
4 YD	\$305.11	\$568.17	\$831.26	\$1,094.26	\$1,357.33	\$1,620.36	\$1,883.39
Roll Off Rates							
10 Cubic Yards (16' x 8' x 3')							
20 Cubic Yards (16' x 6' x 5')							
30 Cubic Yards (18' x 8' x 6')							
MOVE CONTAINER FEE after intial placement. Customers must give specific placement instructions, or have a spotter on site.						\$95.31	
SCHEDULED PICK-UPS per empty plus actual landfill charges. No container rental fee and MUST KEEP Roll Off bin for at least 90 days to qualify for scheduled pick-ups.						\$268.80	
UNSCHEDULED PICK-UPS per empty plus actual landfill charges plus oer day container charge as shown below.						\$319.98	
Daily Container Rental Charge for Unscheduled Service						\$7.34	
UNSCHEDULED PICK-UPS additional fee for nights, weekends, or holidays						\$170.57	
Temporary Construction Recycle Rates (Service < 90 Days, includes Delivery & Removal)							
1 YD						\$279.56	
1.5 YD						\$286.62	
2 YD						\$303.52	
3 YD						\$313.57	
4 YD						\$323.64	
6 YD						\$343.74	
8 YD						\$363.85	
Special Service Rates							
Subscription Item					Rate	Frequency of Charge	
Can/Bin Cleaning					\$25.00	/Request	
Can/Bin Re-Deliver Fee (after removal for missed payments)					\$25.00	/Occurrence	
Rear Loader Bulky Waste Pickup					\$25.00	/Request	
Roll-Off Overweight Charge					\$287.15	/Occurrence	
Commercial Recycling Contamination Fee					\$58.01	/Occurrence + \$1/CY	
Return Fee					\$57.43	/Occurrence	

Scenario 1: Effective July 1, 2023							
Residential Collection Rates							
Subscription Item				2022 Rate		2023 Rate	
90 Gal Pack-out (Single Family Units)				\$138.06		\$143.59	
64 Gal (Gray) Curbside (Single Family Unit & Multi Unit extra cans).				\$37.22		\$38.70	
90 Gal Green Waste (Green) Container				\$8.00		\$8.32	
64 Gal Recycling (Blue) Container				\$8.03		\$8.35	
90 Gal Disabled Pack-out (Single Family Unit)				\$37.22		\$38.70	
90 Gal Pack-out (Mobile home)				\$132.87		\$138.18	
90 Gal Curbside (Mobile home)				\$28.39		\$29.52	
Extra 64 Gal Refuse (Gray) Container single Residential only NOT MULTI UNITS				\$23.56		\$24.50	
				per month		per month	
				\$282.82		\$294.13	
				per year		per year	
Residential Go-Back Fee All Cans				\$25.00			
Residential Special Pick Up Fee Any single can or All Cans (includes extra service or refilling of cans) Courtesy call back not allowed.				\$25.00			
Contamination Fee (Garbage in Green or Blue can)				\$25.00			
Commercial and Industrial Collection Rates							
Solid Waste Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$89.35	\$159.32	\$229.30	\$299.26	\$369.22	\$439.19	\$509.16
1 YD	\$106.75	\$191.52	\$276.30	\$361.07	\$445.86	\$530.61	\$615.40
1.5 YD	\$115.28	\$208.57	\$301.87	\$395.15	\$488.43	\$581.72	\$675.02
2 YD	\$135.76	\$249.56	\$363.37	\$477.19	\$590.94	\$704.73	\$818.56
3 YD	\$147.93	\$273.93	\$399.90	\$525.88	\$651.84	\$777.66	\$903.82
4 YD	\$158.66	\$295.45	\$432.25	\$569.02	\$705.81	\$842.59	\$979.36
6 YD	\$184.49	\$347.01	\$509.50	\$672.03	\$834.49	\$997.03	\$1,159.53
8 YD	\$208.83	\$395.70	\$582.58	\$769.43	\$956.32	\$1,143.17	\$1,330.04
Recycling Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$77.35	\$136.56	\$189.16	\$248.37	\$307.56	\$366.75	\$425.95
1 YD	\$93.27	\$166.06	\$238.84	\$311.62	\$384.40	\$457.16	\$529.97
1.5 YD	\$100.61	\$180.70	\$260.79	\$340.89	\$420.97	\$501.05	\$558.91
2 YD	\$118.19	\$215.89	\$313.59	\$411.31	\$508.96	\$606.66	\$704.36
3 YD	\$128.64	\$236.81	\$344.95	\$453.11	\$561.24	\$669.39	\$777.57
4 YD	\$139.11	\$257.71	\$376.32	\$494.92	\$613.53	\$732.13	\$850.74
6 YD	\$160.01	\$299.55	\$439.03	\$578.59	\$718.05	\$857.59	\$997.09
8 YD	\$180.93	\$341.35	\$496.93	\$662.21	\$822.64	\$983.05	\$1,143.50
Organics Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
64 Gallon	\$59.95	\$108.33	\$156.71	\$205.09	\$253.47	\$301.85	\$350.23
300 Gallon	\$93.79	\$167.80	\$233.56	\$307.56	\$381.55	\$455.54	\$529.55
1 YD	\$113.69	\$204.68	\$295.66	\$386.63	\$477.60	\$568.56	\$659.57
1.5 YD	\$122.87	\$222.98	\$323.09	\$423.21	\$523.31	\$623.41	\$695.74
2 YD	\$144.84	\$266.97	\$389.09	\$511.24	\$633.31	\$755.43	\$877.56

Solid Waste Compactor Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
2 YD	\$271.53	\$499.12	\$726.75	\$954.37	\$1,181.87	\$1,409.47	\$1,637.12
3 YD	\$295.87	\$547.86	\$799.79	\$1,051.76	\$1,303.69	\$1,555.32	\$1,807.64
4 YD	\$317.31	\$590.90	\$864.51	\$1,138.03	\$1,411.62	\$1,685.17	\$1,958.73
Roll Off Rates							
10 Cubic Yards (16' x 8' x 3')							
20 Cubic Yards (16' x 6' x 5')							
30 Cubic Yards (18' x 8' x 6')							
MOVE CONTAINER FEE after intial placement. Customers must give specific placement instructions, or have a spotter on site.						\$99.12	
SCHEDULED PICK-UPS per empty plus actual landfill charges. No container rental fee and MUST KEEP Roll Off bin for at least 90 days to qualify for scheduled pick-ups.						\$279.56	
UNSCHEDULED PICK-UPS per empty plus actual landfill charges plus oer day container charge as shown below.						\$332.77	
Daily Container Rental Charge for Unscheduled Service						\$7.63	
UNSCHEDULED PICK-UPS additional fee for nights, weekends, or holidays						\$177.39	
Temporary Construction Recycle Rates (Service < 90 Days, includes Delivery & Removal)							
1 YD						\$290.74	
1.5 YD						\$298.09	
2 YD						\$315.66	
3 YD						\$326.12	
4 YD						\$336.58	
6 YD						\$357.49	
8 YD						\$378.41	
Special Service Rates							
Subscription Item					Rate	Frequency of Charge	
Can/Bin Cleaning					\$25.00	/Request	
Can/Bin Re-Deliver Fee (after removal for missed payments)					\$25.00	/Occurrence	
Rear Loader Bulky Waste Pickup					\$25.00	/Request	
Roll-Off Overweight Charge					\$298.64	/Occurrence	
Commercial Recycling Contamination Fee					\$60.33	/Occurrence + \$1/CY	
Return Fee					\$59.73	/Occurrence	

Scenario 1: Effective July 1, 2024							
Residential Collection Rates							
Subscription Item					2023 Rate	2024 Rate	
90 Gal Pack-out (Single Family Units)					\$143.59	\$143.59	
64 Gal (Gray) Curbside (Single Family Unit & Multi Unit extra cans).					\$38.70	\$38.70	
90 Gal Green Waste (Green) Container					\$8.32	\$8.32	
64 Gal Recycling (Blue) Container					\$8.35	\$8.35	
90 Gal Disabled Pack-out (Single Family Unit)					\$38.70	\$38.70	
90 Gal Pack-out (Mobile home)					\$138.18	\$138.18	
90 Gal Curbside (Mobile home)					\$29.52	\$29.52	
Extra 64 Gal Refuse (Gray) Container single Residential only NOT MULTI UNITS					\$24.50	\$24.50	
					per month	per month	
					\$294.13	\$294.13	
					per year	per year	
Residential Go-Back Fee All Cans					\$25.00		
Residential Special Pick Up Fee Any single can or All Cans (includes extra service or refilling of cans) Courtesy call back not allowed.					\$25.00		
Contamination Fee (Garbage in Green or Blue can)					\$25.00		
Commercial and Industrial Collection Rates							
Solid Waste Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$89.35	\$159.32	\$229.30	\$299.26	\$369.22	\$439.19	\$509.16
1 YD	\$106.75	\$191.52	\$276.30	\$361.07	\$445.86	\$530.61	\$615.40
1.5 YD	\$115.28	\$208.57	\$301.87	\$395.15	\$488.43	\$581.72	\$675.02
2 YD	\$135.76	\$249.56	\$363.37	\$477.19	\$590.94	\$704.73	\$818.56
3 YD	\$147.93	\$273.93	\$399.90	\$525.88	\$651.84	\$777.66	\$903.82
4 YD	\$158.66	\$295.45	\$432.25	\$569.02	\$705.81	\$842.59	\$979.36
6 YD	\$184.49	\$347.01	\$509.50	\$672.03	\$834.49	\$997.03	\$1,159.53
8 YD	\$208.83	\$395.70	\$582.58	\$769.43	\$956.32	\$1,143.17	\$1,330.04
Recycling Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$77.35	\$136.56	\$189.16	\$248.37	\$307.56	\$366.75	\$425.95
1 YD	\$93.27	\$166.06	\$238.84	\$311.62	\$384.40	\$457.16	\$529.97
1.5 YD	\$100.61	\$180.70	\$260.79	\$340.89	\$420.97	\$501.05	\$558.91
2 YD	\$118.19	\$215.89	\$313.59	\$411.31	\$508.96	\$606.66	\$704.36
3 YD	\$128.64	\$236.81	\$344.95	\$453.11	\$561.24	\$669.39	\$777.57
4 YD	\$139.11	\$257.71	\$376.32	\$494.92	\$613.53	\$732.13	\$850.74
6 YD	\$160.01	\$299.55	\$439.03	\$578.59	\$718.05	\$857.59	\$997.09
8 YD	\$180.93	\$341.35	\$496.93	\$662.21	\$822.64	\$983.05	\$1,143.50
Organics Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
64 Gallon	\$59.95	\$108.33	\$156.71	\$205.09	\$253.47	\$301.85	\$350.23
300 Gallon	\$93.79	\$167.80	\$233.56	\$307.56	\$381.55	\$455.54	\$529.55
1 YD	\$113.69	\$204.68	\$295.66	\$386.63	\$477.60	\$568.56	\$659.57
1.5 YD	\$122.87	\$222.98	\$323.09	\$423.21	\$523.31	\$623.41	\$695.74
2 YD	\$144.84	\$266.97	\$389.09	\$511.24	\$633.31	\$755.43	\$877.56

Solid Waste Compactor Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
2 YD	\$271.53	\$499.12	\$726.75	\$954.37	\$1,181.87	\$1,409.47	\$1,637.12
3 YD	\$295.87	\$547.86	\$799.79	\$1,051.76	\$1,303.69	\$1,555.32	\$1,807.64
4 YD	\$317.31	\$590.90	\$864.51	\$1,138.03	\$1,411.62	\$1,685.17	\$1,958.73
Roll Off Rates							
10 Cubic Yards (16' x 8' x 3')							
20 Cubic Yards (16' x 6' x 5')							
30 Cubic Yards (18' x 8' x 6')							
MOVE CONTAINER FEE after intial placement. Customers must give specific placement instructions, or have a spotter on site.						\$99.12	
SCHEDULED PICK-UPS per empty plus actual landfill charges. No container rental fee and MUST KEEP Roll Off bin for at least 90 days to qualify for scheduled pick-ups.						\$279.56	
UNSCHEDULED PICK-UPS per empty plus actual landfill charges plus oer day container charge as shown below.						\$332.77	
Daily Container Rental Charge for Unscheduled Service						\$7.63	
UNSCHEDULED PICK-UPS additional fee for nights, weekends, or holidays						\$177.39	
Temporary Construction Recycle Rates (Service < 90 Days, includes Delivery & Removal)							
1 YD						\$290.74	
1.5 YD						\$298.09	
2 YD						\$315.66	
3 YD						\$326.12	
4 YD						\$336.58	
6 YD						\$357.49	
8 YD						\$378.41	
Special Service Rates							
Subscription Item					Rate	Frequency of Charge	
Can/Bin Cleaning					\$25.00	/Request	
Can/Bin Re-Deliver Fee (after removal for missed payments)					\$25.00	/Occurrence	
Rear Loader Bulky Waste Pickup					\$25.00	/Request	
Roll-Off Overweight Charge					\$298.64	/Occurrence	
Commercial Recycling Contamination Fee					\$60.33	/Occurrence + \$1/CY	
Return Fee					\$59.73	/Occurrence	

Current Rates: Effective January 1, 2019							
Residential Collection rates							
Subscription Item							2019 Rate
90 Gal Pack-out (Single Family Units)							\$96.16
64 Gal (Gray) Curbside (Single Family Unit & Multi Unit extra cans).							\$25.92
90 Gal Green Waste (Green) Container							\$5.57
64 Gal Recycling (Blue) Container							\$5.59
90 Gal Disabled Pack-out (Single Family Unit)							\$25.92
90 Gal Pack-out (Mobile home)							\$92.54
90 Gal Curbside (Mobile home)							\$19.77
Extra 64 Gal Refuse (Gray) Container single Residential only NOT MULTI UNITS							\$16.41
							per month
							\$196.98
Residential Go-Back Fee All Cans							per year
Residential Special Pick Up Fee Any single can or All Cans (includes extra service or refilling of cans) Courtesy call back not allowed.							\$25.00
Contamination Fee (Garbage in Green or Blue can)							\$25.00
Commercial and Industrial Collection Rates							
Solid Waste Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$52.09	\$98.95	\$145.81	\$192.66	\$239.51	\$286.37	\$333.23
1 YD	\$63.74	\$120.51	\$177.29	\$234.06	\$290.84	\$347.60	\$404.38
1.5 YD	\$69.45	\$131.93	\$194.41	\$256.88	\$319.35	\$381.83	\$444.31
2 YD	\$83.17	\$159.38	\$235.60	\$311.82	\$388.00	\$464.21	\$540.44
3 YD	\$91.32	\$175.70	\$260.06	\$344.43	\$428.79	\$513.05	\$597.54
4 YD	\$98.50	\$190.11	\$281.73	\$373.32	\$464.93	\$556.53	\$648.13
6 YD	\$115.80	\$224.64	\$333.46	\$442.31	\$551.11	\$659.96	\$768.79
8 YD	\$132.10	\$257.25	\$382.40	\$507.54	\$632.70	\$757.83	\$882.98
Recycling Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$44.05	\$83.70	\$118.93	\$158.58	\$198.22	\$237.86	\$277.51
1 YD	\$54.71	\$103.46	\$152.20	\$200.94	\$249.68	\$298.41	\$347.17
1.5 YD	\$59.63	\$113.26	\$166.90	\$220.54	\$274.17	\$327.80	\$366.55
2 YD	\$71.40	\$136.83	\$202.26	\$267.70	\$333.10	\$398.53	\$463.96
3 YD	\$78.40	\$150.84	\$223.26	\$295.70	\$368.11	\$440.54	\$512.99
4 YD	\$85.41	\$164.84	\$244.27	\$323.70	\$403.13	\$482.56	\$561.99
6 YD	\$99.41	\$192.86	\$286.27	\$379.73	\$473.13	\$566.58	\$660.00
8 YD	\$113.42	\$220.85	\$280.53	\$435.73	\$543.17	\$650.60	\$758.05
Organics Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
64 Gallon	\$32.40	\$64.80	\$97.20	\$129.60	\$162.00	\$194.40	\$226.80
300 Gallon	\$55.06	\$104.63	\$148.66	\$198.23	\$247.78	\$297.33	\$346.89
1 YD	\$68.39	\$129.33	\$190.25	\$251.18	\$312.10	\$373.01	\$433.96
1.5 YD	\$74.54	\$141.58	\$208.63	\$275.68	\$342.71	\$409.75	\$458.19
2 YD	\$89.25	\$171.04	\$252.83	\$334.63	\$416.38	\$498.16	\$579.95

Solid Waste Compactor Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
2 YD	\$166.34	\$318.76	\$471.20	\$623.64	\$776.00	\$928.42	\$1,080.88
3 YD	\$182.64	\$351.40	\$520.12	\$688.86	\$857.58	\$1,026.10	\$1,195.08
4 YD	\$197.00	\$380.22	\$563.46	\$746.64	\$929.86	\$1,113.06	\$1,296.26
Roll Off Rates							
10 Cubic Yards (16' x 8' x 3')							
20 Cubic Yards (16' x 6' x 5')							
30 Cubic Yards (18' x 8' x 6')							
MOVE CONTAINER FEE after intial placement. Customers must give specific placement instructions, or have a spotter on site.						\$66.38	
SCHEDULED PICK-UPS per empty plus actual landfill charges. No container rental fee and MUST KEEP Roll Off bin for at least 90 days to qualify for scheduled pick-ups.						\$187.22	
UNSCHEDULED PICK-UPS per empty plus actual landfill charges plus oer day container charge as shown below.						\$222.86	
Daily Container Rental Charge for Unscheduled Service						\$5.11	
UNSCHEDULED PICK-UPS additional fee for nights, weekends, or holidays						\$118.80	
Temporary Construction Recycle Rates (Service < 90 Days, includes Delivery & Removal)							
1 YD						\$194.71	
1.5 YD						\$199.63	
2 YD						\$211.40	
3 YD						\$218.40	
4 YD						\$225.41	
6 YD						\$239.41	
8 YD						\$253.42	
Special Service Rates							
Subscription Item					Rate	Frequency of Charge	
Can/Bin Cleaning					\$25.00	/Request	
Can/Bin Re-Deliver Fee (after removal for missed payments)					\$25.00	/Occurrence	
Rear Loader Bulky Waste Pickup					\$25.00	/Request	
Roll-Off Overweight Charge					\$200.00	/Occurrence	
Commercial Recycling Contamination Fee					\$40.40	/Occurrence + \$1/CY	
Return Fee					\$40.00	/Occurrence	

Scenario 2: Effective July 1, 2020							
Residential Collection Rates							
Subscription Item				2019 Rate		2020 Rate	
90 Gal Pack-out (Single Family Units)				\$96.16		\$108.18	
64 Gal (Gray) Curbside (Single Family Unit & Multi Unit extra cans).				\$25.92		\$29.16	
90 Gal Green Waste (Green) Container				\$5.57		\$6.27	
64 Gal Recycling (Blue) Container				\$5.59		\$6.29	
90 Gal Disabled Pack-out (Single Family Unit)				\$25.92		\$29.16	
90 Gal Pack-out (Mobile home)				\$92.54		\$104.11	
90 Gal Curbside (Mobile home)				\$19.77		\$22.24	
Extra 64 Gal Refuse (Gray) Container single Residential only NOT MULTI UNITS				\$16.41		\$18.46	
				per month		per month	
				\$196.98		\$221.60	
				per year		per year	
Residential Go-Back Fee All Cans				\$25.00			
Residential Special Pick Up Fee Any single can or All Cans (includes extra service or refilling of cans) Courtesy call back not allowed.				\$25.00			
Contamination Fee (Garbage in Green or Blue can)				\$25.00			
Commercial and Industrial Collection Rates							
Solid Waste Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$68.60	\$121.32	\$174.03	\$226.74	\$279.45	\$332.17	\$384.89
1 YD	\$81.71	\$145.57	\$209.45	\$273.32	\$337.20	\$401.05	\$464.93
1.5 YD	\$88.13	\$158.42	\$228.71	\$298.99	\$369.27	\$439.56	\$509.85
2 YD	\$103.57	\$189.30	\$275.05	\$360.80	\$446.50	\$532.24	\$618.00
3 YD	\$112.74	\$207.66	\$302.57	\$397.48	\$492.39	\$587.18	\$682.23
4 YD	\$120.81	\$223.87	\$326.95	\$429.99	\$533.05	\$636.10	\$739.15
6 YD	\$140.28	\$262.72	\$385.14	\$507.60	\$630.00	\$752.46	\$874.89
8 YD	\$158.61	\$299.41	\$440.20	\$580.98	\$721.79	\$862.56	\$1,003.35
Recycling Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$59.56	\$104.16	\$143.80	\$188.40	\$233.00	\$277.59	\$322.20
1 YD	\$71.55	\$126.39	\$181.23	\$236.06	\$290.89	\$345.71	\$400.57
1.5 YD	\$77.08	\$137.42	\$197.76	\$258.11	\$318.44	\$378.78	\$422.37
2 YD	\$90.33	\$163.93	\$237.54	\$311.16	\$384.74	\$458.35	\$531.96
3 YD	\$98.20	\$179.70	\$261.17	\$342.66	\$424.12	\$505.61	\$587.11
4 YD	\$106.09	\$195.45	\$284.80	\$374.16	\$463.52	\$552.88	\$642.24
6 YD	\$121.84	\$226.97	\$332.05	\$437.20	\$542.27	\$647.40	\$752.50
8 YD	\$137.60	\$258.46	\$375.67	\$500.20	\$621.07	\$741.93	\$862.81
Organics Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
64 Gallon	\$46.45	\$82.90	\$119.35	\$155.80	\$192.25	\$228.70	\$265.15
300 Gallon	\$71.95	\$127.70	\$177.25	\$233.00	\$288.75	\$344.49	\$400.25
1 YD	\$86.94	\$155.49	\$224.03	\$292.57	\$361.11	\$429.64	\$498.21
1.5 YD	\$93.85	\$169.27	\$244.70	\$320.13	\$395.55	\$470.97	\$525.46
2 YD	\$110.41	\$202.42	\$294.43	\$386.45	\$478.42	\$570.43	\$662.44

Solid Waste Compactor Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
2 YD	\$207.13	\$378.61	\$550.10	\$721.60	\$893.00	\$1,064.47	\$1,235.99
3 YD	\$225.47	\$415.33	\$605.14	\$794.97	\$984.78	\$1,174.36	\$1,364.47
4 YD	\$241.63	\$447.75	\$653.89	\$859.97	\$1,066.09	\$1,272.19	\$1,478.29
Roll Off Rates							
10 Cubic Yards (16' x 8' x 3')							
20 Cubic Yards (16' x 6' x 5')							
30 Cubic Yards (18' x 8' x 6')							
MOVE CONTAINER FEE after intial placement. Customers must give specific placement instructions, or have a spotter on site.						\$74.68	
SCHEDULED PICK-UPS per empty plus actual landfill charges. No container rental fee and MUST KEEP Roll Off bin for at least 90 days to qualify for scheduled pick-ups.						\$210.62	
UNSCHEDULED PICK-UPS per empty plus actual landfill charges plus oer day container charge as shown below.						\$250.72	
Daily Container Rental Charge for Unscheduled Service						\$5.75	
UNSCHEDULED PICK-UPS additional fee for nights, weekends, or holidays						\$133.65	
Temporary Construction Recycle Rates (Service < 90 Days, includes Delivery & Removal)							
1 YD						\$219.05	
1.5 YD						\$224.58	
2 YD						\$237.83	
3 YD						\$245.70	
4 YD						\$253.59	
6 YD						\$269.34	
8 YD						\$285.10	
Special Service Rates							
Subscription Item					Rate	Frequency of Charge	
Can/Bin Cleaning					\$25.00	/Request	
Can/Bin Re-Deliver Fee (after removal for missed payments)					\$25.00	/Occurrence	
Rear Loader Bulky Waste Pickup					\$25.00	/Request	
Roll-Off Overweight Charge					\$225.00	/Occurrence	
Commercial Recycling Contamination Fee					\$45.45	/Occurrence + \$1/CY	
Return Fee					\$45.00	/Occurrence	

Scenario 2: Effective July 1, 2021							
Residential Collection Rates							
Subscription Item					2020 Rate	2021 Rate	
90 Gal Pack-out (Single Family Units)					\$108.18	\$121.70	
64 Gal (Gray) Curbside (Single Family Unit & Multi Unit extra cans).					\$29.16	\$32.81	
90 Gal Green Waste (Green) Container					\$6.27	\$7.05	
64 Gal Recycling (Blue) Container					\$6.29	\$7.07	
90 Gal Disabled Pack-out (Single Family Unit)					\$29.16	\$32.81	
90 Gal Pack-out (Mobile home)					\$104.11	\$117.12	
90 Gal Curbside (Mobile home)					\$22.24	\$25.02	
Extra 64 Gal Refuse (Gray) Container single Residential only NOT MULTI UNITS					\$18.46	\$20.77	
					per month	per month	
					\$221.60	\$249.30	
					per year	per year	
Residential Go-Back Fee All Cans					\$25.00		
Residential Special Pick Up Fee Any single can or All Cans (includes extra service or refilling of cans) Courtesy call back not allowed.					\$25.00		
Contamination Fee (Garbage in Green or Blue can)					\$25.00		
Commercial and Industrial Collection Rates							
Solid Waste Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$77.17	\$136.48	\$195.79	\$255.09	\$314.38	\$373.69	\$433.00
1 YD	\$91.92	\$163.77	\$235.63	\$307.48	\$379.34	\$451.18	\$523.04
1.5 YD	\$99.15	\$178.22	\$257.30	\$336.36	\$415.43	\$494.50	\$573.58
2 YD	\$116.51	\$212.97	\$309.43	\$405.90	\$502.31	\$598.77	\$695.24
3 YD	\$126.83	\$233.62	\$340.39	\$447.17	\$553.94	\$660.58	\$767.51
4 YD	\$135.91	\$251.86	\$367.81	\$483.73	\$599.68	\$715.61	\$831.54
6 YD	\$157.81	\$295.56	\$433.29	\$571.05	\$708.75	\$846.51	\$984.25
8 YD	\$178.44	\$336.83	\$495.23	\$653.61	\$812.01	\$970.38	\$1,128.77
Recycling Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$67.00	\$117.18	\$161.77	\$211.95	\$262.12	\$312.29	\$362.47
1 YD	\$80.49	\$142.19	\$203.88	\$265.56	\$327.25	\$388.93	\$450.64
1.5 YD	\$86.72	\$154.59	\$222.48	\$290.37	\$358.25	\$426.12	\$475.16
2 YD	\$101.62	\$184.43	\$267.24	\$350.06	\$432.83	\$515.64	\$598.45
3 YD	\$110.48	\$202.16	\$293.81	\$385.50	\$477.14	\$568.81	\$660.50
4 YD	\$119.35	\$219.88	\$320.40	\$420.93	\$521.46	\$621.99	\$722.52
6 YD	\$137.07	\$255.34	\$373.56	\$491.85	\$610.06	\$728.33	\$846.56
8 YD	\$154.80	\$290.76	\$422.63	\$562.72	\$698.70	\$834.67	\$970.66
Organics Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
64 Gallon	\$52.26	\$93.26	\$134.27	\$175.28	\$216.28	\$257.29	\$298.29
300 Gallon	\$80.94	\$143.67	\$199.40	\$262.13	\$324.84	\$387.55	\$450.28
1 YD	\$97.80	\$174.93	\$252.04	\$329.14	\$406.25	\$483.34	\$560.48
1.5 YD	\$105.59	\$190.43	\$275.29	\$360.15	\$445.00	\$529.84	\$591.14
2 YD	\$124.21	\$227.72	\$331.23	\$434.76	\$538.22	\$641.74	\$745.25

Solid Waste Compactor Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
2 YD	\$233.02	\$425.93	\$618.86	\$811.79	\$1,004.63	\$1,197.53	\$1,390.49
3 YD	\$253.65	\$467.24	\$680.78	\$894.34	\$1,107.87	\$1,321.16	\$1,535.02
4 YD	\$271.83	\$503.72	\$735.63	\$967.47	\$1,199.35	\$1,431.22	\$1,663.08
Roll Off Rates							
10 Cubic Yards (16' x 8' x 3')							
20 Cubic Yards (16' x 6' x 5')							
30 Cubic Yards (18' x 8' x 6')							
MOVE CONTAINER FEE after intial placement. Customers must give specific placement instructions, or have a spotter on site.						\$84.01	
SCHEDULED PICK-UPS per empty plus actual landfill charges. No container rental fee and MUST KEEP Roll Off bin for at least 90 days to qualify for scheduled pick-ups.						\$236.95	
UNSCHEDULED PICK-UPS per empty plus actual landfill charges plus oer day container charge as shown below.						\$282.06	
Daily Container Rental Charge for Unscheduled Service						\$6.47	
UNSCHEDULED PICK-UPS additional fee for nights, weekends, or holidays						\$150.36	
Temporary Construction Recycle Rates (Service < 90 Days, includes Delivery & Removal)							
1 YD						\$246.43	
1.5 YD						\$252.66	
2 YD						\$267.55	
3 YD						\$276.41	
4 YD						\$285.28	
6 YD						\$303.00	
8 YD						\$320.73	
Special Service Rates							
Subscription Item					Rate	Frequency of Charge	
Can/Bin Cleaning					\$25.00	/Request	
Can/Bin Re-Deliver Fee (after removal for missed payments)					\$25.00	/Occurrence	
Rear Loader Bulky Waste Pickup					\$25.00	/Request	
Roll-Off Overweight Charge					\$253.13	/Occurrence	
Commercial Recycling Contamination Fee					\$51.13	/Occurrence + \$1/CY	
Return Fee					\$50.63	/Occurrence	

Scenario 2: Effective July 1, 2022							
Residential Collection Rates							
Subscription Item				2021 Rate		2022 Rate	
90 Gal Pack-out (Single Family Units)				\$121.70		\$136.92	
64 Gal (Gray) Curbside (Single Family Unit & Multi Unit extra cans).				\$32.81		\$36.91	
90 Gal Green Waste (Green) Container				\$7.05		\$7.93	
64 Gal Recycling (Blue) Container				\$7.07		\$7.96	
90 Gal Disabled Pack-out (Single Family Unit)				\$32.81		\$36.91	
90 Gal Pack-out (Mobile home)				\$117.12		\$131.76	
90 Gal Curbside (Mobile home)				\$25.02		\$28.15	
Extra 64 Gal Refuse (Gray) Container single Residential only NOT MULTI UNITS				\$20.77		\$23.37	
				per month		per month	
				\$249.30		\$280.47	
				per year		per year	
Residential Go-Back Fee All Cans				\$25.00			
Residential Special Pick Up Fee Any single can or All Cans (includes extra service or refilling of cans) Courtesy call back not allowed.				\$25.00			
Contamination Fee (Garbage in Green or Blue can)				\$25.00			
Commercial and Industrial Collection Rates							
Solid Waste Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$86.82	\$153.54	\$220.26	\$286.97	\$353.68	\$420.40	\$487.12
1 YD	\$103.41	\$184.24	\$265.09	\$345.92	\$426.76	\$507.58	\$588.42
1.5 YD	\$111.54	\$200.50	\$289.46	\$378.41	\$467.36	\$556.32	\$645.28
2 YD	\$131.08	\$239.59	\$348.11	\$456.63	\$565.10	\$673.61	\$782.15
3 YD	\$142.68	\$262.82	\$382.94	\$503.07	\$623.18	\$743.15	\$863.45
4 YD	\$152.90	\$283.34	\$413.79	\$544.20	\$674.64	\$805.06	\$935.48
6 YD	\$177.54	\$332.51	\$487.45	\$642.43	\$797.34	\$952.33	\$1,107.28
8 YD	\$200.74	\$378.94	\$557.13	\$735.31	\$913.51	\$1,091.68	\$1,269.87
Recycling Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$75.38	\$131.83	\$181.99	\$238.45	\$294.89	\$351.33	\$407.78
1 YD	\$90.55	\$159.97	\$229.36	\$298.76	\$368.16	\$437.54	\$506.97
1.5 YD	\$97.56	\$173.92	\$250.29	\$326.67	\$403.03	\$479.39	\$534.56
2 YD	\$114.32	\$207.48	\$300.64	\$393.82	\$486.93	\$580.09	\$673.26
3 YD	\$124.28	\$227.43	\$330.54	\$433.68	\$536.78	\$639.91	\$743.07
4 YD	\$134.27	\$247.36	\$360.45	\$473.55	\$586.64	\$699.74	\$812.83
6 YD	\$154.20	\$287.26	\$420.26	\$553.33	\$686.31	\$819.37	\$952.38
8 YD	\$174.15	\$327.11	\$475.46	\$633.06	\$786.04	\$939.00	\$1,091.99
Organics Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
64 Gallon	\$58.79	\$104.92	\$151.05	\$197.18	\$243.32	\$289.45	\$335.58
300 Gallon	\$91.06	\$161.62	\$224.33	\$294.89	\$365.45	\$436.00	\$506.56
1 YD	\$110.03	\$196.79	\$283.54	\$370.29	\$457.03	\$543.76	\$630.54
1.5 YD	\$118.78	\$214.23	\$309.70	\$405.17	\$500.62	\$596.07	\$665.04
2 YD	\$139.73	\$256.18	\$372.64	\$489.10	\$605.50	\$721.95	\$838.41

Solid Waste Compactor Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
2 YD	\$262.15	\$479.17	\$696.22	\$913.27	\$1,130.20	\$1,347.22	\$1,564.30
3 YD	\$285.36	\$525.65	\$765.87	\$1,006.13	\$1,246.36	\$1,486.30	\$1,726.90
4 YD	\$305.81	\$566.68	\$827.58	\$1,088.40	\$1,349.27	\$1,610.12	\$1,870.96
Roll Off Rates							
10 Cubic Yards (16' x 8' x 3')							
20 Cubic Yards (16' x 6' x 5')							
30 Cubic Yards (18' x 8' x 6')							
MOVE CONTAINER FEE after intial placement. Customers must give specific placement instructions, or have a spotter on site.						\$94.51	
SCHEDULED PICK-UPS per empty plus actual landfill charges. No container rental fee and MUST KEEP Roll Off bin for at least 90 days to qualify for scheduled pick-ups.						\$266.57	
UNSCHEDULED PICK-UPS per empty plus actual landfill charges plus oer day container charge as shown below.						\$317.31	
Daily Container Rental Charge for Unscheduled Service						\$7.28	
UNSCHEDULED PICK-UPS additional fee for nights, weekends, or holidays						\$169.15	
Temporary Construction Recycle Rates (Service < 90 Days, includes Delivery & Removal)							
1 YD						\$277.23	
1.5 YD						\$284.24	
2 YD						\$301.00	
3 YD						\$310.96	
4 YD						\$320.95	
6 YD						\$340.88	
8 YD						\$360.83	
Special Service Rates							
Subscription Item					Rate	Frequency of Charge	
Can/Bin Cleaning					\$25.00	/Request	
Can/Bin Re-Deliver Fee (after removal for missed payments)					\$25.00	/Occurrence	
Rear Loader Bulky Waste Pickup					\$25.00	/Request	
Roll-Off Overweight Charge					\$284.77	/Occurrence	
Commercial Recycling Contamination Fee					\$57.52	/Occurrence + \$1/CY	
Return Fee					\$56.95	/Occurrence	

Scenario 2: Effective July 1, 2023							
Residential Collection Rates							
Subscription Item					2022 Rate	2023 Rate	
90 Gal Pack-out (Single Family Units)					\$136.92	\$147.87	
64 Gal (Gray) Curbside (Single Family Unit & Multi Unit extra cans).					\$36.91	\$39.86	
90 Gal Green Waste (Green) Container					\$7.93	\$8.57	
64 Gal Recycling (Blue) Container					\$7.96	\$8.60	
90 Gal Disabled Pack-out (Single Family Unit)					\$36.91	\$39.86	
90 Gal Pack-out (Mobile home)					\$131.76	\$142.30	
90 Gal Curbside (Mobile home)					\$28.15	\$30.40	
Extra 64 Gal Refuse (Gray) Container single Residential only NOT MULTI UNITS					\$23.37	\$25.23	
					per month	per month	
					\$280.47	\$302.90	
					per year	per year	
Residential Go-Back Fee All Cans					\$25.00		
Residential Special Pick Up Fee Any single can or All Cans (includes extra service or refilling of cans) Courtesy call back not allowed.					\$25.00		
Contamination Fee (Garbage in Green or Blue can)					\$25.00		
Commercial and Industrial Collection Rates							
Solid Waste Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$93.77	\$165.82	\$237.88	\$309.93	\$381.98	\$454.03	\$526.09
1 YD	\$111.68	\$198.98	\$286.29	\$373.59	\$460.90	\$548.19	\$635.50
1.5 YD	\$120.46	\$216.54	\$312.62	\$408.68	\$504.74	\$600.82	\$696.90
2 YD	\$141.56	\$258.75	\$375.96	\$493.17	\$610.31	\$727.50	\$844.72
3 YD	\$154.09	\$283.85	\$413.57	\$543.31	\$673.03	\$802.60	\$932.53
4 YD	\$165.14	\$306.01	\$446.89	\$587.74	\$728.61	\$869.46	\$1,010.32
6 YD	\$191.74	\$359.11	\$526.44	\$693.82	\$861.13	\$1,028.51	\$1,195.86
8 YD	\$216.80	\$409.25	\$601.70	\$794.13	\$986.59	\$1,179.01	\$1,371.46
Recycling Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$81.41	\$142.38	\$196.55	\$257.52	\$318.48	\$379.43	\$440.41
1 YD	\$97.80	\$172.76	\$247.71	\$322.66	\$397.61	\$472.54	\$547.52
1.5 YD	\$105.36	\$187.83	\$270.32	\$352.80	\$435.27	\$517.74	\$577.33
2 YD	\$123.46	\$224.08	\$324.69	\$425.32	\$525.89	\$626.50	\$727.12
3 YD	\$134.23	\$245.62	\$356.98	\$468.38	\$579.72	\$691.10	\$802.51
4 YD	\$145.01	\$267.15	\$389.29	\$511.43	\$633.58	\$755.72	\$877.86
6 YD	\$166.53	\$310.24	\$453.88	\$597.59	\$741.22	\$884.92	\$1,028.57
8 YD	\$188.08	\$353.28	\$513.49	\$683.71	\$848.92	\$1,014.12	\$1,179.35
Organics Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
64 Gallon	\$63.49	\$113.31	\$163.14	\$212.96	\$262.78	\$312.60	\$362.43
300 Gallon	\$98.34	\$174.55	\$242.27	\$318.49	\$394.68	\$470.88	\$547.09
1 YD	\$118.83	\$212.54	\$306.22	\$399.91	\$493.60	\$587.26	\$680.99
1.5 YD	\$128.29	\$231.37	\$334.48	\$437.58	\$540.67	\$643.76	\$718.24
2 YD	\$150.91	\$276.68	\$402.45	\$528.23	\$653.94	\$779.71	\$905.48

Solid Waste Compactor Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
2 YD	\$283.12	\$517.51	\$751.92	\$986.33	\$1,220.62	\$1,455.00	\$1,689.44
3 YD	\$308.19	\$567.70	\$827.14	\$1,086.62	\$1,346.07	\$1,605.21	\$1,865.05
4 YD	\$330.27	\$612.01	\$893.79	\$1,175.47	\$1,457.22	\$1,738.93	\$2,020.64
Roll Off Rates							
10 Cubic Yards (16' x 8' x 3')							
20 Cubic Yards (16' x 6' x 5')							
30 Cubic Yards (18' x 8' x 6')							
MOVE CONTAINER FEE after intial placement. Customers must give specific placement instructions, or have a spotter on site.						\$102.07	
SCHEDULED PICK-UPS per empty plus actual landfill charges. No container rental fee and MUST KEEP Roll Off bin for at least 90 days to qualify for scheduled pick-ups.						\$287.89	
UNSCHEDULED PICK-UPS per empty plus actual landfill charges plus oer day container charge as shown below.						\$342.70	
Daily Container Rental Charge for Unscheduled Service						\$7.86	
UNSCHEDULED PICK-UPS additional fee for nights, weekends, or holidays						\$182.68	
Temporary Construction Recycle Rates (Service < 90 Days, includes Delivery & Removal)							
1 YD						\$299.41	
1.5 YD						\$306.98	
2 YD						\$325.08	
3 YD						\$335.84	
4 YD						\$346.62	
6 YD						\$368.15	
8 YD						\$389.69	
Special Service Rates							
Subscription Item					Rate	Frequency of Charge	
Can/Bin Cleaning					\$25.00	/Request	
Can/Bin Re-Deliver Fee (after removal for missed payments)					\$25.00	/Occurrence	
Rear Loader Bulky Waste Pickup					\$25.00	/Request	
Roll-Off Overweight Charge					\$307.55	/Occurrence	
Commercial Recycling Contamination Fee					\$62.12	/Occurrence + \$1/CY	
Return Fee					\$61.51	/Occurrence	

Scenario 2: Effective July 1, 2024							
Residential Collection Rates							
Subscription Item					2023 Rate	2024 Rate	
90 Gal Pack-out (Single Family Units)					\$147.87	\$147.87	
64 Gal (Gray) Curbside (Single Family Unit & Multi Unit extra cans).					\$39.86	\$39.86	
90 Gal Green Waste (Green) Container					\$8.57	\$8.57	
64 Gal Recycling (Blue) Container					\$8.60	\$8.60	
90 Gal Disabled Pack-out (Single Family Unit)					\$39.86	\$39.86	
90 Gal Pack-out (Mobile home)					\$142.30	\$142.30	
90 Gal Curbside (Mobile home)					\$30.40	\$30.40	
Extra 64 Gal Refuse (Gray) Container single Residential only NOT MULTI UNITS					\$25.23	per month	
					\$302.90	per year	
Residential Go-Back Fee All Cans					\$25.00		
Residential Special Pick Up Fee Any single can or All Cans (includes extra service or refilling of cans) Courtesy call back not allowed.					\$25.00		
Contamination Fee (Garbage in Green or Blue can)					\$25.00		
Commercial and Industrial Collection Rates							
Solid Waste Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$93.77	\$165.82	\$237.88	\$309.93	\$381.98	\$454.03	\$526.09
1 YD	\$111.68	\$198.98	\$286.29	\$373.59	\$460.90	\$548.19	\$635.50
1.5 YD	\$120.46	\$216.54	\$312.62	\$408.68	\$504.74	\$600.82	\$696.90
2 YD	\$141.56	\$258.75	\$375.96	\$493.17	\$610.31	\$727.50	\$844.72
3 YD	\$154.09	\$283.85	\$413.57	\$543.31	\$673.03	\$802.60	\$932.53
4 YD	\$165.14	\$306.01	\$446.89	\$587.74	\$728.61	\$869.46	\$1,010.32
6 YD	\$191.74	\$359.11	\$526.44	\$693.82	\$861.13	\$1,028.51	\$1,195.86
8 YD	\$216.80	\$409.25	\$601.70	\$794.13	\$986.59	\$1,179.01	\$1,371.46
Recycling Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$81.41	\$142.38	\$196.55	\$257.52	\$318.48	\$379.43	\$440.41
1 YD	\$97.80	\$172.76	\$247.71	\$322.66	\$397.61	\$472.54	\$547.52
1.5 YD	\$105.36	\$187.83	\$270.32	\$352.80	\$435.27	\$517.74	\$577.33
2 YD	\$123.46	\$224.08	\$324.69	\$425.32	\$525.89	\$626.50	\$727.12
3 YD	\$134.23	\$245.62	\$356.98	\$468.38	\$579.72	\$691.10	\$802.51
4 YD	\$145.01	\$267.15	\$389.29	\$511.43	\$633.58	\$755.72	\$877.86
6 YD	\$166.53	\$310.24	\$453.88	\$597.59	\$741.22	\$884.92	\$1,028.57
8 YD	\$188.08	\$353.28	\$513.49	\$683.71	\$848.92	\$1,014.12	\$1,179.35
Organics Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
64 Gallon	\$63.49	\$113.31	\$163.14	\$212.96	\$262.78	\$312.60	\$362.43
300 Gallon	\$98.34	\$174.55	\$242.27	\$318.49	\$394.68	\$470.88	\$547.09
1 YD	\$118.83	\$212.54	\$306.22	\$399.91	\$493.60	\$587.26	\$680.99
1.5 YD	\$128.29	\$231.37	\$334.48	\$437.58	\$540.67	\$643.76	\$718.24
2 YD	\$150.91	\$276.68	\$402.45	\$528.23	\$653.94	\$779.71	\$905.48

Solid Waste Compactor Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
2 YD	\$283.12	\$517.51	\$751.92	\$986.33	\$1,220.62	\$1,455.00	\$1,689.44
3 YD	\$308.19	\$567.70	\$827.14	\$1,086.62	\$1,346.07	\$1,605.21	\$1,865.05
4 YD	\$330.27	\$612.01	\$893.79	\$1,175.47	\$1,457.22	\$1,738.93	\$2,020.64
Roll Off Rates							
10 Cubic Yards (16' x 8' x 3')							
20 Cubic Yards (16' x 6' x 5')							
30 Cubic Yards (18' x 8' x 6')							
MOVE CONTAINER FEE after intial placement. Customers must give specific placement instructions, or have a spotter on site.						\$102.07	
SCHEDULED PICK-UPS per empty plus actual landfill charges. No container rental fee and MUST KEEP Roll Off bin for at least 90 days to qualify for scheduled pick-ups.						\$287.89	
UNSCHEDULED PICK-UPS per empty plus actual landfill charges plus oer day container charge as shown below.						\$342.70	
Daily Container Rental Charge for Unscheduled Service						\$7.86	
UNSCHEDULED PICK-UPS additional fee for nights, weekends, or holidays						\$182.68	
Temporary Construction Recycle Rates (Service < 90 Days, includes Delivery & Removal)							
1 YD						\$299.41	
1.5 YD						\$306.98	
2 YD						\$325.08	
3 YD						\$335.84	
4 YD						\$346.62	
6 YD						\$368.15	
8 YD						\$389.69	
Special Service Rates							
Subscription Item					Rate	Frequency of Charge	
Can/Bin Cleaning					\$25.00	/Request	
Can/Bin Re-Deliver Fee (after removal for missed payments)					\$25.00	/Occurrence	
Rear Loader Bulky Waste Pickup					\$25.00	/Request	
Roll-Off Overweight Charge					\$307.55	/Occurrence	
Commercial Recycling Contamination Fee					\$62.12	/Occurrence + \$1/CY	
Return Fee					\$61.51	/Occurrence	

Current Rates: Effective January 1, 2019							
Residential Collection rates							
Subscription Item							2019 Rate
90 Gal Pack-out (Single Family Units)							\$96.16
64 Gal (Gray) Curbside (Single Family Unit & Multi Unit extra cans).							\$25.92
90 Gal Green Waste (Green) Container							\$5.57
64 Gal Recycling (Blue) Container							\$5.59
90 Gal Disabled Pack-out (Single Family Unit)							\$25.92
90 Gal Pack-out (Mobile home)							\$92.54
90 Gal Curbside (Mobile home)							\$19.77
Extra 64 Gal Refuse (Gray) Container single Residential only NOT MULTI UNITS							\$16.41
							per month
							\$196.98
Residential Go-Back Fee All Cans							per year
Residential Special Pick Up Fee Any single can or All Cans (includes extra service or refilling of cans) Courtesy call back not allowed.							\$25.00
Contamination Fee (Garbage in Green or Blue can)							\$25.00
Commercial and Industrial Collection Rates							
Solid Waste Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$52.09	\$98.95	\$145.81	\$192.66	\$239.51	\$286.37	\$333.23
1 YD	\$63.74	\$120.51	\$177.29	\$234.06	\$290.84	\$347.60	\$404.38
1.5 YD	\$69.45	\$131.93	\$194.41	\$256.88	\$319.35	\$381.83	\$444.31
2 YD	\$83.17	\$159.38	\$235.60	\$311.82	\$388.00	\$464.21	\$540.44
3 YD	\$91.32	\$175.70	\$260.06	\$344.43	\$428.79	\$513.05	\$597.54
4 YD	\$98.50	\$190.11	\$281.73	\$373.32	\$464.93	\$556.53	\$648.13
6 YD	\$115.80	\$224.64	\$333.46	\$442.31	\$551.11	\$659.96	\$768.79
8 YD	\$132.10	\$257.25	\$382.40	\$507.54	\$632.70	\$757.83	\$882.98
Recycling Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$44.05	\$83.70	\$118.93	\$158.58	\$198.22	\$237.86	\$277.51
1 YD	\$54.71	\$103.46	\$152.20	\$200.94	\$249.68	\$298.41	\$347.17
1.5 YD	\$59.63	\$113.26	\$166.90	\$220.54	\$274.17	\$327.80	\$366.55
2 YD	\$71.40	\$136.83	\$202.26	\$267.70	\$333.10	\$398.53	\$463.96
3 YD	\$78.40	\$150.84	\$223.26	\$295.70	\$368.11	\$440.54	\$512.99
4 YD	\$85.41	\$164.84	\$244.27	\$323.70	\$403.13	\$482.56	\$561.99
6 YD	\$99.41	\$192.86	\$286.27	\$379.73	\$473.13	\$566.58	\$660.00
8 YD	\$113.42	\$220.85	\$280.53	\$435.73	\$543.17	\$650.60	\$758.05
Organics Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
64 Gallon	\$32.40	\$64.80	\$97.20	\$129.60	\$162.00	\$194.40	\$226.80
300 Gallon	\$55.06	\$104.63	\$148.66	\$198.23	\$247.78	\$297.33	\$346.89
1 YD	\$68.39	\$129.33	\$190.25	\$251.18	\$312.10	\$373.01	\$433.96
1.5 YD	\$74.54	\$141.58	\$208.63	\$275.68	\$342.71	\$409.75	\$458.19
2 YD	\$89.25	\$171.04	\$252.83	\$334.63	\$416.38	\$498.16	\$579.95

Solid Waste Compactor Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
2 YD	\$166.34	\$318.76	\$471.20	\$623.64	\$776.00	\$928.42	\$1,080.88
3 YD	\$182.64	\$351.40	\$520.12	\$688.86	\$857.58	\$1,026.10	\$1,195.08
4 YD	\$197.00	\$380.22	\$563.46	\$746.64	\$929.86	\$1,113.06	\$1,296.26
Roll Off Rates							
10 Cubic Yards (16' x 8' x 3')							
20 Cubic Yards (16' x 6' x 5')							
30 Cubic Yards (18' x 8' x 6')							
MOVE CONTAINER FEE after intial placement. Customers must give specific placement instructions, or have a spotter on site.						\$66.38	
SCHEDULED PICK-UPS per empty plus actual landfill charges. No container rental fee and MUST KEEP Roll Off bin for at least 90 days to qualify for scheduled pick-ups.						\$187.22	
UNSCHEDULED PICK-UPS per empty plus actual landfill charges plus oer day container charge as shown below.						\$222.86	
Daily Container Rental Charge for Unscheduled Service						\$5.11	
UNSCHEDULED PICK-UPS additional fee for nights, weekends, or holidays						\$118.80	
Temporary Construction Recycle Rates (Service < 90 Days, includes Delivery & Removal)							
1 YD						\$194.71	
1.5 YD						\$199.63	
2 YD						\$211.40	
3 YD						\$218.40	
4 YD						\$225.41	
6 YD						\$239.41	
8 YD						\$253.42	
Special Service Rates							
Subscription Item					Rate	Frequency of Charge	
Can/Bin Cleaning					\$25.00	/Request	
Can/Bin Re-Deliver Fee (after removal for missed payments)					\$25.00	/Occurrence	
Rear Loader Bulky Waste Pickup					\$25.00	/Request	
Roll-Off Overweight Charge					\$200.00	/Occurrence	
Commercial Recycling Contamination Fee					\$40.40	/Occurrence + \$1/CY	
Return Fee					\$40.00	/Occurrence	

Scenario 2: Effective July 1, 2020							
Residential Collection Rates							
Subscription Item				2019 Rate		2020 Rate	
90 Gal Pack-out (Single Family Units)				\$96.16		\$115.39	
64 Gal (Gray) Curbside (Single Family Unit & Multi Unit extra cans).				\$25.92		\$31.10	
90 Gal Green Waste (Green) Container				\$5.57		\$6.68	
64 Gal Recycling (Blue) Container				\$5.59		\$6.71	
90 Gal Disabled Pack-out (Single Family Unit)				\$25.92		\$31.10	
90 Gal Pack-out (Mobile home)				\$92.54		\$111.05	
90 Gal Curbside (Mobile home)				\$19.77		\$23.72	
Extra 64 Gal Refuse (Gray) Container single Residential only NOT MULTI UNITS				\$16.41		\$19.69	
				per month		per month	
				\$196.98		\$236.38	
				per year		per year	
Residential Go-Back Fee All Cans				\$25.00			
Residential Special Pick Up Fee Any single can or All Cans (includes extra service or refilling of cans) Courtesy call back not allowed.				\$25.00			
Contamination Fee (Garbage in Green or Blue can)				\$25.00			
Commercial and Industrial Collection Rates							
Solid Waste Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$80.32	\$143.58	\$206.84	\$270.09	\$333.34	\$396.60	\$459.86
1 YD	\$96.05	\$172.69	\$249.34	\$325.98	\$402.63	\$479.26	\$555.91
1.5 YD	\$103.76	\$188.11	\$272.45	\$356.79	\$441.12	\$525.47	\$609.82
2 YD	\$122.28	\$225.16	\$328.06	\$430.96	\$533.80	\$636.68	\$739.59
3 YD	\$133.28	\$247.20	\$361.08	\$474.98	\$588.87	\$702.62	\$816.68
4 YD	\$142.98	\$266.65	\$390.34	\$513.98	\$637.66	\$761.32	\$884.98
6 YD	\$166.33	\$313.26	\$460.17	\$607.12	\$754.00	\$900.95	\$1,047.87
8 YD	\$188.34	\$357.29	\$526.24	\$695.18	\$864.15	\$1,033.07	\$1,202.02
Recycling Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$69.47	\$123.00	\$170.56	\$224.08	\$277.60	\$331.11	\$384.64
1 YD	\$83.86	\$149.67	\$215.47	\$281.27	\$347.07	\$412.85	\$478.68
1.5 YD	\$90.50	\$162.90	\$235.32	\$307.73	\$380.13	\$452.53	\$504.84
2 YD	\$106.39	\$194.72	\$283.05	\$371.40	\$459.69	\$548.02	\$636.35
3 YD	\$115.84	\$213.63	\$311.40	\$409.20	\$506.95	\$604.73	\$702.54
4 YD	\$125.30	\$232.53	\$339.76	\$447.00	\$554.23	\$661.46	\$768.69
6 YD	\$144.20	\$270.36	\$396.46	\$522.64	\$648.73	\$774.88	\$901.00
8 YD	\$163.12	\$308.15	\$448.80	\$598.24	\$743.28	\$888.31	\$1,033.37
Organics Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
64 Gallon	\$53.74	\$97.48	\$141.22	\$184.96	\$228.70	\$272.44	\$316.18
300 Gallon	\$84.33	\$151.24	\$210.69	\$277.60	\$344.50	\$411.39	\$478.30
1 YD	\$102.32	\$184.59	\$266.84	\$349.09	\$431.34	\$513.57	\$595.85
1.5 YD	\$110.63	\$201.13	\$291.64	\$382.16	\$472.66	\$563.16	\$628.55
2 YD	\$130.49	\$240.90	\$351.31	\$461.74	\$572.11	\$682.52	\$792.93

Solid Waste Compactor Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
2 YD	\$244.56	\$450.33	\$656.12	\$861.91	\$1,067.60	\$1,273.37	\$1,479.19
3 YD	\$266.56	\$494.39	\$722.16	\$949.96	\$1,177.73	\$1,405.24	\$1,633.36
4 YD	\$285.95	\$533.30	\$780.67	\$1,027.96	\$1,275.31	\$1,522.63	\$1,769.95
Roll Off Rates							
10 Cubic Yards (16' x 8' x 3')							
20 Cubic Yards (16' x 6' x 5')							
30 Cubic Yards (18' x 8' x 6')							
MOVE CONTAINER FEE after intial placement. Customers must give specific placement instructions, or have a spotter on site.						\$89.61	
SCHEDULED PICK-UPS per empty plus actual landfill charges. No container rental fee and MUST KEEP Roll Off bin for at least 90 days to qualify for scheduled pick-ups.						\$252.75	
UNSCHEDULED PICK-UPS per empty plus actual landfill charges plus oer day container charge as shown below.						\$300.86	
Daily Container Rental Charge for Unscheduled Service						\$6.90	
UNSCHEDULED PICK-UPS additional fee for nights, weekends, or holidays						\$160.38	
Temporary Construction Recycle Rates (Service < 90 Days, includes Delivery & Removal)							
1 YD						\$262.86	
1.5 YD						\$269.50	
2 YD						\$285.39	
3 YD						\$294.84	
4 YD						\$304.30	
6 YD						\$323.20	
8 YD						\$342.12	
Special Service Rates							
Subscription Item					Rate	Frequency of Charge	
Can/Bin Cleaning					\$25.00	/Request	
Can/Bin Re-Deliver Fee (after removal for missed payments)					\$25.00	/Occurrence	
Rear Loader Bulky Waste Pickup					\$25.00	/Request	
Roll-Off Overweight Charge					\$270.00	/Occurrence	
Commercial Recycling Contamination Fee					\$54.54	/Occurrence + \$1/CY	
Return Fee					\$54.00	/Occurrence	

Scenario 2: Effective July 1, 2021							
Residential Collection Rates							
Subscription Item					2020 Rate	2021 Rate	
90 Gal Pack-out (Single Family Units)					\$115.39	\$121.16	
64 Gal (Gray) Curbside (Single Family Unit & Multi Unit extra cans).					\$31.10	\$32.66	
90 Gal Green Waste (Green) Container					\$6.68	\$7.02	
64 Gal Recycling (Blue) Container					\$6.71	\$7.04	
90 Gal Disabled Pack-out (Single Family Unit)					\$31.10	\$32.66	
90 Gal Pack-out (Mobile home)					\$111.05	\$116.60	
90 Gal Curbside (Mobile home)					\$23.72	\$24.91	
Extra 64 Gal Refuse (Gray) Container single Residential only NOT MULTI UNITS					\$19.69	\$20.68	
					per month	per month	
					\$236.38	\$248.19	
					per year	per year	
Residential Go-Back Fee All Cans					\$25.00		
Residential Special Pick Up Fee Any single can or All Cans (includes extra service or refilling of cans) Courtesy call back not allowed.					\$25.00		
Contamination Fee (Garbage in Green or Blue can)					\$25.00		
Commercial and Industrial Collection Rates							
Solid Waste Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$88.35	\$157.94	\$227.52	\$297.10	\$366.68	\$436.26	\$505.85
1 YD	\$105.65	\$189.96	\$274.28	\$358.58	\$442.90	\$527.19	\$611.50
1.5 YD	\$114.13	\$206.92	\$299.70	\$392.47	\$485.23	\$578.02	\$670.80
2 YD	\$134.51	\$247.68	\$360.87	\$474.05	\$587.18	\$700.35	\$813.55
3 YD	\$146.61	\$271.91	\$397.19	\$522.48	\$647.75	\$772.88	\$898.35
4 YD	\$157.27	\$293.31	\$429.37	\$565.38	\$701.42	\$837.45	\$973.47
6 YD	\$182.96	\$344.59	\$506.19	\$667.83	\$829.40	\$991.04	\$1,152.65
8 YD	\$207.17	\$393.02	\$578.86	\$764.70	\$950.56	\$1,136.38	\$1,322.23
Recycling Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$76.41	\$135.29	\$187.61	\$246.49	\$305.36	\$364.22	\$423.10
1 YD	\$92.24	\$164.64	\$237.02	\$309.40	\$381.77	\$454.14	\$526.55
1.5 YD	\$99.55	\$179.19	\$258.85	\$338.50	\$418.14	\$497.78	\$555.33
2 YD	\$117.03	\$214.19	\$311.36	\$408.53	\$505.65	\$602.82	\$699.98
3 YD	\$127.42	\$235.00	\$342.54	\$450.11	\$557.64	\$665.20	\$772.79
4 YD	\$137.83	\$255.79	\$373.74	\$491.69	\$609.65	\$727.60	\$845.56
6 YD	\$158.62	\$297.40	\$436.11	\$574.90	\$713.60	\$852.37	\$991.10
8 YD	\$179.43	\$338.96	\$493.68	\$658.06	\$817.61	\$977.14	\$1,136.70
Organics Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
64 Gallon	\$59.11	\$107.23	\$155.34	\$203.46	\$251.57	\$299.68	\$347.80
300 Gallon	\$92.77	\$166.37	\$231.76	\$305.36	\$378.95	\$452.53	\$526.13
1 YD	\$112.56	\$203.05	\$293.52	\$383.99	\$474.47	\$564.92	\$655.43
1.5 YD	\$121.69	\$221.24	\$320.81	\$420.38	\$519.93	\$619.48	\$691.41
2 YD	\$143.54	\$264.99	\$386.45	\$507.92	\$629.32	\$750.77	\$872.23

Solid Waste Compactor Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
2 YD	\$269.01	\$495.36	\$721.73	\$948.11	\$1,174.36	\$1,400.70	\$1,627.11
3 YD	\$293.22	\$543.83	\$794.38	\$1,044.96	\$1,295.51	\$1,545.76	\$1,796.69
4 YD	\$314.55	\$586.63	\$858.74	\$1,130.76	\$1,402.84	\$1,674.89	\$1,946.95
Roll Off Rates							
10 Cubic Yards (16' x 8' x 3')							
20 Cubic Yards (16' x 6' x 5')							
30 Cubic Yards (18' x 8' x 6')							
MOVE CONTAINER FEE after intial placement. Customers must give specific placement instructions, or have a spotter on site.						\$98.57	
SCHEDULED PICK-UPS per empty plus actual landfill charges. No container rental fee and MUST KEEP Roll Off bin for at least 90 days to qualify for scheduled pick-ups.						\$278.02	
UNSCHEDULED PICK-UPS per empty plus actual landfill charges plus oer day container charge as shown below.						\$330.95	
Daily Container Rental Charge for Unscheduled Service						\$7.59	
UNSCHEDULED PICK-UPS additional fee for nights, weekends, or holidays						\$176.42	
Temporary Construction Recycle Rates (Service < 90 Days, includes Delivery & Removal)							
1 YD						\$289.14	
1.5 YD						\$296.45	
2 YD						\$313.93	
3 YD						\$324.32	
4 YD						\$334.73	
6 YD						\$355.52	
8 YD						\$376.33	
Special Service Rates							
Subscription Item					Rate	Frequency of Charge	
Can/Bin Cleaning					\$25.00	/Request	
Can/Bin Re-Deliver Fee (after removal for missed payments)					\$25.00	/Occurrence	
Rear Loader Bulky Waste Pickup					\$25.00	/Request	
Roll-Off Overweight Charge					\$297.00	/Occurrence	
Commercial Recycling Contamination Fee					\$59.99	/Occurrence + \$1/CY	
Return Fee					\$59.40	/Occurrence	

Scenario 2: Effective July 1, 2022							
Residential Collection Rates							
Subscription Item					2021 Rate	2022 Rate	
90 Gal Pack-out (Single Family Units)					\$121.16	\$127.22	
64 Gal (Gray) Curbside (Single Family Unit & Multi Unit extra cans).					\$32.66	\$34.29	
90 Gal Green Waste (Green) Container					\$7.02	\$7.37	
64 Gal Recycling (Blue) Container					\$7.04	\$7.40	
90 Gal Disabled Pack-out (Single Family Unit)					\$32.66	\$34.29	
90 Gal Pack-out (Mobile home)					\$116.60	\$122.43	
90 Gal Curbside (Mobile home)					\$24.91	\$26.16	
Extra 64 Gal Refuse (Gray) Container single Residential only NOT MULTI UNITS					\$20.68	\$21.71	
					per month	per month	
					\$248.19	\$260.60	
					per year	per year	
Residential Go-Back Fee All Cans					\$25.00		
Residential Special Pick Up Fee Any single can or All Cans (includes extra service or refilling of cans) Courtesy call back not allowed.					\$25.00		
Contamination Fee (Garbage in Green or Blue can)					\$25.00		
Commercial and Industrial Collection Rates							
Solid Waste Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$97.18	\$173.73	\$250.28	\$326.81	\$403.34	\$479.89	\$556.44
1 YD	\$116.22	\$208.95	\$301.70	\$394.44	\$487.19	\$579.90	\$672.65
1.5 YD	\$125.55	\$227.61	\$329.67	\$431.71	\$533.76	\$635.82	\$737.88
2 YD	\$147.96	\$272.45	\$396.95	\$521.46	\$645.90	\$770.39	\$894.91
3 YD	\$161.27	\$299.11	\$436.91	\$574.73	\$712.53	\$850.17	\$988.18
4 YD	\$173.00	\$322.64	\$472.31	\$621.92	\$771.56	\$921.19	\$1,070.82
6 YD	\$201.26	\$379.05	\$556.81	\$734.61	\$912.34	\$1,090.14	\$1,267.92
8 YD	\$227.89	\$432.32	\$636.75	\$841.17	\$1,045.62	\$1,250.02	\$1,454.45
Recycling Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$84.06	\$148.82	\$206.37	\$271.14	\$335.89	\$400.64	\$465.41
1 YD	\$101.47	\$181.10	\$260.72	\$340.34	\$419.95	\$499.55	\$579.20
1.5 YD	\$109.51	\$197.11	\$284.73	\$372.35	\$459.96	\$547.56	\$610.86
2 YD	\$128.73	\$235.61	\$342.49	\$449.39	\$556.22	\$663.10	\$769.98
3 YD	\$140.17	\$258.50	\$376.80	\$495.13	\$613.41	\$731.72	\$850.07
4 YD	\$151.62	\$281.37	\$411.12	\$540.86	\$670.61	\$800.36	\$930.11
6 YD	\$174.49	\$327.14	\$479.72	\$632.39	\$784.96	\$937.61	\$1,090.21
8 YD	\$197.37	\$372.86	\$543.05	\$723.86	\$899.37	\$1,074.86	\$1,250.37
Organics Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
64 Gallon	\$65.03	\$117.95	\$170.88	\$223.80	\$276.73	\$329.65	\$382.58
300 Gallon	\$102.04	\$183.00	\$254.94	\$335.90	\$416.84	\$497.78	\$578.74
1 YD	\$123.81	\$223.35	\$322.87	\$422.39	\$521.92	\$621.42	\$720.98
1.5 YD	\$133.86	\$243.36	\$352.89	\$462.42	\$571.92	\$681.43	\$760.55
2 YD	\$157.89	\$291.49	\$425.09	\$558.71	\$692.25	\$825.85	\$959.45

Solid Waste Compactor Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
2 YD	\$295.92	\$544.89	\$793.91	\$1,042.92	\$1,291.80	\$1,540.77	\$1,789.82
3 YD	\$322.54	\$598.21	\$873.82	\$1,149.45	\$1,425.06	\$1,700.33	\$1,976.36
4 YD	\$346.00	\$645.29	\$944.61	\$1,243.84	\$1,543.13	\$1,842.38	\$2,141.64
Roll Off Rates							
10 Cubic Yards (16' x 8' x 3')							
20 Cubic Yards (16' x 6' x 5')							
30 Cubic Yards (18' x 8' x 6')							
MOVE CONTAINER FEE after intial placement. Customers must give specific placement instructions, or have a spotter on site.						\$108.43	
SCHEDULED PICK-UPS per empty plus actual landfill charges. No container rental fee and MUST KEEP Roll Off bin for at least 90 days to qualify for scheduled pick-ups.						\$305.82	
UNSCHEDULED PICK-UPS per empty plus actual landfill charges plus oer day container charge as shown below.						\$364.04	
Daily Container Rental Charge for Unscheduled Service						\$8.35	
UNSCHEDULED PICK-UPS additional fee for nights, weekends, or holidays						\$194.06	
Temporary Construction Recycle Rates (Service < 90 Days, includes Delivery & Removal)							
1 YD						\$318.06	
1.5 YD						\$326.10	
2 YD						\$345.32	
3 YD						\$356.76	
4 YD						\$368.21	
6 YD						\$391.08	
8 YD						\$413.96	
Special Service Rates							
Subscription Item					Rate	Frequency of Charge	
Can/Bin Cleaning					\$25.00	/Request	
Can/Bin Re-Deliver Fee (after removal for missed payments)					\$25.00	/Occurrence	
Rear Loader Bulky Waste Pickup					\$25.00	/Request	
Roll-Off Overweight Charge					\$326.70	/Occurrence	
Commercial Recycling Contamination Fee					\$65.99	/Occurrence + \$1/CY	
Return Fee					\$65.34	/Occurrence	

Scenario 2: Effective July 1, 2023							
Residential Collection Rates							
Subscription Item					2022 Rate	2023 Rate	
90 Gal Pack-out (Single Family Units)					\$127.22	\$133.58	
64 Gal (Gray) Curbside (Single Family Unit & Multi Unit extra cans).					\$34.29	\$36.01	
90 Gal Green Waste (Green) Container					\$7.37	\$7.74	
64 Gal Recycling (Blue) Container					\$7.40	\$7.77	
90 Gal Disabled Pack-out (Single Family Unit)					\$34.29	\$36.01	
90 Gal Pack-out (Mobile home)					\$122.43	\$128.55	
90 Gal Curbside (Mobile home)					\$26.16	\$27.46	
Extra 64 Gal Refuse (Gray) Container single Residential only NOT MULTI UNITS					\$21.71	\$22.80	
					per month	per month	
					\$260.60	\$273.63	
					per year	per year	
Residential Go-Back Fee All Cans					\$25.00		
Residential Special Pick Up Fee Any single can or All Cans (includes extra service or refilling of cans) Courtesy call back not allowed.					\$25.00		
Contamination Fee (Garbage in Green or Blue can)					\$25.00		
Commercial and Industrial Collection Rates							
Solid Waste Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$106.90	\$191.10	\$275.30	\$359.49	\$443.68	\$527.88	\$612.08
1 YD	\$127.84	\$229.85	\$331.87	\$433.88	\$535.91	\$637.90	\$739.92
1.5 YD	\$138.10	\$250.37	\$362.64	\$474.88	\$587.13	\$699.40	\$811.67
2 YD	\$162.75	\$299.69	\$436.65	\$573.60	\$710.49	\$847.43	\$984.40
3 YD	\$177.40	\$329.02	\$480.60	\$632.20	\$783.78	\$935.18	\$1,087.00
4 YD	\$190.30	\$354.91	\$519.54	\$684.11	\$848.72	\$1,013.31	\$1,177.90
6 YD	\$221.39	\$416.95	\$612.49	\$808.07	\$1,003.57	\$1,199.16	\$1,394.71
8 YD	\$250.67	\$475.55	\$700.43	\$925.28	\$1,150.18	\$1,375.02	\$1,599.89
Recycling Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$92.46	\$163.71	\$227.01	\$298.25	\$369.48	\$440.71	\$511.95
1 YD	\$111.62	\$199.21	\$286.79	\$374.37	\$461.95	\$549.51	\$637.12
1.5 YD	\$120.46	\$216.82	\$313.20	\$409.59	\$505.95	\$602.32	\$671.95
2 YD	\$141.61	\$259.17	\$376.74	\$494.33	\$611.84	\$729.41	\$846.98
3 YD	\$154.18	\$284.35	\$414.47	\$544.64	\$674.75	\$804.89	\$935.08
4 YD	\$166.78	\$309.50	\$452.23	\$594.95	\$737.67	\$880.40	\$1,023.12
6 YD	\$191.93	\$359.85	\$527.69	\$695.63	\$863.45	\$1,031.37	\$1,199.23
8 YD	\$217.11	\$410.14	\$597.36	\$796.25	\$989.31	\$1,182.34	\$1,375.41
Organics Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
64 Gallon	\$71.53	\$129.75	\$187.96	\$246.18	\$304.40	\$362.62	\$420.84
300 Gallon	\$112.25	\$201.31	\$280.43	\$369.49	\$458.52	\$547.56	\$636.61
1 YD	\$136.19	\$245.69	\$355.16	\$464.63	\$574.11	\$683.56	\$793.08
1.5 YD	\$147.24	\$267.70	\$388.18	\$508.66	\$629.11	\$749.57	\$836.60
2 YD	\$173.68	\$320.64	\$467.60	\$614.58	\$761.47	\$908.43	\$1,055.39

Solid Waste Compactor Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
2 YD	\$325.51	\$599.38	\$873.30	\$1,147.21	\$1,420.98	\$1,694.85	\$1,968.80
3 YD	\$354.80	\$658.03	\$961.20	\$1,264.40	\$1,567.56	\$1,870.37	\$2,174.00
4 YD	\$380.60	\$709.82	\$1,039.07	\$1,368.22	\$1,697.44	\$2,026.62	\$2,355.80
Roll Off Rates							
10 Cubic Yards (16' x 8' x 3')							
20 Cubic Yards (16' x 6' x 5')							
30 Cubic Yards (18' x 8' x 6')							
MOVE CONTAINER FEE after intial placement. Customers must give specific placement instructions, or have a spotter on site.						\$119.27	
SCHEDULED PICK-UPS per empty plus actual landfill charges. No container rental fee and MUST KEEP Roll Off bin for at least 90 days to qualify for scheduled pick-ups.						\$336.41	
UNSCHEDULED PICK-UPS per empty plus actual landfill charges plus oer day container charge as shown below.						\$400.45	
Daily Container Rental Charge for Unscheduled Service						\$9.18	
UNSCHEDULED PICK-UPS additional fee for nights, weekends, or holidays						\$213.47	
Temporary Construction Recycle Rates (Service < 90 Days, includes Delivery & Removal)							
1 YD						\$349.86	
1.5 YD						\$358.71	
2 YD						\$379.85	
3 YD						\$392.43	
4 YD						\$405.03	
6 YD						\$430.18	
8 YD						\$455.36	
Special Service Rates							
Subscription Item					Rate	Frequency of Charge	
Can/Bin Cleaning					\$25.00	/Request	
Can/Bin Re-Deliver Fee (after removal for missed payments)					\$25.00	/Occurrence	
Rear Loader Bulky Waste Pickup					\$25.00	/Request	
Roll-Off Overweight Charge					\$359.37	/Occurrence	
Commercial Recycling Contamination Fee					\$72.59	/Occurrence + \$1/CY	
Return Fee					\$71.87	/Occurrence	

Scenario 2: Effective July 1, 2024							
Residential Collection Rates							
Subscription Item					2023 Rate	2024 Rate	
90 Gal Pack-out (Single Family Units)					\$133.58	\$133.58	
64 Gal (Gray) Curbside (Single Family Unit & Multi Unit extra cans).					\$36.01	\$36.01	
90 Gal Green Waste (Green) Container					\$7.74	\$7.74	
64 Gal Recycling (Blue) Container					\$7.77	\$7.77	
90 Gal Disabled Pack-out (Single Family Unit)					\$36.01	\$36.01	
90 Gal Pack-out (Mobile home)					\$128.55	\$128.55	
90 Gal Curbside (Mobile home)					\$27.46	\$27.46	
Extra 64 Gal Refuse (Gray) Container single Residential only NOT MULTI UNITS					\$22.80	per month	
					\$273.63	per year	
Residential Go-Back Fee All Cans					\$25.00		
Residential Special Pick Up Fee Any single can or All Cans (includes extra service or refilling of cans) Courtesy call back not allowed.					\$25.00		
Contamination Fee (Garbage in Green or Blue can)					\$25.00		
Commercial and Industrial Collection Rates							
Solid Waste Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$106.90	\$191.10	\$275.30	\$359.49	\$443.68	\$527.88	\$612.08
1 YD	\$127.84	\$229.85	\$331.87	\$433.88	\$535.91	\$637.90	\$739.92
1.5 YD	\$138.10	\$250.37	\$362.64	\$474.88	\$587.13	\$699.40	\$811.67
2 YD	\$162.75	\$299.69	\$436.65	\$573.60	\$710.49	\$847.43	\$984.40
3 YD	\$177.40	\$329.02	\$480.60	\$632.20	\$783.78	\$935.18	\$1,087.00
4 YD	\$190.30	\$354.91	\$519.54	\$684.11	\$848.72	\$1,013.31	\$1,177.90
6 YD	\$221.39	\$416.95	\$612.49	\$808.07	\$1,003.57	\$1,199.16	\$1,394.71
8 YD	\$250.67	\$475.55	\$700.43	\$925.28	\$1,150.18	\$1,375.02	\$1,599.89
Recycling Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$92.46	\$163.71	\$227.01	\$298.25	\$369.48	\$440.71	\$511.95
1 YD	\$111.62	\$199.21	\$286.79	\$374.37	\$461.95	\$549.51	\$637.12
1.5 YD	\$120.46	\$216.82	\$313.20	\$409.59	\$505.95	\$602.32	\$671.95
2 YD	\$141.61	\$259.17	\$376.74	\$494.33	\$611.84	\$729.41	\$846.98
3 YD	\$154.18	\$284.35	\$414.47	\$544.64	\$674.75	\$804.89	\$935.08
4 YD	\$166.78	\$309.50	\$452.23	\$594.95	\$737.67	\$880.40	\$1,023.12
6 YD	\$191.93	\$359.85	\$527.69	\$695.63	\$863.45	\$1,031.37	\$1,199.23
8 YD	\$217.11	\$410.14	\$597.36	\$796.25	\$989.31	\$1,182.34	\$1,375.41
Organics Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
64 Gallon	\$71.53	\$129.75	\$187.96	\$246.18	\$304.40	\$362.62	\$420.84
300 Gallon	\$112.25	\$201.31	\$280.43	\$369.49	\$458.52	\$547.56	\$636.61
1 YD	\$136.19	\$245.69	\$355.16	\$464.63	\$574.11	\$683.56	\$793.08
1.5 YD	\$147.24	\$267.70	\$388.18	\$508.66	\$629.11	\$749.57	\$836.60
2 YD	\$173.68	\$320.64	\$467.60	\$614.58	\$761.47	\$908.43	\$1,055.39

Solid Waste Compactor Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
2 YD	\$325.51	\$599.38	\$873.30	\$1,147.21	\$1,420.98	\$1,694.85	\$1,968.80
3 YD	\$354.80	\$658.03	\$961.20	\$1,264.40	\$1,567.56	\$1,870.37	\$2,174.00
4 YD	\$380.60	\$709.82	\$1,039.07	\$1,368.22	\$1,697.44	\$2,026.62	\$2,355.80
Roll Off Rates							
10 Cubic Yards (16' x 8' x 3')							
20 Cubic Yards (16' x 6' x 5')							
30 Cubic Yards (18' x 8' x 6')							
MOVE CONTAINER FEE after intial placement. Customers must give specific placement instructions, or have a spotter on site.						\$119.27	
SCHEDULED PICK-UPS per empty plus actual landfill charges. No container rental fee and MUST KEEP Roll Off bin for at least 90 days to qualify for scheduled pick-ups.						\$336.41	
UNSCHEDULED PICK-UPS per empty plus actual landfill charges plus oer day container charge as shown below.						\$400.45	
Daily Container Rental Charge for Unscheduled Service						\$9.18	
UNSCHEDULED PICK-UPS additional fee for nights, weekends, or holidays						\$213.47	
Temporary Construction Recycle Rates (Service < 90 Days, includes Delivery & Removal)							
1 YD						\$349.86	
1.5 YD						\$358.71	
2 YD						\$379.85	
3 YD						\$392.43	
4 YD						\$405.03	
6 YD						\$430.18	
8 YD						\$455.36	
Special Service Rates							
Subscription Item					Rate	Frequency of Charge	
Can/Bin Cleaning					\$25.00	/Request	
Can/Bin Re-Deliver Fee (after removal for missed payments)					\$25.00	/Occurrence	
Rear Loader Bulky Waste Pickup					\$25.00	/Request	
Roll-Off Overweight Charge					\$359.37	/Occurrence	
Commercial Recycling Contamination Fee					\$72.59	/Occurrence + \$1/CY	
Return Fee					\$71.87	/Occurrence	

Current Rates: Effective January 1, 2019							
Residential Collection rates							
Subscription Item							2019 Rate
90 Gal Pack-out (Single Family Units)							\$96.16
64 Gal (Gray) Curbside (Single Family Unit & Multi Unit extra cans).							\$25.92
90 Gal Green Waste (Green) Container							\$5.57
64 Gal Recycling (Blue) Container							\$5.59
90 Gal Disabled Pack-out (Single Family Unit)							\$25.92
90 Gal Pack-out (Mobile home)							\$92.54
90 Gal Curbside (Mobile home)							\$19.77
Extra 64 Gal Refuse (Gray) Container single Residential only NOT MULTI UNITS							\$16.41 per month
							\$196.98 per year
Residential Go-Back Fee All Cans							\$25.00
Residential Special Pick Up Fee Any single can or All Cans (includes extra service or refilling of cans) Courtesy call back not allowed.							\$25.00
Contamination Fee (Garbage in Green or Blue can)							\$25.00
Commercial and Industrial Collection Rates							
Solid Waste Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$52.09	\$98.95	\$145.81	\$192.66	\$239.51	\$286.37	\$333.23
1 YD	\$63.74	\$120.51	\$177.29	\$234.06	\$290.84	\$347.60	\$404.38
1.5 YD	\$69.45	\$131.93	\$194.41	\$256.88	\$319.35	\$381.83	\$444.31
2 YD	\$83.17	\$159.38	\$235.60	\$311.82	\$388.00	\$464.21	\$540.44
3 YD	\$91.32	\$175.70	\$260.06	\$344.43	\$428.79	\$513.05	\$597.54
4 YD	\$98.50	\$190.11	\$281.73	\$373.32	\$464.93	\$556.53	\$648.13
6 YD	\$115.80	\$224.64	\$333.46	\$442.31	\$551.11	\$659.96	\$768.79
8 YD	\$132.10	\$257.25	\$382.40	\$507.54	\$632.70	\$757.83	\$882.98
Recycling Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$44.05	\$83.70	\$118.93	\$158.58	\$198.22	\$237.86	\$277.51
1 YD	\$54.71	\$103.46	\$152.20	\$200.94	\$249.68	\$298.41	\$347.17
1.5 YD	\$59.63	\$113.26	\$166.90	\$220.54	\$274.17	\$327.80	\$366.55
2 YD	\$71.40	\$136.83	\$202.26	\$267.70	\$333.10	\$398.53	\$463.96
3 YD	\$78.40	\$150.84	\$223.26	\$295.70	\$368.11	\$440.54	\$512.99
4 YD	\$85.41	\$164.84	\$244.27	\$323.70	\$403.13	\$482.56	\$561.99
6 YD	\$99.41	\$192.86	\$286.27	\$379.73	\$473.13	\$566.58	\$660.00
8 YD	\$113.42	\$220.85	\$280.53	\$435.73	\$543.17	\$650.60	\$758.05
Organics Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
64 Gallon	\$32.40	\$64.80	\$97.20	\$129.60	\$162.00	\$194.40	\$226.80
300 Gallon	\$55.06	\$104.63	\$148.66	\$198.23	\$247.78	\$297.33	\$346.89
1 YD	\$68.39	\$129.33	\$190.25	\$251.18	\$312.10	\$373.01	\$433.96
1.5 YD	\$74.54	\$141.58	\$208.63	\$275.68	\$342.71	\$409.75	\$458.19
2 YD	\$89.25	\$171.04	\$252.83	\$334.63	\$416.38	\$498.16	\$579.95

Solid Waste Compactor Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
2 YD	\$166.34	\$318.76	\$471.20	\$623.64	\$776.00	\$928.42	\$1,080.88
3 YD	\$182.64	\$351.40	\$520.12	\$688.86	\$857.58	\$1,026.10	\$1,195.08
4 YD	\$197.00	\$380.22	\$563.46	\$746.64	\$929.86	\$1,113.06	\$1,296.26
Roll Off Rates							
10 Cubic Yards (16' x 8' x 3')							
20 Cubic Yards (16' x 6' x 5')							
30 Cubic Yards (18' x 8' x 6')							
MOVE CONTAINER FEE after intial placement. Customers must give specific placement instructions, or have a spotter on site.						\$66.38	
SCHEDULED PICK-UPS per empty plus actual landfill charges. No container rental fee and MUST KEEP Roll Off bin for at least 90 days to qualify for scheduled pick-ups.						\$187.22	
UNSCHEDULED PICK-UPS per empty plus actual landfill charges plus oer day container charge as shown below.						\$222.86	
Daily Container Rental Charge for Unscheduled Service						\$5.11	
UNSCHEDULED PICK-UPS additional fee for nights, weekends, or holidays						\$118.80	
Temporary Construction Recycle Rates (Service < 90 Days, includes Delivery & Removal)							
1 YD						\$194.71	
1.5 YD						\$199.63	
2 YD						\$211.40	
3 YD						\$218.40	
4 YD						\$225.41	
6 YD						\$239.41	
8 YD						\$253.42	
Special Service Rates							
Subscription Item					Rate	Frequency of Charge	
Can/Bin Cleaning					\$25.00	/Request	
Can/Bin Re-Deliver Fee (after removal for missed payments)					\$25.00	/Occurrence	
Rear Loader Bulky Waste Pickup					\$25.00	/Request	
Roll-Off Overweight Charge					\$200.00	/Occurrence	
Commercial Recycling Contamination Fee					\$40.40	/Occurrence + \$1/CY	
Return Fee					\$40.00	/Occurrence	

Scenario 1: Effective July 1, 2020							
Residential Collection Rates							
Subscription Item					2019 Rate	2020 Rate	
90 Gal Pack-out (Single Family Units)					\$96.16	\$124.05	
64 Gal (Gray) Curbside (Single Family Unit & Multi Unit extra cans).					\$25.92	\$33.44	
90 Gal Green Waste (Green) Container					\$5.57	\$7.19	
64 Gal Recycling (Blue) Container					\$5.59	\$7.21	
90 Gal Disabled Pack-out (Single Family Unit)					\$25.92	\$33.44	
90 Gal Pack-out (Mobile home)					\$92.54	\$119.38	
90 Gal Curbside (Mobile home)					\$19.77	\$25.50	
Extra 64 Gal Refuse (Gray) Container single Residential only NOT MULTI UNITS					\$16.41	\$21.17	
					per month	per month	
					\$196.98	\$254.10	
					per year	per year	
Residential Go-Back Fee All Cans					\$25.00		
Residential Special Pick Up Fee Any single can or All Cans (includes extra service or refilling of cans) Courtesy call back not allowed.					\$25.00		
Contamination Fee (Garbage in Green or Blue can)					\$25.00		
Commercial and Industrial Collection Rates							
Solid Waste Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$77.19	\$137.64	\$198.09	\$258.53	\$318.97	\$379.42	\$439.87
1 YD	\$92.22	\$165.46	\$238.70	\$311.94	\$385.18	\$458.40	\$531.65
1.5 YD	\$99.59	\$180.19	\$260.79	\$341.38	\$421.96	\$502.56	\$583.16
2 YD	\$117.29	\$215.60	\$313.92	\$412.25	\$510.52	\$608.83	\$707.17
3 YD	\$127.80	\$236.65	\$345.48	\$454.31	\$563.14	\$671.83	\$780.83
4 YD	\$137.07	\$255.24	\$373.43	\$491.58	\$609.76	\$727.92	\$846.09
6 YD	\$159.38	\$299.79	\$440.16	\$580.58	\$720.93	\$861.35	\$1,001.74
8 YD	\$180.41	\$341.85	\$503.30	\$664.73	\$826.18	\$987.60	\$1,149.04
Recycling Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$66.82	\$117.97	\$163.42	\$214.57	\$265.70	\$316.84	\$367.99
1 YD	\$80.58	\$143.46	\$206.34	\$269.21	\$332.09	\$394.95	\$457.85
1.5 YD	\$86.92	\$156.11	\$225.30	\$294.50	\$363.68	\$432.86	\$482.85
2 YD	\$102.11	\$186.51	\$270.92	\$355.33	\$439.70	\$524.10	\$608.51
3 YD	\$111.14	\$204.58	\$298.01	\$391.45	\$484.86	\$578.30	\$671.76
4 YD	\$120.18	\$222.64	\$325.11	\$427.57	\$530.04	\$632.50	\$734.97
6 YD	\$138.24	\$258.79	\$379.29	\$499.85	\$620.34	\$740.89	\$861.40
8 YD	\$156.31	\$294.90	\$429.30	\$572.09	\$710.69	\$849.27	\$987.88
Organics Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
64 Gallon	\$51.80	\$93.59	\$135.39	\$177.18	\$218.98	\$260.78	\$302.57
300 Gallon	\$81.03	\$144.97	\$201.77	\$265.71	\$329.63	\$393.55	\$457.48
1 YD	\$98.22	\$176.83	\$255.42	\$334.02	\$412.61	\$491.19	\$569.81
1.5 YD	\$106.15	\$192.63	\$279.13	\$365.62	\$452.10	\$538.58	\$601.06
2 YD	\$125.13	\$230.64	\$336.14	\$441.67	\$547.12	\$652.63	\$758.14

Solid Waste Compactor Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
2 YD	\$234.58	\$431.20	\$627.85	\$824.50	\$1,021.04	\$1,217.66	\$1,414.34
3 YD	\$255.61	\$473.31	\$690.95	\$908.63	\$1,126.28	\$1,343.67	\$1,561.65
4 YD	\$274.13	\$510.48	\$746.86	\$983.17	\$1,219.52	\$1,455.85	\$1,692.18
Roll Off Rates							
10 Cubic Yards (16' x 8' x 3')							
20 Cubic Yards (16' x 6' x 5')							
30 Cubic Yards (18' x 8' x 6')							
MOVE CONTAINER FEE after intial placement. Customers must give specific placement instructions, or have a spotter on site.						\$85.63	
SCHEDULED PICK-UPS per empty plus actual landfill charges. No container rental fee and MUST KEEP Roll Off bin for at least 90 days to qualify for scheduled pick-ups.						\$241.51	
UNSCHEDULED PICK-UPS per empty plus actual landfill charges plus oer day container charge as shown below.						\$287.49	
Daily Container Rental Charge for Unscheduled Service						\$6.59	
UNSCHEDULED PICK-UPS additional fee for nights, weekends, or holidays						\$153.25	
Temporary Construction Recycle Rates (Service < 90 Days, includes Delivery & Removal)							
1 YD						\$251.18	
1.5 YD						\$257.52	
2 YD						\$272.71	
3 YD						\$281.74	
4 YD						\$290.78	
6 YD						\$308.84	
8 YD						\$326.91	
Special Service Rates							
Subscription Item					Rate	Frequency of Charge	
Can/Bin Cleaning					\$25.00	/Request	
Can/Bin Re-Deliver Fee (after removal for missed payments)					\$25.00	/Occurrence	
Rear Loader Bulky Waste Pickup					\$25.00	/Request	
Roll-Off Overweight Charge					\$258.00	/Occurrence	
Commercial Recycling Contamination Fee					\$52.12	/Occurrence + \$1/CY	
Return Fee					\$51.60	/Occurrence	

Scenario 1: Effective July 1, 2021							
Residential Collection Rates							
Subscription Item					2020 Rate	2021 Rate	
90 Gal Pack-out (Single Family Units)					\$124.05	\$135.21	
64 Gal (Gray) Curbside (Single Family Unit & Multi Unit extra cans).					\$33.44	\$36.45	
90 Gal Green Waste (Green) Container					\$7.19	\$7.83	
64 Gal Recycling (Blue) Container					\$7.21	\$7.86	
90 Gal Disabled Pack-out (Single Family Unit)					\$33.44	\$36.45	
90 Gal Pack-out (Mobile home)					\$119.38	\$130.12	
90 Gal Curbside (Mobile home)					\$25.50	\$27.80	
Extra 64 Gal Refuse (Gray) Container single Residential only NOT MULTI UNITS					\$21.17 per month	\$23.07 per month	
					\$254.10 per year	\$276.97 per year	
Residential Go-Back Fee All Cans					\$25.00		
Residential Special Pick Up Fee Any single can or All Cans (includes extra service or refilling of cans) Courtesy call back not allowed.					\$25.00		
Contamination Fee (Garbage in Green or Blue can)					\$25.00		
Commercial and Industrial Collection Rates							
Solid Waste Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$84.14	\$150.03	\$215.92	\$281.80	\$347.68	\$413.57	\$479.46
1 YD	\$100.52	\$180.35	\$260.19	\$340.01	\$419.85	\$499.66	\$579.50
1.5 YD	\$108.55	\$196.41	\$284.26	\$372.10	\$459.94	\$547.79	\$635.64
2 YD	\$127.85	\$235.00	\$342.18	\$449.35	\$556.47	\$663.63	\$770.81
3 YD	\$139.31	\$257.95	\$376.57	\$495.20	\$613.82	\$732.30	\$851.10
4 YD	\$149.40	\$278.21	\$407.04	\$535.83	\$664.64	\$793.44	\$922.24
6 YD	\$173.73	\$326.77	\$479.78	\$632.83	\$785.82	\$938.87	\$1,091.90
8 YD	\$196.65	\$372.62	\$548.59	\$724.55	\$900.54	\$1,076.48	\$1,252.46
Recycling Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$72.84	\$128.59	\$178.13	\$233.88	\$289.62	\$345.35	\$401.11
1 YD	\$87.83	\$156.38	\$224.91	\$293.44	\$361.98	\$430.49	\$499.06
1.5 YD	\$94.75	\$170.15	\$245.58	\$321.00	\$396.41	\$471.82	\$526.31
2 YD	\$111.30	\$203.30	\$295.30	\$387.31	\$479.27	\$571.27	\$663.27
3 YD	\$121.14	\$223.00	\$324.83	\$426.68	\$528.50	\$630.34	\$732.22
4 YD	\$131.00	\$242.68	\$354.37	\$466.05	\$577.74	\$689.43	\$801.11
6 YD	\$150.68	\$282.08	\$413.42	\$544.84	\$676.17	\$807.57	\$938.93
8 YD	\$170.38	\$321.44	\$467.94	\$623.58	\$774.65	\$925.71	\$1,076.79
Organics Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
64 Gallon	\$56.46	\$102.02	\$147.57	\$193.13	\$238.69	\$284.25	\$329.80
300 Gallon	\$88.32	\$158.01	\$219.93	\$289.62	\$359.30	\$428.97	\$498.66
1 YD	\$107.06	\$192.74	\$278.41	\$364.08	\$449.74	\$535.39	\$621.09
1.5 YD	\$115.71	\$209.97	\$304.25	\$398.53	\$492.79	\$587.05	\$655.16
2 YD	\$136.39	\$251.40	\$366.40	\$481.42	\$596.36	\$711.37	\$826.37

Solid Waste Compactor Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
2 YD	\$255.69	\$470.01	\$684.35	\$898.70	\$1,112.93	\$1,327.25	\$1,541.63
3 YD	\$278.61	\$515.90	\$753.14	\$990.41	\$1,227.64	\$1,464.60	\$1,702.20
4 YD	\$298.80	\$556.43	\$814.08	\$1,071.65	\$1,329.28	\$1,586.87	\$1,844.47
Roll Off Rates							
10 Cubic Yards (16' x 8' x 3')							
20 Cubic Yards (16' x 6' x 5')							
30 Cubic Yards (18' x 8' x 6')							
MOVE CONTAINER FEE after intial placement. Customers must give specific placement instructions, or have a spotter on site.						\$93.34	
SCHEDULED PICK-UPS per empty plus actual landfill charges. No container rental fee and MUST KEEP Roll Off bin for at least 90 days to qualify for scheduled pick-ups.						\$263.25	
UNSCHEDULED PICK-UPS per empty plus actual landfill charges plus oer day container charge as shown below.						\$313.36	
Daily Container Rental Charge for Unscheduled Service						\$7.19	
UNSCHEDULED PICK-UPS additional fee for nights, weekends, or holidays						\$167.04	
Temporary Construction Recycle Rates (Service < 90 Days, includes Delivery & Removal)							
1 YD						\$273.78	
1.5 YD						\$280.70	
2 YD						\$297.25	
3 YD						\$307.09	
4 YD						\$316.95	
6 YD						\$336.63	
8 YD						\$356.33	
Special Service Rates							
Subscription Item					Rate	Frequency of Charge	
Can/Bin Cleaning					\$25.00	/Request	
Can/Bin Re-Deliver Fee (after removal for missed payments)					\$25.00	/Occurrence	
Rear Loader Bulky Waste Pickup					\$25.00	/Request	
Roll-Off Overweight Charge					\$281.22	/Occurrence	
Commercial Recycling Contamination Fee					\$56.81	/Occurrence + \$1/CY	
Return Fee					\$56.24	/Occurrence	

Scenario 1: Effective July 1, 2022							
Residential Collection Rates							
Subscription Item					2021 Rate	2022 Rate	
90 Gal Pack-out (Single Family Units)					\$135.21	\$141.97	
64 Gal (Gray) Curbside (Single Family Unit & Multi Unit extra cans).					\$36.45	\$38.27	
90 Gal Green Waste (Green) Container					\$7.83	\$8.22	
64 Gal Recycling (Blue) Container					\$7.86	\$8.25	
90 Gal Disabled Pack-out (Single Family Unit)					\$36.45	\$38.27	
90 Gal Pack-out (Mobile home)					\$130.12	\$136.63	
90 Gal Curbside (Mobile home)					\$27.80	\$29.19	
Extra 64 Gal Refuse (Gray) Container single Residential only NOT MULTI UNITS					\$23.07	\$24.23	
					per month	per month	
					\$276.97	\$290.82	
					per year	per year	
Residential Go-Back Fee All Cans					\$25.00		
Residential Special Pick Up Fee Any single can or All Cans (includes extra service or refilling of cans) Courtesy call back not allowed.					\$25.00		
Contamination Fee (Garbage in Green or Blue can)					\$25.00		
Commercial and Industrial Collection Rates							
Solid Waste Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$88.35	\$157.53	\$226.72	\$295.89	\$365.06	\$434.25	\$503.43
1 YD	\$105.55	\$189.37	\$273.20	\$357.01	\$440.84	\$524.64	\$608.47
1.5 YD	\$113.98	\$206.23	\$298.47	\$390.70	\$482.93	\$575.18	\$667.43
2 YD	\$134.24	\$246.75	\$359.29	\$471.82	\$584.29	\$696.81	\$809.35
3 YD	\$146.27	\$270.85	\$395.40	\$519.96	\$644.51	\$768.91	\$893.66
4 YD	\$156.87	\$292.12	\$427.39	\$562.62	\$697.87	\$833.11	\$968.35
6 YD	\$182.41	\$343.10	\$503.77	\$664.47	\$825.11	\$985.81	\$1,146.49
8 YD	\$206.48	\$391.25	\$576.02	\$760.78	\$945.57	\$1,130.31	\$1,315.08
Recycling Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$76.48	\$135.02	\$187.03	\$245.57	\$304.10	\$362.62	\$421.16
1 YD	\$92.22	\$164.19	\$236.15	\$308.11	\$380.07	\$452.02	\$524.01
1.5 YD	\$99.48	\$178.66	\$257.86	\$337.05	\$416.23	\$495.41	\$552.62
2 YD	\$116.86	\$213.46	\$310.06	\$406.68	\$503.24	\$599.84	\$696.44
3 YD	\$127.20	\$234.15	\$341.07	\$448.02	\$554.92	\$661.86	\$768.83
4 YD	\$137.54	\$254.82	\$372.09	\$489.36	\$606.63	\$723.90	\$841.17
6 YD	\$158.21	\$296.18	\$434.10	\$572.08	\$709.98	\$847.95	\$985.87
8 YD	\$178.90	\$337.51	\$491.34	\$654.76	\$813.38	\$971.99	\$1,130.63
Organics Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
64 Gallon	\$59.28	\$107.12	\$154.95	\$202.79	\$250.62	\$298.46	\$346.29
300 Gallon	\$92.74	\$165.91	\$230.93	\$304.11	\$377.26	\$450.42	\$523.59
1 YD	\$112.41	\$202.38	\$292.33	\$382.28	\$472.23	\$562.16	\$652.15
1.5 YD	\$121.49	\$220.47	\$319.46	\$418.45	\$517.43	\$616.40	\$687.92
2 YD	\$143.21	\$263.97	\$384.72	\$505.49	\$626.18	\$746.93	\$867.69

Solid Waste Compactor Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
2 YD	\$268.48	\$493.51	\$718.57	\$943.64	\$1,168.58	\$1,393.61	\$1,618.71
3 YD	\$292.54	\$541.70	\$790.80	\$1,039.93	\$1,289.03	\$1,537.83	\$1,787.31
4 YD	\$313.74	\$584.25	\$854.79	\$1,125.23	\$1,395.74	\$1,666.22	\$1,936.69
Roll Off Rates							
10 Cubic Yards (16' x 8' x 3')							
20 Cubic Yards (16' x 6' x 5')							
30 Cubic Yards (18' x 8' x 6')							
MOVE CONTAINER FEE after intial placement. Customers must give specific placement instructions, or have a spotter on site.						\$98.00	
SCHEDULED PICK-UPS per empty plus actual landfill charges. No container rental fee and MUST KEEP Roll Off bin for at least 90 days to qualify for scheduled pick-ups.						\$276.41	
UNSCHEDULED PICK-UPS per empty plus actual landfill charges plus oer day container charge as shown below.						\$329.03	
Daily Container Rental Charge for Unscheduled Service						\$7.54	
UNSCHEDULED PICK-UPS additional fee for nights, weekends, or holidays						\$175.40	
Temporary Construction Recycle Rates (Service < 90 Days, includes Delivery & Removal)							
1 YD						\$287.47	
1.5 YD						\$294.73	
2 YD						\$312.11	
3 YD						\$322.45	
4 YD						\$332.80	
6 YD						\$353.47	
8 YD						\$374.15	
Special Service Rates							
Subscription Item					Rate	Frequency of Charge	
Can/Bin Cleaning					\$25.00	/Request	
Can/Bin Re-Deliver Fee (after removal for missed payments)					\$25.00	/Occurrence	
Rear Loader Bulky Waste Pickup					\$25.00	/Request	
Roll-Off Overweight Charge					\$295.28	/Occurrence	
Commercial Recycling Contamination Fee					\$59.65	/Occurrence + \$1/CY	
Return Fee					\$59.06	/Occurrence	

Scenario 1: Effective July 1, 2023							
Residential Collection Rates							
Subscription Item					2022 Rate	2023 Rate	
90 Gal Pack-out (Single Family Units)					\$141.97	\$147.65	
64 Gal (Gray) Curbside (Single Family Unit & Multi Unit extra cans).					\$38.27	\$39.80	
90 Gal Green Waste (Green) Container					\$8.22	\$8.55	
64 Gal Recycling (Blue) Container					\$8.25	\$8.58	
90 Gal Disabled Pack-out (Single Family Unit)					\$38.27	\$39.80	
90 Gal Pack-out (Mobile home)					\$136.63	\$142.09	
90 Gal Curbside (Mobile home)					\$29.19	\$30.36	
Extra 64 Gal Refuse (Gray) Container single Residential only NOT MULTI UNITS					\$24.23	\$25.20	
					per month	per month	
					\$290.82	\$302.46	
					per year	per year	
Residential Go-Back Fee All Cans					\$25.00		
Residential Special Pick Up Fee Any single can or All Cans (includes extra service or refilling of cans) Courtesy call back not allowed.					\$25.00		
Contamination Fee (Garbage in Green or Blue can)					\$25.00		
Commercial and Industrial Collection Rates							
Solid Waste Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$91.88	\$163.83	\$235.78	\$307.72	\$379.66	\$451.62	\$523.57
1 YD	\$109.77	\$196.94	\$284.12	\$371.29	\$458.48	\$545.63	\$632.81
1.5 YD	\$118.54	\$214.48	\$310.41	\$406.33	\$502.25	\$598.19	\$694.12
2 YD	\$139.61	\$256.62	\$373.66	\$490.69	\$607.66	\$724.68	\$841.73
3 YD	\$152.12	\$281.68	\$411.21	\$540.76	\$670.29	\$799.67	\$929.40
4 YD	\$163.15	\$303.81	\$444.49	\$585.12	\$725.78	\$866.43	\$1,007.08
6 YD	\$189.71	\$356.83	\$523.92	\$691.05	\$858.11	\$1,025.25	\$1,192.35
8 YD	\$214.74	\$406.90	\$599.06	\$791.21	\$983.39	\$1,175.52	\$1,367.68
Recycling Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$79.54	\$140.42	\$194.52	\$255.40	\$316.26	\$377.13	\$438.01
1 YD	\$95.91	\$170.76	\$245.60	\$320.44	\$395.28	\$470.10	\$544.97
1.5 YD	\$103.46	\$185.81	\$268.17	\$350.53	\$432.88	\$515.23	\$574.73
2 YD	\$121.53	\$222.00	\$322.47	\$422.95	\$523.36	\$623.83	\$724.30
3 YD	\$132.28	\$243.51	\$354.71	\$465.94	\$577.12	\$688.33	\$799.58
4 YD	\$143.05	\$265.01	\$386.97	\$508.93	\$630.89	\$752.85	\$874.82
6 YD	\$164.54	\$308.03	\$451.46	\$594.96	\$738.38	\$881.86	\$1,025.31
8 YD	\$186.05	\$351.01	\$510.99	\$680.95	\$845.92	\$1,010.87	\$1,175.86
Organics Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
64 Gallon	\$61.65	\$111.40	\$161.15	\$210.90	\$260.65	\$310.40	\$360.15
300 Gallon	\$96.45	\$172.55	\$240.17	\$316.27	\$392.35	\$468.43	\$544.54
1 YD	\$116.91	\$210.48	\$304.02	\$397.57	\$491.12	\$584.65	\$678.24
1.5 YD	\$126.35	\$229.29	\$332.24	\$435.19	\$538.12	\$641.06	\$715.43
2 YD	\$148.94	\$274.52	\$400.11	\$525.71	\$651.23	\$776.81	\$902.39

Solid Waste Compactor Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
2 YD	\$279.21	\$513.25	\$747.31	\$981.38	\$1,215.32	\$1,449.36	\$1,683.45
3 YD	\$304.24	\$563.37	\$822.43	\$1,081.52	\$1,340.59	\$1,599.34	\$1,858.80
4 YD	\$326.29	\$607.62	\$888.98	\$1,170.24	\$1,451.57	\$1,732.87	\$2,014.16
Roll Off Rates							
10 Cubic Yards (16' x 8' x 3')							
20 Cubic Yards (16' x 6' x 5')							
30 Cubic Yards (18' x 8' x 6')							
MOVE CONTAINER FEE after intial placement. Customers must give specific placement instructions, or have a spotter on site.						\$101.92	
SCHEDULED PICK-UPS per empty plus actual landfill charges. No container rental fee and MUST KEEP Roll Off bin for at least 90 days to qualify for scheduled pick-ups.						\$287.47	
UNSCHEDULED PICK-UPS per empty plus actual landfill charges plus oer day container charge as shown below.						\$342.19	
Daily Container Rental Charge for Unscheduled Service						\$7.85	
UNSCHEDULED PICK-UPS additional fee for nights, weekends, or holidays						\$182.41	
Temporary Construction Recycle Rates (Service < 90 Days, includes Delivery & Removal)							
1 YD						\$298.97	
1.5 YD						\$306.52	
2 YD						\$324.60	
3 YD						\$335.34	
4 YD						\$346.11	
6 YD						\$367.60	
8 YD						\$389.12	
Special Service Rates							
Subscription Item					Rate	Frequency of Charge	
Can/Bin Cleaning					\$25.00	/Request	
Can/Bin Re-Deliver Fee (after removal for missed payments)					\$25.00	/Occurrence	
Rear Loader Bulky Waste Pickup					\$25.00	/Request	
Roll-Off Overweight Charge					\$307.09	/Occurrence	
Commercial Recycling Contamination Fee					\$62.03	/Occurrence + \$1/CY	
Return Fee					\$61.42	/Occurrence	

Scenario 1: Effective July 1, 2024							
Residential Collection Rates							
Subscription Item					2023 Rate	2024 Rate	
90 Gal Pack-out (Single Family Units)					\$147.65	\$147.65	
64 Gal (Gray) Curbside (Single Family Unit & Multi Unit extra cans).					\$39.80	\$39.80	
90 Gal Green Waste (Green) Container					\$8.55	\$8.55	
64 Gal Recycling (Blue) Container					\$8.58	\$8.58	
90 Gal Disabled Pack-out (Single Family Unit)					\$39.80	\$39.80	
90 Gal Pack-out (Mobile home)					\$142.09	\$142.09	
90 Gal Curbside (Mobile home)					\$30.36	\$30.36	
Extra 64 Gal Refuse (Gray) Container single Residential only NOT MULTI UNITS					\$25.20	per month	
					\$302.46	per year	
Residential Go-Back Fee All Cans					\$25.00		
Residential Special Pick Up Fee Any single can or All Cans (includes extra service or refilling of cans) Courtesy call back not allowed.					\$25.00		
Contamination Fee (Garbage in Green or Blue can)					\$25.00		
Commercial and Industrial Collection Rates							
Solid Waste Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$91.88	\$163.83	\$235.78	\$307.72	\$379.66	\$451.62	\$523.57
1 YD	\$109.77	\$196.94	\$284.12	\$371.29	\$458.48	\$545.63	\$632.81
1.5 YD	\$118.54	\$214.48	\$310.41	\$406.33	\$502.25	\$598.19	\$694.12
2 YD	\$139.61	\$256.62	\$373.66	\$490.69	\$607.66	\$724.68	\$841.73
3 YD	\$152.12	\$281.68	\$411.21	\$540.76	\$670.29	\$799.67	\$929.40
4 YD	\$163.15	\$303.81	\$444.49	\$585.12	\$725.78	\$866.43	\$1,007.08
6 YD	\$189.71	\$356.83	\$523.92	\$691.05	\$858.11	\$1,025.25	\$1,192.35
8 YD	\$214.74	\$406.90	\$599.06	\$791.21	\$983.39	\$1,175.52	\$1,367.68
Recycling Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$79.54	\$140.42	\$194.52	\$255.40	\$316.26	\$377.13	\$438.01
1 YD	\$95.91	\$170.76	\$245.60	\$320.44	\$395.28	\$470.10	\$544.97
1.5 YD	\$103.46	\$185.81	\$268.17	\$350.53	\$432.88	\$515.23	\$574.73
2 YD	\$121.53	\$222.00	\$322.47	\$422.95	\$523.36	\$623.83	\$724.30
3 YD	\$132.28	\$243.51	\$354.71	\$465.94	\$577.12	\$688.33	\$799.58
4 YD	\$143.05	\$265.01	\$386.97	\$508.93	\$630.89	\$752.85	\$874.82
6 YD	\$164.54	\$308.03	\$451.46	\$594.96	\$738.38	\$881.86	\$1,025.31
8 YD	\$186.05	\$351.01	\$510.99	\$680.95	\$845.92	\$1,010.87	\$1,175.86
Organics Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
64 Gallon	\$61.65	\$111.40	\$161.15	\$210.90	\$260.65	\$310.40	\$360.15
300 Gallon	\$96.45	\$172.55	\$240.17	\$316.27	\$392.35	\$468.43	\$544.54
1 YD	\$116.91	\$210.48	\$304.02	\$397.57	\$491.12	\$584.65	\$678.24
1.5 YD	\$126.35	\$229.29	\$332.24	\$435.19	\$538.12	\$641.06	\$715.43
2 YD	\$148.94	\$274.52	\$400.11	\$525.71	\$651.23	\$776.81	\$902.39

Solid Waste Compactor Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
2 YD	\$279.21	\$513.25	\$747.31	\$981.38	\$1,215.32	\$1,449.36	\$1,683.45
3 YD	\$304.24	\$563.37	\$822.43	\$1,081.52	\$1,340.59	\$1,599.34	\$1,858.80
4 YD	\$326.29	\$607.62	\$888.98	\$1,170.24	\$1,451.57	\$1,732.87	\$2,014.16
Roll Off Rates							
10 Cubic Yards (16' x 8' x 3')							
20 Cubic Yards (16' x 6' x 5')							
30 Cubic Yards (18' x 8' x 6')							
MOVE CONTAINER FEE after intial placement. Customers must give specific placement instructions, or have a spotter on site.						\$101.92	
SCHEDULED PICK-UPS per empty plus actual landfill charges. No container rental fee and MUST KEEP Roll Off bin for at least 90 days to qualify for scheduled pick-ups.						\$287.47	
UNSCHEDULED PICK-UPS per empty plus actual landfill charges plus oer day container charge as shown below.						\$342.19	
Daily Container Rental Charge for Unscheduled Service						\$7.85	
UNSCHEDULED PICK-UPS additional fee for nights, weekends, or holidays						\$182.41	
Temporary Construction Recycle Rates (Service < 90 Days, includes Delivery & Removal)							
1 YD						\$298.97	
1.5 YD						\$306.52	
2 YD						\$324.60	
3 YD						\$335.34	
4 YD						\$346.11	
6 YD						\$367.60	
8 YD						\$389.12	
Special Service Rates							
Subscription Item					Rate	Frequency of Charge	
Can/Bin Cleaning					\$25.00	/Request	
Can/Bin Re-Deliver Fee (after removal for missed payments)					\$25.00	/Occurrence	
Rear Loader Bulky Waste Pickup					\$25.00	/Request	
Roll-Off Overweight Charge					\$307.09	/Occurrence	
Commercial Recycling Contamination Fee					\$62.03	/Occurrence + \$1/CY	
Return Fee					\$61.42	/Occurrence	

Current Rates: Effective January 1, 2019							
Residential Collection rates							
Subscription Item							2019 Rate
90 Gal Pack-out (Single Family Units)							\$96.16
64 Gal (Gray) Curbside (Single Family Unit & Multi Unit extra cans).							\$25.92
90 Gal Green Waste (Green) Container							\$5.57
64 Gal Recycling (Blue) Container							\$5.59
90 Gal Disabled Pack-out (Single Family Unit)							\$25.92
90 Gal Pack-out (Mobile home)							\$92.54
90 Gal Curbside (Mobile home)							\$19.77
Extra 64 Gal Refuse (Gray) Container single Residential only NOT MULTI UNITS							\$16.41 per month
							\$196.98 per year
Residential Go-Back Fee All Cans							\$25.00
Residential Special Pick Up Fee Any single can or All Cans (includes extra service or refilling of cans) Courtesy call back not allowed.							\$25.00
Contamination Fee (Garbage in Green or Blue can)							\$25.00
Commercial and Industrial Collection Rates							
Solid Waste Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$52.09	\$98.95	\$145.81	\$192.66	\$239.51	\$286.37	\$333.23
1 YD	\$63.74	\$120.51	\$177.29	\$234.06	\$290.84	\$347.60	\$404.38
1.5 YD	\$69.45	\$131.93	\$194.41	\$256.88	\$319.35	\$381.83	\$444.31
2 YD	\$83.17	\$159.38	\$235.60	\$311.82	\$388.00	\$464.21	\$540.44
3 YD	\$91.32	\$175.70	\$260.06	\$344.43	\$428.79	\$513.05	\$597.54
4 YD	\$98.50	\$190.11	\$281.73	\$373.32	\$464.93	\$556.53	\$648.13
6 YD	\$115.80	\$224.64	\$333.46	\$442.31	\$551.11	\$659.96	\$768.79
8 YD	\$132.10	\$257.25	\$382.40	\$507.54	\$632.70	\$757.83	\$882.98
Recycling Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$44.05	\$83.70	\$118.93	\$158.58	\$198.22	\$237.86	\$277.51
1 YD	\$54.71	\$103.46	\$152.20	\$200.94	\$249.68	\$298.41	\$347.17
1.5 YD	\$59.63	\$113.26	\$166.90	\$220.54	\$274.17	\$327.80	\$366.55
2 YD	\$71.40	\$136.83	\$202.26	\$267.70	\$333.10	\$398.53	\$463.96
3 YD	\$78.40	\$150.84	\$223.26	\$295.70	\$368.11	\$440.54	\$512.99
4 YD	\$85.41	\$164.84	\$244.27	\$323.70	\$403.13	\$482.56	\$561.99
6 YD	\$99.41	\$192.86	\$286.27	\$379.73	\$473.13	\$566.58	\$660.00
8 YD	\$113.42	\$220.85	\$280.53	\$435.73	\$543.17	\$650.60	\$758.05
Organics Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
64 Gallon	\$32.40	\$64.80	\$97.20	\$129.60	\$162.00	\$194.40	\$226.80
300 Gallon	\$55.06	\$104.63	\$148.66	\$198.23	\$247.78	\$297.33	\$346.89
1 YD	\$68.39	\$129.33	\$190.25	\$251.18	\$312.10	\$373.01	\$433.96
1.5 YD	\$74.54	\$141.58	\$208.63	\$275.68	\$342.71	\$409.75	\$458.19
2 YD	\$89.25	\$171.04	\$252.83	\$334.63	\$416.38	\$498.16	\$579.95

Solid Waste Compactor Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
2 YD	\$166.34	\$318.76	\$471.20	\$623.64	\$776.00	\$928.42	\$1,080.88
3 YD	\$182.64	\$351.40	\$520.12	\$688.86	\$857.58	\$1,026.10	\$1,195.08
4 YD	\$197.00	\$380.22	\$563.46	\$746.64	\$929.86	\$1,113.06	\$1,296.26
Roll Off Rates							
10 Cubic Yards (16' x 8' x 3')							
20 Cubic Yards (16' x 6' x 5')							
30 Cubic Yards (18' x 8' x 6')							
MOVE CONTAINER FEE after intial placement. Customers must give specific placement instructions, or have a spotter on site.						\$66.38	
SCHEDULED PICK-UPS per empty plus actual landfill charges. No container rental fee and MUST KEEP Roll Off bin for at least 90 days to qualify for scheduled pick-ups.						\$187.22	
UNSCHEDULED PICK-UPS per empty plus actual landfill charges plus oer day container charge as shown below.						\$222.86	
Daily Container Rental Charge for Unscheduled Service						\$5.11	
UNSCHEDULED PICK-UPS additional fee for nights, weekends, or holidays						\$118.80	
Temporary Construction Recycle Rates (Service < 90 Days, includes Delivery & Removal)							
1 YD						\$194.71	
1.5 YD						\$199.63	
2 YD						\$211.40	
3 YD						\$218.40	
4 YD						\$225.41	
6 YD						\$239.41	
8 YD						\$253.42	
Special Service Rates							
Subscription Item					Rate	Frequency of Charge	
Can/Bin Cleaning					\$25.00	/Request	
Can/Bin Re-Deliver Fee (after removal for missed payments)					\$25.00	/Occurrence	
Rear Loader Bulky Waste Pickup					\$25.00	/Request	
Roll-Off Overweight Charge					\$200.00	/Occurrence	
Commercial Recycling Contamination Fee					\$40.40	/Occurrence + \$1/CY	
Return Fee					\$40.00	/Occurrence	

Scenario 2: Effective July 1, 2020							
Residential Collection Rates							
Subscription Item					2019 Rate	2020 Rate	
90 Gal Pack-out (Single Family Units)					\$96.16	\$110.10	
64 Gal (Gray) Curbside (Single Family Unit & Multi Unit extra cans).					\$25.92	\$29.68	
90 Gal Green Waste (Green) Container					\$5.57	\$6.38	
64 Gal Recycling (Blue) Container					\$5.59	\$6.40	
90 Gal Disabled Pack-out (Single Family Unit)					\$25.92	\$29.68	
90 Gal Pack-out (Mobile home)					\$92.54	\$105.96	
90 Gal Curbside (Mobile home)					\$19.77	\$22.64	
Extra 64 Gal Refuse (Gray) Container single Residential only NOT MULTI UNITS					\$16.41	\$18.79	
					per month	per month	
					\$196.98	\$225.54	
					per year	per year	
Residential Go-Back Fee All Cans					\$25.00		
Residential Special Pick Up Fee Any single can or All Cans (includes extra service or refilling of cans) Courtesy call back not allowed.					\$25.00		
Contamination Fee (Garbage in Green or Blue can)					\$25.00		
Commercial and Industrial Collection Rates							
Solid Waste Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$69.64	\$123.29	\$176.95	\$230.60	\$284.24	\$337.90	\$391.55
1 YD	\$82.98	\$147.98	\$213.00	\$278.00	\$343.01	\$408.00	\$473.02
1.5 YD	\$89.52	\$161.06	\$232.60	\$304.13	\$375.66	\$447.20	\$518.73
2 YD	\$105.23	\$192.49	\$279.76	\$367.03	\$454.26	\$541.52	\$628.80
3 YD	\$114.56	\$211.18	\$307.77	\$404.37	\$500.96	\$597.44	\$694.18
4 YD	\$122.78	\$227.68	\$332.58	\$437.45	\$542.34	\$647.23	\$752.11
6 YD	\$142.59	\$267.21	\$391.81	\$516.44	\$641.02	\$765.65	\$890.26
8 YD	\$161.25	\$304.55	\$447.85	\$591.13	\$734.44	\$877.72	\$1,021.01
Recycling Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$60.44	\$105.84	\$146.17	\$191.57	\$236.96	\$282.35	\$327.75
1 YD	\$72.64	\$128.46	\$184.27	\$240.08	\$295.88	\$351.68	\$407.51
1.5 YD	\$78.28	\$139.68	\$201.10	\$262.52	\$323.92	\$385.33	\$429.70
2 YD	\$91.75	\$166.67	\$241.59	\$316.52	\$391.40	\$466.32	\$541.23
3 YD	\$99.77	\$182.71	\$265.63	\$348.58	\$431.49	\$514.42	\$597.37
4 YD	\$107.79	\$198.74	\$289.69	\$380.64	\$471.58	\$562.53	\$653.48
6 YD	\$123.82	\$230.82	\$337.78	\$444.79	\$551.73	\$658.73	\$765.70
8 YD	\$139.87	\$262.87	\$382.17	\$508.91	\$631.93	\$754.94	\$877.97
Organics Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
64 Gallon	\$47.10	\$84.20	\$121.29	\$158.39	\$195.49	\$232.59	\$269.69
300 Gallon	\$73.05	\$129.80	\$180.22	\$236.97	\$293.70	\$350.44	\$407.19
1 YD	\$88.30	\$158.08	\$227.84	\$297.60	\$367.35	\$437.10	\$506.89
1.5 YD	\$95.35	\$172.10	\$248.88	\$325.65	\$402.41	\$479.16	\$534.62
2 YD	\$112.19	\$205.84	\$299.48	\$393.15	\$486.75	\$580.40	\$674.04

Solid Waste Compactor Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
2 YD	\$210.46	\$384.98	\$559.52	\$734.07	\$908.52	\$1,083.04	\$1,257.61
3 YD	\$229.12	\$422.35	\$615.54	\$808.74	\$1,001.93	\$1,194.88	\$1,388.37
4 YD	\$245.57	\$455.35	\$665.16	\$874.90	\$1,084.69	\$1,294.45	\$1,504.22
Roll Off Rates							
10 Cubic Yards (16' x 8' x 3')							
20 Cubic Yards (16' x 6' x 5')							
30 Cubic Yards (18' x 8' x 6')							
MOVE CONTAINER FEE after intial placement. Customers must give specific placement instructions, or have a spotter on site.						\$76.01	
SCHEDULED PICK-UPS per empty plus actual landfill charges. No container rental fee and MUST KEEP Roll Off bin for at least 90 days to qualify for scheduled pick-ups.						\$214.37	
UNSCHEDULED PICK-UPS per empty plus actual landfill charges plus oer day container charge as shown below.						\$255.17	
Daily Container Rental Charge for Unscheduled Service						\$5.85	
UNSCHEDULED PICK-UPS additional fee for nights, weekends, or holidays						\$136.03	
Temporary Construction Recycle Rates (Service < 90 Days, includes Delivery & Removal)							
1 YD						\$222.94	
1.5 YD						\$228.58	
2 YD						\$242.05	
3 YD						\$250.07	
4 YD						\$258.09	
6 YD						\$274.12	
8 YD						\$290.17	
Special Service Rates							
Subscription Item					Rate	Frequency of Charge	
Can/Bin Cleaning					\$25.00	/Request	
Can/Bin Re-Deliver Fee (after removal for missed payments)					\$25.00	/Occurrence	
Rear Loader Bulky Waste Pickup					\$25.00	/Request	
Roll-Off Overweight Charge					\$229.00	/Occurrence	
Commercial Recycling Contamination Fee					\$46.26	/Occurrence + \$1/CY	
Return Fee					\$45.80	/Occurrence	

Scenario 2: Effective July 1, 2021							
Residential Collection Rates							
Subscription Item					2020 Rate	2021 Rate	
90 Gal Pack-out (Single Family Units)					\$110.10	\$126.07	
64 Gal (Gray) Curbside (Single Family Unit & Multi Unit extra cans).					\$29.68	\$33.98	
90 Gal Green Waste (Green) Container					\$6.38	\$7.30	
64 Gal Recycling (Blue) Container					\$6.40	\$7.33	
90 Gal Disabled Pack-out (Single Family Unit)					\$29.68	\$33.98	
90 Gal Pack-out (Mobile home)					\$105.96	\$121.32	
90 Gal Curbside (Mobile home)					\$22.64	\$25.92	
Extra 64 Gal Refuse (Gray) Container single Residential only NOT MULTI UNITS					\$18.79	\$21.51	
					per month	per month	
					\$225.54	\$258.25	
					per year	per year	
Residential Go-Back Fee All Cans					\$25.00		
Residential Special Pick Up Fee Any single can or All Cans (includes extra service or refilling of cans) Courtesy call back not allowed.					\$25.00		
Contamination Fee (Garbage in Green or Blue can)					\$25.00		
Commercial and Industrial Collection Rates							
Solid Waste Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$79.74	\$141.17	\$202.61	\$264.03	\$325.46	\$386.89	\$448.33
1 YD	\$95.01	\$169.44	\$243.88	\$318.31	\$392.75	\$467.16	\$541.60
1.5 YD	\$102.50	\$184.41	\$266.33	\$348.23	\$430.13	\$512.04	\$593.95
2 YD	\$120.49	\$220.40	\$320.33	\$420.25	\$520.13	\$620.04	\$719.98
3 YD	\$131.17	\$241.80	\$352.40	\$463.01	\$573.60	\$684.07	\$794.84
4 YD	\$140.59	\$260.69	\$380.81	\$500.88	\$620.98	\$741.07	\$861.16
6 YD	\$163.27	\$305.96	\$448.62	\$591.33	\$733.97	\$876.67	\$1,019.35
8 YD	\$184.64	\$348.71	\$512.79	\$676.85	\$840.94	\$1,004.98	\$1,169.06
Recycling Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$69.20	\$121.18	\$167.37	\$219.35	\$271.32	\$323.29	\$375.27
1 YD	\$83.18	\$147.09	\$210.99	\$274.89	\$338.79	\$402.67	\$466.60
1.5 YD	\$89.63	\$159.94	\$230.26	\$300.58	\$370.89	\$441.20	\$492.01
2 YD	\$105.06	\$190.84	\$276.62	\$362.41	\$448.15	\$533.93	\$619.71
3 YD	\$114.23	\$209.21	\$304.15	\$399.12	\$494.05	\$589.01	\$683.99
4 YD	\$123.42	\$227.56	\$331.69	\$435.83	\$539.96	\$644.10	\$748.23
6 YD	\$141.78	\$264.29	\$386.76	\$509.29	\$631.74	\$754.25	\$876.73
8 YD	\$160.15	\$300.99	\$437.59	\$582.70	\$723.56	\$864.40	\$1,005.27
Organics Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
64 Gallon	\$53.93	\$96.40	\$138.88	\$181.36	\$223.84	\$266.31	\$308.79
300 Gallon	\$83.64	\$148.62	\$206.35	\$271.33	\$336.29	\$401.25	\$466.23
1 YD	\$101.11	\$181.00	\$260.87	\$340.75	\$420.62	\$500.48	\$580.39
1.5 YD	\$109.17	\$197.06	\$284.96	\$372.87	\$460.75	\$548.64	\$612.15
2 YD	\$128.46	\$235.68	\$342.91	\$450.15	\$557.33	\$664.55	\$771.78

Solid Waste Compactor Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
2 YD	\$240.98	\$440.80	\$640.65	\$840.51	\$1,040.26	\$1,240.08	\$1,439.96
3 YD	\$262.35	\$483.59	\$704.79	\$926.01	\$1,147.21	\$1,368.14	\$1,589.68
4 YD	\$281.17	\$521.38	\$761.61	\$1,001.76	\$1,241.97	\$1,482.15	\$1,722.33
Roll Off Rates							
10 Cubic Yards (16' x 8' x 3')							
20 Cubic Yards (16' x 6' x 5')							
30 Cubic Yards (18' x 8' x 6')							
MOVE CONTAINER FEE after intial placement. Customers must give specific placement instructions, or have a spotter on site.						\$87.03	
SCHEDULED PICK-UPS per empty plus actual landfill charges. No container rental fee and MUST KEEP Roll Off bin for at least 90 days to qualify for scheduled pick-ups.						\$245.45	
UNSCHEDULED PICK-UPS per empty plus actual landfill charges plus oer day container charge as shown below.						\$292.18	
Daily Container Rental Charge for Unscheduled Service						\$6.70	
UNSCHEDULED PICK-UPS additional fee for nights, weekends, or holidays						\$155.75	
Temporary Construction Recycle Rates (Service < 90 Days, includes Delivery & Removal)							
1 YD						\$255.27	
1.5 YD						\$261.72	
2 YD						\$277.15	
3 YD						\$286.33	
4 YD						\$295.52	
6 YD						\$313.87	
8 YD						\$332.24	
Special Service Rates							
Subscription Item					Rate	Frequency of Charge	
Can/Bin Cleaning					\$25.00	/Request	
Can/Bin Re-Deliver Fee (after removal for missed payments)					\$25.00	/Occurrence	
Rear Loader Bulky Waste Pickup					\$25.00	/Request	
Roll-Off Overweight Charge					\$262.21	/Occurrence	
Commercial Recycling Contamination Fee					\$52.97	/Occurrence + \$1/CY	
Return Fee					\$52.44	/Occurrence	

Scenario 2: Effective July 1, 2022							
Residential Collection Rates							
Subscription Item					2021 Rate	2022 Rate	
90 Gal Pack-out (Single Family Units)					\$126.07	\$144.35	
64 Gal (Gray) Curbside (Single Family Unit & Multi Unit extra cans).					\$33.98	\$38.91	
90 Gal Green Waste (Green) Container					\$7.30	\$8.36	
64 Gal Recycling (Blue) Container					\$7.33	\$8.39	
90 Gal Disabled Pack-out (Single Family Unit)					\$33.98	\$38.91	
90 Gal Pack-out (Mobile home)					\$121.32	\$138.91	
90 Gal Curbside (Mobile home)					\$25.92	\$29.68	
Extra 64 Gal Refuse (Gray) Container single Residential only NOT MULTI UNITS					\$21.51	\$24.63	
					per month	per month	
					\$258.25	\$295.69	
					per year	per year	
Residential Go-Back Fee All Cans					\$25.00		
Residential Special Pick Up Fee Any single can or All Cans (includes extra service or refilling of cans) Courtesy call back not allowed.					\$25.00		
Contamination Fee (Garbage in Green or Blue can)					\$25.00		
Commercial and Industrial Collection Rates							
Solid Waste Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$91.30	\$161.64	\$231.99	\$302.32	\$372.65	\$442.99	\$513.33
1 YD	\$108.79	\$194.01	\$279.24	\$364.46	\$449.70	\$534.90	\$620.13
1.5 YD	\$117.36	\$211.15	\$304.94	\$398.72	\$492.49	\$586.28	\$680.07
2 YD	\$137.96	\$252.36	\$366.77	\$481.19	\$595.55	\$709.95	\$824.38
3 YD	\$150.19	\$276.86	\$403.49	\$530.14	\$656.78	\$783.26	\$910.09
4 YD	\$160.97	\$298.49	\$436.02	\$573.51	\$711.03	\$848.53	\$986.03
6 YD	\$186.94	\$350.32	\$513.67	\$677.07	\$840.39	\$1,003.79	\$1,167.16
8 YD	\$211.41	\$399.27	\$587.14	\$774.99	\$962.87	\$1,150.71	\$1,338.57
Recycling Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$79.23	\$138.75	\$191.64	\$251.16	\$310.66	\$370.17	\$429.69
1 YD	\$95.24	\$168.42	\$241.58	\$314.75	\$387.91	\$461.06	\$534.26
1.5 YD	\$102.62	\$183.13	\$263.65	\$344.17	\$424.67	\$505.18	\$563.35
2 YD	\$120.29	\$218.51	\$316.73	\$414.96	\$513.13	\$611.35	\$709.57
3 YD	\$130.80	\$239.54	\$348.25	\$456.99	\$565.69	\$674.42	\$783.17
4 YD	\$141.32	\$260.56	\$379.79	\$499.02	\$618.26	\$737.49	\$856.73
6 YD	\$162.34	\$302.62	\$442.84	\$583.13	\$723.34	\$863.62	\$1,003.85
8 YD	\$183.37	\$344.63	\$501.04	\$667.19	\$828.48	\$989.74	\$1,151.04
Organics Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
64 Gallon	\$61.75	\$110.38	\$159.02	\$207.66	\$256.29	\$304.93	\$353.57
300 Gallon	\$95.77	\$170.17	\$236.27	\$310.67	\$385.05	\$459.43	\$533.83
1 YD	\$115.77	\$207.24	\$298.70	\$390.15	\$481.61	\$573.05	\$664.54
1.5 YD	\$125.00	\$225.63	\$326.28	\$426.93	\$527.56	\$628.20	\$700.91
2 YD	\$147.09	\$269.86	\$392.63	\$515.42	\$638.14	\$760.91	\$883.69

Solid Waste Compactor Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
2 YD	\$275.92	\$504.72	\$733.55	\$962.38	\$1,191.09	\$1,419.89	\$1,648.76
3 YD	\$300.39	\$553.72	\$806.98	\$1,060.28	\$1,313.55	\$1,566.52	\$1,820.18
4 YD	\$321.94	\$596.98	\$872.04	\$1,147.02	\$1,422.06	\$1,697.06	\$1,972.07
Roll Off Rates							
10 Cubic Yards (16' x 8' x 3')							
20 Cubic Yards (16' x 6' x 5')							
30 Cubic Yards (18' x 8' x 6')							
MOVE CONTAINER FEE after intial placement. Customers must give specific placement instructions, or have a spotter on site.						\$99.64	
SCHEDULED PICK-UPS per empty plus actual landfill charges. No container rental fee and MUST KEEP Roll Off bin for at least 90 days to qualify for scheduled pick-ups.						\$281.04	
UNSCHEDULED PICK-UPS per empty plus actual landfill charges plus oer day container charge as shown below.						\$334.54	
Daily Container Rental Charge for Unscheduled Service						\$7.67	
UNSCHEDULED PICK-UPS additional fee for nights, weekends, or holidays						\$178.33	
Temporary Construction Recycle Rates (Service < 90 Days, includes Delivery & Removal)							
1 YD						\$292.28	
1.5 YD						\$299.67	
2 YD						\$317.34	
3 YD						\$327.85	
4 YD						\$338.37	
6 YD						\$359.38	
8 YD						\$380.41	
Special Service Rates							
Subscription Item					Rate	Frequency of Charge	
Can/Bin Cleaning					\$25.00	/Request	
Can/Bin Re-Deliver Fee (after removal for missed payments)					\$25.00	/Occurrence	
Rear Loader Bulky Waste Pickup					\$25.00	/Request	
Roll-Off Overweight Charge					\$300.22	/Occurrence	
Commercial Recycling Contamination Fee					\$60.65	/Occurrence + \$1/CY	
Return Fee					\$60.04	/Occurrence	

Scenario 2: Effective July 1, 2023							
Residential Collection Rates							
Subscription Item					2022 Rate	2023 Rate	
90 Gal Pack-out (Single Family Units)					\$144.35	\$150.84	
64 Gal (Gray) Curbside (Single Family Unit & Multi Unit extra cans).					\$38.91	\$40.66	
90 Gal Green Waste (Green) Container					\$8.36	\$8.74	
64 Gal Recycling (Blue) Container					\$8.39	\$8.77	
90 Gal Disabled Pack-out (Single Family Unit)					\$38.91	\$40.66	
90 Gal Pack-out (Mobile home)					\$138.91	\$145.17	
90 Gal Curbside (Mobile home)					\$29.68	\$31.01	
Extra 64 Gal Refuse (Gray) Container single Residential only NOT MULTI UNITS					\$24.63	\$25.74	
					per month	per month	
					\$295.69	\$309.00	
					per year	per year	
Residential Go-Back Fee All Cans					\$25.00		
Residential Special Pick Up Fee Any single can or All Cans (includes extra service or refilling of cans) Courtesy call back not allowed.					\$25.00		
Contamination Fee (Garbage in Green or Blue can)					\$25.00		
Commercial and Industrial Collection Rates							
Solid Waste Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$95.41	\$168.92	\$242.42	\$315.92	\$389.42	\$462.93	\$536.43
1 YD	\$113.69	\$202.74	\$291.81	\$380.86	\$469.93	\$558.97	\$648.04
1.5 YD	\$122.64	\$220.66	\$318.67	\$416.66	\$514.66	\$612.67	\$710.68
2 YD	\$144.17	\$263.72	\$383.28	\$502.84	\$622.35	\$741.89	\$861.47
3 YD	\$156.95	\$289.32	\$421.65	\$554.00	\$686.33	\$818.51	\$951.05
4 YD	\$168.21	\$311.92	\$455.64	\$599.32	\$743.02	\$886.71	\$1,030.41
6 YD	\$195.35	\$366.09	\$536.79	\$707.54	\$878.21	\$1,048.96	\$1,219.68
8 YD	\$220.92	\$417.24	\$613.56	\$809.87	\$1,006.20	\$1,202.49	\$1,398.81
Recycling Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$82.80	\$145.00	\$200.26	\$262.46	\$324.64	\$386.83	\$449.02
1 YD	\$99.52	\$176.00	\$252.45	\$328.91	\$405.37	\$481.81	\$558.30
1.5 YD	\$107.24	\$191.37	\$275.51	\$359.66	\$443.78	\$527.91	\$588.70
2 YD	\$125.70	\$228.34	\$330.98	\$433.63	\$536.23	\$638.86	\$741.50
3 YD	\$136.68	\$250.32	\$363.92	\$477.56	\$591.14	\$704.76	\$818.41
4 YD	\$147.68	\$272.28	\$396.88	\$521.48	\$646.08	\$770.68	\$895.28
6 YD	\$169.64	\$316.23	\$462.76	\$609.37	\$755.89	\$902.48	\$1,049.03
8 YD	\$191.62	\$360.14	\$523.58	\$697.22	\$865.76	\$1,034.28	\$1,202.83
Organics Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
64 Gallon	\$64.53	\$115.35	\$166.18	\$217.00	\$267.83	\$318.65	\$369.48
300 Gallon	\$100.08	\$177.82	\$246.90	\$324.65	\$402.38	\$480.11	\$557.85
1 YD	\$120.98	\$216.57	\$312.14	\$407.71	\$503.28	\$598.84	\$694.45
1.5 YD	\$130.63	\$235.79	\$340.96	\$446.14	\$551.30	\$656.46	\$732.45
2 YD	\$153.70	\$282.00	\$410.30	\$538.62	\$666.86	\$795.15	\$923.45

Solid Waste Compactor Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
2 YD	\$288.33	\$527.43	\$766.56	\$1,005.69	\$1,244.69	\$1,483.79	\$1,722.95
3 YD	\$313.90	\$578.63	\$843.30	\$1,108.00	\$1,372.66	\$1,637.02	\$1,902.09
4 YD	\$336.43	\$623.84	\$911.29	\$1,198.64	\$1,486.05	\$1,773.43	\$2,060.81
Roll Off Rates							
10 Cubic Yards (16' x 8' x 3')							
20 Cubic Yards (16' x 6' x 5')							
30 Cubic Yards (18' x 8' x 6')							
MOVE CONTAINER FEE after intial placement. Customers must give specific placement instructions, or have a spotter on site.						\$104.13	
SCHEDULED PICK-UPS per empty plus actual landfill charges. No container rental fee and MUST KEEP Roll Off bin for at least 90 days to qualify for scheduled pick-ups.						\$293.69	
UNSCHEDULED PICK-UPS per empty plus actual landfill charges plus oer day container charge as shown below.						\$349.59	
Daily Container Rental Charge for Unscheduled Service						\$8.02	
UNSCHEDULED PICK-UPS additional fee for nights, weekends, or holidays						\$186.36	
Temporary Construction Recycle Rates (Service < 90 Days, includes Delivery & Removal)							
1 YD						\$305.44	
1.5 YD						\$313.15	
2 YD						\$331.62	
3 YD						\$342.60	
4 YD						\$353.59	
6 YD						\$375.56	
8 YD						\$397.53	
Special Service Rates							
Subscription Item					Rate	Frequency of Charge	
Can/Bin Cleaning					\$25.00	/Request	
Can/Bin Re-Deliver Fee (after removal for missed payments)					\$25.00	/Occurrence	
Rear Loader Bulky Waste Pickup					\$25.00	/Request	
Roll-Off Overweight Charge					\$313.73	/Occurrence	
Commercial Recycling Contamination Fee					\$63.37	/Occurrence + \$1/CY	
Return Fee					\$62.75	/Occurrence	

Scenario 2: Effective July 1, 2024							
Residential Collection Rates							
Subscription Item					2023 Rate	2024 Rate	
90 Gal Pack-out (Single Family Units)					\$150.84	\$150.84	
64 Gal (Gray) Curbside (Single Family Unit & Multi Unit extra cans).					\$40.66	\$40.66	
90 Gal Green Waste (Green) Container					\$8.74	\$8.74	
64 Gal Recycling (Blue) Container					\$8.77	\$8.77	
90 Gal Disabled Pack-out (Single Family Unit)					\$40.66	\$40.66	
90 Gal Pack-out (Mobile home)					\$145.17	\$145.17	
90 Gal Curbside (Mobile home)					\$31.01	\$31.01	
Extra 64 Gal Refuse (Gray) Container single Residential only NOT MULTI UNITS					\$25.74	\$25.74	
					per month	per month	
					\$309.00	\$309.00	
					per year	per year	
Residential Go-Back Fee All Cans					\$25.00		
Residential Special Pick Up Fee Any single can or All Cans (includes extra service or refilling of cans) Courtesy call back not allowed.					\$25.00		
Contamination Fee (Garbage in Green or Blue can)					\$25.00		
Commercial and Industrial Collection Rates							
Solid Waste Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$95.41	\$168.92	\$242.42	\$315.92	\$389.42	\$462.93	\$536.43
1 YD	\$113.69	\$202.74	\$291.81	\$380.86	\$469.93	\$558.97	\$648.04
1.5 YD	\$122.64	\$220.66	\$318.67	\$416.66	\$514.66	\$612.67	\$710.68
2 YD	\$144.17	\$263.72	\$383.28	\$502.84	\$622.35	\$741.89	\$861.47
3 YD	\$156.95	\$289.32	\$421.65	\$554.00	\$686.33	\$818.51	\$951.05
4 YD	\$168.21	\$311.92	\$455.64	\$599.32	\$743.02	\$886.71	\$1,030.41
6 YD	\$195.35	\$366.09	\$536.79	\$707.54	\$878.21	\$1,048.96	\$1,219.68
8 YD	\$220.92	\$417.24	\$613.56	\$809.87	\$1,006.20	\$1,202.49	\$1,398.81
Recycling Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$82.80	\$145.00	\$200.26	\$262.46	\$324.64	\$386.83	\$449.02
1 YD	\$99.52	\$176.00	\$252.45	\$328.91	\$405.37	\$481.81	\$558.30
1.5 YD	\$107.24	\$191.37	\$275.51	\$359.66	\$443.78	\$527.91	\$588.70
2 YD	\$125.70	\$228.34	\$330.98	\$433.63	\$536.23	\$638.86	\$741.50
3 YD	\$136.68	\$250.32	\$363.92	\$477.56	\$591.14	\$704.76	\$818.41
4 YD	\$147.68	\$272.28	\$396.88	\$521.48	\$646.08	\$770.68	\$895.28
6 YD	\$169.64	\$316.23	\$462.76	\$609.37	\$755.89	\$902.48	\$1,049.03
8 YD	\$191.62	\$360.14	\$523.58	\$697.22	\$865.76	\$1,034.28	\$1,202.83
Organics Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
64 Gallon	\$64.53	\$115.35	\$166.18	\$217.00	\$267.83	\$318.65	\$369.48
300 Gallon	\$100.08	\$177.82	\$246.90	\$324.65	\$402.38	\$480.11	\$557.85
1 YD	\$120.98	\$216.57	\$312.14	\$407.71	\$503.28	\$598.84	\$694.45
1.5 YD	\$130.63	\$235.79	\$340.96	\$446.14	\$551.30	\$656.46	\$732.45
2 YD	\$153.70	\$282.00	\$410.30	\$538.62	\$666.86	\$795.15	\$923.45

Solid Waste Compactor Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
2 YD	\$288.33	\$527.43	\$766.56	\$1,005.69	\$1,244.69	\$1,483.79	\$1,722.95
3 YD	\$313.90	\$578.63	\$843.30	\$1,108.00	\$1,372.66	\$1,637.02	\$1,902.09
4 YD	\$336.43	\$623.84	\$911.29	\$1,198.64	\$1,486.05	\$1,773.43	\$2,060.81
Roll Off Rates							
10 Cubic Yards (16' x 8' x 3')							
20 Cubic Yards (16' x 6' x 5')							
30 Cubic Yards (18' x 8' x 6')							
MOVE CONTAINER FEE after intial placement. Customers must give specific placement instructions, or have a spotter on site.						\$104.13	
SCHEDULED PICK-UPS per empty plus actual landfill charges. No container rental fee and MUST KEEP Roll Off bin for at least 90 days to qualify for scheduled pick-ups.						\$293.69	
UNSCHEDULED PICK-UPS per empty plus actual landfill charges plus oer day container charge as shown below.						\$349.59	
Daily Container Rental Charge for Unscheduled Service						\$8.02	
UNSCHEDULED PICK-UPS additional fee for nights, weekends, or holidays						\$186.36	
Temporary Construction Recycle Rates (Service < 90 Days, includes Delivery & Removal)							
1 YD						\$305.44	
1.5 YD						\$313.15	
2 YD						\$331.62	
3 YD						\$342.60	
4 YD						\$353.59	
6 YD						\$375.56	
8 YD						\$397.53	
Special Service Rates							
Subscription Item					Rate	Frequency of Charge	
Can/Bin Cleaning					\$25.00	/Request	
Can/Bin Re-Deliver Fee (after removal for missed payments)					\$25.00	/Occurrence	
Rear Loader Bulky Waste Pickup					\$25.00	/Request	
Roll-Off Overweight Charge					\$313.73	/Occurrence	
Commercial Recycling Contamination Fee					\$63.37	/Occurrence + \$1/CY	
Return Fee					\$62.75	/Occurrence	

Current Rates: Effective January 1, 2019							
Residential Collection rates							
Subscription Item							2019 Rate
90 Gal Pack-out (Single Family Units)							\$96.16
64 Gal (Gray) Curbside (Single Family Unit & Multi Unit extra cans).							\$25.92
90 Gal Green Waste (Green) Container							\$5.57
64 Gal Recycling (Blue) Container							\$5.59
90 Gal Disabled Pack-out (Single Family Unit)							\$25.92
90 Gal Pack-out (Mobile home)							\$92.54
90 Gal Curbside (Mobile home)							\$19.77
Extra 64 Gal Refuse (Gray) Container single Residential only NOT MULTI UNITS							\$16.41
							per month
							\$196.98
Residential Go-Back Fee All Cans							per year
Residential Special Pick Up Fee Any single can or All Cans (includes extra service or refilling of cans) Courtesy call back not allowed.							\$25.00
Contamination Fee (Garbage in Green or Blue can)							\$25.00
Commercial and Industrial Collection Rates							
Solid Waste Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$52.09	\$98.95	\$145.81	\$192.66	\$239.51	\$286.37	\$333.23
1 YD	\$63.74	\$120.51	\$177.29	\$234.06	\$290.84	\$347.60	\$404.38
1.5 YD	\$69.45	\$131.93	\$194.41	\$256.88	\$319.35	\$381.83	\$444.31
2 YD	\$83.17	\$159.38	\$235.60	\$311.82	\$388.00	\$464.21	\$540.44
3 YD	\$91.32	\$175.70	\$260.06	\$344.43	\$428.79	\$513.05	\$597.54
4 YD	\$98.50	\$190.11	\$281.73	\$373.32	\$464.93	\$556.53	\$648.13
6 YD	\$115.80	\$224.64	\$333.46	\$442.31	\$551.11	\$659.96	\$768.79
8 YD	\$132.10	\$257.25	\$382.40	\$507.54	\$632.70	\$757.83	\$882.98
Recycling Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$44.05	\$83.70	\$118.93	\$158.58	\$198.22	\$237.86	\$277.51
1 YD	\$54.71	\$103.46	\$152.20	\$200.94	\$249.68	\$298.41	\$347.17
1.5 YD	\$59.63	\$113.26	\$166.90	\$220.54	\$274.17	\$327.80	\$366.55
2 YD	\$71.40	\$136.83	\$202.26	\$267.70	\$333.10	\$398.53	\$463.96
3 YD	\$78.40	\$150.84	\$223.26	\$295.70	\$368.11	\$440.54	\$512.99
4 YD	\$85.41	\$164.84	\$244.27	\$323.70	\$403.13	\$482.56	\$561.99
6 YD	\$99.41	\$192.86	\$286.27	\$379.73	\$473.13	\$566.58	\$660.00
8 YD	\$113.42	\$220.85	\$280.53	\$435.73	\$543.17	\$650.60	\$758.05
Organics Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
64 Gallon	\$32.40	\$64.80	\$97.20	\$129.60	\$162.00	\$194.40	\$226.80
300 Gallon	\$55.06	\$104.63	\$148.66	\$198.23	\$247.78	\$297.33	\$346.89
1 YD	\$68.39	\$129.33	\$190.25	\$251.18	\$312.10	\$373.01	\$433.96
1.5 YD	\$74.54	\$141.58	\$208.63	\$275.68	\$342.71	\$409.75	\$458.19
2 YD	\$89.25	\$171.04	\$252.83	\$334.63	\$416.38	\$498.16	\$579.95

Solid Waste Compactor Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
2 YD	\$166.34	\$318.76	\$471.20	\$623.64	\$776.00	\$928.42	\$1,080.88
3 YD	\$182.64	\$351.40	\$520.12	\$688.86	\$857.58	\$1,026.10	\$1,195.08
4 YD	\$197.00	\$380.22	\$563.46	\$746.64	\$929.86	\$1,113.06	\$1,296.26
Roll Off Rates							
10 Cubic Yards (16' x 8' x 3')							
20 Cubic Yards (16' x 6' x 5')							
30 Cubic Yards (18' x 8' x 6')							
MOVE CONTAINER FEE after intial placement. Customers must give specific placement instructions, or have a spotter on site.						\$66.38	
SCHEDULED PICK-UPS per empty plus actual landfill charges. No container rental fee and MUST KEEP Roll Off bin for at least 90 days to qualify for scheduled pick-ups.						\$187.22	
UNSCHEDULED PICK-UPS per empty plus actual landfill charges plus oer day container charge as shown below.						\$222.86	
Daily Container Rental Charge for Unscheduled Service						\$5.11	
UNSCHEDULED PICK-UPS additional fee for nights, weekends, or holidays						\$118.80	
Temporary Construction Recycle Rates (Service < 90 Days, includes Delivery & Removal)							
1 YD						\$194.71	
1.5 YD						\$199.63	
2 YD						\$211.40	
3 YD						\$218.40	
4 YD						\$225.41	
6 YD						\$239.41	
8 YD						\$253.42	
Special Service Rates							
Subscription Item					Rate	Frequency of Charge	
Can/Bin Cleaning					\$25.00	/Request	
Can/Bin Re-Deliver Fee (after removal for missed payments)					\$25.00	/Occurrence	
Rear Loader Bulky Waste Pickup					\$25.00	/Request	
Roll-Off Overweight Charge					\$200.00	/Occurrence	
Commercial Recycling Contamination Fee					\$40.40	/Occurrence + \$1/CY	
Return Fee					\$40.00	/Occurrence	

Scenario 3: Effective July 1, 2020							
Residential Collection Rates							
Subscription Item					2019 Rate	2020 Rate	
90 Gal Pack-out (Single Family Units)					\$96.16	\$121.16	
64 Gal (Gray) Curbside (Single Family Unit & Multi Unit extra cans).					\$25.92	\$32.66	
90 Gal Green Waste (Green) Container					\$5.57	\$7.02	
64 Gal Recycling (Blue) Container					\$5.59	\$7.04	
90 Gal Disabled Pack-out (Single Family Unit)					\$25.92	\$32.66	
90 Gal Pack-out (Mobile home)					\$92.54	\$116.60	
90 Gal Curbside (Mobile home)					\$19.77	\$24.91	
Extra 64 Gal Refuse (Gray) Container single Residential only NOT MULTI UNITS					\$16.41	\$20.68	
					per month	per month	
					\$196.98	\$248.19	
					per year	per year	
Residential Go-Back Fee All Cans					\$25.00		
Residential Special Pick Up Fee Any single can or All Cans (includes extra service or refilling of cans) Courtesy call back not allowed.					\$25.00		
Contamination Fee (Garbage in Green or Blue can)					\$25.00		
Commercial and Industrial Collection Rates							
Solid Waste Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$82.92	\$148.53	\$214.13	\$279.72	\$345.32	\$410.92	\$476.53
1 YD	\$99.24	\$178.71	\$258.21	\$337.68	\$417.18	\$496.64	\$576.13
1.5 YD	\$107.23	\$194.70	\$282.17	\$369.63	\$457.09	\$544.56	\$632.03
2 YD	\$126.44	\$233.13	\$339.84	\$446.55	\$553.20	\$659.89	\$766.62
3 YD	\$137.85	\$255.98	\$374.08	\$492.20	\$610.31	\$728.27	\$846.56
4 YD	\$147.90	\$276.15	\$404.42	\$532.65	\$660.90	\$789.14	\$917.38
6 YD	\$172.12	\$324.50	\$476.84	\$629.23	\$781.55	\$933.94	\$1,086.31
8 YD	\$194.94	\$370.15	\$545.36	\$720.56	\$895.78	\$1,070.96	\$1,246.17
Recycling Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$71.67	\$127.18	\$176.50	\$232.01	\$287.51	\$343.00	\$398.51
1 YD	\$86.59	\$154.84	\$223.08	\$291.32	\$359.55	\$427.77	\$496.04
1.5 YD	\$93.48	\$168.56	\$243.66	\$318.76	\$393.84	\$468.92	\$523.17
2 YD	\$109.96	\$201.56	\$293.16	\$384.78	\$476.34	\$567.94	\$659.54
3 YD	\$119.76	\$221.18	\$322.56	\$423.98	\$525.35	\$626.76	\$728.19
4 YD	\$129.57	\$240.78	\$351.98	\$463.18	\$574.38	\$685.58	\$796.79
6 YD	\$149.17	\$280.00	\$410.78	\$541.62	\$672.38	\$803.21	\$934.00
8 YD	\$168.79	\$319.19	\$465.06	\$620.02	\$770.44	\$920.84	\$1,071.27
Organics Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
64 Gallon	\$55.36	\$100.72	\$146.08	\$191.44	\$236.80	\$282.16	\$327.52
300 Gallon	\$87.09	\$156.48	\$218.13	\$287.52	\$356.89	\$426.26	\$495.64
1 YD	\$105.74	\$191.06	\$276.35	\$361.65	\$446.94	\$532.22	\$617.55
1.5 YD	\$114.35	\$208.21	\$302.08	\$395.95	\$489.80	\$583.65	\$651.46
2 YD	\$134.95	\$249.45	\$363.96	\$478.48	\$592.93	\$707.43	\$821.93

Solid Waste Compactor Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
2 YD	\$252.88	\$466.26	\$679.68	\$893.10	\$1,106.40	\$1,319.79	\$1,533.23
3 YD	\$275.70	\$511.96	\$748.17	\$984.40	\$1,220.61	\$1,456.54	\$1,693.11
4 YD	\$295.80	\$552.31	\$808.84	\$1,065.30	\$1,321.80	\$1,578.28	\$1,834.76
Roll Off Rates							
10 Cubic Yards (16' x 8' x 3')							
20 Cubic Yards (16' x 6' x 5')							
30 Cubic Yards (18' x 8' x 6')							
MOVE CONTAINER FEE after intial placement. Customers must give specific placement instructions, or have a spotter on site.						\$92.93	
SCHEDULED PICK-UPS per empty plus actual landfill charges. No container rental fee and MUST KEEP Roll Off bin for at least 90 days to qualify for scheduled pick-ups.						\$262.11	
UNSCHEDULED PICK-UPS per empty plus actual landfill charges plus oer day container charge as shown below.						\$312.00	
Daily Container Rental Charge for Unscheduled Service						\$7.15	
UNSCHEDULED PICK-UPS additional fee for nights, weekends, or holidays						\$166.32	
Temporary Construction Recycle Rates (Service < 90 Days, includes Delivery & Removal)							
1 YD						\$272.59	
1.5 YD						\$279.48	
2 YD						\$295.96	
3 YD						\$305.76	
4 YD						\$315.57	
6 YD						\$335.17	
8 YD						\$354.79	
Special Service Rates							
Subscription Item					Rate	Frequency of Charge	
Can/Bin Cleaning					\$25.00	/Request	
Can/Bin Re-Deliver Fee (after removal for missed payments)					\$25.00	/Occurrence	
Rear Loader Bulky Waste Pickup					\$25.00	/Request	
Roll-Off Overweight Charge					\$280.00	/Occurrence	
Commercial Recycling Contamination Fee					\$56.56	/Occurrence + \$1/CY	
Return Fee					\$56.00	/Occurrence	

Scenario 3: Effective July 1, 2021							
Residential Collection Rates							
Subscription Item					2020 Rate	2021 Rate	
90 Gal Pack-out (Single Family Units)					\$121.16	\$126.61	
64 Gal (Gray) Curbside (Single Family Unit & Multi Unit extra cans).					\$32.66	\$34.13	
90 Gal Green Waste (Green) Container					\$7.02	\$7.33	
64 Gal Recycling (Blue) Container					\$7.04	\$7.36	
90 Gal Disabled Pack-out (Single Family Unit)					\$32.66	\$34.13	
90 Gal Pack-out (Mobile home)					\$116.60	\$121.85	
90 Gal Curbside (Mobile home)					\$24.91	\$26.03	
Extra 64 Gal Refuse (Gray) Container single Residential only NOT MULTI UNITS					\$20.68	\$21.61	
					per month	per month	
					\$248.19	\$259.36	
					per year	per year	
Residential Go-Back Fee All Cans					\$25.00		
Residential Special Pick Up Fee Any single can or All Cans (includes extra service or refilling of cans) Courtesy call back not allowed.					\$25.00		
Contamination Fee (Garbage in Green or Blue can)					\$25.00		
Commercial and Industrial Collection Rates							
Solid Waste Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$89.14	\$159.67	\$230.19	\$300.70	\$371.22	\$441.74	\$512.26
1 YD	\$106.68	\$192.12	\$277.57	\$363.01	\$448.46	\$533.89	\$619.34
1.5 YD	\$115.27	\$209.30	\$303.34	\$397.35	\$491.37	\$585.40	\$679.44
2 YD	\$135.92	\$250.62	\$365.33	\$480.04	\$594.69	\$709.39	\$824.11
3 YD	\$148.19	\$275.18	\$402.14	\$529.12	\$656.08	\$782.89	\$910.05
4 YD	\$158.99	\$296.87	\$434.75	\$572.60	\$710.47	\$848.33	\$986.19
6 YD	\$185.03	\$348.83	\$512.61	\$676.43	\$840.17	\$1,003.99	\$1,167.78
8 YD	\$209.56	\$397.91	\$586.26	\$774.60	\$962.96	\$1,151.28	\$1,339.63
Recycling Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$77.05	\$136.72	\$189.74	\$249.41	\$309.07	\$368.73	\$428.40
1 YD	\$93.09	\$166.46	\$239.81	\$313.16	\$386.52	\$459.86	\$533.24
1.5 YD	\$100.49	\$181.21	\$261.93	\$342.66	\$423.38	\$504.09	\$562.41
2 YD	\$118.21	\$216.68	\$315.15	\$413.64	\$512.07	\$610.54	\$709.01
3 YD	\$128.74	\$237.76	\$346.76	\$455.78	\$564.76	\$673.76	\$782.80
4 YD	\$139.29	\$258.83	\$378.38	\$497.92	\$617.46	\$737.00	\$856.54
6 YD	\$160.36	\$301.00	\$441.59	\$582.24	\$722.81	\$863.45	\$1,004.05
8 YD	\$181.45	\$343.13	\$499.94	\$666.52	\$828.22	\$989.90	\$1,151.62
Organics Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
64 Gallon	\$59.51	\$108.27	\$157.04	\$205.80	\$254.56	\$303.32	\$352.08
300 Gallon	\$93.62	\$168.21	\$234.49	\$309.08	\$383.65	\$458.22	\$532.82
1 YD	\$113.67	\$205.38	\$297.08	\$388.77	\$480.46	\$572.13	\$663.86
1.5 YD	\$122.93	\$223.82	\$324.73	\$425.64	\$526.53	\$627.42	\$700.32
2 YD	\$145.07	\$268.16	\$391.25	\$514.36	\$637.39	\$760.48	\$883.57

Solid Waste Compactor Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
2 YD	\$271.84	\$501.23	\$730.66	\$960.08	\$1,189.38	\$1,418.77	\$1,648.22
3 YD	\$296.37	\$550.36	\$804.28	\$1,058.23	\$1,312.16	\$1,565.78	\$1,820.10
4 YD	\$317.99	\$593.73	\$869.51	\$1,145.19	\$1,420.94	\$1,696.66	\$1,972.37
Roll Off Rates							
10 Cubic Yards (16' x 8' x 3')							
20 Cubic Yards (16' x 6' x 5')							
30 Cubic Yards (18' x 8' x 6')							
MOVE CONTAINER FEE after intial placement. Customers must give specific placement instructions, or have a spotter on site.						\$99.90	
SCHEDULED PICK-UPS per empty plus actual landfill charges. No container rental fee and MUST KEEP Roll Off bin for at least 90 days to qualify for scheduled pick-ups.						\$281.77	
UNSCHEDULED PICK-UPS per empty plus actual landfill charges plus oer day container charge as shown below.						\$335.40	
Daily Container Rental Charge for Unscheduled Service						\$7.69	
UNSCHEDULED PICK-UPS additional fee for nights, weekends, or holidays						\$178.79	
Temporary Construction Recycle Rates (Service < 90 Days, includes Delivery & Removal)							
1 YD						\$293.04	
1.5 YD						\$300.44	
2 YD						\$318.16	
3 YD						\$328.69	
4 YD						\$339.24	
6 YD						\$360.31	
8 YD						\$381.40	
Special Service Rates							
Subscription Item					Rate	Frequency of Charge	
Can/Bin Cleaning					\$25.00	/Request	
Can/Bin Re-Deliver Fee (after removal for missed payments)					\$25.00	/Occurrence	
Rear Loader Bulky Waste Pickup					\$25.00	/Request	
Roll-Off Overweight Charge					\$301.00	/Occurrence	
Commercial Recycling Contamination Fee					\$60.80	/Occurrence + \$1/CY	
Return Fee					\$60.20	/Occurrence	

Scenario 3: Effective July 1, 2022							
Residential Collection Rates							
Subscription Item					2021 Rate	2022 Rate	
90 Gal Pack-out (Single Family Units)					\$126.61	\$132.31	
64 Gal (Gray) Curbside (Single Family Unit & Multi Unit extra cans).					\$34.13	\$35.66	
90 Gal Green Waste (Green) Container					\$7.33	\$7.66	
64 Gal Recycling (Blue) Container					\$7.36	\$7.69	
90 Gal Disabled Pack-out (Single Family Unit)					\$34.13	\$35.66	
90 Gal Pack-out (Mobile home)					\$121.85	\$127.33	
90 Gal Curbside (Mobile home)					\$26.03	\$27.20	
Extra 64 Gal Refuse (Gray) Container single Residential only NOT MULTI UNITS					\$21.61	\$22.58	
					per month	per month	
					\$259.36	\$271.03	
					per year	per year	
Residential Go-Back Fee All Cans					\$25.00		
Residential Special Pick Up Fee Any single can or All Cans (includes extra service or refilling of cans) Courtesy call back not allowed.					\$25.00		
Contamination Fee (Garbage in Green or Blue can)					\$25.00		
Commercial and Industrial Collection Rates							
Solid Waste Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$95.83	\$171.64	\$247.45	\$323.26	\$399.06	\$474.87	\$550.68
1 YD	\$114.68	\$206.53	\$298.39	\$390.24	\$482.10	\$573.93	\$665.79
1.5 YD	\$123.92	\$225.00	\$326.09	\$427.16	\$528.22	\$629.31	\$730.39
2 YD	\$146.11	\$269.41	\$392.73	\$516.04	\$639.29	\$762.59	\$885.92
3 YD	\$159.30	\$295.82	\$432.30	\$568.80	\$705.28	\$841.61	\$978.30
4 YD	\$170.92	\$319.13	\$467.36	\$615.54	\$763.75	\$911.95	\$1,060.15
6 YD	\$198.91	\$375.00	\$551.05	\$727.16	\$903.18	\$1,079.29	\$1,255.36
8 YD	\$225.28	\$427.75	\$630.23	\$832.69	\$1,035.19	\$1,237.63	\$1,440.11
Recycling Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$82.82	\$146.97	\$203.97	\$268.12	\$332.25	\$396.38	\$460.53
1 YD	\$100.07	\$178.94	\$257.80	\$336.65	\$415.51	\$494.35	\$573.23
1.5 YD	\$108.03	\$194.80	\$281.58	\$368.36	\$455.13	\$541.90	\$604.59
2 YD	\$127.07	\$232.93	\$338.79	\$444.66	\$550.47	\$656.33	\$762.19
3 YD	\$138.40	\$255.60	\$372.76	\$489.96	\$607.11	\$724.29	\$841.51
4 YD	\$149.74	\$278.25	\$406.75	\$535.26	\$663.77	\$792.28	\$920.79
6 YD	\$172.39	\$323.58	\$474.71	\$625.91	\$777.02	\$928.21	\$1,079.35
8 YD	\$195.06	\$368.86	\$537.43	\$716.51	\$890.34	\$1,064.15	\$1,237.99
Organics Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
64 Gallon	\$63.98	\$116.39	\$168.81	\$221.23	\$273.65	\$326.07	\$378.49
300 Gallon	\$100.64	\$180.83	\$252.07	\$332.26	\$412.43	\$492.59	\$572.78
1 YD	\$122.20	\$220.79	\$319.36	\$417.93	\$516.50	\$615.04	\$713.65
1.5 YD	\$132.15	\$240.61	\$349.09	\$457.56	\$566.02	\$674.48	\$752.85
2 YD	\$155.95	\$288.27	\$420.60	\$552.94	\$685.20	\$817.52	\$949.84

Solid Waste Compactor Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
2 YD	\$292.23	\$538.83	\$785.46	\$1,032.08	\$1,278.58	\$1,525.18	\$1,771.84
3 YD	\$318.60	\$591.63	\$864.60	\$1,137.60	\$1,410.57	\$1,683.21	\$1,956.60
4 YD	\$341.83	\$638.26	\$934.72	\$1,231.08	\$1,527.51	\$1,823.90	\$2,120.30
Roll Off Rates							
10 Cubic Yards (16' x 8' x 3')							
20 Cubic Yards (16' x 6' x 5')							
30 Cubic Yards (18' x 8' x 6')							
MOVE CONTAINER FEE after intial placement. Customers must give specific placement instructions, or have a spotter on site.						\$107.39	
SCHEDULED PICK-UPS per empty plus actual landfill charges. No container rental fee and MUST KEEP Roll Off bin for at least 90 days to qualify for scheduled pick-ups.						\$302.90	
UNSCHEDULED PICK-UPS per empty plus actual landfill charges plus oer day container charge as shown below.						\$360.56	
Daily Container Rental Charge for Unscheduled Service						\$8.27	
UNSCHEDULED PICK-UPS additional fee for nights, weekends, or holidays						\$192.20	
Temporary Construction Recycle Rates (Service < 90 Days, includes Delivery & Removal)							
1 YD						\$315.02	
1.5 YD						\$322.98	
2 YD						\$342.02	
3 YD						\$353.34	
4 YD						\$364.69	
6 YD						\$387.34	
8 YD						\$410.00	
Special Service Rates							
Subscription Item					Rate	Frequency of Charge	
Can/Bin Cleaning					\$25.00	/Request	
Can/Bin Re-Deliver Fee (after removal for missed payments)					\$25.00	/Occurrence	
Rear Loader Bulky Waste Pickup					\$25.00	/Request	
Roll-Off Overweight Charge					\$323.58	/Occurrence	
Commercial Recycling Contamination Fee					\$65.36	/Occurrence + \$1/CY	
Return Fee					\$64.72	/Occurrence	

Scenario 3: Effective July 1, 2023							
Residential Collection Rates							
Subscription Item				2022 Rate		2023 Rate	
90 Gal Pack-out (Single Family Units)				\$132.31		\$138.27	
64 Gal (Gray) Curbside (Single Family Unit & Multi Unit extra cans).				\$35.66		\$37.27	
90 Gal Green Waste (Green) Container				\$7.66		\$8.01	
64 Gal Recycling (Blue) Container				\$7.69		\$8.04	
90 Gal Disabled Pack-out (Single Family Unit)				\$35.66		\$37.27	
90 Gal Pack-out (Mobile home)				\$127.33		\$133.06	
90 Gal Curbside (Mobile home)				\$27.20		\$28.43	
Extra 64 Gal Refuse (Gray) Container single Residential only NOT MULTI UNITS				\$22.58		\$23.60	
				per month		per month	
				\$271.03		\$283.23	
				per year		per year	
Residential Go-Back Fee All Cans				\$25.00			
Residential Special Pick Up Fee Any single can or All Cans (includes extra service or refilling of cans) Courtesy call back not allowed.				\$25.00			
Contamination Fee (Garbage in Green or Blue can)				\$25.00			
Commercial and Industrial Collection Rates							
Solid Waste Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$103.01	\$184.51	\$266.01	\$347.50	\$428.99	\$510.49	\$591.99
1 YD	\$123.28	\$222.02	\$320.77	\$419.50	\$518.26	\$616.97	\$715.73
1.5 YD	\$133.21	\$241.88	\$350.54	\$459.19	\$567.84	\$676.51	\$785.17
2 YD	\$157.07	\$289.62	\$422.18	\$554.75	\$687.24	\$819.78	\$952.36
3 YD	\$171.25	\$318.00	\$464.72	\$611.46	\$758.18	\$904.73	\$1,051.67
4 YD	\$183.74	\$343.07	\$502.41	\$661.71	\$821.04	\$980.35	\$1,139.66
6 YD	\$213.82	\$403.12	\$592.38	\$781.70	\$970.92	\$1,160.24	\$1,349.51
8 YD	\$242.17	\$459.84	\$677.50	\$895.14	\$1,112.82	\$1,330.45	\$1,548.12
Recycling Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$89.04	\$158.00	\$219.27	\$288.23	\$357.17	\$426.11	\$495.07
1 YD	\$107.58	\$192.36	\$277.13	\$361.90	\$446.67	\$531.42	\$616.23
1.5 YD	\$116.13	\$209.41	\$302.70	\$395.99	\$489.26	\$582.54	\$649.93
2 YD	\$136.60	\$250.40	\$364.20	\$478.01	\$591.76	\$705.55	\$819.35
3 YD	\$148.78	\$274.77	\$400.72	\$526.71	\$652.65	\$778.62	\$904.62
4 YD	\$160.97	\$299.12	\$437.26	\$575.41	\$713.55	\$851.70	\$989.84
6 YD	\$185.32	\$347.85	\$510.31	\$672.86	\$835.30	\$997.83	\$1,160.31
8 YD	\$209.68	\$396.53	\$577.74	\$770.25	\$957.11	\$1,143.96	\$1,330.84
Organics Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
64 Gallon	\$68.77	\$125.12	\$181.47	\$237.83	\$294.18	\$350.53	\$406.88
300 Gallon	\$108.19	\$194.39	\$270.98	\$357.18	\$443.36	\$529.54	\$615.74
1 YD	\$131.36	\$237.35	\$343.31	\$449.27	\$555.23	\$661.17	\$767.18
1.5 YD	\$142.06	\$258.65	\$375.27	\$491.88	\$608.47	\$725.07	\$809.31
2 YD	\$167.65	\$309.89	\$452.14	\$594.41	\$736.59	\$878.83	\$1,021.08

Solid Waste Compactor Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
2 YD	\$314.15	\$579.24	\$844.36	\$1,109.49	\$1,374.48	\$1,639.57	\$1,904.73
3 YD	\$342.50	\$636.01	\$929.45	\$1,222.92	\$1,516.36	\$1,809.46	\$2,103.35
4 YD	\$367.47	\$686.13	\$1,004.82	\$1,323.41	\$1,642.07	\$1,960.70	\$2,279.32
Roll Off Rates							
10 Cubic Yards (16' x 8' x 3')							
20 Cubic Yards (16' x 6' x 5')							
30 Cubic Yards (18' x 8' x 6')							
MOVE CONTAINER FEE after intial placement. Customers must give specific placement instructions, or have a spotter on site.						\$115.45	
SCHEDULED PICK-UPS per empty plus actual landfill charges. No container rental fee and MUST KEEP Roll Off bin for at least 90 days to qualify for scheduled pick-ups.						\$325.62	
UNSCHEDULED PICK-UPS per empty plus actual landfill charges plus oer day container charge as shown below.						\$387.60	
Daily Container Rental Charge for Unscheduled Service						\$8.89	
UNSCHEDULED PICK-UPS additional fee for nights, weekends, or holidays						\$206.62	
Temporary Construction Recycle Rates (Service < 90 Days, includes Delivery & Removal)							
1 YD						\$338.64	
1.5 YD						\$347.20	
2 YD						\$367.67	
3 YD						\$379.84	
4 YD						\$392.04	
6 YD						\$416.39	
8 YD						\$440.75	
Special Service Rates							
Subscription Item					Rate	Frequency of Charge	
Can/Bin Cleaning					\$25.00	/Request	
Can/Bin Re-Deliver Fee (after removal for missed payments)					\$25.00	/Occurrence	
Rear Loader Bulky Waste Pickup					\$25.00	/Request	
Roll-Off Overweight Charge					\$347.84	/Occurrence	
Commercial Recycling Contamination Fee					\$70.26	/Occurrence + \$1/CY	
Return Fee					\$69.57	/Occurrence	

Scenario 3: Effective July 1, 2024							
Residential Collection Rates							
Subscription Item					2023 Rate	2024 Rate	
90 Gal Pack-out (Single Family Units)					\$138.27	\$138.27	
64 Gal (Gray) Curbside (Single Family Unit & Multi Unit extra cans).					\$37.27	\$37.27	
90 Gal Green Waste (Green) Container					\$8.01	\$8.01	
64 Gal Recycling (Blue) Container					\$8.04	\$8.04	
90 Gal Disabled Pack-out (Single Family Unit)					\$37.27	\$37.27	
90 Gal Pack-out (Mobile home)					\$133.06	\$133.06	
90 Gal Curbside (Mobile home)					\$28.43	\$28.43	
Extra 64 Gal Refuse (Gray) Container single Residential only NOT MULTI UNITS					\$23.60	per month	
					\$283.23	per year	
Residential Go-Back Fee All Cans					\$25.00		
Residential Special Pick Up Fee Any single can or All Cans (includes extra service or refilling of cans) Courtesy call back not allowed.					\$25.00		
Contamination Fee (Garbage in Green or Blue can)					\$25.00		
Commercial and Industrial Collection Rates							
Solid Waste Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$103.01	\$184.51	\$266.01	\$347.50	\$428.99	\$510.49	\$591.99
1 YD	\$123.28	\$222.02	\$320.77	\$419.50	\$518.26	\$616.97	\$715.73
1.5 YD	\$133.21	\$241.88	\$350.54	\$459.19	\$567.84	\$676.51	\$785.17
2 YD	\$157.07	\$289.62	\$422.18	\$554.75	\$687.24	\$819.78	\$952.36
3 YD	\$171.25	\$318.00	\$464.72	\$611.46	\$758.18	\$904.73	\$1,051.67
4 YD	\$183.74	\$343.07	\$502.41	\$661.71	\$821.04	\$980.35	\$1,139.66
6 YD	\$213.82	\$403.12	\$592.38	\$781.70	\$970.92	\$1,160.24	\$1,349.51
8 YD	\$242.17	\$459.84	\$677.50	\$895.14	\$1,112.82	\$1,330.45	\$1,548.12
Recycling Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$89.04	\$158.00	\$219.27	\$288.23	\$357.17	\$426.11	\$495.07
1 YD	\$107.58	\$192.36	\$277.13	\$361.90	\$446.67	\$531.42	\$616.23
1.5 YD	\$116.13	\$209.41	\$302.70	\$395.99	\$489.26	\$582.54	\$649.93
2 YD	\$136.60	\$250.40	\$364.20	\$478.01	\$591.76	\$705.55	\$819.35
3 YD	\$148.78	\$274.77	\$400.72	\$526.71	\$652.65	\$778.62	\$904.62
4 YD	\$160.97	\$299.12	\$437.26	\$575.41	\$713.55	\$851.70	\$989.84
6 YD	\$185.32	\$347.85	\$510.31	\$672.86	\$835.30	\$997.83	\$1,160.31
8 YD	\$209.68	\$396.53	\$577.74	\$770.25	\$957.11	\$1,143.96	\$1,330.84
Organics Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
64 Gallon	\$68.77	\$125.12	\$181.47	\$237.83	\$294.18	\$350.53	\$406.88
300 Gallon	\$108.19	\$194.39	\$270.98	\$357.18	\$443.36	\$529.54	\$615.74
1 YD	\$131.36	\$237.35	\$343.31	\$449.27	\$555.23	\$661.17	\$767.18
1.5 YD	\$142.06	\$258.65	\$375.27	\$491.88	\$608.47	\$725.07	\$809.31
2 YD	\$167.65	\$309.89	\$452.14	\$594.41	\$736.59	\$878.83	\$1,021.08

Solid Waste Compactor Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
2 YD	\$314.15	\$579.24	\$844.36	\$1,109.49	\$1,374.48	\$1,639.57	\$1,904.73
3 YD	\$342.50	\$636.01	\$929.45	\$1,222.92	\$1,516.36	\$1,809.46	\$2,103.35
4 YD	\$367.47	\$686.13	\$1,004.82	\$1,323.41	\$1,642.07	\$1,960.70	\$2,279.32
Roll Off Rates							
10 Cubic Yards (16' x 8' x 3')							
20 Cubic Yards (16' x 6' x 5')							
30 Cubic Yards (18' x 8' x 6')							
MOVE CONTAINER FEE after intial placement. Customers must give specific placement instructions, or have a spotter on site.						\$115.45	
SCHEDULED PICK-UPS per empty plus actual landfill charges. No container rental fee and MUST KEEP Roll Off bin for at least 90 days to qualify for scheduled pick-ups.						\$325.62	
UNSCHEDULED PICK-UPS per empty plus actual landfill charges plus oer day container charge as shown below.						\$387.60	
Daily Container Rental Charge for Unscheduled Service						\$8.89	
UNSCHEDULED PICK-UPS additional fee for nights, weekends, or holidays						\$206.62	
Temporary Construction Recycle Rates (Service < 90 Days, includes Delivery & Removal)							
1 YD						\$338.64	
1.5 YD						\$347.20	
2 YD						\$367.67	
3 YD						\$379.84	
4 YD						\$392.04	
6 YD						\$416.39	
8 YD						\$440.75	
Special Service Rates							
Subscription Item					Rate	Frequency of Charge	
Can/Bin Cleaning					\$25.00	/Request	
Can/Bin Re-Deliver Fee (after removal for missed payments)					\$25.00	/Occurrence	
Rear Loader Bulky Waste Pickup					\$25.00	/Request	
Roll-Off Overweight Charge					\$347.84	/Occurrence	
Commercial Recycling Contamination Fee					\$70.26	/Occurrence + \$1/CY	
Return Fee					\$69.57	/Occurrence	



CITY OF MERCED PUBLIC WORKS DEPARTMENT SOLID WASTE DIVISION

About Solid Waste



40 Employees

27 Daily Routes Monday-Friday

14-Residential Routes:

1,220,000 lbs. garbage hauled weekly
120,000 lbs. recyclables hauled weekly
700,000 lbs. green waste hauled weekly

13-Commercial Routes:

1,436,000 lbs. hauled weekly

110 Roll-offs hauled weekly

1-Saturday Commercial Route:

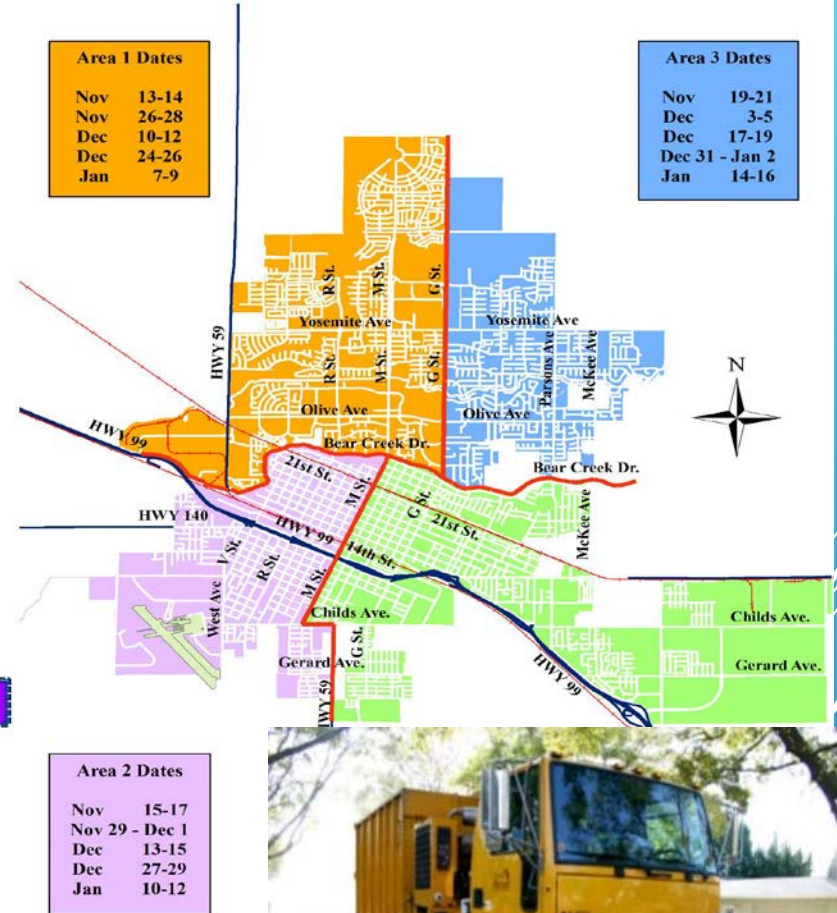
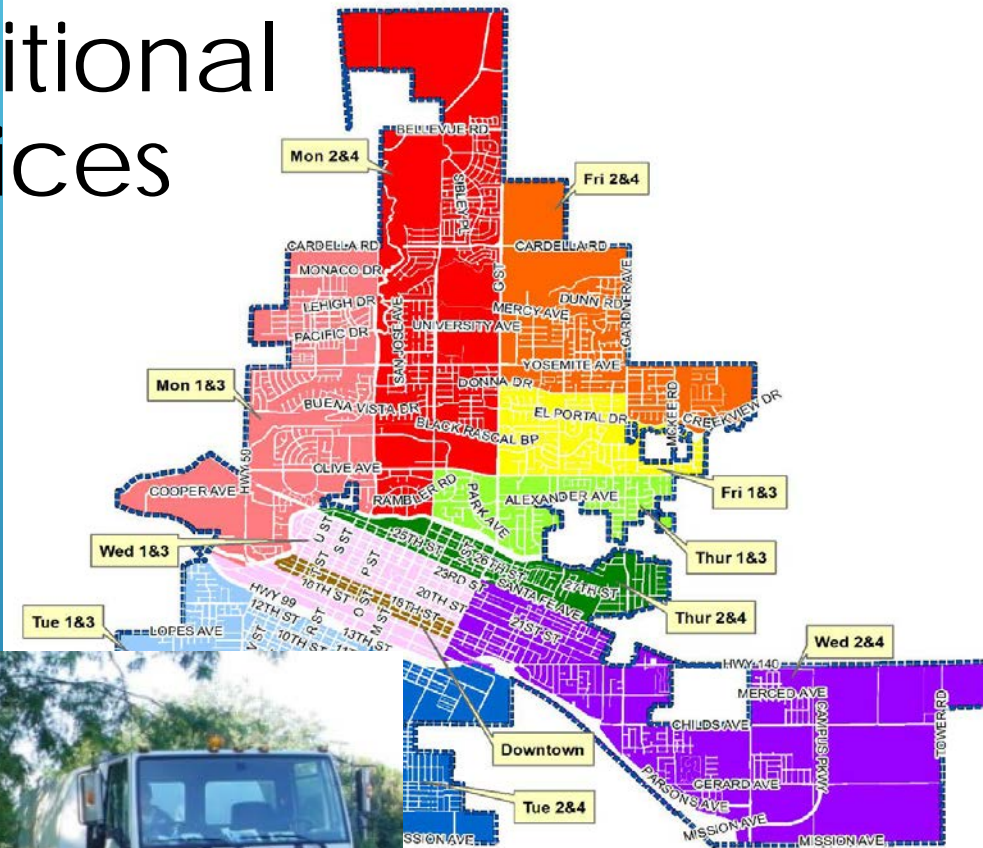
30,000 lbs. hauled weekly

1-Sunday Parks Route

Total- 168,288,000 lbs. annually



Additional Services



Street Sweeping / Leaf Collection



Green waste Diversion: Trees



**Celebrating 38
Years as a
"Tree City USA"!**

Spring Clean-Up



6000 Vehicle loads of Garbage

1,556,820 lbs. of Garbage

301,600 lbs. of Metal

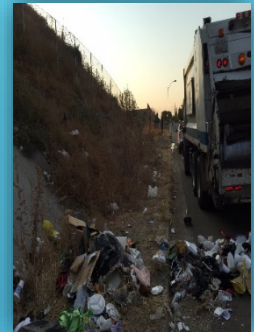
1110 Mattresses

60 yards of Chipped Brush

Bulky Item Drop-off



Clean Ups



Neighborhood Refuse Response Team:
Homeless Encampments
Illegal Dumping
Alley Clean-ups



Hazards



Refuse and Recycling Collection Worker is
currently the 5th most deadly job in the world

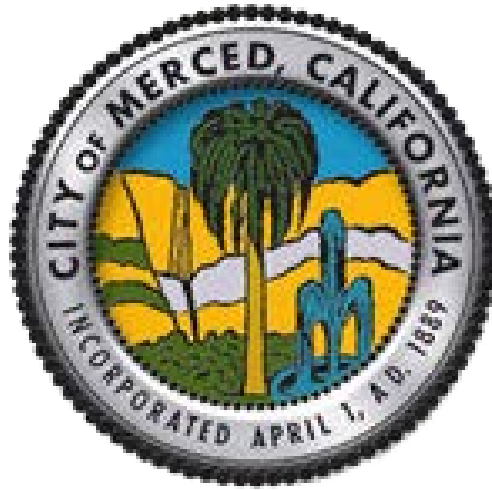


Corp Yard Expansion

Circa 1960



5-Year Refuse Rate Study



PRESENTATION TO:

City of Merced, City Council

November 4, 2019



Background

Primary Functions and Responsibilities



- ▶ Provides solid waste, recycling and green waste collection services
- ▶ Labor, operating equipment, maintenance, billing, administration, overhead
- ▶ Other programs
 - ▶ Disabled/Senior Citizen Pack-Out Service
 - ▶ Alley Cleanup/Illegal Dumping
 - ▶ Drop-off Site Removal (Spring Cleanup)
 - ▶ Bulky Waste pickup
 - ▶ Tire Removal
 - ▶ Street Sweeping
 - ▶ Street Trees
 - ▶ Encampment Cleanup
 - ▶ Christmas Tree Removal



New California Legislation

- ▶ AB 341 and AB 1826: Mandatory Commercial Recycling and Organics Collection Requirements
 - Identify Covered Generators
 - Provide Recycling Program
 - Education and Outreach
 - Monitor Compliance and Report Progress
- ▶ AB 1594: Green Material Used AS Alternative Daily Cover
- ▶ SB 1383: SLCP Organic Waste Methane Emission Reductions
 - Reduction in Disposal of Organics
 - Enforcement and Penalties (CalRecycle 2022, Local Jurisdictions 2024)



China National Sword

- ▶ Historically, California has exported a significant portion of collected recyclable material to China for processing
- ▶ In 2018, China reduced the level contamination in their accepted recyclable materials to >0.5%, essentially banning all recyclable material
- ▶ This ban has drastically shifted the global recycling markets
- ▶ The revenues generated from collected recyclables has been reduced
- ▶ Jurisdictions have been changing their collection operations model to cope with this ban

Rate Model Overview

Background



- ▶ Divisions of Refuse Fund 558
 - Refuse Collections (1112)
 - Curbside Recycling (1135)
 - Green Waste Collection (1133)
 - Street Sweeping (1113)
 - Street Trees (1122)
- ▶ FY 18/19 Budgeted Deficit of \$2.2M
- ▶ Operating Reserve Target of 16% of Budgeted Expenses
- ▶ Efficient and Effective Operations

Rate Model Overview

Increasing Cost Factors



- ▶ Labor Costs Increases
 - Collection route labor
 - General and administrative costs
 - CalPERS costs
- ▶ Other Operating Increases
 - Recycling markets change due to “China National Sword” in 2018
 - Future Costs Depend on Markets
 - Garbage Landfill Costs
 - Depreciation
 - Fleet Maintenance and Replacement
- ▶ New Operating Expenses

Rate Model Overview

New Operating Expenses



- ▶ 2004 CARB Regulation Impacts
 - 8 Collection Trucks
 - 2 Street Sweepers
 - 4 Street Trees Maintenance Trucks
- ▶ New Residential Development through FY 23/24
 - New Equipment
 - ❖ 2 Collection Trucks
 - ❖ 1 Street Sweeper
 - New Employees
 - ❖ 4 Maintenance Workers
 - ❖ 1 Street Sweeper Driver
 - ❖ 1 Tree Trimmer
- ▶ Projected Capital Outlay
 - \$3.5M, anticipated to be paid by FY 23/24
 - \$8.7M, amortized at 3% interest over a 20-year period
- ▶ Estimated New Development Fees

Rate Model Overview

Solid Waste Fund Expenses



Actual and Budgeted Expenses

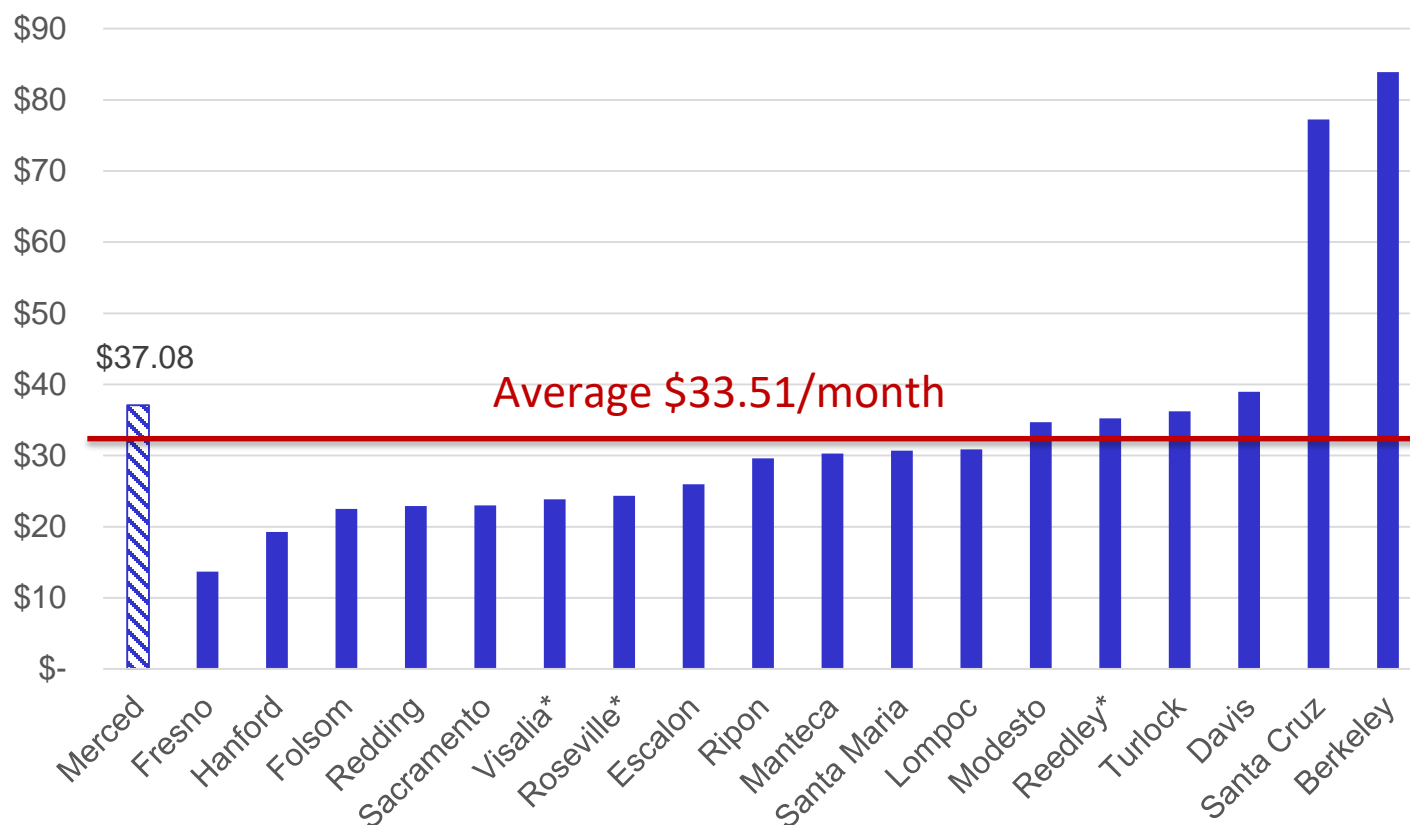
Account	Actual FY 16/17	Actual FY 17/18	Approved Budget FY 18/19
Refuse (1112)	8,448,954	9,319,879	11,236,058
Recycling (1135)	936,997	1,012,075	1,063,961
Green Waste (1133)	700,736	738,499	911,461
Street Sweeping (1113)	1,366,380	1,442,453	1,394,984
Street Trees (1122)	839,022	1,027,563	1,169,501
Finance (0701)	269,010	39,000	425,739
Total	12,561,099	13,579,469	16,201,703
Annual Change		1,018,370	2,622,234
% Increase FY 16/17		8.1%	29.0%

Rates & Services Comparison

Residential Customer Rates



64 Gallon Cart



* Reedley, Roseville, and Visalia provide a 90-gallon container

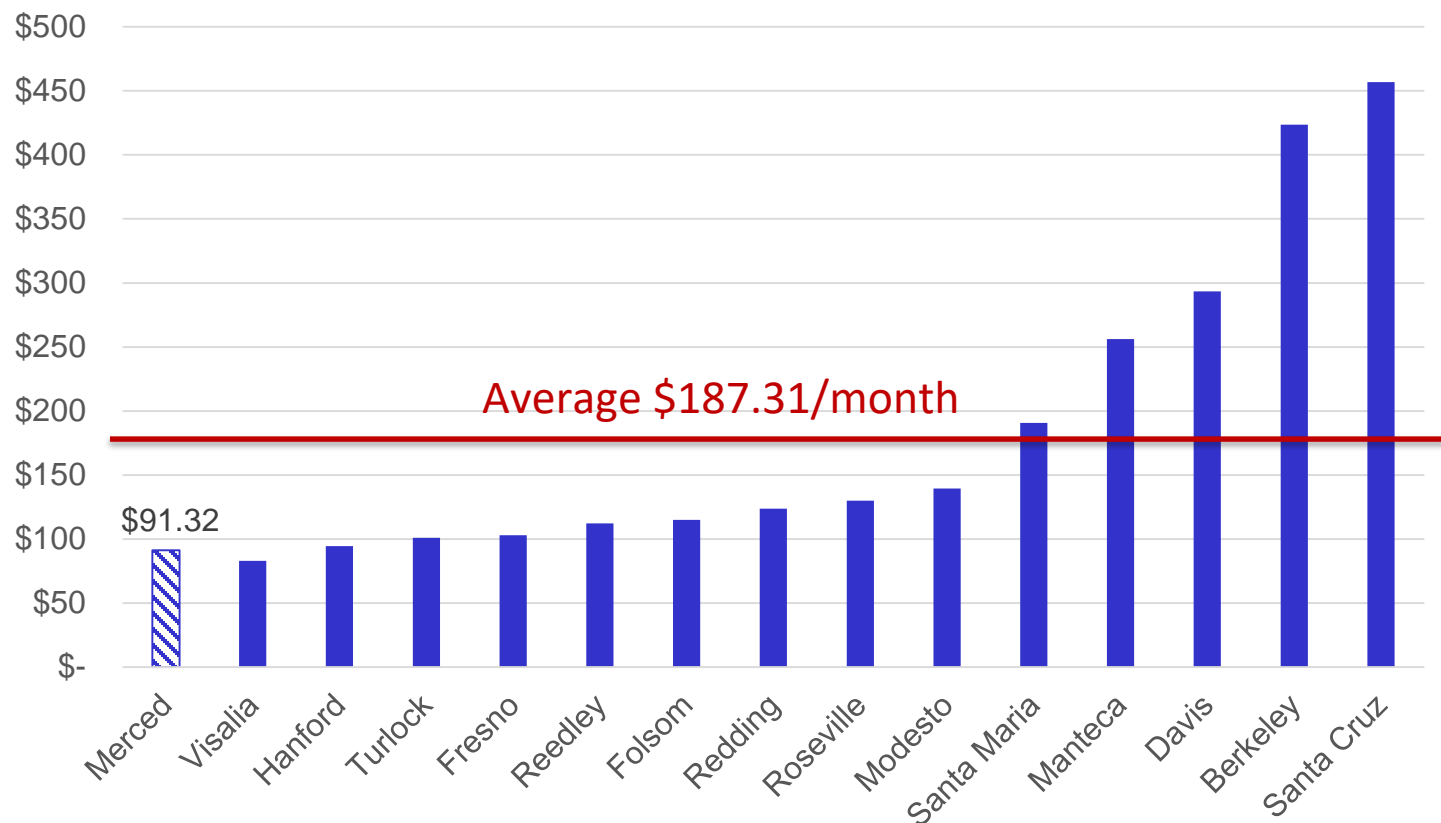
City of Merced Residential Customer Rates
11% **Higher** than Average

Rates & Services Comparison

Commercial Customer Rates



3 Cubic Yard Bin



City of Merced Commercial Customer Rates
51% **Lower** than Average

Rate Adjustment Scenarios

Without Litter Abatement Program



Scenarios	2020	2021	2022	2023	2024	Operating Reserve (FY 24)	Annual Revenue (Shortfall) (FY 24)
Scenario 1						\$3,868,000	(\$326,000)
Residential	29.0%	6.0%	5.0%	4.0%	0.0%		
Commercial	29.0%	6.0%	5.0%	4.0%	0.0%		
Scenario 2						\$472,000	\$357,000
Residential	12.5%	12.5%	12.5%	8.0%	0.0%		
Commercial	12.5%	12.5%	12.5%	8.0%	0.0%		
Scenario 3						\$3,970,000	\$472,000
Residential	20.0%	5.0%	5.0%	5.0%	0.0%		
Commercial	35.0%	10.0%	10.0%	10.0%	0.0%		

Rate Adjustment Scenarios

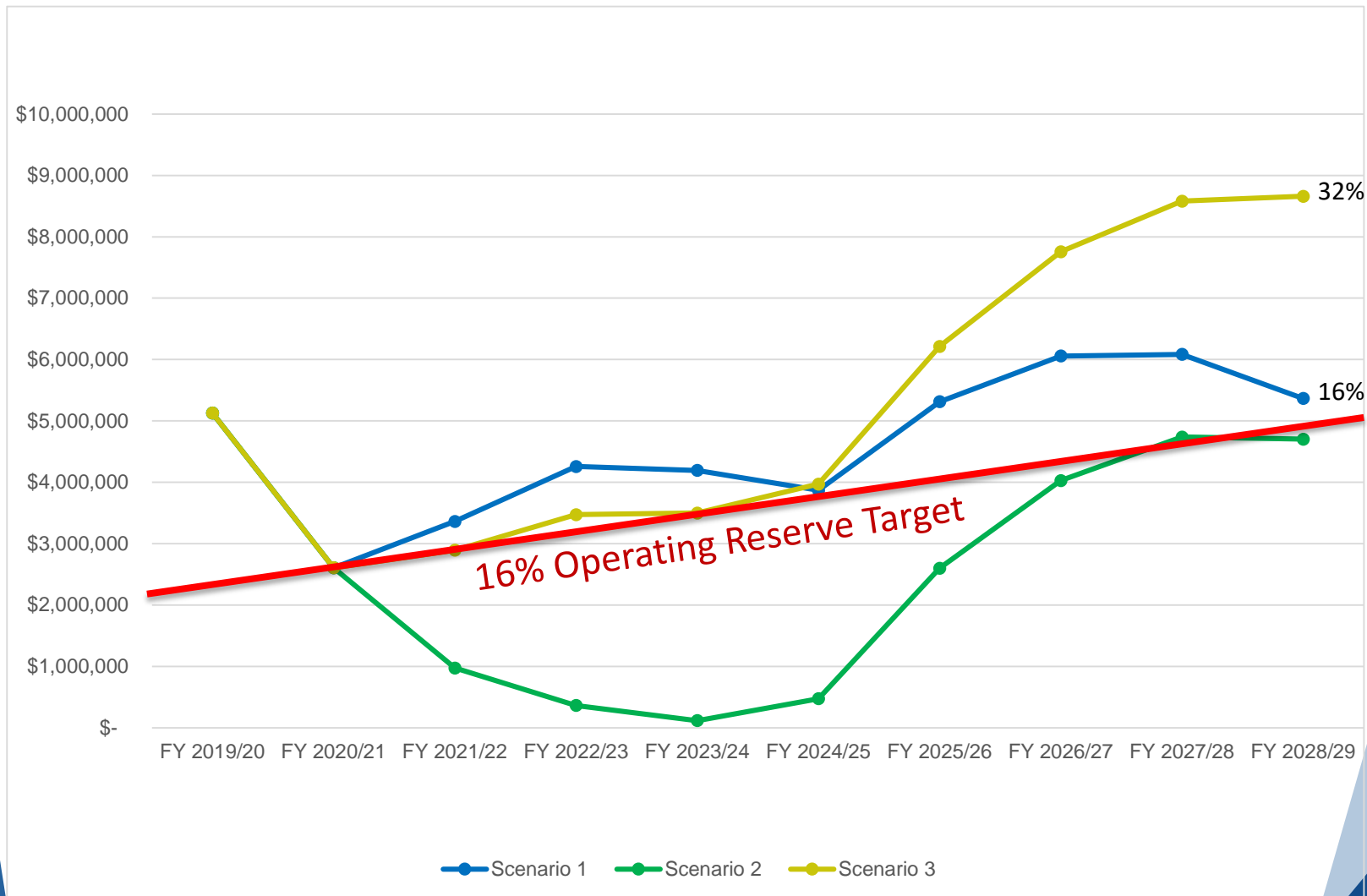
With Litter Abatement Program



Scenarios	2020	2021	2022	2023	2024	Operating Reserve (FY 24)	Annual Revenue (Shortfall) (FY 24)
Scenario 1						\$3,530,000	(\$148,000)
Residential	29.0%	9.0%	5.0%	4.0%	0.0%		
Commercial	29.0%	9.0%	5.0%	4.0%	0.0%		
Scenario 2						\$911,000	\$365,000
Residential	14.5%	14.5%	14.5%	4.5%	0.0%		
Commercial	14.5%	14.5%	14.5%	4.5%	0.0%		
Scenario 3						\$5,652,000	\$1,879,000
Residential	26.0%	4.5%	4.5%	4.5%	0.0%		
Commercial	40.0%	7.5%	7.5%	7.5%	0.0%		

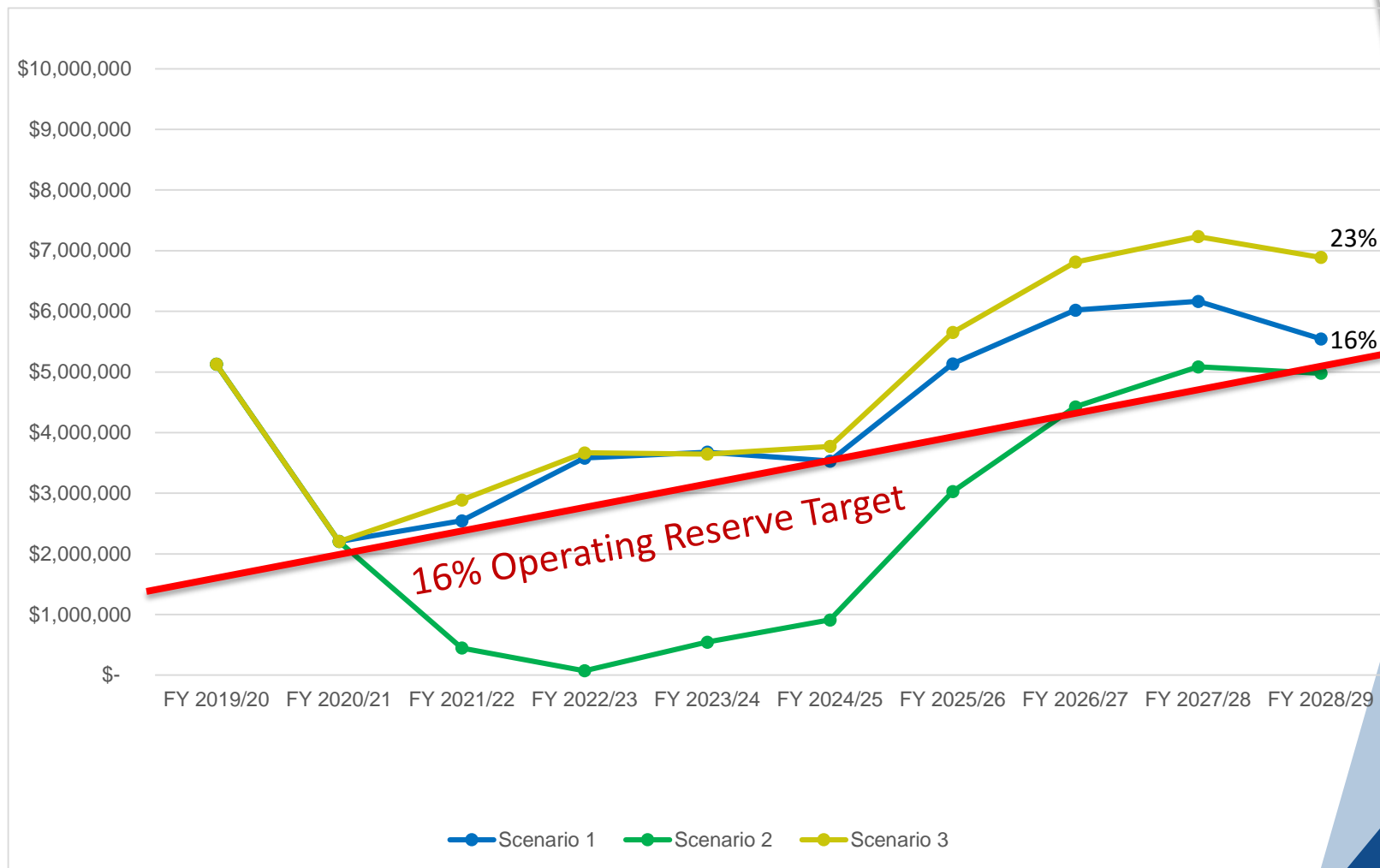
Rate Adjustment Scenarios

Deficit Recovery (without Litter Abatement Program)



Rate Adjustment Scenarios

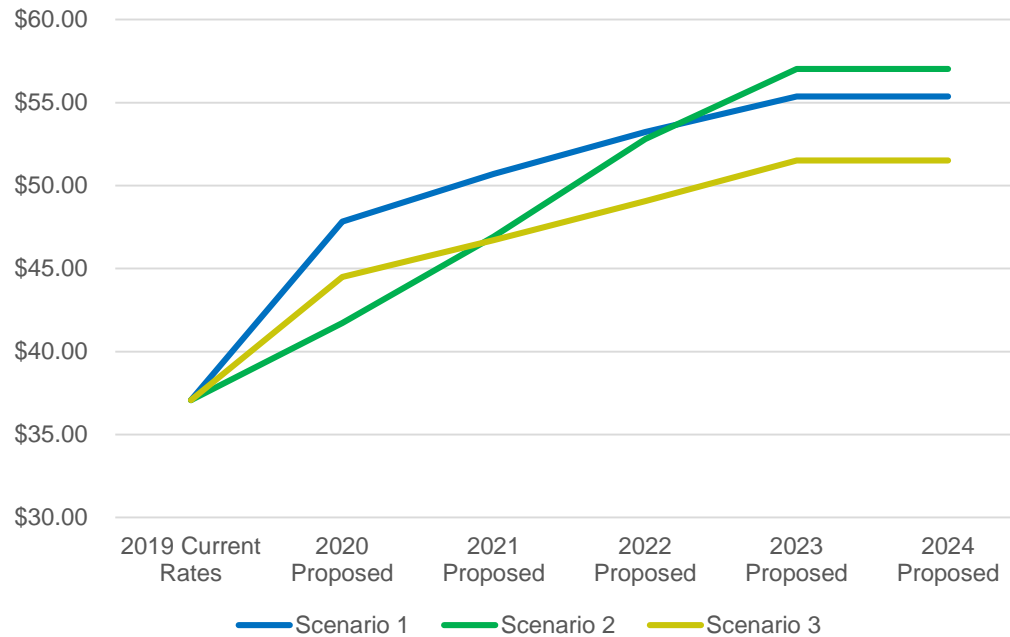
Deficit Recovery (with Litter Abatement Program)



Rate Adjustment Scenarios

Proposed Residential Rates

(without Litter Abatement Program)



Total Monthly Rate
Includes Weekly
Collection of:

- ▶ 64-Gal Garbage
- ▶ 90-Gal Green Waste
- ▶ 64-Gal Recycling

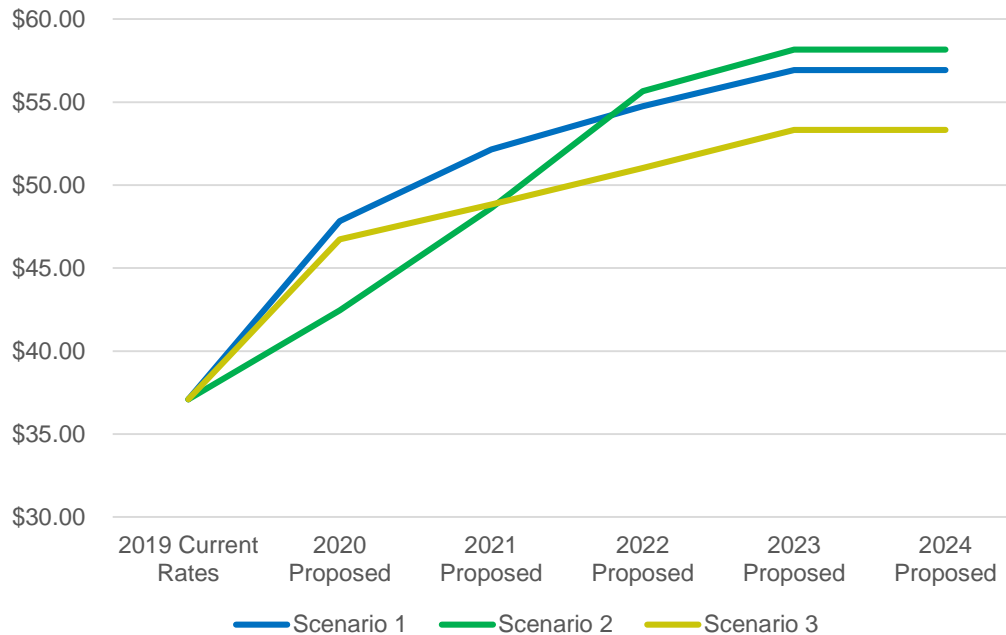
Residential Dollar Increase over Prior Year by Scenario *(without Litter Abatement Program)*

Scenarios	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
1	\$10.75	\$2.87	\$2.54	\$2.13	\$0.00
2	\$4.64	\$5.21	\$5.87	\$4.22	\$0.00
3	\$7.42	\$2.22	\$2.34 ⁶³⁴	\$2.45	\$0.00

Rate Adjustment Scenarios

Proposed Residential Rates

(with Litter Abatement Program)



Total Monthly Rate
Includes Weekly
Collection of:

- ▶ 64-Gal Garbage
- ▶ 90-Gal Green Waste
- ▶ 64-Gal Recycling

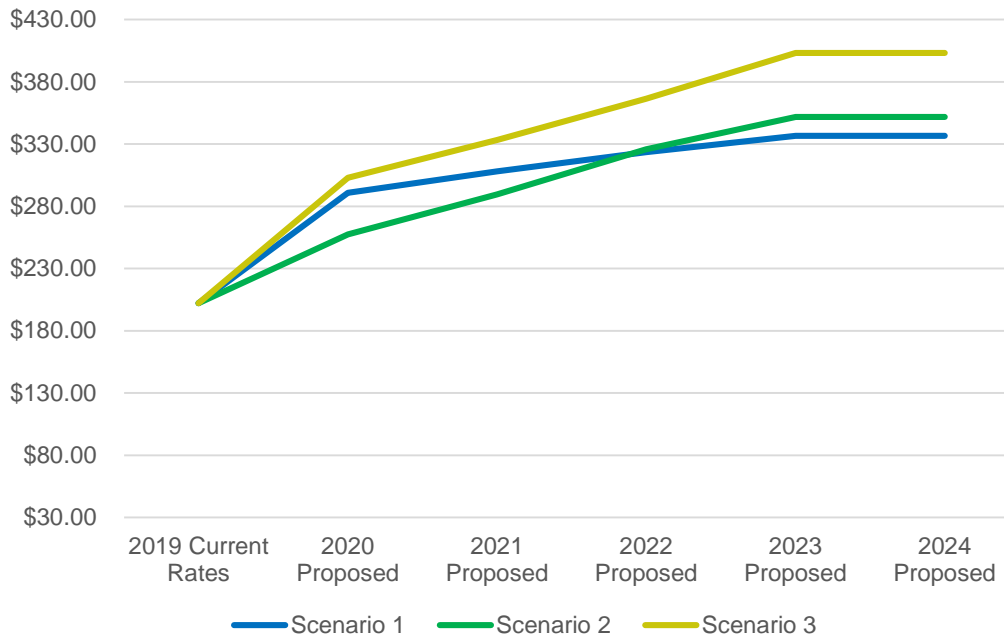
Residential Dollar Increase over Prior Year by Scenario (with Litter Abatement Program)

Scenarios	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
1	\$10.75	\$4.30	\$2.61	\$2.19	\$0.00
2	\$5.38	\$6.16	\$7.05	\$2.50	\$0.00
3	\$9.64	\$2.10	\$2.20 ₆₃₅	\$2.30	\$0.00

Rate Adjustment Scenarios

Proposed Commercial Rates

(without Litter Abatement Program)



Total Monthly Rate
Includes Weekly
Collection of:

- ▶ 3CY Garbage
- ▶ 64-Gal Organic Waste
- ▶ 3 CY Recycling

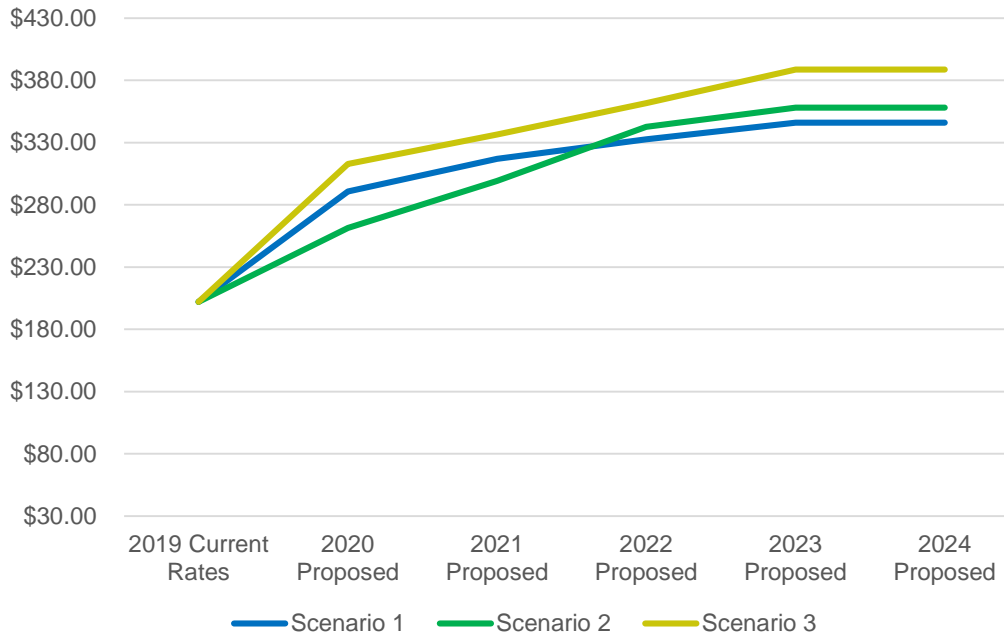
Commercial Dollar Increase over Prior Year by Scenario *(without Litter Abatement Program)*

Scenarios	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
1	\$88.61	\$17.44	\$15.41	\$12.94	\$0.00
2	\$55.27	\$32.17	\$36.19	\$26.06	\$0.00
3	\$100.74	\$30.29	\$33.31 ₆₃₆	\$36.65	\$0.00

Rate Adjustment Scenarios

Proposed Commercial Rates

(with Litter Abatement Program)



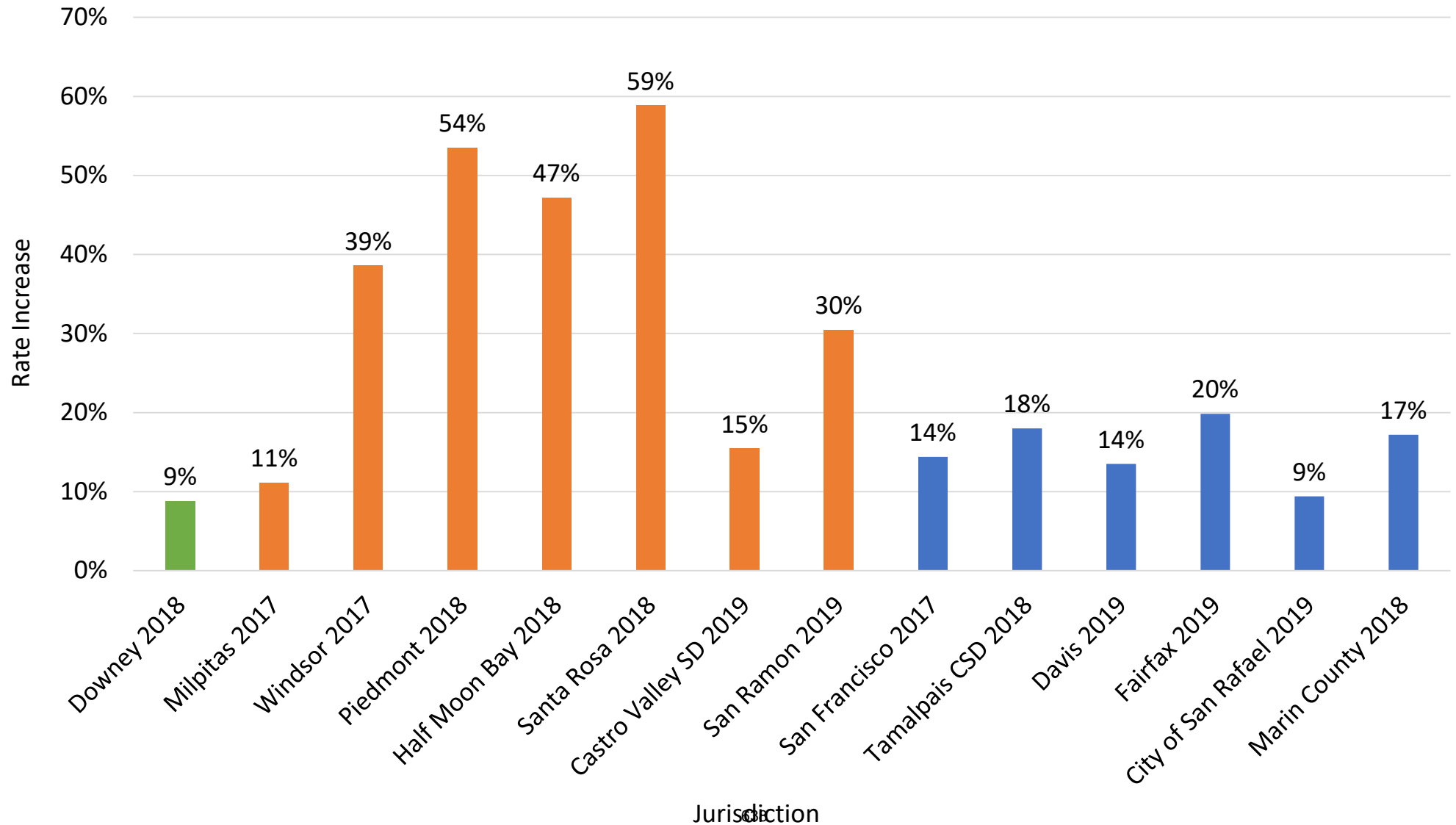
Total Monthly Rate
Includes Weekly
Collection of:

- ▶ 3CY Garbage
- ▶ 64-Gal Organic Waste
- ▶ 3 CY Recycling

Commercial Dollar Increase over Prior Year by Scenario (with Litter Abatement Program)

Scenarios	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
1	\$88.61	\$26.17	\$15.85	\$13.31	\$0.00
2	\$59.31	\$37.91	\$43.40	\$15.42	\$0.00
3	\$110.85	\$23.47	\$25.23 ⁶³⁷	\$27.13	\$0.00

Sample CA Rate Increases



QUESTIONS & ANSWERS

THANK YOU FOR YOUR TIME

For additional questions, contact:

Garth Shultz or Carrie Baxter

R3 Project Director

R3 Project Manager

(510) 292-08530

(916) 878-7413

gschultz@r3cgi.com

cbaxter@r3cgi.com





CITY OF MERCED

Merced Civic Center
678 W. 18th Street
Merced, CA 95340

ADMINISTRATIVE REPORT

Agenda Item K.1.

Meeting Date: 11/4/2019

SUBJECT: Council Member Echevarria's Request to Discuss Vaping Regulations and Sales in the City of Merced

REPORT IN BRIEF

Council Member Echevarria's Request to Discuss Vaping Regulations in accordance with Council Administrative Policies and Procedures C-1.

RECOMMENDATION

It is requested Council give staff direction on this item.

State and Federal Actions Regarding Vaping

State Administrative Action:

Governor Newsom issued an Executive Order on September 16, 2019, addressing the youth vaping epidemic:

- The Governor has called on the Department of Public Health (DPH) to develop recommendations to increase enforcement efforts against the sale of illicit and counterfeit vaping products.
- The executive order will also aim to establish standards for warning signs and labels in retail stores and on e-cigarette packaging. DPH's deadline for submittal to the Governor's office is October 14, 2019.
- \$20 million raised from Propositions 56 and 64 will be allocated to marketing prevention efforts—educating the public on the potential health risks of vaping nicotine and cannabis.
- The California tax collection department has been directed to step up enforcement of existing fees and regulations of electronic cigarettes.
- The Governor has also made it clear that once the Legislature reconvenes in January, he will press for legislative action geared towards eliminating the sale of flavored nicotine products in California.

State Legislature—Current bills that address vaping and e-cigarettes:

- ***SB 538 (Rubio) Electronic Cigarettes—(Awaiting Governor Action)***

This bill requires a manufacturer of electronic cigarettes to submit specified information to the Department of Public Health (DPH) about electronic cigarettes sold in the state. This bill further requires DPH to post the information on its Web site and to conduct a public outreach campaign to notify specified entities about the information on electronic cigarettes to address the increase in youth usage. It also contains an urgency clause that will make this bill effective upon enactment.

- ***AB 1529 (Low) Cannabis Vaporizing Cartridges: Universal Symbol—(Awaiting Governor Action)***

Requires a cannabis cartridge or integrated cannabis vaporizer that contains cannabis or a cannabis product to bear the universal cannabis symbol that is at least one-quarter inch by one-quarter inch. Contains an urgency clause to ensure that the provisions of this bill go into immediate effect upon enactment.

- ***AB 131 (Cunningham) Electronic Smoking Devices: Manufacturers: Advertising—(Held over until next year)***

Would prohibit an electronic smoking device manufacturer, as defined, from advertising or promoting the electronic smoking device, as defined, in a manner that is attractive to persons under 21 years of age, as specified, or is intended to encourage persons under 21 years of age to use the device. This bill would authorize the State Department of Public Health to assess specified civil penalties against an electronic smoking device manufacturer for each violation.

- ***AB 1639 (Gray) Tobacco Products—(Held over until next year)***

This bill would, among other things, would create various advertising, promotion, packaging, and selling prohibitions on electronic cigarettes in California.

- ***SB 424 (Jackson) Tobacco Products: Single-use and Multi-use Components—(Held over until next year)***

This bill prohibits a person or entity from selling, giving, or in any way furnishing to another person of any age in the state any single-use filters, plastic devices, electronic cigarettes, and vaporizer devices, as specified. Requires the manufacturer of these components to use materials eligible for recycling under state or local recycling programs to make any multiuse, reusable component, and to offer methods for recycling those components, as specified.

Federal Administrative Action:

The Trump Administration policy (via the FDA) is expected to be finalized in the coming weeks. Essentially, it's enforcing rules already on the books but targeting/prioritizing flavored e-cigs.

By way of background: an FDA rule became effective August 8, 2016 that said that all electronic nicotine delivery system (ENDS) products (which includes e-cigarettes) were expected to file premarket tobacco product applications with the FDA within two years (to bring them into similar compliance with traditional cigarettes). Basically, all ENDS products currently on the market are not being legally marketed and are now subject to government action.

The compliance policy the FDA is going to finalize in the coming weeks will outline enforcement policy of this existing rule, in a way that will prioritize flavored over non-flavored e-cigarettes. There will be additional details of how they will address flavored e-cigarettes should the manufacturers come into compliance with the August 2016 FDA rule, but they have not made those public yet. Additionally, there is likely to be some lag between plan announcement and full implementation from an enforcement perspective (likely another few weeks or months).



ADMINISTRATIVE REPORT

Agenda Item K.2.

Meeting Date: 11/4/2019

Report Prepared by: John Tresidder, Assistant City Clerk, City Clerk's Office

SUBJECT: Appointment - Regional Airport Authority

REPORT IN BRIEF

Consider appointing Robert Scoble to the Regional Airport Authority.

RECOMMENDATION

City Council - Adopt a motion appointing Robert Scoble to serve as a member of the Regional Airport Authority, to a seat with a term expiration of July 1, 2023.

ALTERNATIVES

1. Appoint Robert Scoble to the Regional Airport Authority; or,
2. Refer back to staff with direction to resume recruitment of applicants.

AUTHORITY

Article VII, Sections 700, 702, 702.1, 707, and 708 of the Merced City Charter. Staff was directed to notice vacancies on all Boards and Commissions in June of 2018 (Annual Vacancies Notice). The vacancies were duly posted in accordance with Government Code Section 57970, et seq.

CITY COUNCIL PRIORITIES

Not applicable.

DISCUSSION

There are currently two vacancies on the Regional Airport Authority.

The City Clerk's Office has received one application for the Authority from Robert Scoble.

Mr. Scoble's application and the current roster for the Regional Airport Authority are attached.

History and Past Actions

The Regional Airport Authority was created for the provision and maintenance of public airports and landing places for aerial traffic for the use of the public. The Authority consists of seven members who serve four-year terms of office.

IMPACT ON CITY RESOURCES

No impact on City resources.

ATTACHMENTS

1. Regional Airport Authority Roster
2. Application of Robert Scoble



City of Merced, CA

Regional Airport Authority

Board Roster



William A Rudd

2nd Term Jul 01, 2019 - Jul 02, 2021

Appointing Authority City Council

Position Member



Michael O Bodine

2nd Term Jul 01, 2017 - Jul 01, 2021

Appointing Authority City Council

Position Chair



Rafael L Velarde

1st Term Jul 01, 2017 - Jul 01, 2021

Appointing Authority City Council

Position Member



Travis M Colby

1st Term Jul 01, 2017 - Jul 01, 2021

Appointing Authority City Council

Position Member



CUAUHEMOC B DIAZ

1st Term Jul 01, 2017 - Jul 01, 2021

Appointing Authority City Council

Position Member



Vacancy

Appointing Authority City Council

Position Member



Vacancy

Appointing Authority City Council

Position Member

Profile

Robert

First Name

J

Middle Initial

Scoble

Last Name

Retired

Employer

Job Title

Email Address

Primary Phone

Alternate Phone

Are you 18 years of age or older? (Required)☒ Yes ☐ No

Street Address

Suite or Apt

City

State

Postal Code

Which Council district do you live in? *☒ District 4

Are you currently serving on a Board or Commission? If so, please list:

No

Which Boards would you like to apply for?

Regional Airport Authority: Submitted

Question applies to multiple boards

Highest Level of Education Completed: *☒ Bachelor's Degree

Communication

The City of Merced uses email as a preferred method of communication regarding your application. Is this acceptable to you?

☒ Yes ☐ No

If you selected no, please identify how you would like to be contacted:

Interests & Experiences

Tell us about yourself, and why you are applying for this particular Board or Commission:

I'm currently retired from the airline industry. My wife and I moved to Merced 6 years ago to care for her parents. We have elected to stay. We like to be involved with community support and this board seems to fit my education and experience. We participate in Seniors, Downtown Neighborhood Association and Castle Air Museum.

Please list your current employer and relevant volunteer experience.

Volunteer currently at Castle Air Museum 4 years as a Parks and Recreation Commissioner in Antioch Calif.

What is your understanding of the roles and responsibilities of this Board or Commission?

Typically a commissioner reviews reports from city department managers, reviews needs of clients and customers and makes recommendations to the City Council for their consideration

Do you have experience or special knowledge pertaining to this Board or Commission?

I have a Bachelors Degree in Aviation Maintenance Management with a minor in Business. I have 40 years experience in Air Carrier aircraft maintenance. I retired as Managing Director United Airlines, Chief Inspector FAR 121.65. Worked an additional three years in Miami International Airport at an MRO organization as VP of Safety, Quality, Training, and Environment. During those years I worked frequently with FAA, DOT, and TSA organizations. I have reviewed several meeting minutes of this commission.

Any other comments you would like to add that may assist the City Council in their decision?

Being retired I have more time available to evaluate opportunities and make connections with airport users and community needs

 Upload a Resume

Requirements

Question applies to multiple boards

AB 1234 Ethics Training

☒ I Agree *

Question applies to multiple boards

Attendance Policy

☒ I Agree *

Question applies to multiple boards

Statement of Economic Interests - FPPC Form 700

☒ I Agree *

Question applies to multiple boards

Oath of Office

☒ I Agree *

Question applies to multiple boards

Public Scrutiny

☒ I Agree *

Question applies to multiple boards

How did you hear about this vacancy? *

☒ City Website

If you selected other, please indicate how you learned about the vacancy:

Demographics

Ethnicity

☒ Caucasian/Non-Hispanic

Gender

☒ Male

Date of Birth

Submission

I declare under penalty of disqualification or termination that all statements in this application are true and complete to the best of my knowledge.

RJS



CITY OF MERCED

Merced Civic Center
678 W. 18th Street
Merced, CA 95340

ADMINISTRATIVE REPORT

Agenda Item K.3.

Meeting Date: 11/4/2019

SUBJECT: Request to Add Item to Future Agenda

REPORT IN BRIEF

Provides members of the City Council to request that an item be placed on a future City Council agenda for initial consideration by the City Council.



CITY OF MERCED

Merced Civic Center
678 W. 18th Street
Merced, CA 95340

ADMINISTRATIVE REPORT

Agenda Item K.4.

Meeting Date: 11/4/2019

SUBJECT: City Council Comments

REPORT IN BRIEF

Provides an opportunity for the Mayor and/or Council Member(s) to make a brief announcement on any activity(ies) she/he has attended on behalf of the City and to make a brief announcement on future community events and/or activities. The Brown Act does not allow discussion or action by the legislative body under this section.



CITY OF MERCED

Merced Civic Center
678 W. 18th Street
Merced, CA 95340

ADMINISTRATIVE REPORT

Agenda Item L.1.

Meeting Date: 11/4/2019

SUBJECT: CONFERENCE WITH REAL PROPERTY NEGOTIATORS - Property: APN 059-240-081; Agency Negotiator: Frank Quintero, Director, Economic Development; Negotiating Parties: Mark Persico, Merced Designated Local Authority and City of Merced and; Under Negotiation: Price and Terms of Payment