Mayor: Alan Galbraith
Vice Mayor: Peter White
City Council: Sharon Crull
Paul Dohring
Greg Pitts

ST. HELENA CITY COUNCIL
REGULAR MEETING
NOVEMBER 24, 2015

6:00 PM REGULAR MEETING
VINTAGE HALL BOARD ROOM – SECOND FLOOR
465 MAIN STREET, ST. HELENA

PLEASE NOTE: Any person who wishes to speak regarding an item on the agenda or make a comment under the "Oral Communication" portion of the agenda may voluntarily complete a "Speaker Card" and submit it to the City Clerk BEFORE that portion of the agenda is called. Speaker cards are available on the table in back of the room. Please observe the time limit of three minutes.

1. **CALL TO ORDER**

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL**

4. **PUBLIC FORUM:** Members of the public are entitled to speak on matters of municipal concern not on the agenda during Public Forum. Each person's comments shall be limited to 3 minutes. Each person is entitled to speak on any non-agendized item only once at any meeting. Brief questions by Councilmembers for clarifications may be posed and answered, and Councilmembers may make requests that items be placed on future agendas, but in accordance with state law, no substantive discussion or action may take place unless and until the matter properly appears on the agenda.

5. **REPORTS BY STAFF AND CITY COUNCIL, FUTURE AGENDA ITEMS, and AB 1234 REPORTS:** Reports by staff and/or Councilmembers on items of general interest. Brief questions for clarification may be posed and answered, and Councilmembers may request that items be placed on a future agenda. Except under certain circumstances, the Brown Act prohibits any other discussion or action by the City Council.

CONSENT ITEMS: Members of the Council or the public may ask that any items be considered individually for purposes of considering alternative action, for extended discussion, or for public comment. Unless that is done, one motion may be used to adopt all recommended actions. (Roll Call Vote)

6. Consideration and proposed approval of a resolution authorizing payment of $290,177 to Regional Water Quality Control Board for Civil Liability Order R2-2015-1051; and approving budget amendments to Fiscal Year 2015/2016 Wastewater Operations budget and Capital Improvement Program budget, transferring $290,177 from Capital Improvement Project C64 Oak Avenue Sewer Line Replacement Project to Wastewater Operations budget

CEQA Status: Not a CEQA project as defined in accordance with CEQA Guidelines, Section 15378
Lead Staff: Kathy Robinson, Operations Manager
Steven Palmer, PE, Director of Public Works/City Engineer
Recommendation: Adopt

7. Consideration and proposed approval of a resolution of the addition of a full time Public Works Utility Manager position to manage water production and wastewater treatment; and manage regulatory compliance for water production, water distribution, wastewater collection, and wastewater treatment for a total cost of $64,164 for the remainder of Fiscal Year 2015-16 and an estimate for Fiscal Year 2016-17 $128,325

CEQA Status: Not a CEQA Project
Lead Staff: Dawn Marshall, Administrative Services Manager
Steven Palmer, PE, Director of Public Works/City Engineer
Recommendation: Adopt

8. Annual AB 1600 Development Impact Fee Report for Fiscal Year ending June 30, 2015

CEQA Status: Exempt. (CEQA Guidelines §§ 15061(b)(3), 15273.)
Lead Staff: April Mitts, Finance Director
Recommendation: Informational item

9. Consideration and proposed approval of a resolution approving an agreement with Willdan Financial Services to provide a Full Cost Services Study and a Development Impact Fee Study for a total not to exceed amount of $81,540

CEQA Status: Not a CEQA Project
Lead Staff: Jennifer Phillips, City Manager
Recommendation: Adopt

10. Consideration and proposed approval of a resolution rescinding resolution 2014-81 and approving an Investment Policy for the City of St. Helena and review Annual Investment Report

CEQA Status: Not a CEQA Project
Lead Staff: Jennifer Phillips, City Manager
Recommendation: Adopt

PUBLIC HEARING:

11. Introduction and first Reading of Proposed Modifications of the Development Impact Fee Ordinance No. 2013-2, Section 3.32.070 Water Impact Fees B. Schedule of Water Impact Fees. Modification is to Correct a Calculation Error Discovered in the October 3, 2013 Development Impact Fee Study Report

    CEQA Status: Exempt. (CEQA Guidelines §§ 15061(b)(3), 15273.)
    Lead Staff: April Mitts, Finance Director
    Recommendation: Introduce by title only

12. Introduction and first Reading of Proposed Amendments to the City's Purchasing System Ordinance, St. Helena Municipal Code Chapter 3.04 Purchase of Supplies, Equipment and Services and Procedures for Public Works Projects. Specific Amendments Apply to the Following:

    Article 1 §3.04.010 Purpose Objectives / Scope / Responsibilities, Article 1 §3.04.020 Definitions, Article 2 §3.04.060 Requisitions, Article 2 §3.04.080 Contracts, Article 2 §3.04.100 Bidding procedures for various purchase amounts, Article 2 §3.04.110 Departmental purchases, Article 2 §3.04.120 Informal bid procedure, Article 2 §3.04.130 Formal bid procedure, Article 2 §3.04.150 Cooperative purchasing with other agencies, Article 2 §3.04.170 Emergencies, Article 3 §3.04.200 Uniform construction cost accounting procedures, Article 3 §3.04.210 Bidding procedures for various project amounts, Article 3 §3.04.230 Informal bidding procedures, Article 3 §3.04.240 Formal bidding procedures, Article 3 §3.04.250 Bonds, Article 3 §3.04.270 Tie bids, Article 3 §3.04.300 Prevailing wages required, Article 3 §3.04.310 Pre-qualification of bidders, Article 4 §3.04.320 Award of professional service contracts based on competence, and Article 4 §3.04.340 Contracting authority.

    The proposed amendments will increase purchasing limits and add clarifying language and definitions.

    CEQA Status: Not a CEQA project
    Lead Staff: April Mitts, Finance Director
    Recommendation: Introduce by title only

NEW BUSINESS:

13. Determine Acceptance of Electric Vehicle (EV) Charger Grant from Bay Climate Action Plan (BayCAP), Authorize City Manager to Execute Agreement and Appropriate Up to $14,000 in General Fund Reserves for Additional Installation Costs

    CEQA Status: Installations of the EV Chargers are Categorically Exempt from CEQA under Section 15303 (Class 3 Categorical Exemption) and Exempt from NEPA under 23 CFR 771.117(c) at Either Location.
    Lead Staff: April Mitts, Finance Director
    Tracey Perkosky, Grants Manager
    Recommendation: Provide direction

14. Request for formal direction to include designation of a portion of 1480 Main Street (City Hall) and the Adams Street Property (APN 009-150-006) as Central Business, into the General Plan Update and Environmental Impact Report analysis.

CEQA Status:	Not a CEQA Project; Any formal land use changes to the 1480 Main Street and the Adams Street property will undergo a complete environmental review under CEQA.
Lead Staff:	Noah Housh, Planning and Community Improvement Director
Recommendation:	Provide direction

ADJOURNMENT The next Regular City Council meeting is scheduled for December 8, 2015, at 6:00 p.m. in the Vintage Hall Board Room located at 465 Main Street.

This agenda was posted at City Hall, 1480 Main Street, and at Vintage Hall, 465 Main Street, St. Helena, California on November 20, 2015.

Cindy Black

Cindy Black, City Clerk

CHALLENGING DECISIONS OF CITY ENTITIES

The time limit within which to commence any lawsuit or legal challenge to any quasi-adjudicative decision made by the City of St. Helena is governed by Section 1094.6 of the Code of Civil Procedure, unless a shorter limitation period is specified by any other provision, including without limitation Government Code section 65009 applicable to many land use and zoning decisions, Government Code section 66499.37 applicable to the Subdivision Map Act, and Public Resources Code section 21167 applicable to the California Environmental Quality Act (CEQA). Under Section 1094.6, any lawsuit or legal challenge to any quasi-adjudicative decision made by the City must be filed no later than the 90th day following the date on which such decision becomes final. Any lawsuit or legal challenge, which is not filed within that 90-day period, will be barred. Government Code section 65009 and 66499.37, and Public Resources Code section 21167, impose shorter limitations periods and requirements, including timely service in addition to filing.

If a person wishes to challenge the above actions in court, they may be limited to raising only those issues they or someone else raised at the meeting described in this notice, or in written correspondence delivered to the City of St. Helena, at or prior to the meeting. In addition, judicial challenge may be limited or barred where the interested party has not sought and exhausted all available administrative remedies.

SUPPLEMENTAL MATERIAL RECEIVED AFTER THE POSTING OF THE AGENDA

Any supplemental writings or documents distributed to a majority of the City Council regarding any item on this Agenda, after the posting of the Agenda, will be available for public review in the City Clerk's Office located at 1480 Main Street, St. Helena, California, during normal business hours. In addition, such writings or documents will be made available on the City's web site at http://cityofsthelena.org and will be available for public review at the respective meeting.

Report to the City Council
Council Meeting of November 24, 2015

Agenda Section: **Consent Calendar**

Subject: **Consideration to adopt a resolution authorizing payment of $290,177 to Regional Water Quality Control Board for Civil Liability Order R2-2015-1051; and approving budget amendments to Fiscal Year 2015/2016 Wastewater Operations budget and Capital Improvement Program budget, transferring $290,177 from Capital Improvement Project C64 Oak Avenue Sewer Line Replacement Project to Wastewater Operations budget**

CEQA Status: **Not a CEQA project as defined in accordance with CEQA Guidelines, Section 15378**

Prepared By: **Kathy Robinson, Operations Manager**
Steven Palmer, PE, Director of Public Works/City Engineer

Approved By: **Jennifer Phillips, City Manager**

BACKGROUND

In January 2014, the City refilled Pond 1A at its wastewater treatment plant following maintenance and approximately 5 million gallons of water leaked to groundwater over a period of about 10 days. The Regional Water Quality Control Board identified this event as a violation of the City's wastewater discharge permit (Order R2-2010-0105), thus making the City subject to penalties under state law.

The City of St. Helena and Regional Water Quality Control Board for the San Francisco Region reached a tentative Settlement Agreement regarding fines for leakage of partially treated wastewater to groundwater.

DISCUSSION

The tentative Settlement Agreement and Stipulation for Administrative Civil Liability Order (R2-2015-1021) was circulated for a 30-day public comment period and approved by the Regional Water Quality Control Board (Attachment 1).

As stated in the transmittal letter, dated November 6, 2015, the City is to remit payment of $290,177 to the State in full satisfaction of the asserted violation no later than 30 days following the issuance of the order, which would be December 6, 2015

(Attachment 2). Although the City has retained the ability to seek reimbursement from third parties that the City believes bear responsibility for the condition of Pond 1A and the leakage, the City is still required to make this payment.

Payment would normally be funded from the Wastewater Treatment Operations Budget, GL 571-5029-2143, however this expenditure was not budgeted this fiscal year. Before this payment, the Estimated Wastewater Unrestricted Net Position at June 6, 2016 is $298,420 (16% of operating expenses). In order to make this payment to the Regional Water Quality Control Board, staff recommends a transfer of $290,177 from Wastewater Enterprise Capital Improvement Project (CIP) C64 Oak Avenue Sewer Line Replacement to Public Works Administration Wastewater Treatment Operating Budget, GL 571-5029-2143, for Fiscal Year 2015/2016. The Project budget for C64 Oak Avenue Sewer Line Replacement is $365,000, leaving an amended Project budget of $74,823. This would delay CIP C64 Oak Avenue Sewer Line Replacement Project until additional funding can be identified.

FISCAL IMPACT

The total fiscal impact will be a transfer of $290,177 from Wastewater Enterprise CIP C64 Oak Avenue Sewer Line Replacement Project to Public Works Administration Wastewater Treatment Operating Budget, GL 571-5029-2143, for Fiscal Year 2015/2016.

RECOMMENDED ACTION

Staff recommends the City Council of the City of St. Helena adopt a resolution authorizing payment of $290,177 to Regional Water Board for Civil Liability Order R2-2015-1051; and approving budget amendments to Fiscal Year 2015/2016 Wastewater Operations budget and CIP C64 Oak Avenue Sewer Replacement Project, transferring $290,177 from CIP to Wastewater Operations budget.

ATTACHMENTS

1. Civil Liability Order R2-2015-1051
2. Transmittal letter
3. Resolution

Attachment 1

CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
SAN FRANCISCO BAY REGION

In the matter of:	)	
	)	
CITY OF ST. HELENA	)	**Order No. R2-2015-1021**
	)	
Administrative Civil Liability for Unauthorized Discharge to Groundwater	)))	**Settlement Agreement and Stipulation for Entry of Order; Order**

Section I: Introduction

This Settlement Agreement and Stipulation for Entry of Administrative Civil Liability Order ("Stipulation") is entered into by and between the Regional Water Quality Control Board Prosecution Staff ("Prosecution Staff") and the City of St. Helena ("Settling Respondent") (collectively "Parties") and is presented to the San Francisco Bay Regional Water Quality Control Board ("Regional Water Board") for adoption as an Order, by settlement, pursuant to Government Code section 11415.60. This Stipulation fully and finally resolves the violation alleged herein by the imposition of administrative civil liability against the Settling Respondent in the amount of $290,177.

Section II: Recitals

1. The Settling Respondent owns, operates, and maintains a wastewater treatment and reclamation plant ("Plant") and its sewage collection system in the City of St. Helena that serves a population of approximately 6,400 residents. The Settling Respondent's Plant provides secondary-level treatment for domestic and commercial wastewater. The Plant has an average dry weather capacity of 0.5 million gallons per day (mgd) and can treat up to 2.8 mgd during wet weather. The Settling Respondent's Plant is a hybrid biomechanical system that uses a deep basin facultative pond with in-pond methane fermentation and a shallow basin photosynthetic oxygenation pond in series. The most relevant process related to this matter involves the wastewater that is pumped to the primary pond influent control structure and into two facultative ponds, Ponds 1A and 1B. Wastewater enters Ponds 1A and 1B via submerged inlet ports on the bottom of each pond. Influent solids settle and are reduced by methane-fermenting anaerobic bacteria at the two pond bottoms.

2. The Plant is subject to the requirements set forth in the Federal Water Pollution Control Act ("Clean Water Act") (33 U.S.C. § 1311 et seq.). The Plant is currently authorized to discharge under Waste Discharge Requirements for disposal to land (Order No. R2-87-0090), National Pollutant Discharge Elimination System (NPDES) Permit Nos. CA0038016 (Order No. R2-2010-0105) and CA0038849 (Order No. R2-2012-0096), and the Statewide General Permit No. CAS000001, Waste Discharge

Requirements for Discharges of Storm Water Associated with Industrial Activities Excluding Construction Activities (Order No. 97-03-DWQ).

3. The Prosecution alleges that: on January 29 through February 7, 2014, there was an unauthorized discharge of approximately 5,035,000 gallons (15.45 acre-feet) of partially treated wastewater to groundwater from the 2-acre size Pond 1A at Settling Respondent's Plant (Alleged Violation); the discharge was a violation of Order R2-2010-0105, Provision VII.A.2, Attachment G at section I.I.1, that the treatment shall not create pollution, contamination, or nuisance; and the unauthorized discharge violated California Water Code section 13350, subdivision (a), and is subject to administrative civil liability pursuant to section 13350, subdivision (e). The Settling Respondent denies liability and additionally maintains that one or more third parties bear responsibility for any violation that may have occurred.

4. The Parties have engaged in settlement negotiations and agree to settle the matter without administrative or civil litigation and by presenting this Stipulation to the Regional Water Board or its delegate for adoption as an Order pursuant to Government Code section 11415.60. To fully and finally resolve by consent and without further administrative proceedings the alleged violation of the California Water Code, the Parties have agreed to the imposition of $290,177 against the Settling Respondent. The liability amount is less than the liability amount calculated or asserted by Prosecution Staff using the State Water Resources Control Board Water Quality Enforcement Policy (May 2010) ("Enforcement Policy") as shown in Attachment A. Without admission of any issue of law or fact, the Parties have agreed to compromise on the Settling Respondent's payment of an amount calculated based on using a potential for harm per gallon factor of 0.035, which is an average of the value asserted by the Prosecution Staff and a value the Settling Respondent believes would be more appropriate. The liability amount agreed to by the Parties is also justified considering the risks associated with proceeding to hearing that is consistent with the range of settlement considerations which may result in a reduction in the calculated liability specified in the Enforcement Policy. The Prosecution Staff contend that the full and final resolution of the alleged violation pursuant to this Stipulation is fair and reasonable and fulfills its enforcement objectives, that no further action is warranted concerning the alleged violation except as provided in this Stipulation, and that this Stipulation is in the best interest of the public.

Section III: Stipulations

The Parties stipulate to the following:

5. **Administrative Civil Liability:** The Settling Respondent hereby agrees to pay the administrative civil liability totaling $290,177 as set forth in Paragraph 4 of Section II herein. The Prosecution Staff accepts this payment as the full and final resolution of its claim against the Settling Respondent.

6. **Payment and Costs:** Payment of the amount in paragraph 5 shall be made within 30 days from the issuance of the Order incorporating this Stipulation by the Regional

Water Board or its delegate. Payment shall be made out to the "Waste Discharge Permit Fund" and reference the Order number listed on page one of this Stipulation. The original signed check shall be sent to the following address, and notification of payment shall be sent to the Office of Enforcement (email to Vanessa.Young@waterboards.ca.gov) and the Regional Water Board (email to Michael.Chee@waterboards.ca.gov).

State Water Resources Control Board
Division of Administrative Services
Accounting Branch, 18th Floor
Attn: ACL Payment
P.O. Box 1888
Sacramento, CA 95812-1888

7. **Regional Water Board is Not Liable:** Neither the Regional Water Board's members nor the Regional Water Board's staff, attorneys, or representatives shall be liable for any injury or damage to persons or property resulting from acts or omissions by the Settling Respondent, its directors, officers, employees, agents, representatives or contractors in carrying out activities pursuant to this Stipulation, nor shall the Regional Water Board, its members or staff be held as parties to or guarantors of any contract entered into by the Settling Respondent, its governing body, officers, employees, agents, representatives or contractors in carrying out activities pursuant to this Stipulation. The Settling Respondent covenants not to sue or pursue any administrative or civil claim or claims for damages against any State agency or the State of California, or their officers, employees, representatives, agents, or attorneys arising out of or relating to any matter expressly addressed by this Stipulated Order.

8. **Compliance with Applicable Laws:** The Settling Respondent understands that payment of administrative civil liability in accordance with the terms of the Regional Water Board's Order or compliance with the terms of the Regional Water Board's Order is not a substitute for compliance with applicable laws, and that continuing or repeating of violations of the type alleged herein may subject the Settling Respondent to further enforcement, including additional administrative civil liability.

9. **Party Contacts for Communications related to this Stipulation:**

For the Regional Water Board:

Michael Chee
San Francisco Bay Regional Water Quality Control Board
1515 Clay Street, 14th Floor
Oakland, CA 94612
Michael.Chee@waterboards.ca.gov

For Settling Respondent:

Steven Palmer
Director of Public Works & City Engineer
City of St. Helena
1480 Main Street
St. Helena, CA 94574
spalmer@cityofsthelena.org
(707) 968-2624

10. **Attorney's Fees and Costs:** Each Party shall bear all attorneys' fees and costs arising from the Party's own counsel in connection with the matters set forth herein.

11. **Matters Addressed by Stipulation:** Upon adoption by the Regional Water Board or its delegate of this Stipulation as an Order and the Settling Respondent's payment of administrative civil liability in accordance with Paragraph 6 of this Stipulation, this Stipulation and the Order represent a final and binding resolution and settlement of the Alleged Violation.

12. **Public Notice:** This Stipulation will be noticed for a 30-day public review and comment period prior to consideration by the Regional Water Board or its delegate. If significant new information is received that reasonably affects the propriety of presenting this Stipulation and Order to the Regional Water Board, or its delegate, for adoption, the Assistant Executive Officer may unilaterally declare this Stipulation and Order void and decide not to present it to the Regional Water Board or its delegate. The Settling Respondent agrees that it may not rescind or otherwise withdraw its approval of this Stipulation.

13. **Addressing Objections During Public Comment Period:** The Parties agree that the procedure contemplated for adopting the Order by the Regional Water Board or its delegate and review of this Stipulation by the public is lawful and adequate. In the event procedural objections are raised prior to the Regional Water Board's Order becoming effective, the Parties agree to meet and confer concerning any such objections, and may agree to revise or adjust the procedure as necessary or advisable under the circumstances.

14. **Interpretation:** This Stipulation shall be construed as if the Parties prepared it jointly. Any uncertainty or ambiguity shall not be interpreted against any one Party. The Settling Respondent is represented by counsel in this matter.

15. **Modification:** This Stipulation shall not be modified by any of the Parties by oral representation made before or after its execution. All modifications must be in writing, signed by all Parties and approved by the Regional Water Board.

16. **If Order Does Not Take Effect:** In the event that the Regional Water Board's Order does not take effect because it is not presented to or not approved by the Regional Water Board or its delegate, or is vacated in whole or in part by the State Water Resources Control Board or a court, the Parties acknowledge that, subject to Paragraph 12, they expect to proceed to a contested evidentiary hearing before the Regional Water Board to determine whether to assess administrative civil liabilities for the underlying alleged violations, unless the Parties agree otherwise. The Parties agree that all oral and written statements and agreements made during the course of settlement discussions will not be admissible as evidence in the hearing. The Parties agree to waive any and all

objections based on settlement communications in this matter, including, but not limited to:

a. Objections related to prejudice or bias of any of the Regional Water Board's members or their advisors and any other objections that are premised in whole or in part on the fact that the Regional Water Board's members or their advisors were exposed to some of the material facts and the Parties' settlement positions as a consequence of reviewing the Stipulation and/or the Order, and therefore may have formed impressions or conclusions prior to any contested evidentiary hearing in this matter; or

b. Laches or delay or other equitable defenses based on the time period for administrative or judicial review to the extent this period has been extended by these settlement proceedings.

17. **Waiver of Hearing:** The Settling Respondent has been informed of the rights provided by Water Code section 13323, subdivision (b), and hereby waives its right to a hearing before the Regional Water Board prior to the adoption of the Order.

18. **Waiver of Right to Petition or Appeal:** The Settling Respondent hereby waives its right to petition the Regional Water Board's adoption of the Order for review by the State Water Board, and further waives its rights, if any, to appeal the same to a California Superior Court and/or any California appellate level court.

19. **Necessity for Written Approvals:** All approvals and decisions of the Regional Water Board or its delegate under the terms of this Stipulation and the Order shall be communicated to the Settling Respondent in writing. No oral advice, guidance, suggestions or comments by employees or officials of the Regional Water Board regarding submissions or notices shall be construed to relieve the Settling Respondent of its obligation to obtain any final written approval required by this Stipulation and the Order.

20. **Authority to Bind:** Each person executing this Stipulation in a representative capacity represents and warrants that he or she is authorized to execute this Stipulation on behalf of and to bind the entity on whose behalf he or she executes the Stipulation.

21. **Effective Date**: The obligations under Paragraphs 5-6 of this Stipulation are effective and binding on the Parties only upon the entry of an Order by the Regional Water Board or its delegate that incorporates the terms of this Stipulation.

22. **Severability:** The Settling Respondent's obligations under Paragraphs 5-6 above are contingent on the entry and continued effectiveness of an Order of the Regional Water Board in the form attached hereto. Otherwise, this Stipulation is severable; should any provision be found invalid the remainder shall remain in full force and effect.

23. **Counterpart Signatures:** This Stipulation may be executed and delivered in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, but such counterparts shall together constitute one document.

IT IS SO STIPULATED.

California Regional Water Quality Control Board Prosecution Team
San Francisco Bay Region

By: ______________________________
Dyan C. Whyte, Lead Prosecutor
Assistant Executive Officer

Date: ______________________________

City of St. Helena

By: ______________________________
Alan Galbraith
Mayor

Date: ______________________________

IT IS SO STIPULATED.

California Regional Water Quality Control Board Prosecution Team
San Francisco Bay Region

By: Dyan C. Whyte

Dyan C. Whyte, Lead Prosecutor
Assistant Executive Officer

Date: October 1, 2015

City of St. Helena

By: Alan Galbraith

Alan Galbraith
Mayor

Date: September 25, 2015

Order of the Regional Water Board

1. This Order incorporates the foregoing Stipulation, including its reference to Attachment A.

2. In accepting the foregoing Stipulation, the Regional Water Board or its delegate has considered, where applicable, each of the factors prescribed in Water Code section 13327. The Regional Water Board's or its delegate's consideration of these factors is based upon information obtained by Regional Water Board staff in investigating the allegations in the Stipulation or otherwise provided to the Regional Water Board.

3. This is an action to enforce the laws and regulations administered by the Regional Water Board. The Regional Water Board finds that issuance of this Order is exempt from the provisions of the California Environmental Quality Act (Public Resources Code, sections 21000 et seq.) ("CEQA"), in accordance with section 15321(a)(2), Title 14, of the California Code of Regulations.

4. This Order is severable; should any provision be found invalid the remainder shall be in full force and effect.

5. The Executive Officer of the Regional Water Board is authorized to refer this matter directly to the Attorney General for enforcement if Settling Respondent fails to perform any of its obligations under the Order.

6. Fulfillment of Settling Respondent's obligations under this Order constitutes full and final satisfaction of any and all liability of the Settling Respondent for the Alleged Violation in accordance with the terms of the Order, and the effect of the Order is to release Settling Respondent from any future liability or assertions of liability with respect to the Alleged Violation in the Stipulation.

7. Nothing in the Stipulation shall preclude the Settling Respondent from asserting that it is entitled to recovery from one or more third parties associated with matters alleged in the Stipulation, or that are the subject of Attachment A, or be construed as a determination of the responsibility or lack of responsibility of any such third parties.

8. The Regional Water Board has, by its Order R2-2008-0055, delegated authority to the Executive Officer to adopt this Order.

IT IS HEREBY ORDERED, pursuant to Water Code section 13323 and Government Code section 11415.60, on behalf of the California Regional Water Quality Control Board, San Francisco Bay Region.

Bruce H. Wolfe

Digitally signed by Bruce H. Wolfe
DN: cn=Bruce H. Wolfe, o=SWRCB, ou=Region 2, email=bwolfe@waterboards.ca.gov, c=US
Date: 2015.11.06 15:55:18 -08'00'

Bruce H. Wolfe — Date
Executive Officer

ATTACHMENT A

Specific Factors Considered to Determine Administrative Civil Liability
for
City of St. Helena
Wastewater Treatment and Reclamation Plant
Discharge from Pond 1A to Groundwater
Napa County

Pursuant to Water Code section 13327, the California Regional Water Quality Control Board, San Francisco Bay Region (Regional Water Board), is required to consider the following factors in determining the amount of civil liability: the nature, circumstances, extent, and gravity of the violations; whether the discharges are susceptible to cleanup or abatement; the degree of toxicity of the discharges; and with respect to the violator, the ability to pay; the effect on the ability to continue in business; voluntary cleanup efforts; prior history of violations; the degree of culpability; economic benefit or savings, if any, resulting from the violations; and other matters that justice may require.

The State Water Resources Control Board Water Quality Enforcement Policy (Enforcement Policy) establishes a methodology for assessing administrative civil liability. Use of the methodology addresses the factors in Water Code section 13327. Each factor in the Enforcement Policy and its corresponding category, adjustment, or amount for the alleged violations is presented below.

<u>Violation</u>: Unauthorized Discharge of 5,035,000 Gallons of Partially Treated Wastewater from Pond 1A to Groundwater

On January 29 through February 7, 2014, approximately 5,035,000 gallons (or 15.45 acre-foot) of partially treated wastewater was discharged to groundwater from a 2-acre Pond 1A at the City's Wastewater Treatment and Reclamation Plant (Plant). The discharge occurred as the City of St. Helena ("City") refilled Pond 1A following draining and sludge removal activities which compromised the pond's clay liner.

Step 1 – Potential for Harm for Discharge Violations

The "potential harm" factor considers the harm to beneficial uses that resulted, or may result, from exposure to the pollutants in the discharge, while evaluating the nature, circumstances, extent, and gravity of the violation. A three-factor scoring system is used for each violation (1) the harm or potential harm to beneficial uses; (2) the degree of toxicity of the discharge, and (3) whether the discharge is susceptible to cleanup or abatement.

<u>Factor 1: Harm or Potential Harm to Beneficial Uses</u>

A score between 0 and 5 is assigned based on a determination of whether the harm or potential for harm to beneficial uses is negligible (0) to major (5).

For this violation, the potential harm to beneficial uses is **moderate** (i.e., a score of **3**). The Enforcement Policy, at page 12, provides that harm is moderate where there is a "impacts are observed or reasonably expected and impacts to beneficial uses are moderate and likely to attenuate without appreciable acute or chronic effects."

The *San Francisco Bay Basin Water Quality Control Plan* (Basin Plan) designates groundwater in this basin (Napa-Sonoma Valley, Napa Valley Basin 2-2.01) as having the following existing beneficial uses: Municipal and Domestic Supply (MUN), Industrial Process Supply (PROC), Industrial Service Water Supply (IND), and Agricultural Water Supply (AGR). The discharge reached groundwater, where it contaminated the Plant's onsite water well (GRD-001) and another well at a residence located immediately adjacent to the Plant (Teo Well, 83 Chaix Lane). The wells contained elevated levels of indicator bacteria (total and fecal coliform bacteria). The City reported that a tenant at the 83 Chaix Lane property complained that the water flowing into his washing machine "smelled like sewer." Due to the contamination, the City's Plant employees discontinued use of the well which was being used for non-potable uses such as equipment washing and toilet flushing. A nearby well located approximately one-third of a mile west of Pond 1A (515 Chaix Lane) was unaffected.

Although there was some impact to groundwater that occurred for a period of at least 5 days, the impacts to beneficial uses are moderate and likely to attenuate without appreciable acute or chronic effects. This is because the geographic extent of the harm was limited to an area containing 2 wells: one neighboring residential and the City's own well. Additionally, bacteria, one of the main pollutants in wastewater, have relatively short lifespans. In a World Bank report on water supply and sanitation, the typical survival time of coliform is cited as less than 60 days and usually more than 30 days in freshwater and wastewater[1] at temperatures ranging from 68°F and 86°F. Since the groundwater temperatures in the Napa Valley region are about 62°F[2], coliform bacteria likely persisted longer than 60 days but less than a few months. In the specific circumstances here, the Regional Water Board staff concludes that a finding that harm or potential harm was moderate is appropriate.

<u>Factor 2: The Physical, Chemical, Biological or Thermal Characteristics for the Discharge</u>

A score between 0 and 4 is assigned based on a determination of the risk or threat of the discharged material.

For this violation, the risk or threat of the discharge is **moderate** (i.e., a score of **2**). The Enforcement Policy, at page 13, provides that the risk or threat is moderate where "discharged material poses a moderate risk or threat to potential receptors (i.e., the chemical and/or physical characteristics of the discharged material have some level of toxicity or pose a moderate level of concern regarding receptor protection)."

The discharge was partially treated wastewater with levels of total and fecal coliform that pose a moderate risk or threat to potential human receptors. Partially treated undisinfected wastewater contains bacteria that can cause a variety of diseases or illnesses through physical contact or if

[1] (R.G. Feachem, 1983)
[2] U.S. EPA map of average temperature of shallow groundwater at http://www.epa.gov/Athens/learn2model/part-two/onsite/ex/jne_henrys_map.html

ingested. Partially treated wastewater would also have higher levels of pollutants that can degrade groundwater quality than fully treated wastewater.

Factor 3: Susceptibility to Cleanup or Abatement

A score of 0 is assigned for this factor if 50 percent or more of the discharge is susceptible to cleanup or abatement. A score of 1 is assigned if less than 50 percent of the discharge is susceptible to cleanup or abatement. This factor is evaluated regardless of whether the discharge was actually cleaned up or abated.

For this violation, the discharge was **susceptible** to cleanup or abatement (i.e., score of **0**). The discharge to groundwater comingled with the groundwater yet, the discharge of partially treated wastewater to the subsurface was susceptible to cleanup through extraction activities as evidenced by the continuous pumping of this area to remove a portion of the discharged water. (see *City of St. Helena Wastewater Treatment and Reclamation Plant Groundwater Investigation Memorandum* dated January 14, 2015). Therefore, a score of zero (0) is appropriate where at least 50 percent of the discharge is susceptible to cleanup or abatement.

Step 2 – Assessments for Discharge Violations

When there is a discharge, the Regional Water Board determines an initial liability amount on a per-gallon or a per-day basis under Water Code section 13350 using the sum of the Potential for Harm scores from Step 1 and a determination of degree of Deviation from Requirement to calculate the per-gallon factor using Table 1 of the Enforcement Policy.

The discharge was to groundwater not to surface water, so it is appropriate to seek penalties under Water Code section 13350, which allows either per-gallon penalties or per-day penalties, but not both. For this violation, the Regional Water Board Prosecution Staff used per-gallon factors because using only per-day liabilities would result in an inappropriately low penalty given the discharge was a significant volume of partially treated wastewater and the discharge harmed beneficial uses.

For this violation, the sum of the three factors from Step 1 is 5, and the extent of Deviation for the violation is **minor**. The Deviation from Requirement reflects the extent to which the violation deviates from the specific requirement that was violated. Here, the requirement deviated from general permit specifications that "Neither the treatment nor the discharge of pollutants shall create pollution, contamination, or nuisance as defined by California Water Code Section 13050." (Water Board Order R2-2010-0105, Attachment G – Regional Standard Provisions, and Monitoring and Reporting Requirements, Section I., I., 1., at page G-6). A minor deviation is appropriate where even though the requirement was not met the intended effectiveness of the requirement remains generally intact. While the City caused pollution and contamination, the standard requirement remained generally intact. The City planned to re-fill Pond 1A and place it back into service when the discharge occurred. The City inadvertently discharged partially treated wastewater to the subsurface. The City has never had an inadvertent discharge of this nature before. The City removed the biosolids from Pond 1A to retain the integrity of the pond for continued future use, which is consistent with retaining the integrity of the requirement to not create a condition of pollution, contamination, or nuisance. The City initially attributed the high percolation rates when refilling the pond to the clay liner and levee absorbing more water than anticipated due to drought and the long period of dormancy. (Comprehensive Report – Pond 1A Biosolids Removal, Oct. 20, 2014, pages 6-8.) The City reported taking similar precautions for the re-filling of Pond 1A as it had taken in the past when refilling its other treatment ponds, though they have never had a biosolids removal project on this scale before. Additionally, the City began treatment of the wastewater before the discharge event occurred. The water introduced to Pond 1A was a mixture of 3.4MG of aerated water and 1.6MG of partially digested sludge. Therefore, the intended effectiveness of the requirement to not cause pollution, contamination, or nuisance remained intact where the City had planned to fully treat the wastewater, including utilizing Pond 1A for initial treatment.

High Volume Discharges

The Enforcement Policy allows for a reduction in the per gallon factor from $10/gallon to $2/gallon where the volume of sewage spills can be very large and the resultant penalty is not inappropriately low. This discharge of partially treated wastewater through a pond liner and into groundwater is a sewage spill of partially treated wastewater. The discharge was somewhat localized and had not reached surface waters. In addition, reducing the per gallon factor to $2/gallon does not result in an inappropriately small penalty. Therefore, a reduction in the per gallon factor is appropriate considering the severity of the violation and characteristics of the discharge.

Below is the initial liability amount applying a per-gallon multiplier factor using Table 1 based on a Potential for Harm score of 5 and a "Minor" Deviation from Requirement.

<u>Initial Liability Amount</u>

The initial liability for the violation is calculated on a per-gallon and per-day basis as follows:

<u>Per Gallon Liability:</u> (5,035,000 gallons) x (0.06) x ($2/gallon) = $604,200

<u>Per Day Liability:</u> Not applicable

Total Initial Liability = $604,200

Step 3 – Per Day Assessment for Non-Discharge Violations

This assessment is for a discharge violation. Step 3 applies only to non-discharge violations.

Step 4 – Adjustments to Determine Initial Liability for Violation

There are three additional factors to be considered for modification of the amount of the initial liability: the violator's culpability, efforts to cleanup the discharge or cooperate with regulatory authority, and the violator's compliance history.

<u>Culpability</u>

Higher liabilities should result from intentional or negligent violations as opposed to accidental violations. A multiplier between 0.5 and 1.5 is used, with a higher multiplier for negligent behavior.

For the violation, the culpability multiplier is 1.1. This multiplier is warranted because the discharge continued for about 8 days (i.e., from January 29 through February 7) and it appears that the City may have had an opportunity to reduce the extent of the leak by taking action to pump out some of the wastewater from Pond 1A based on observed lowering water levels.

<u>Cleanup and Cooperation</u>

This factor reflects the extent to which a discharger voluntarily cooperated in returning to compliance and correcting environmental damage. A multiplier between 0.75 and 1.5 is used, with a higher multiplier when there is a lack of cooperation.

For the violation, the cleanup and cooperation factor multiplier is **0.75**. Once the City was made aware of the impacts to the two water wells, it acted to provide replacement water and treatment, which goes above and beyond average action that entails boiling water prior to use. The City immediately relocated the residents of the affected well. Within two days of becoming aware of the discharge, the City worked to abate the water quality impacts to the two domestic wells by flushing the wells with bleach, thereby temporarily bringing total and fecal coliform levels to zero. A factor of 0.75 is appropriate where the City demonstrated a high degree of cleanup and cooperation.

<u>History of Violations</u>

This factor is used to increase the liability when there is a history of repeat violations using a minimum multiplier of 1. The City has not had a discharge similar to this one which discharged to groundwater. Therefore a 1.0 is appropriate.

Step 5 – Determination of Total Base Liability Amount

The Total Base Liability is determined by applying the adjustment factors from Step 4 to the Initial Liability Amount determined in Step 2.

<u>**Total Base Liability Amount**</u>

\$604,200 (Initial Liability) x 1.1 (Culpability Multiplier) x 0.75 (Cleanup and Cooperation Multiplier) x 1.0 (History of Violations Multiplier) = Total Base Liability Total Base Liability = **\$498,465**

Step 6 – Ability to Pay and to Continue in Business

The Enforcement Policy provides that if the Regional Water Board has sufficient financial information to assess the violator's ability to pay the adjusted Total Base Liability, or to assess the effect of the Total Base Liability on the violator's to continue in business, then the Total Base Liability amount may be adjusted downward if warranted.

Based on review of the latest Comprehensive Annual Financial Report for calendar year 2014, the City has the available unrestricted funds in the Enterprise and General Funds combined to pay the Total Base Liability Amount ($498,465).

Step 7 – Other Factors as Justice May Require

If the Regional Water Board believes that the amount determined using the above factors is inappropriate, the amount may be adjusted under the provision for "other factors as justice may require," but only with express findings in justification. No adjustments under this step have been considered.

Step 8 – Economic Benefit

The Enforcement Policy directs the Water Board to determine any economic benefit associated with the violations and to recover the economic benefit gained plus 10 percent in the liability assessment.

The City contracted with Brelje & Race Consulting Engineers to prepare a Project Manual and Material Information documents that included bid documents, proposed agreement, general conditions, special conditions, technical conditions, project drawing, exhibits with laboratory data, and other exhibits in preparation for removing the biosolids from Pond 1A. The City did not receive an economic benefit from later discovering an existing contract with Upper Valley Disposal Service and Wetland Construction (sub-contractor) who ultimately performed the biosolids removal. (Comprehensive Report – Pond 1A Biosolids Removal, Oct. 20, 2014, page 6.) Therefore, Regional Water Board Prosecution Staff finds that any avoided cost is de minimus.

Step 9 – Maximum and Minimum Liability Amounts

a) ***Minimum Liability Amount***

The Enforcement Policy requires that the minimum liability amount imposed not to be below a discharger's economic benefit plus 10 percent. Since there is no significant economic benefit, the proposed liability satisfies this condition.

b) ***Maximum Liability Amount***

The maximum administrative civil liability amount is the maximum amount allowed by Water Code Section 13350 is $10 for each gallon discharged. The maximum liability for this violation is **$50,350,000**.

Step 10 – Final Liability Amount

The final liability amount consists of the added amounts for each violation, with any allowed adjustments, provided amounts are within the statutory minimum and maximum amounts. Using the penalty methodology as described above, the total final liability amount proposed is $498,465.

Attachment 2

CALIFORNIA
Water Boards

EDMUND G. BROWN JR.
GOVERNOR

MATTHEW RODRIQUEZ
SECRETARY FOR
ENVIRONMENTAL PROTECTION

San Francisco Bay Regional Water Quality Control Board

Sent by email
Confirmation of Receipt Requested

November 6, 2015
CW – 258386 (MTC)

City of St. Helena
Attn: Mr. Steven Palmer
Director of Public Works & City Engineer
1480 Main Street
St. Helena, CA 94574

Email: spalmer@cityofsthelena.org

Subject: **Transmittal of Settlement Agreement and Stipulation for Administrative Civil Liability Order R2-2015-1021, City of St. Helena, Napa County**

Dear Mr. Palmer:

Attached is Order **R2- 2015-1021**, which requires the City of St. Helena to pay **$290,177** in administrative civil liability. The **$290,177** shall be submitted by check, payable to the *State Water Resources Control Board Waste Discharge Permit Fund*, no later than 30 days following issuance of this Order by the Regional Water Board's Executive Officer.

The check shall reference the Order number and be sent to the following address, and notification of payment shall be sent to the Office of Enforcement (email to Vanessa.Young@waterboards.ca.gov) and the Regional Water Board (Michael.Chee@waterboards.ca.gov).

State Water Resources Control Board
Division of Administrative Services
Accounting Branch, 18th Floor
Attn: ACL Payment
P.O. Box 1888
Sacramento, CA 95812-1888

If you have any questions, please email me at Michael.Chee@waterboards.ca.gov or by phone at (510) 622-2333.

Sincerely,

Michael T. Chee

Michael T. Chee
WRCE, NPDES enforcement

Enclosure: Order No. R2-2015-1021

Copy to (by email):
Advisory Team members
Prosecution Team members

CITY OF ST. HELENA

RESOLUTION NO. 2015-____

Authorizing payment of $290,177 to Regional Water Quality Control Board for Civil Liability Order R2-2015-1051; and approving budget amendments to Fiscal Year 2015/2016 Wastewater Operations budget and Capital Improvement Program budget, transferring $290,177 from Capital Improvement Project C64 Oak Avenue Sewer Line Replacement Project to Wastewater Operations budget

RECITALS

A. In January 2014, the City refilled Pond 1A at its wastewater treatment plant following maintenance and approximately 5 million gallons of water leaked to groundwater over a period of about 10 days; and

B. The Regional Water Quality Control Board identified this event as a violation of the City's wastewater discharge permit (Order R2-2010-0105), thus making the City subject to penalties under state law; and

C. The City of St. Helena and Regional Water Quality Control Board for the San Francisco Region reached a tentative Settlement Agreement regarding fines for leakage of partially treated wastewater to groundwater; and

D. The City is to remit payment of $290,177 to the State in full satisfaction of the asserted violation no later than 30 days following the issuance of the order, which would be December 6, 2015; and

E. The City of St. Helena desires to make this payment to the Regional Water Quality Control Board by the due date.

RESOLUTION

The City Council of the City of St. Helena hereby resolves as follows:

1. Authorizing payment of $290,177 to Regional Water Quality Control Board for Civil Liability Order R2-2015-1051; and
2. Approves the transfer of $290,177 from Wastewater Enterprise Capital Improvement Project (CIP) C64 Oak Avenue Sewer Line Replacement to Public Works Administration Wastewater Treatment Operating Budget, GL 571-5029-2143, for Fiscal Year 2015/2016.

Approved at a Regular Meeting of the St. Helena City Council on November 24, 2015, by the following vote:

Mayor Galbraith: __________

Vice Mayor White: __________

Councilmember Crull: __________

Councilmember Dohring: __________

Councilmember Pitts: __________

APPROVED:

Alan Galbraith, Mayor

ATTEST:

Cindy Black, City Clerk

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Item No: 7

Report to the City Council
Council Meeting of November 24, 2015

Agenda Section: **Consent Calendar**

Subject: Consideration of the addition of a full time Public Works Utility Manager position to manage water production and wastewater treatment; and manage regulatory compliance for water production, water distribution, wastewater collection, and wastewater treatment for a total cost of $64,164 for the remainder of Fiscal Year 2015-16 and an estimate for Fiscal Year 2016-17 $128,325.

CEQA Status: **Not a CEQA Project**

Prepared By: **Dawn Marshall, Administrative Services Manager**
Steven Palmer, PE, Director of Public Works/City Engineer

Approved By: **Jennifer Phillips, City Manager**

BACKGROUND

The City owns and operates water production and distribution, and wastewater collection and treatment systems that serve City residents, as well as residents in the unincorporated Napa County. These critical water and wastewater services are subject to extensive state and federal regulations designed to protect the health and welfare of people and the environment. Over time, these regulations affecting water and wastewater utilities become more complex and restrictive.

DISCUSSION

In the coming years, the City is facing a number of challenges to providing water and wastewater services to its customers. These challenges include:

- The City recently faced an Administrative Civil Liability Order from the Regional Water Quality Control Board (RWQCB) related to leakage from a wastewater pond with a maximum liability amount of $50,350,000. Staff successfully negotiated this fine down to $290,177.
- The wastewater treatment plant National Pollution Discharge Elimination System (NPDES) Permit is currently being renewed, and the reissuance will be considered by the RWQCB on January 13, 2016. The RWQCB continues to force agencies to move towards zero discharge from their wastewater plants. The new NPDES permit will require significant improvements to the wastewater

treatment facility, including sludge handling capabilities and advanced secondary treatment. It will also require the City to evaluate the cost of tertiary treatment and potential reuse opportunities.
- The City will continue to pursue water rights for the water in Bell Canyon Creek.
- Increased requirements from the California Department of Public Health on the water production and distribution, including additional security and backup service improvements.
- Aging water and wastewater infrastructure that will require extensive capital improvements.

The creation of the Public Works Utility Manager position will provide needed expertise and oversight to ensure compliance with requirements of RWQCB, California Department of Public Health, California Division of Safety of Dams, California Division of Occupational Safety (CalOSHA), etc.

This position will be responsible for the professional, supervisory, administrative, and technical work managing the City's adherence to the local, state, and federal regulations that govern environmental compliance of the City's water production and distribution; wastewater collection and treatment; and storm water collection. It will also be responsible for professional, supervisory, administrative, and technical work managing the City's water production and wastewater treatment. Duties include serving as liaison to regulatory agencies; interpretation of laws, regulations, rules and ordinances; environmental protection program implementation; performing technical computations; and preparation of permit applications and regulatory reports.

FISCAL IMPACT

The annual cost of the Public Works Utility Manager with full benefits is $128,325 with the costs evenly appropriated between the water and sewer utilities.

The cost needed in the current annual budget, with a start date in January 2016, is $64,164. Funding for the Public Works Utility Manager position will be shared equally between the water and wastewater utilities. The amount required to fund the Public Works Utility Manager position for Fiscal Year 2015-16 will be covered through a budget adjustment from the Water and Wastewater Unrestricted Net Positions in the amount of $32,082 from each. This will reduce the Estimated Water Unrestricted Net Position @ 6/30/2016 from $1,310,767 (27% reserve) to $1,278,685 (26% reserve); and the Wastewater Unrestricted Net Position @ 6/30/2016 from $298,420 (16% reserve) to $266,338 (14% reserve).

Funding for this position will be included in the water and wastewater rate study update that is currently underway.

RECOMMENDED ACTION

Approve the addition of the Public Works Utility Manager position, and a budget adjustment to fund the position for the remainder of this fiscal year with $32,082 from Water Unrestricted Net Position and $32,082 from and Wastewater Unrestricted Net Position.

ALTERNATIVE ACTION

The Council has the option to not approve the addition of the Public Works Utility Manager position. Without this position, the City will have difficulty in meeting state and federal regulatory requirements; and increases the risk of future regulatory violations.

ATTACHMENTS

1. Resolution

CITY OF ST. HELENA

RESOLUTION NO. _____

APPROVING THE CREATION OF A NEW FULL TIME PUBLIC WORKS UTILITY MANAGER POSTION, AND APPROVING A FISCAL YEAR 2015/2016 BUDGET INCREASE OF $32,082 FROM WATER UNRESTRICTED NET POSTION AND $32,082 FROM WASTEWATER UNRESTRICTED NET POSTION

RECITALS

A. The City owns and operates water production and distribution, and wastewater collection and treatment systems that serve City residents, as well as residents in the unincorporated Napa County; and

B. The regulations affecting water and wastewater utilities are becoming more complex and restrictive; and

C. In the coming years, the City is facing a number of challenges to providing water and wastewater services to its customers; and

D. The creation of the Public Works Utility Manager position will provide needed expertise and oversight to ensure compliance with requirements of RWQCB, California Department of Public Health, California Division of Safety of Dams, California Division of Occupational Safety (CalOSHA), among others; and

E. Funding for this position is not included in the Fiscal Year 2015-16 budget; and

F. The position will be funded equally from the sewer and water funds.

RESOLUTION

NOW, THEREFORE, the City Council of the City of St. Helena resolves as follows:

1. The full time Public Works Utility Manager position is approved.
2. The Fiscal Year 2015/2016 operating budget for Water Enterprise is increased by $32,082, from the Unrestricted Net Position of the Water Enterprise Utility Fund.
3. The Fiscal Year 2015/2016 operating budget for Wastewater Enterprise is increased by $32,082, from the Unrestricted Net Position of the Wastewater Enterprise Utility Fund

Approved at a Regular Meeting of the St. Helena City Council on November 24, 2015 by the following vote:

Mayor Galbraith: __________

Vice Mayor White: __________

Councilmember Crull: __________

Councilmember Dohring: __________

Councilmember Pitts: __________

APPROVED: ATTEST:

______________________ ______________________

Alan Galbraith, Mayor Cindy Black, City Clerk

Item No: 8

Report to the City Council
Council Meeting of November 24, 2015

Agenda Section: **Consent**

Subject: **Annual AB 1600 Development Impact Fee Report for Fiscal Year ending June 30, 2015**

CEQA Status: **Exempt. (CEQA Guidelines §§ 15061(b)(3), 15273.)**

Prepared By: **April Mitts, Finance Director**

Approved By: **Jennifer Phillips, City Manager**

BACKGROUND

Cities and counties often charge fees on new development to fund public improvements to mitigate the impact of development activity. These fees are commonly known as development impact fees and are generally collected at the time building permits are issued for residential and commercial construction. Impact fees are established by ordinance and, as required by law, these fees are segregated from the General Fund and accounted for in special revenue funds.

In 1989, the State Legislature passed Assembly Bill 1600 (AB 1600), which added Sections 66000 et seq. to the California Government Code, commonly known as the Mitigation Fee Act. Under AB 1600 the City is required to make available to the public a report on development impact fees. The report must be made available within 180 days of the close of the fiscal year.

DISCUSSION

The Annual AB 1600 Development Fee Report for Fiscal Year Ending June 30, 2015 was made available to the public on November 9, 2015 (Attachment A).

Per Section 66006(b)(1) of the California Government Code the annual report must include the following specific reporting requirements:

(A) A brief description of the type of development impact fee in the account/fund;

(B) The amount of the fee;

(C) Beginning and ending balances of the account/fund, the amount of fees collected, and the interest earned;

(D) An identification of each public improvement on which fees were expended together with the amount of such expenditures;
(E) Information regarding the schedule for commencement of certain public improvements to be funded with development fees;
(F) A description of any interfund transfer or loan; and
(G) The amount of refunds paid, if any, from a particular fund.

The City of St. Helena development fees covered by AB 1600, and documented in Attachment A, include the following:

(A) Public Safety Impact Fees (pages 1 and 2 of report)
(B) Civic Improvement Impact Fees (pages 1 and 2 of report)
(C) Park Improvement Impact Fees (pages 1 and 2 of report)
(D) Traffic Mitigation Impact Fees (pages 1 and 2 of report)
(E) Storm Drain Improvement Impact Fees (pages 3 and 4 of report)
(F) Housing Impact Fees (pages 3 and 4 of report)
(G) Affordable Housing Impact Fees (pages 3 and 4 of report)
(H) Water Impact Fees (pages 5 and 6 of report)
(I) Sewer Impact Fees (pages 5 and 6 of report)

FISCAL IMPACT
None.

RECOMMENDED ACTION
Receive and file Annual AB 1600 Development Fee Report for Fiscal Year Ending June 30, 2015.

ATTACHMENTS
Attachment A – Annual Report on Development Impact Fees for Fiscal Year Ending June 30, 2015

Attachment A

City of St. Helena

Annual Report on Development Impact Fees, Per Government Code 66006

AB 1600 Statement FY 2014-15

Analysis of Changes in Fund Balance

	Public Safety Impact 216	Civic Improvement 713	Park Impact 734	Traffic Mitigation Impact 740
Beginning Balance, 7/1/2014	$236,209.50	$358,902.48	$109,318.01	$1,606,059.74
REVENUE				
Interest Earnings	$1,015.72	$1,723.45	$939.26	$7,344.57
Fees Collected	$53,234.30	$139,640.29	$172,311.27	$342,517.98
Miscellaneous Revenues				
Operating Transfers In				
TOTAL	$54,250.02	$141,363.74	$173,250.53	$349,862.55
EXPENSE/EXPENDITURES				
Non Departmental Expense				
Transfer to Other Funds				
Refunds				
TOTAL				
Excess Revenue Over/(Under) Expenses/Expenditures	$54,250.02	$141,363.74	$173,250.53	$349,862.55
Ending Balance, 6/30/2015	$290,459.52	$500,266.22	$282,568.54	1,955,922.29

Description of Fees

Public Safety Impact (216) – Section 22.5 of the City Code establishes this fund to accumulate revenues from fees on building permits to be used solely for equipment and facilities' costs for Police and the Fire Departments. Vehicles, capital equipment, and building improvements are approved uses.

Civic Improvement (713) – This fund is used to accumulate restricted funds from new development's proportionate share of the depreciated replacement cost of a range of facility types including City Hall, corporation yard facilities, as well as library and recreation facilities.

Park Impact (734) – This fund is used to accumulate funds from new or proposed residential development solely for park land acquisition and park improvements.

Traffic Mitigation (740) – This fund is used to accumulate funds from new or proposed development to finance circulation improvements to reduce the impacts of traffic generated by new development within the City.

Scheduled Projects

Traffic Mitigation (740)

Project	Anticipated Construction Start	Total Budget Excluding Future Years	Total Impact Fees
Main Street at Grayson Signalization	March 2016	$441,106	$141,146

City of St. Helena

Annual Report on Development Impact Fees, Per Government Code 66006

AB 1600 Statement FY 2014-15

Fee Schedule

216	713	734	740
$1.10 per sq. ft.	$2.06 per sq. ft.	Amount per sq. ft. Single family residential - $7.55 Multi-family residential - $12.85	Amount per sq. ft. Single family residential - $2.05 Multi-family residential - $2.49 Office - $5.65 Industrial - $3.59 Commercial/Retail - $22.03 Lodging - $8.42

City of St. Helena

Annual Report on Development Impact Fees, Per Government Code 66006

AB 1600 Statement FY 2014-15

Analysis of Changes in Fund Balance

	Storm Drain Improvement 742	Housing Impact 744	Affordable Housing 751
Beginning Balance, 7/1/2014	$477,078.19	$25,692.81	$684,343.55
REVENUE			
Interest Earnings	$2,171.27	$108.93	$3,461.15
Fees Collected	$81,235.14		$257,648.95
Miscellaneous Revenues			$4,814.42
Operating Transfers In			
TOTAL	$83,406.41	$108.93	$265,924.52
EXPENSE/EXPENDITURES			
Non Departmental Expense			$20,014.44
Transfer to Other Funds			
Refunds			
TOTAL			$20,014.44
Excess Revenue Over/(Under) Expenses/Expenditures	$83,406.41	$108.93	$245,910.08
Ending Balance, 6/30/2015	$560,484.60	$25,801.74	$930,253.63

Expenditures by Project

AFFORDABLE HOUSING	FY 2014-15	% Funded with Development Fee
Maintenance of McCorkle Property	$3,064.36	100%
Property Taxes associated with McCorkle	$6,562.36	100%
Legal Costs associated with McCorkle	$10,387.72	100%
Total	$20,014.44	

Description of Fees

Storm Drain Improvement (742) – This fund is used to accumulate funds from new development's proportionate share of planned drainage system improvements.

Housing Impact (744) – This fund is used to accumulate funds from new or proposed development in order to defray the costs of providing affordable housing in the City.

Affordable Housing (751) - This fund is used to accumulate funds from new or proposed development in order to defray the costs of providing affordable housing in the City.

City of St. Helena

Annual Report on Development Impact Fees, Per Government Code 66006

AB 1600 Statement FY 2014-15

Fee Schedule

742	744	751
Amount per sq. ft. Single family residential - $0.77 Multi-family residential - $0.73 Office - $1.74 Industrial - $1.74 Commercial/Retail - $1.74 Lodging - $1.35	Residential - 2.5% of the valuation of construction Office - $4.11 per sq. foot Commercial/Retail - $5.21 per sq. foot Hotel/Motel - $3.80 per sq. foot Winery/Industrial - $1.26 per sq. foot	Residential - 2.5% of the valuation of construction Office - $4.11 per sq. foot Commercial/Retail - $5.21 per sq. foot Hotel/Motel - $3.80 per sq. foot Winery/Industrial - $1.26 per sq. foot

City of St. Helena

Annual Report on Development Impact Fees, Per Government Code 66006

AB 1600 Statement FY 2014-15

Analysis of Changes in Fund Balance

	Water Impact 764	Sewer Impact 774
Beginning Balance, 7/1/2014	$697,981.49	$674,924.19
REVENUE		
Interest Earnings	$1,787.00	$2,586.65
Fees Collected	$152,989.12	$19,600.24
Miscellaneous Revenues		
Operating Transfers In		
TOTAL	$154,776.12	$22,186.89
EXPENSE/EXPENDITURES		
Non Departmental Expense		
Transfer to Other Funds		
Refunds		
TOTAL		
Excess Revenue Over/(Under) Expenses/Expenditures	$154,776.12	$22,186.89
Ending Balance, 6/30/2015	$852,757.61	$697,111.08

Description of Fees

Water Impact (764) – This fund is used to accumulate funds from new or proposed development to pay for water system capital improvements needed to support new development.

Sewer Impact (774) – This fund was established to account for the costs of constructing and improving the wastewater treatment plant and sewer collection system in order to support new development.

Scheduled Projects

Water Impact (764)

Project	Anticipated Construction Start	Total Budget Excluding Future Years	Total Impact Fees
Meadowwood Tank Upgrades	September 2016	$398,948	$125,000
Dwyer Road Booster (pump station)	June 2016	$372,240	$186,120
Holms Tank Upgrade	June 2016	$250,000	$125,000
Bell Creek Inflow Weir	September 2016	$872,645	$112,500
Tank 2 Rehabilitations	September 2016	$750,000	$113,000

City of St. Helena

Annual Report on Development Impact Fees, Per Government Code 66006

AB 1600 Statement FY 2014-15

Sewer Impact (774)

Project	Anticipated Construction Start	Total Budget Excluding Future Years	Total Impact Fees
Misc. Maintenance Projects	November 2015	$175,000	$26,250
Algae Removal/Reduction	September 2016	$100,000	$15,000
Reclamation Field Improvements	September 2016	$142,000	$21,300

Fee Schedule

764	774
Amount per square foot: Single family residential - $3.22 Multi-family residential - $2.61 Office - $3.31 Industrial - $4.41 Commercial/Retail - $6.39 Lodging - $6.47	Amount per square foot: Single family residential - $0.47 Multi-family residential - $0.70 Office - $0.46 Industrial - $0.62 Commercial/Retail - $0.93 Lodging - $0.92

Report to the City Council
Council Meeting November 24, 2015

Agenda Section: **Consent Item**

Subject: **Consideration of Resolution approving an agreement with Willdan Financial Services to provide a Full Cost Services Study and a Development Impact Fee Study for a total not to exceed amount of $81,540**

CEQA Status or Action: **None**

Prepared By: **Jennifer Phillips, City Manager**

Approved By: **Jennifer Phillips, City Manager**

DISCUSSION

The last full cost services study was completed in November 2011 and an updated fee schedule was adopted by City Council on March 27, 2012 via Resolution 2012-21. The last development impact fee study was completed in April 2013 and an updated development impact fee schedule was adopted by the City Council on November 12, 2013 through Ordinance 2013-2.

During the 2015 Council Goal Setting Session, the Council included reviewing rates and fees as a strategic objective for the coming year.

In September 2015, staff issued a Request for Proposals for a Full Cost Services study and a Development Impact Fee study. On October 9, 2015, the City received four proposals. A team of managers and an outside consultant reviewed the proposals. Willdan Financial Services was considered the top proposer. On November 12, 2015, staff conducted an interview with Chris Fisher, James Edison, and Carlos Villarreal from Willdan Financial Services. Based on the proposal, consultant's relevant experience, references and interview, staff has selected Willdan Financial Services.

FISCAL IMPACT

Funds for the Full Cost Services totaling $32,625 are budgeted in the FY 2015-16 Adopted Budget under 101/561/571-43-00-21-45 Other Contract Services.

Funds for the Development Impact Fee study totaling $48,915 are available through the impact fee accounts. The 2013 Development Impact Fee study adopted via Ordinance 2013-2 establishing new development impact fees included a total of $60,000 to pay for the costs associated with an impact fee study. If approved a budget adjustment of $8,152.50 will be made to each of the following impact fee accounts to cover the costs associated with the development impact fee study: Public Safety Impact Fund (216), Civic Improvement Fund (713), Water System Impact Fund (764), Sewer System Impact Fund (774), Traffic Mitigation Impact Fund (740), and Storm Drain Improvement fund (742). Total costs being covered by development impact fees will be $48,915 and the funds are available in the respective impact fee accounts.

RECOMMENDED ACTION

Approve the Resolution approving the Agreement with Willdan Financial Services for a total not to exceed amount of $81,540 and authorize the City Manager to execute the agreement on behalf of the City.

ATTACHMENTS

Attachment A - Resolution 2015-__ Approving a Consultant Services Agreement with Willdan Financial Services
Attachment B – Consultant Services Agreement with Willdan Financial Services

Attachment A

CITY OF ST. HELENA
RESOLUTION NO. 2015-

RESOLUTION AUTHORIZING AN AGREEMENT WITH WILLDAN FINANCIAL SERVICES TO PROVIDE A FULL COST SERVICES AND DEVELOPMETN IMPACT FEE STUDY

RECITALS

A. The City conducted its most recent cost of services study in November 2011 and an updated fee schedule was adopted by City Council on March 27, 2012; and

B. The City conducted its last development impact fee study in April 2013 and an updated development impact fee schedule was adopted by City Council on November 12, 2013; and

C. In September 2015, staff issued Full Cost Services and Development Impact Fee Study Request for Proposals; and

D. Based on the proposal, consultant's relevant experience, references and interview, staff recommends Willdan Financial Services.

RESOLUTION

The City Council of the City of St. Helena hereby resolves as follows:

1. Council authorizes the agreement with Willdan Financial Services for a total not to exceed amount of $81,540.
2. Council authorizes the City Manager to execute the agreement on behalf of the City.

Approved at a Regular Meeting of the St. Helena City Council on November 24, 2015, by the following vote:

Mayor Galbraith: ___________

Vice Mayor White: ___________

Councilmember Crull: ___________

Councilmember Dohring: ___________

Councilmember Pitts: ___________

APPROVED:

ATTEST:

____

Alan Galbraith, Mayor

____

Cindy Black, City Clerk

PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT, made and entered into on November 24, 2015 by and between the City of St. Helena, located in the County of Napa, State of California (City), and Willdan Financial Services (Consultant).

RECITALS:

A. City desires to employ Consultant to furnish professional services in connection with the project described as Full Cost Services and Development Impact Fee Study.

B. Consultant has represented that Consultant has the necessary expertise, experience, and qualifications to perform the required duties.

NOW, THEREFORE, in consideration of the mutual premises, covenants, and conditions herein contained, the parties agree as follows:

SECTION 1 – BASIC SERVICES

Consultant agrees to perform the services and work (together, "services") set forth in **Exhibit A, "Scope of Services"** and made part of this Agreement.

SECTION 2 – ADDITIONAL SERVICES

Consultant shall not be compensated for any services rendered in connection with its performance of this Agreement which are in addition to or outside of those set forth in this Agreement or **Exhibit A, "Scope and Provisions"**, unless such additional services and compensation are authorized in advance and in writing by the City Council or City Manager of the City.

SECTION 3 – TIME FOR COMPLETION

The time for completion of services shall be as identified in **Exhibit A, "Scope and Provisions"**.

SECTION 4 – COMPENSATION AND METHOD OF PAYMENT

A. Subject to any limitations set forth in this Agreement, City agrees to pay consultant the amount specified in **Exhibit B, "Compensation"**, attached hereto and made a part hereof. Total compensation shall not exceed $81,540.00, unless additional compensation is approved in accordance with Section 2.

B. Consultant shall furnish to City an original invoice for all services performed and expenses incurred during the preceding month. The invoice shall detail charges by the following categories if applicable: labor (by sub-category), travel, materials, equipment, supplies, subconsultant contracts, and miscellaneous expenses. City shall independently review each invoice submitted to determine whether the services performed and expenses incurred are in compliance with the provisions of this Agreement. If no charges or expenses are disputed, the invoice shall be approved and City will use its best efforts to cause Consultant to be paid within

30 days of receipt of invoice. If any charges or expenses are disputed by City, the original invoice shall be returned by City to Consultant for correction and resubmission. If the City reasonably determines, in its sole judgment, that the invoiced charges and expenses exceed the value of the services performed to date and that it is probable that the Agreement will not be completed satisfactorily within the Agreement price, City may retain all or a portion of the invoiced charges and expenses. Within thirty (30) days of satisfactory completion of the project, City shall pay the retained amount, if any, to Consultant. In no event shall City be obligated to pay late fees or interest, whether or not such requirements are contained in Consultant's invoice.

C. Payment to the Consultant for services performed pursuant to this Agreement shall not be deemed to waive any defects in services performed by Consultant.

SECTION 5 – STANDARD OF PERFORMANCE

Consultant represents and warrants that it has the qualifications, experience and facilities necessary to properly perform the services required under this Agreement in a thorough, competent and professional manner. Consultant shall at all times faithfully, competently and to the best of its ability, experience and talent, perform all services described herein. In meeting its obligations under this Agreement, Consultant shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing services similar to those required of Consultant under this Agreement.

SECTION 6 – INSPECTION AND FINAL ACCEPTANCE

City may inspect and accept or reject any of Consultant's services under this Agreement, either during performance or when completed. City shall reject or finally accept Consultant's services within sixty (60) days after submitted to City, unless the parties mutually agree to extend such deadline. City shall reject services by a timely written explanation, otherwise Consultant's services shall be deemed to have been accepted. City's acceptance shall be conclusive as to such services except with respect to latent defects and fraud. Acceptance of any of Consultant's services by City shall not constitute a waiver of any of the provisions of this Agreement including, but not limited to, the sections pertaining to indemnification and insurance.

SECTION 7 – INSURANCE REQUIRED

Consultant shall procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the services hereunder by the Consultant, its agents, representatives, or employees, as indicated:

A. Minimum Scope of Insurance. Coverage shall be at least as broad as:
   1. Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).
   2. Insurance Services Office form number CA 0001 (Ed. 1/87) covering Automobile Liability, code 1 (any auto).
   3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

B. Minimum Limits of Insurance. Consultant shall maintain limits no less than:

1. General Liability: $2,000,000 per occurrence for bodily injury, personal injury and property damage including operations, products and completed operations, as applicable. If Commercial General Liability Insurance or other form with a General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit. Consultant may utilize excess liability insurance limits providing coverage in excess of the underlying Commercial General Liability on terms at least as broad as the underlying coverage in order to meet the required limits of coverage.
2. Automobile Liability: $2,000,000 per accident for bodily injury and property damage.
3. Employer's Liability: $2,000,000 per accident for bodily injury or disease.

C. Professional Liability Insurance. When Consultant under this Agreement is duly licensed under California Business and Professions Code as an architect, landscape architect, professional engineer, or land surveyor ("design professional"), Consultant shall maintain at least $2,000,000 of professional liability insurance.

D. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions of $25,000 or greater must be declared to and approved by the City.

E. Other Insurance Provisions. The commercial general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. The City, its agent, officers, officials, employees, and volunteers are to be covered as additional insured as respects: liability arising out of services or operations performed by the Consultant or Consultant's subconsultants; or automobile owned, leased, hired or borrowed by the Consultant.
2. For any claims related to Consultant's conduct while performing the services of this project, the Consultant's insurance coverage shall be primary insurance as respects the City, its agents, officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the City, its agents, officers, officials, employees or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.
3. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be cancelled by either party, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City.
4. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subsection (b) of Section 2782 of the Civil Code.

F. Waiver of Subrogation. The workers compensation policy is to be endorsed with a waiver of subrogation. The insurance company, in its endorsement, agrees to waive all rights of subrogation against the City, its agents, officers, officials, employees and volunteers for losses paid under the terms of this policy which arises from the services performed by the named insured for the City.

G. The Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A: VII, unless otherwise acceptable to the City.

H. Verification of Coverage. Consultant shall furnish the City with original certificates and amendatory endorsements effecting coverage required by this clause. The endorsements should be on forms provided by the City or on forms that conform to City requirements. All certificates and endorsements are to be received and approved by the City before services commence. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications at any time.

SECTION 8 – INDEMNIFICATION

A. Consultant shall indemnify and hold harmless City, its agents, officers, officials, employees, and volunteers from any and all claims, demands, suits, loss, damages, injury, and/or liability (including any and all costs and expenses in connection therewith), incurred by reason of any negligent or otherwise wrongful act or omission of Consultant, its officers, agents, employees and subcontractors, or any of them, under or in connection with this Agreement; and Consultant agrees at its own cost, expense and risk to defend any and all claims, actions, suits, or other legal proceedings brought or instituted against City, its agents, officers, officials, employees and volunteers, or any of them, arising out of such negligent or otherwise wrongful act or omission, and to pay and satisfy any resulting judgments.

B. When Consultant under this Agreement is a design professional, the provisions of this section regarding Consultant's duty to defend and indemnify apply only to claims that arise out of or relate to the negligence, recklessness, or willful misconduct of the design professional.

C. If any action or proceeding is brought against Indemnitees by reason of any of the matters against which Consultant has agreed to indemnify Indemnitees as provided above, Consultant, upon notice from City, shall defend Indemnitees at Consultant's expense by counsel acceptable to City, such acceptance not to be unreasonably withheld. Indemnitees need not have first paid for any of the matters to which Indemnitees are entitled to Indemnification in order to be so indemnified. The insurance required to be maintained by Consultant shall ensure Consultant's obligations under this section, but the limits of such insurance shall not limit the liability of Consultant hereunder. The provisions of this section shall survive the expiration or earlier termination of this Agreement.

D. The provisions of this section do not apply to claims to the extent occurring as a result of the City's sole negligence or willful acts or misconduct.

SECTION 9 – INDEPENDENT CONTRACTOR STATUS

A. Consultant is and shall at all times remain a wholly independent contractor and not an officer, employee or agent of City. Consultant shall have no authority to bind City in any manner, nor to incur an obligation, debt or liability of any kind on behalf of or against City, whether by contract or otherwise, unless such authority is expressly conferred under this Agreement or is otherwise expressly conferred in writing by City.

B. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Neither City, nor any elected or appointed boards, officers, officials, employees or agents of City, shall have control over the conduct of Consultant or any of Consultant's officers, employees or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that Consultant or any of Consultant's officers, employees or agents are in any manner officials, officers, employees or agents of City.

C. Neither Consultant, nor any of Consultant's officers, employees or agents, shall obtain any rights to retirement, health care or any other benefits which may otherwise accrue to City's employees. Consultant expressly waives any claim Consultant may have to any such rights.

SECTION 10 – CONFLICTS OF INTEREST

A. Consultant covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of City or which would in any way hinder Consultant's performance of services under this Agreement. Consultant further covenants that in the performance of this Agreement, no person having any such interest shall be employed by it as an officer, employee, agent, or subcontractor without the express written consent of the City Manager. Consultant agrees to at all times avoid conflicts with the interests of City in the performance of this Agreement.

B. City understands and acknowledges that Consultant is, as of the date of execution of this Agreement, independently involved in the performance of non-related services for other governmental agencies and private parties. Consultant is aware of any stated position of City relative to such projects. Any future position of City on such projects shall not be considered a conflict of interest for purposes of this section.

SECTION 11 – OWNERSHIP OF DOCUMENTS

A. All original maps, models, designs, drawings, photographs, studies, surveys, reports, data, notes, computer files, files and other documents prepared, developed or discovered by Consultant in the course of providing any services pursuant to this Agreement shall become the sole property of City and may be used, reused or otherwise disposed of by City without the permission of the Consultant. When requested by City, but no later than three years after project completion, Consultant shall deliver to City all such original maps, models, designs, drawings, photographs, studies, surveys, reports, data, notes, computer files, files and other documents.

B. All copyrights, patents, trade secrets, or other intellectual property rights associated with any ideas, concepts, techniques, inventions, processes, improvements, developments, works of authorship, or other products developed or created by Consultant during the course of providing services (collectively the "Work Product") shall belong exclusively to City. The Work Product shall be considered a "work made for hire" within the meaning of Title 17 of the United States Code. Without reservation, limitation, or condition, Consultant hereby assigns, at the time of creation of the Work Products, without any requirement of further consideration, exclusively and perpetually, any and all right, title, and interest Consultant may have in the Work Product throughout the world, including without limitation any copyrights, patents, trade secrets, or other intellectual property rights, all rights of reproduction, all rights to create derivative works, and the right to secure registrations, renewals, reissues, and extensions thereof.

SECTION 12 – CONFIDENTIAL INFORMATION; RELEASE OF INFORMATION

A. All information gained or Work Product produced by Consultant in performance of this Agreement shall be considered confidential, unless such information is in the public domain or already known to Consultant. Consultant shall not release or disclose any such information or Work Product to persons or entities other than City without prior written authorization from the City Manager, except as may be required by law.

B. Consultant, its officers, employees, agents or subcontractors, shall not, without prior written authorization from the City Manager or unless requested by the City Attorney of City, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the services performed under this Agreement. Response to a subpoena or court order shall not be considered "voluntary" provided consultant gives City notice of such court order or subpoena.

C. If Consultant, or any officer, employee, agent or subcontractor of Consultant, provides any information or Work Product in violation of this Agreement, then City shall have the right to reimbursement and indemnity from Consultant for any damages, costs and fees, including attorneys fees, caused by or incurred as a result of Consultant's conduct.

D. Consultant shall promptly notify City should Consultant, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the services performed thereunder. City retains the right, but has no obligation, to represent Consultant or be present at any deposition, hearing or similar proceeding. Consultant agrees to cooperate fully with City and to provide City with the opportunity to review any response to discovery requests provided by Consultant. However, this right to review any such response does not imply or mean the right by City to control, direct, or rewrite such response.

SECTION 13 – SUSPENSION OF SERVICES

City may, at any time, by ten (10) days written notice suspend further performance by Consultant. All suspensions shall extend the time schedule for performance in a mutually satisfactory manner and Consultant shall be paid for services performed and reimbursable expenses incurred prior to the suspension date.

SECTION 14 – COMPLIANCE WITH LAW

Consultant shall keep itself informed of and comply with all applicable federal, state and local laws, statutes, codes, ordinances, regulations and rules in effect during the term of this Agreement. Consultant shall obtain any and all licenses, permits and authorizations necessary to perform the services set forth in this Agreement. Neither City, nor any elected or appointed boards, officers, officials, employees or agents of City, shall be liable, at law or in equity, as a result of any failure of Consultant to comply with this section.

SECTION 15 – COMPLIANCE WITH CIVIL RIGHTS

During the performance of this Agreement, Consultant agrees as follows:

A. Equal Employment Opportunity. In connection with the execution of this Agreement, Consultant shall not discriminate against any employee or applicant for employment because of race, religion, color, ancestry, age, sexual orientation, physical handicap, medical condition, marital status, sex, or national origin. Such actions shall include, but not be limited to, the following: employment, promotion, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rate of pay or other forms of compensation; and selection for training including apprenticeship.

B. Nondiscrimination Civil Rights Act of 1964. Consultant will comply with all federal regulations relative to nondiscrimination to federally-assisted programs.

C. Solicitations for Subcontractors including Procurement of Materials and Equipment. In all solicitations, either by competitive bidding or negotiations, made by Consultant for services to be performed under a subcontract, including procurement of materials or leases of equipment, each potential subcontractor, supplier, or lessor shall be notified by Consultant of Consultant's obligations under this Agreement and the regulations relative to nondiscrimination.

SECTION 16 – RECORDS

A. Records of Consultant's direct labor costs, payroll costs, and reimbursable expenses pertaining to this project covered by this Agreement will be kept on a generally recognized accounting basis and made available to City if and when required for a period of up to 3 years from the date of Consultant's final invoice.

B. Consultant's records and design calculations will be available for examination and audit if and as required. The cost of any reproductions shall be paid by City.

SECTION 17 – COOPERATION BY CITY

All public information, data, reports, records, and maps as are existing and available to City as public records, and which are necessary for carrying out the services as outlined in the Exhibit A, "Scope of Services", shall be furnished to Consultant in every reasonable way to facilitate, without undue delay, the services to be performed under this Agreement.

SECTION 18 – NOTICES

All notices required or permitted to be given under this Agreement shall be in writing and shall be personally delivered, or sent by facsimile or first class mail, addressed as follows:

To City:	City Manager 1480 Main Street St. Helena, California 94574
To Consultant:	Willdan Financial Services Chris Fisher 27368 Via Industria, Suite 200 Temecula, CA 92590 CFisher@Willdan.com 951-587-3500

Notice shall be deemed effective on the date personally delivered or transmitted by facsimile, or, if mailed, three (3) days after deposit in the custody of the U.S. Postal Service.

SECTION 19 – TERMINATION

A. City may terminate this Agreement, with or without cause, at any time by giving ten (10) days written notice of termination to Consultant. If such notice is given, Consultant shall cease immediately all services in progress.

B. If either Consultant or City fail to perform any material obligation under this Agreement, then, in addition to any other remedies, either Consultant, or City may terminate this Agreement immediately upon written notice.

C. Upon termination of this Agreement by either Consultant or City, all property belonging to City which is in Consultant's possession shall be delivered to City. Consultant shall furnish to City a final invoice for services performed and expenses incurred by Consultant, prepared as set forth in this Agreement.

SECTION 20 – ATTORNEY FEES

If litigation or other proceeding is required to enforce or interpret any provision of this Agreement, the prevailing party in such litigation or other proceeding shall be entitled to an award of reasonable attorneys' fees, costs and expenses, in addition to any other relief to which it may be entitled. In addition, any legal fees, costs and expenses incurred to enforce the provisions of this Agreement shall be reimbursed to the prevailing party.

SECTION 21 – ENTIRE AGREEMENT

This Agreement, including the attached Exhibits, is the entire, complete, final and exclusive expression of the parties with respect to the matters addressed therein and supersedes all other agreements or understandings, whether oral or written, or entered into between Consultant and City prior to the execution of this Agreement. No statements, representations or other agreements, whether oral or written, made by any party which are not embodied herein shall be valid and binding unless in writing duly executed by the parties or their authorized representatives.

SECTION 22 – SUCCESSORS AND ASSIGNS

This Agreement shall be binding on the heirs, executors, administrators, successors and assigns of the parties. However, this Agreement shall not be assigned by Consultant without written consent of the City.

SECTION 23 – CONTINUITY OF PERSONNEL

Consultant shall make every reasonable effort to maintain the stability and continuity of Consultant's staff assigned to perform the services required under this Agreement. Consultant shall notify City of any changes in Consultant's staff assigned to perform the services required under this Agreement, prior to any such performance.

SECTION 24 – DEFAULT

In the event that Consultant is in default under the terms of this Agreement, the City shall not have any obligation or duty to continue compensating Consultant for any services performed after the date of default and may terminate this Agreement immediately by written notice to Consultant.

SECTION 25 – WAIVER

Waiver by any party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision, nor a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by City of any work or services by Consultant shall not constitute a waiver of any of the provisions of this Agreement.

SECTION 26 – LAW TO GOVERN; VENUE

This Agreement shall be interpreted, construed and governed according to the laws of the State of California. In the event of litigation between the parties, venue in state trial courts shall lie exclusively in the County of Napa. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the Northern District of California, in San Francisco.

SECTION 27 – SEVERABILITY

If any term, condition or covenant of this Agreement is declared or determined by any court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this Agreement shall not be affected thereby and the Agreement shall be read and construed without the invalid, void or unenforceable provision(s).

SECTION 28 – SPECIAL PROVISIONS

This Agreement is subject to the following special provisions: none.

IN WITNESS WHEREOF, the parties hereto have accepted, made, and executed this Agreement upon the terms, conditions, and provisions above stated, the day and year first above written.

Consultant:

By: ______________________________
Name: ______________________________
Title: ______________________________

City:

By: ______________________
Name: Jennifer Phillips
Title: City Manager

Approved as to Form:

By: ______________________________
Name: Thomas B. Brown
Title: City Attorney

F. Scope and Provisions

Project Understanding

Willdan is confident that we can meet the City of St. Helena's request for services for a Cost Allocation Plan, User Fee Study and Development Impact Fee Study.

The end products will include user-friendly Excel-based models, which City staff will retain, and can be easily updated to add or remove services and/or costs, update budgets in future years, determine the proper allocation of expenditures, and on-going full cost of services provided by the City. Most importantly, we will ensure that the results and recommendations are clear and understandable, defensible, and easily implementable.

We will coordinate directly with departmental representatives at the City at the beginning of the project, to discuss the approach and process for the studies. Discussions will include ways to combine tasks and efforts among the study components in order to maximize efficiencies, and ensure adherence to specified timelines.

It is important to have a thorough understanding of specific City policies and objectives, the structure and organization of the City, and the relationships between the central and operating departments for a successful and effective engagement.

For the Cost Allocation Plan Study, we will review the City's existing plans and structure, to ensure that general government costs are fairly and equitably allocated to the appropriate programs and funds. This effort will ensure that each enterprise and program bears its fair share of general governmental expenses.

We will work directly with personnel at the City who provide the services applicable to the User Fee Study, in order to understand the procedures and processes involved, and to identify the associated costs.

For the Development Impact Fee Study, Willdan will review the existing impact fee schedule and report prior to the kick-off to determine what has changed in terms of facilities and needs for the fee categories. We will update the demographics, and present the City with the facilities list and discuss the current status for each fee type. We will work with the City to implement an impact fee program that ensures that new development pays its fair share of infrastructure while being mindful of the impact of fees on development.

Willdan possesses the resources, practical experience, creative thinking, and collaborative consulting skills necessary to complete this important project. Key distinct advantages that Willdan brings to the City include the following:

On-site Data Gathering: Our experience has taught us that working together, via face-to-face discussions, is the most efficient and thorough way to ensure that results are accurate, and that studies are completed in a timely manner. Consequently, through on-site interviews with your staff, Willdan will collect the majority of required data for the studies. This method is better than the typical "time and motion surveys" that are provided to agency staff when studies like these are conducted. This process ensures that we gather the data needed in one coordinated step, rather than having to go through repeated follow-up and clarification. This approach and the dedication of several of our staff will help ensure we meet the City's timeline and objectives, and provide important information to City staff and the Council as soon as possible.

Public Engagement: Our models and project approach are geared toward delivering our work on schedule and presenting our analysis results at public meetings and Council workshops. While we understand that the City Council and local business community may be generally supportive of increasing fees where necessary, it will be important to present recommendations to them in a way that clearly demonstrates the rationale and supporting analysis. The Willdan Team is experienced at communicating complex analytical results in a manner that is easy to understand by non-finance oriented individuals and facilitates discussion. Our proposed project manager for this engagement has coordinated, or participated in numerous public and staff workshops regarding fees and cost of service based charges. As previously mentioned, our objective is to provide useful, detailed information to the Council and City staff, necessary to make important decisions. Our experience ensures that we can meet this objective.

User-friendly Models and Reports: Willdan prides itself on creating user-friendly Excel-based models that the City can retain, and ***conducting our analysis and developing the models collaboratively with City staff.*** With City staff's immediate input and collaboration, Willdan will design extremely flexible, intuitive Excel-based models. In the future, as the City assumes new responsibilities, modifies existing processes, and/or eliminates unnecessary services or programs, the models will be capable of adding or deleting funds, objects, departments, programs, staff positions, and activities. Willdan understands that issues facing the City are unique; consequently, we design our models to match your immediate and desired needs to ensure that end-results exceed staff expectations.

These models are then the City's to retain, after our services are completed, and allows for the creation of revenue projections, highlighting potential new revenues, and levels of subsidy.

A key element of these studies are presenting results and recommendations in a straightforward manner, that allows Council and staff to confidently make fee setting policy decisions, and understand the impacts of those decisions. Rather than using an inflexible proprietary software program, we construct our models from the ground up, as previously discussed, mirroring the City's budget format wherever possible. As a result, the information contained in our models is easy for City staff to interpret, and the familiar software ensures ease of navigation. As the models are being designed and constructed, we will work together with City staff to determine the best and most effective features to include. After the project is completed, we will provide training, so that your staff can independently and efficiently evaluate the effects of changes in certain factors. Created directly from the models, our reports clearly and graphically illustrate bases for the full cost recovery level of fee programs, provide projections of revenue from fee programs, both at full cost recovery and at recommended levels, and present the fee methodologies.

The models will be developed to allow the City to run "what-if" scenarios to address possible changes in staffing levels, working hours, etc.

Cost Allocation Plan Methodology

The purpose of this cost allocation plan engagement is to ensure that the City of St. Helena is maximizing the recovery of indirect costs from identified operating departments, as well as enterprise and other chargeable funds and capital projects. Furthermore, a sound cost allocation plan is a foundational element of a user fee study, and the development of internal hourly rates, including CIP billing rates. We will work closely with staff in identifying the proper balance of allocation factors appropriate for the City. In order to achieve the maximum cost recovery objective, the City must have a method of identifying and distributing administrative costs that is fair, comprehensive, well documented, and fully defensible. A cost allocation plan coupled with comprehensive overhead rates will enable the City to achieve this goal.

Approach for Managing the Project

Willdan's "hands-on" supervision of Cost Allocation Plan studies, include the following methods:

- ***Effective Project Management*** — Project Manager Chris Fisher will manage the entire project with an eye toward high responsiveness, while ensuring that all stakeholders are "on board" with the direction of the project, as well as with the final results. Mr. Fisher will ensure that regular status updates are provided to City staff, conference calls are scheduled, and that in-person meetings are conducted (as necessary).
- ***Adherence to Time Schedule*** — Willdan recognizes that the use of "timelines" is highly effective in meeting all required deadlines. To keep the project on schedule, there are several tasks that must be completed in a timely manner. Therefore, we will present a project timeline at the kick-off meeting that should be closely followed.

Although the establishment of an experienced project team and a detailed project timeline work extremely well in general, Willdan understands that outside influences can create uncontainable situations for everyone involved in the project. In rare circumstances like these, our team quickly adapts to changes, and communicates our recommended schedule adjustments to the City.

Approach in Communicating with the City

Willdan staff is accustomed to interfacing with local government councils, boards, staff, community organizations, and the public in general in a friendly and helpful manner; we are always mindful that we represent the public agency. We are sensitive to the need of delivering a quality product, with the highest level of service and professionalism. Therefore, as the work on the project progresses, we understand that it will be necessary for our staff to work closely with you and City personnel. To accomplish this, we employ a variety of tools, including monitoring project status and budget costs; and ensuring effective communication through several options that are based on the City's preferences.

Experience with Development Service Processes

A unique aspect of our firm is our relationship with our Engineering Division. For many agencies throughout California and other Western states, this division provides contracted services in planning, engineering, and building and safety. When conducting cost recovery studies, we regularly consult with our engineering and land-development staff of experts on development-related issues. By working with our planners, engineers, and building officials, we understand development-related agency service procedures and workflow functions, which often make the entire user fee study process smoother for your staff.

User Fee Study Methodology

In order to comprehensively update fees, the City should develop a comprehensive user fee schedule that accurately accounts for the true cost of providing services. Once the study is complete, the fee study model must be flexible so that the City can add, delete, and revise fees in the future. To meet this goal, we will bring our expertise and unique perspectives to your fee study by approaching the project with these three principles:

1) Defensibility

Our user fee projects have not been legally challenged since the inception of this practice area in our firm. We have accomplished this by closely working with legal counsel familiar with user fee studies, our engineering division and with agency staff. In this way, we can tailor the correct approach to ensure full cost recovery combined with a sound and reasonable basis for each user fee you implement.

While Proposition 218 does not directly apply to non-property-related fees, we employ principles from this important constitutional article to make certain that your user fee and rate schedule is developed with fairness, equity, and proportionate cost recovery principles in mind. With the addition of Proposition 26, Willdan will review each analyzed user fee for compliance and appropriateness to ensure continued defensibility.

2) Project and Staff Time

The City must have a sound and technically defensible fee schedule to ensure costs are appropriately recovered, as applicants approach the City for its services. Our standards and approaches serve to get to the issues of your fee study quickly. Starting with the project kick-off, we will make certain that your staff understands the purpose and scope of the study and its corresponding on-site departmental interview. As Willdan is able to communicate directly with the service providers, this face-to-face interaction provides valuable time estimates.

3) Responsiveness

We take great pride in providing responsive service to our client agencies. Frequent communication is critical to a successful user fee study experience. We will provide a list of data requirements in advance of the project kick-off. Due to this simple step, the introductory meeting can focus on the survey input process, answering questions, determining policy goals, and defining next steps in the project. We will follow up weekly with you at each step in the fee study process to make sure that staff "buys in" to the fee study approach and results.

Approach

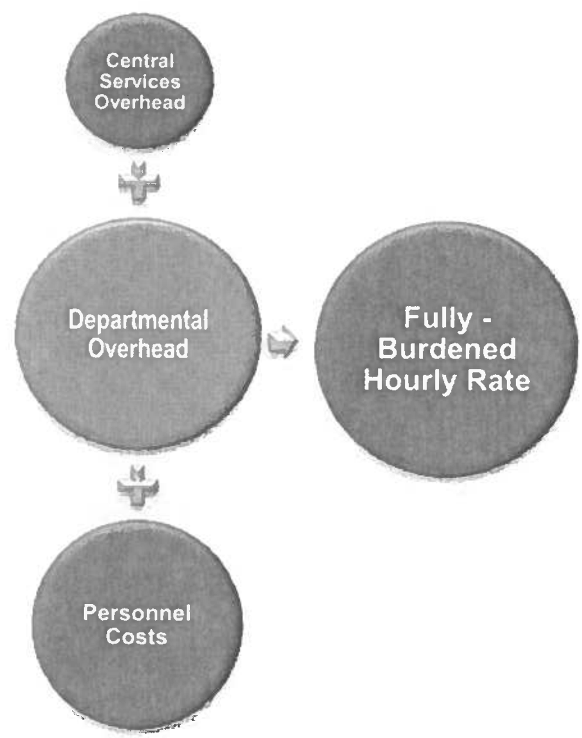
Our approach to preparing the user fee study and documentation for St. Helena includes:

- Close coordination with your staff to devise a consensus approach. Different programs and/or different service delivery methods will necessitate different approaches. We will discuss specific pros and cons with City staff as we determine which methods work best for various categories of fees;
- Strict adherence to key legal and policy issues with regard to user fees, including the percent of cost recovery that the City seeks to achieve. A user fee shall not be set higher than the reasonable cost of providing a fee-generating service. Our approach provides you with a fee schedule that achieves maximum legal cost recovery while ensuring that each fee is supported by technically defensible documentation; and
- Technical analysis necessary for project participants to resolve policy issues.

As described below, there are two basic approaches to calculating user fees:

Approach 1: Case Study Method

This is also sometimes referred to as a cost build-up approach. Using a time and materials approach, the "Case Study Method" examines the tasks, steps and City staff involved in providing a particular 'unit' of service, such as a permit review, and then uses that information to develop estimates of the actual labor and material costs associated with providing a unit of service to a single user. It is often used when a service is provided on a regular basis, and staff and other costs associated with the service can be segregated from available budget data.



A typical case study fee model should comprise the following three general cost layers:

1) Central Services Overhead: This category may involve such costs as labor, services, and supplies that benefit more than one department, division, or project. The exact benefits to specific areas are impossible to ascribe to a single activity. Examples are purchasing, human resources, and liability insurance. As part of the user fee study, these costs are calculated in the overhead cost review.

2) Department Overhead: This category may include expenses related to such items as office supplies, outside consultants, and membership dues. It may include management, supervision, and administrative support that are not provided to a direct fee-generating service. Typically, these items are charged, on an item-by-item basis, directly to the department, division, or project.

3) Personnel Costs: This category refers to direct salary and benefit costs of staff hours spent on providing a fee-generating service (e.g., on-site building inspector).

Approach 2: Average Cost Method

This is also sometimes referred to as a programmatic approach, because it looks at costs at a program level, and then allocates them to participants on an occurrence basis. By taking total service costs across a substantial sample period (a year), and dividing by the total number of service units delivered over that same period, costs per unit of service is estimated.

This approach is useful when services or programs are provided in a more aggregate manner, where it might be difficult to identify a specific sequence of steps associated with one user or participant; or where it is not feasible to cost-effectively segregate costs associated with specific activities.

Development Impact Fee Study Methodology

Willdan's methodology for calculating public facilities fees is both simple and flexible. Simplicity is important so that the development community and the public can easily understand the justification for the fee program. At the same time we use our expertise to reasonably ensure that the program is technically defensible.

Flexibility is important so we can tailor our approach to the available data, and the agency's policy objectives. Our understanding of the technical standards established by statutes and case law suggests that a range of approaches are technically defensible. Consequently, we can address policy objectives related to the fee program, such as economic development and affordable housing. Flexibility also enables us to avoid excessive engineering costs associated with detailed facility planning. We calculate the maximum justifiable impact fee and provide flexibility for the agency to adopt fees up to that amount.

Development impact fees are calculated to fund the cost of facilities required to accommodate growth. The four steps followed in an impact fee study include:

- **Estimate existing development and future growth:** Identify a base year for existing development and a growth forecast that reflects increased demand for public facilities;
- **Identify facility standards:** Determine the facility standards used to plan for new and expanded facilities;
- **Determine facilities required to serve new development and their costs:** Estimate the total amount and cost of planned facilities, and identify the share required to accommodate new development; and
- **Calculate fee schedule:** Allocate facilities costs per unit of new development to calculate the public facilities fee schedule.

We discuss key aspects of our approach to each of these steps in the subsections that follow.

Growth Projections

In most cases, we recommend use of long-range market-based projections of new development. By "long-range" we suggest 20 to 30 years to:

1) Capture the total demand often associated with major public facility investments; and
2) Support analysis of debt financing, if needed. In contrast to build out projections, market based projections provide a more realistic estimate of development across all land uses. Build out projections typically overestimate commercial and industrial development because of the oversupply of these land uses relative to residential development.

Facility Standards

The key public policy issue in development impact fee studies is the identification of facility standards (step #2, above). Facility standards document a reasonable relationship between new development and the need for new facilities. Standards ensure that new development does not fund deficiencies associated with existing development.

Our approach recognizes three separate components of facility standards:

1) **Demand standards** determine the amount of facilities required to accommodate growth. Examples include park acres per thousand residents, square feet of library space per capita, or gallons of water per day. Demand standards may also reflect a level of service such as the vehicles-to-capacity (V/C) ratio used in traffic planning;

2) **Design standards** determine how a facility should be designed to meet expected demand, for example park improvement requirements and technology infrastructure for office space. Design standards are typically not explicitly evaluated as part of an impact fee analysis but can have a significant impact on the cost of facilities. Our approach incorporates current facility design standards into the fee program to reflect the increasing construction cost of public facilities; and

3) **Cost standards** are an alternate method for determining the amount of facilities required to accommodate growth based on facility costs per unit of demand. Cost standards are useful when demand standards were not explicitly developed for the facility planning process. Cost standards also enable different types of facilities to be analyzed based on a single measure (cost or value), useful when disparate facilities are funded by a single fee program. Examples include facility costs per capita, per vehicle trip, or cost per gallon of water per day.

Identifying New Development Facility Needs and Costs

We have a number of approaches that can be used to identify facility needs and costs to serve new development. Often this is a two step process: (1) identify total facility needs; and (2) allocate to new development its fair share of those needs. Total facility needs are often identified through a master facility planning process that typically takes place concurrent with or prior to conducting the fee study. Engineered facility plans are particularly important in the areas of traffic, water, sewer, and storm drain because of the specialized technical analysis required to identify facility needs.

There are three common methods for determining new development's fair share of planned facilities costs: (1) the existing inventory method; (2) the planned facilities method; and (3) the system plan method. Often the method selected depends on the degree to which the community has engaged in comprehensive facility master planning to identify facility needs.

The formula used by each approach and the advantages and disadvantages of each method is summarized on the page that follows:

Existing Inventory Method

The existing inventory method allocates costs based on the ratio of existing facilities to demand from existing development as follows:

$$\frac{\text{Current Value of Existing Facilities}}{\text{Existing Development Demand}} = \text{\$/unit of demand}$$

Under this method new development funds the expansion of facilities at the same standard currently serving existing development. By definition, the existing inventory method results in no facility deficiencies attributable to existing development. This method is often used when a long-range plan for new facilities is not available. Only the initial facilities to be funded with fees are identified in the fee study. Future facilities to serve growth are identified through an annual Capital Improvement Plan ("CIP") and budget process, possibly after completion of a new facility master plan.

Planned Facilities Method

The planned facilities method allocates costs based on the ratio of planned facility costs to demand from new development as follows:

$$\frac{\text{Cost of Planned Facilities}}{\text{New Development Demand}} = \text{\$/unit of demand}$$

This method is appropriate when specific planned facilities can be identified that only benefit new development. Examples include street improvements to avoid deficient levels of service or a sewer trunk line extension to a previously undeveloped area. This method is appropriate when planned facilities would not serve existing development. Under this method new development funds the expansion of facilities at the standards used for the master facility plan.

System Plan Method

This method calculates the fee based on the ratio of the value of existing facilities plus the cost of planned facilities divided by demand from existing plus new development:

$$\frac{\text{Value of Existing Facilities + Cost of Planned Facilities}}{\text{Existing + New Development Demand}} = \text{\$/unit of demand}$$

This method is useful when planned facilities need to be analyzed as part of a system that benefits both existing and new development. It is difficult, for example, to allocate a new fire station solely to new development when that station will operate as part of an integrated system of fire stations that together to achieve the desired level of service. Police substations, civic centers, and regional parks are examples of similar facilities.

The system plan method ensures that new development does not pay for existing deficiencies. Often, facility standards based on policies such as those found in General Plans are higher than existing facility standards. This method enables the calculation of the existing deficiency required to bring existing development up to the policy-based standard. The local agency must secure non-fee funding for that portion of planned facilities, required to correct the deficiency, to ensure that new development receives the level of service funded by the impact fee.

Calculating the Fee Schedule

The fee schedule uses the cost per unit of demand discussed in the last subsection to generate the fee schedule. This unit cost is multiplied by the demand associated with a new development project to calculate the fee for that project. The fee schedule uses different demand measures by land use category to provide a reasonable relationship between the type of development and the amount of the fee. We are familiar with a wide range of methods for identifying appropriate land use categories and demand measures depending on the particular study.

Related Approach Issues

Funding and Financing Strategies

In our experience, one of the most common problems with impact fee programs and with many CIPs is that the program or plan is not financially constrained to anticipated revenues. The result is a "wish list" of projects that generate community expectations that often cannot be fulfilled. Our approach is to integrate the impact fee program into the local agency's existing CIPs while encouraging those plans to be financially constrained to available resources. We clearly state the cost of correcting existing deficiencies, if any, to document the relationship between the fee program and the need for additional non-fee funding.

We can also address one of the most significant drawbacks of an impact fee program – the inability to support conventional public debt financing, so projects can be built before all fee revenues have been received. In collaboration with financial advisors and underwriters, we have developed specific underwriting criteria so that fees can be used to pay back borrowing as long as another source of credit exists. Typically, this approach involves the use of Certificates of Participation or revenue bonds that are calibrated so that they can be fully repaid using impact fee revenues.

Economic Development Concerns

The development community often is concerned that fees and other exactions will become too high for development to be financially feasible under current market conditions. Local agencies have a number of strategies to address this concern, including:

- Conducting an analysis of the total burden placed on development, by exactions, to see if feasibility may be compromised by the proposed fees;
- Gathering similar data on the total fee burden imposed by neighboring or competing jurisdictions;
- Developing a plan for phasing in the fees over several years to enable the real estate market to adjust;
- Providing options for developers to finance impact fees through assessment and other types of financing districts; and
- Imposing less than the maximum justified fee.

If less than the maximum justified fee is imposed, we will work with staff to identify alternative revenues sources for the CIP. The CIP should remain financially feasible to maintain realistic expectations among developers, policy-makers, and the public.

Stakeholder Participation

Stakeholder participation throughout the study supports a successful adoption process. Our approach is to create consensus first, around the need for facilities based on agreed upon facility standards. Second, we seek consensus around a feasible funding strategy for these needs, leading to an appropriate role for impact fees.

Gaining consensus among various groups requires a balanced discussion of both economic development and community service objectives. Often, our approach includes formation of an advisory committee to promote outreach to and input from the development community and other stakeholders. We have extensive experience facilitating meetings to explain the program and gain input.

Program Implementation

Fee programs require a certain level of administrative support for successful implementation. Our final report will include recommendations for appropriate procedures, such as:

- Regularly updating development forecasts;
- Regularly updating fees for capital project cost inflation;
- Regularly updating capital facility needs based on changing demands;
- Developing procedures for developer credits and reimbursements; and
- Including an administrative charge in the fee program.

Work Plans

Our proposed work plans, described in detail by task, are provided below. We propose to maximize efficiency and cost-effectiveness by combining meetings and data gathering efforts between the studies wherever possible.

We explain how each task will be accomplished, and identify associated meetings and deliverables. We want to ensure our scope provides quality and clarity, and is responsive to the City's needs and specific local circumstances. We will work in concert with the City to adjust scopes as needed during the course of the studies.

Cost Allocation Plan

Task 1:	Initial Document Request
Objective:	Initial due diligence.
Description:	Prior to the kick-off call, relevant documentation will be obtained and reviewed in order to confirm our understanding of the City's cost allocation plan and internal structure of the agency. A written request for specific data will be sent to the City. The data provided in this task will provide the building blocks for later model development. Our request may include (but is not limited to): ▪ Detailed budget and accounting data; ▪ Prior year's financial data, salary, position and staffing data; ▪ Organizational structure; and ▪ Data related to various allocation bases that may be incorporated as part of the methodology, i.e. City Council agenda frequencies by department, AP/AR transactions by department, IT equipment distribution by department, etc.
Deliverables:	**Willdan:** Submit information request to City. **City:** Provide requested data to Willdan (prior to Task 2, Kick-off Call/Refine Scope). We will follow up with the City to confirm in writing the data that we have received, or which is still outstanding.

Task 2:	Kick-off Call / Refine Scope
Objective:	Confirm project goals and objectives. Identify and resolve policy issues raised by the study and determine appropriate fee categories.
Description:	Willdan will identify and resolve policy issues typically raised by these studies and address data gaps in order to gain a full understanding of the City's goals for the cost allocation plan. We will establish effective lines of communication and processes for information gathering and review. During this meeting, we will ask that the City assign a project manager to serve as its primary contact. The selected City project manager will ensure that available data is provided to Willdan in a timely manner, thereby maintaining adherence to the project's schedule. We will review the current cost allocation methodology and discuss with City staff. The objective of this review is to determine specific areas of focus as they relate to the City's objectives, and to discuss and evaluate current and potential allocation factors.
Meetings:	One (1) project kick-off conference call to initiate the project, discuss data needs and methodologies and to address policy issues. We would propose to conduct the comprehensive user fee study kick-off during this same meeting to maximize efficiency and cost effectiveness of staff and Willdan time.
Deliverables:	**Willdan:** If needed, a revised project scope and schedule. **City:** Provide further data requirements and select / introduce City's project manager.

Task 3:	Gather Staffing Information and Develop Cost Allocation Plan Model
Objective:	Confirm existing information related to indirect staffing and functions. Prepare updated draft cost allocation plan and model.
Description:	This task involves the gathering of specific information, directly from City staff, through interviews and discussion, related to the functions served by indirect staff and the departments served by their activities. This task also focuses on the adjustment of existing, allocation bases, and the development and testing of an updated model that will ultimately be used to calculate the proper cost allocations derived from data gathered in prior tasks. The model will be developed to incorporate any recent changes in the provision of City services, and fully allocate central service costs, as well as to allocate only those costs eligible under OMB A-87 guidelines. This is accomplished by loading relevant data into the model, then employing a toggle that will remove the OMB A-87 ineligible costs as appropriate. The OMB A-87 compliant model is valuable as the City may receive Federal or State grant funding that mandates compliance with the Federal OMB regulations. We will utilize budget and organizational information, and other required information gathered from City staff to complete the work in this task. Specific discussions will be held to discuss bases, how central overhead services are provided to and utilized by other departments, cost categories and allocation criteria, and how these will factor into the overall cost allocation methodology. We will work with the City to review any existing Internal Service Funds (ISF) and their functions and structures, and incorporate them into the model and methodology. The model and methodology will also produce fully loaded hourly billing rates for City staff positions. These rates will be suitable for a variety of uses, including billing to CIP projects, and in the OMB A-87 compliant CAP, to Federal grants.
Meetings:	Conference call with staff to understand structure and operations as model and allocation bases are developed. Key staff will be interviewed to best understand central overhead staffing and functions and the departments served.
Deliverables:	**Willdan:** One (1) user-friendly model in Microsoft Excel format that provides both a full cost allocation plan and an OMB A-87 compliant cost allocation plan.

Task 4:	Test and Review Cost Allocation Methodology
Objective:	Test and review model and results with City.
Description:	The draft cost allocation plan model will be reviewed with City staff, and adjusted as necessary, to ensure that preliminary allocations provide an accurate depiction of how the central overhead costs should be borne by the operating programs and funds. Over the past several years, we have successfully integrated online meetings by using GoToMeeting™ as an element to our approach. This allows us to remotely guide staff through the model review, and allows you the opportunity to interactively change inputs and test approaches.
Meetings:	One (1) conference call and online demonstration (GoToMeeting) to review the model.
Deliverables:	**Willdan and City:** Draft cost allocation plan model review.

Task 5:	Prepare and Present Draft Report
Objective:	Prepare the draft cost allocation report.
Description:	This task involves the draft report preparation. The cost allocation plan's background, model methodologies, and results will be discussed; calculations and supporting data will be presented textually and in easily understood tables, and provided to the City.
Meetings:	One (1) meeting to present the draft report to the City Manager, City staff, and if called upon to do so, the City Council.
Deliverables:	**Willdan:** Draft report for City review and input. **City:** Review of draft report, with comments, and edits.

Task 6:	Discuss and Revise Report
Objective:	Review of draft report, cost distribution methods, and model.
Description:	An in-depth review of the draft report and model will be conducted to arrive at an optimum allocation method for each expenditure type. Often, through the course of an engagement, comments usually revolve around issues of: understandability; appropriate levels of enterprise funds' cost recovery, etc.; ease of calculation; and overhead costs' distribution methods. Following a round of comments from City staff concerning the draft report, the final report will be prepared for presentation to the Council.
Meetings:	One (1) conference call with City staff to review the report.
Deliverables:	Draft report, and revised draft/final report.

Task 7:	Prepare and Present Final Report/Train Staff on Model
Objective:	Prepare and present the final report to City Council. Educate City staff on the operation and use of the model for future modifications.
Description:	This task is the culmination of the cost allocation plan project. Based on staff comments on the draft report, Willdan will prepare the final report for presentation to City Council. We will also provide staff training on the operation and use of the model.
Deliverables:	**Willdan:** Provide five (5) bound copies, one (1) unbound copy, and one (1) electronic PDF file copy of the final report and models (full and OMB A-87 compliant) to the City. Using Microsoft Word and Excel, an updateable electronic copy of the study and models, as well as related schedules, will also be provided on CD/ROM.

User Fee Study

Task 1:	Initial Document Request
Objective:	Initial due diligence; obtain study-related data.
Description:	Prior to the kick-off meeting, we will review relevant documentation to confirm our understanding of the services, fees, and rates to be studied. A written request for data will be sent to the City. We will request information and documentation on current fees and fee programs, activity levels, and budget and staffing information (to the extent not already available) related specifically to programs and activities which have associated fees, and for which the City has this level of detail.
Deliverables:	**Willdan:** Submit information request to City. **City:** Provide requested data to Willdan (prior to Task 3, Kick-off Call/Refine Scope). As with the cost allocation plan, we will follow up with the City to confirm receipt of requested data and information, and highlight data elements that are outstanding.

Task 2:	Confirm Inventory of Current and Potential Fees
Objective:	Willdan will confirm, and update if necessary, the schedule of fees and methodology for calculating the fees.
Description:	Based on the results of the initial document request and independent research, incorporate into our model the existing fees, provided by the City, to comprise the parameters of the fee study.
Meetings:	It is possible that a conference call with the City may be necessary to discuss new fees to implement or existing fees that may no longer be required.
Deliverables:	**Willdan:** One (1) draft list of current fees based on initial data provided (to be discussed and finalized during the kick-off call). **City:** Review completed fee schedule with comments/revisions to be discussed during the kick-off.

Task 3:	Kick-off Call /Refine Scope
Objective:	Confirm goals and objectives for the User Fee Study. Identify and resolve policy issues typically raised by a User Fee Study, address gaps in data, and refine appropriate existing or new fee categories (based on Task 2).
Description:	Verify our understanding of the City's goals, the City's cost-recovery policy for user fees, and to fill any gaps in data/information necessary for the project. It is important for the City and Willdan to identify and address any foreseeable problems, and maintain open communication throughout the process. During this meeting, we will ask that the City identify a project manager who will serve as the primary contact for the project. The project manager shall have responsibility for ensuring that all available data is provided in a timely manner, thereby maintaining adherence to the project's schedule.
Meetings:	One (1) project kick-off conference call to initiate the entire project, discuss data needs, and address policy issues. This will be held in conjunction with the kick-off for the cost allocation plan. As mentioned in the cost allocation plan work plan, we suggest combining the kick-off call to increase efficiency.
Deliverables:	**Willdan:** 1) Revised project scope and schedule (if needed); and 2) brief summary of policy decisions (if needed). **City:** 1) Provide further data needs; and 2) determine/introduce City's project manager.

Task 4:	Develop Comprehensive Fee Model
Objective:	Develop and test updated model.
Description:	This task involves the development of the model ultimately used to calculate the departmental fees, based on data and information gathered in previous tasks and in the Time Survey Interviews described in Task 5. To ensure that City policies are met through the imposition of the calculated fees, the model will be formatted to include appropriate costs. Key model inputs will include staff and allocated overhead costs per position, and relevant budget data on salaries and benefits. Most of this information will be developed during the cost allocation plan phase of this project, and will be incorporated directly into the user fee model. We will request clarification and/or additional data if necessary. The model will build upon the cost allocation plan results, to provide an allocation of administrative and overhead costs to fee related activities and departments providing services to customers, so that fees and billable rate schedules incorporate applicable costs. Furthermore, the fees and rates charged to customers will also reflect the cost of the services being provided, to the extent possible given policy and/or political considerations.
Deliverables:	**Willdan:** One (1) user-friendly model in Microsoft Excel format, which, when finalized, City staff can use to calculate fee changes annually, or as often as deemed appropriate by the City Council.

Task 5:	Time Survey Interviews and On-site Information Gathering
Objective:	Meet with City staff to update and confirm Time Surveys and understand service delivery processes. As this is an updated, it is anticipated that a wholesale study of times and levels of effort will not be necessary. We will review the data compiled for the original study, and update it where necessary to reflect new or modified processes and effort levels.
Description:	We will schedule one (1) full day of on-site meetings with staff; however, the number of meetings needed may vary depending on the number of staff and departments involved. The Willdan Team will conduct interviews with supervisors/managers, as well as other staff, as deemed appropriate and/or necessary, from each department involved in the user fee study to confirm and/or update the average time required by City staff to provide each of the services for which a fee is collected.

The fee model is designed so that full cost recovery fees are calculated immediately upon input of staff time. These full costs are also compared to current cost recovery levels. This will allow Willdan and City staff to conclude with a final meeting to review the draft full cost recovery fees, and adjust any times as necessary, once all information has been compiled and input into the fee model. We will schedule the interviews with staff to minimize any disruption to their normal workflow.

Meetings: One (1) full business day of on-site meetings/staff interviews.

Deliverables: **Willdan and City:** Time surveys and draft full cost recovery fees.

Task 6: Common Fees Comparison

Objective: Examine the user fees charged by comparable Napa County, or jurisdictions that are similar to the City of St. Helena.

Description: We will access and use our knowledge of other jurisdictions to benchmark the City's five (5) most common fees or highest yielding fees with comparable jurisdictions agreed.

Fee schedules are rarely readily or directly comparable from agency to agency due to definitional and operational differences. For example, a grading permit in one jurisdiction may include the plan check service, while the same permit in another jurisdiction may not, resulting in similar sounding services with widely varying costs. For this reason Willdan takes a selection of the City's most commonly used and/or highest yielding fees.

The survey will contain the following:

- Comparison of common or similar fees and charges used by the City and other jurisdictions;
- Current and proposed fees and charges unique to the City of St. Helena;
- Fees and charges used by other public entities not currently used in the City; and
- If possible, identify characteristics and processes unique to the City that account for significant variances in fees and charges used by other jurisdictions.

Deliverables: ***Willdan:*** Recommendations provided in Task 8 will incorporate the data gathered during our examination.

Task 7: Data Analysis and Final Fee and Rate Schedule

Objective: Incorporate information obtained from on-site surveys to fully develop model.

Description: We will update the model, based on information received during the on-site reviews, to generate a comprehensive user fee schedule. In addition, a supplemental data request may be necessary, based on new fees identified that the City is not currently collecting. Where appropriate, we will suggest and discuss with staff alternate approaches to existing fee programs (i.e. building fees), and suggest potential areas where fees could be collected where they are not currently. We will present the full cost recovery level for fees, both current and projected under the new calculated fees, and revenue projections, given certain assumptions about the levels of subsidy for different fees. Current levels of cost recovery will be compared to actual full costs calculated during the course of this study. Cost will be calculated at reasonable activity levels, and include all appropriate direct and indirect costs and overhead. We will review fee programs for compliance with Propositions 218 and 26.

The user fee data analysis and model development may take three (3) to four (4) weeks with frequent correspondence with City staff to discuss current cost recovery amounts, necessary to recover full cost and frequency activity.

Meetings: Conference calls to finalize fee schedule.

Deliverables: Final user fee and rate model for City Council presentation and discussion.

Task 8:	Prepare and Present Draft Report
Objective:	Prepare draft report.

Description: This task involves the preparation of the draft report that discusses the study's background, the methodologies utilized in the study, and the results and presentation to various stakeholder groups. As noted below, meetings may occur during this or the next task as appropriate. The calculations used to generate the fee and rate study will be included textually, as well as in easy to understand tables. Individual fee summaries by department and a comprehensive fee schedule will be included. The draft report will include the following:

- Key results and findings;
- Basic descriptions of each service;
- The full cost of each service and current cost recovery levels;
- Costs broken down graphically into indirect and direct components, with a graphic display of the level of cost recovery;
- Fee recommendations with associate levels of cost recovery;
- Projections of potential fee revenue;
- Assessment of reasonableness of each City's costs;
- Review of reasonableness of current consultant cost structure (for Building Division services);
- As appropriate, recommend alternative methodologies for building permit fee calculation; and
- Summary and recommendations.

The objective of the report is to communicate the recommendation of appropriate fees, which include the appropriate subsidy percentage for those fees where full cost recovery may be unrealistic.

Meetings: One (1) conference call or online meeting to present the draft report to City staff and the City Manager.

Deliverables: **Willdan:** Draft report for City review and comment.

City: Review of draft report, with comments and edits.

Task 9:	Revise Draft Report/Determine Cost Recovery Levels for Recommended Adoption
Objective:	Review of draft report and fee model.

Description: The goal of this task is to conduct an in-depth review of the draft report and model, and finally arrive at an optimum fee structure. Often through the course of an engagement, City staff will volunteer insightful likes and dislikes regarding the existing fee structure. We listen to this feedback carefully because your staff members know the community best. Comments usually revolve around issues of:

- Understandability;
- Fairness to applicants;
- Ease of calculation;
- Appropriate levels of cost recovery; and
- Full cost recovery hourly rates.

When adjusting fee recovery levels, we believe it is important to address these concerns.

Following one (1) round of comments from City staff on the draft report, we will prepare the final report for presentation to the City Council.

Meetings: One (1) online demonstration (GoToMeeting) to review the model.

Deliverables: Draft report, revised draft /final report.

Task 10:	Prepare and Present Final Report/Train Staff on Model
Objective:	Prepare and present final report to City Council. Train staff on the operation and use of the model for future modifications.
Description:	This task is the culmination of the entire project. Based on staff comments received regarding the draft report, we will prepare the final report for presentation.
Meetings:	One (1) meeting with City Council to present the results. We will also provide staff training on the operation and use of the model on the same day, during regular business hours.
Deliverables:	We will provide up to five (5) bound copies, one (1) unbound copy and one (1) electronic PDF file copy of the final report and model to the City. Using Microsoft Word and Excel, an updateable electronic copy of the study and model, as well as related schedules, will also be provided on CD/ROM.

Development Impact Fee Update

Willdan will work with the City to update the following fees.

- Public safety
- Civic improvement
- Parks
- Storm Drainage
- Traffic
- Housing

Task 1:	Identify and Resolve Policy Issues
Objective:	Identify and resolve policy issues raised by the study.
Description:	Review agency documents related to existing capital planning policies and funding programs including existing impact fees. Bring policy issues to City staff's attention, as appropriate, during the project and seek guidance prior to proceeding. Potential policy issues include: ▪ Adequacy of General Plan and other public facility planning policies (e.g. level of service standards); impact fee ordinances and resolutions, and prior nexus studies; ▪ Availability of existing public facility master plans and CIPs to identify needed facilities; ▪ Types of facilities to be funded by each fee; ▪ Land use categories for imposition of fees; ▪ Nexus approach to determining facility standards; ▪ Nexus approach to allocating cost burden among land uses, including need for separate fee zones; ▪ Potential alternative funding sources, if needed; ▪ Funding existing deficiencies, if identified; and ▪ Implementation concerns and strategies.
Deliverables:	(1) Information requests; (2) revised project scope and schedule (if needed); and (3) brief summary of policy decisions (if needed).

Task 2:	Identify Existing Development and Future Growth
Objective:	(1) Identify estimates of existing levels of development; and (2) identify a projection of future growth consistent with current planning policy.
Description:	Identify base year for estimating existing levels of development and for calculating facility standards based on existing facility inventories (see Task 3). Include entitled development that would be exempt from fee program.

Consult with City staff to identify growth projections to a defined long range planning horizon (10 to 30 years). Projections provide a basis for determining the facilities needed to accommodate growth (see Task 4). Consider projections from regional metropolitan planning agencies and other available sources - City staff to provide estimates and projections by zone if needed.

Develop approach for converting land use data to measure of facility demand. For example, identify population and employment density factors to convert population and employment estimates to dwelling units and building square footage. Select appropriate approach for each impact fee based on:

- Available local data on facility demand by land use category;
- Approaches used by other agencies; and
- Support for other agency policy objectives.

Changes to estimates and projections during subsequent tasks could cause unanticipated effort and require an amendment to the scope of services and budget. Obtain approval of estimates and projections from City staff prior to proceeding.

Deliverables: Memorandum to City staff summarizing estimates of existing development and projections for new development.

Task 3: Determine Facility Standards

Note: Conduct Tasks 3, 4, and 5 separately for each facility and fee type. Conduct tasks concurrently because of the effect of facility standards (Task 3), facility needs (Task 4), and alternative funding (Task 5) on the fee calculation.

Objective: Determine standards to identify facilities required to accommodate growth.

Description: Identify and evaluate possible facility standards depending upon the facility type, current facility inventory data, and available facility planning documents. Consider use of: (1) adopted policy standards (e.g. General Plan, master facility plans); (2) standards derived from existing facility inventories; or (3) standards derived from a list of planned facility projects. City staff to provide policies, inventories, and project lists.

Task 4: Determine Facilities Needs and Costs

Objective: Identify the type, amount and cost of facilities required to accommodate growth and correct deficiencies, if any.

Description: Quantify total planned facilities based on growth projection from Task 2 and facility standards from Task 3. Express planned facilities in general quantities such as acres of parkland, or as a specific list of capital projects from a master facility plan. Location of planned facilities may or may not be specified. If only a general description of planned facilities is available through the planning horizon, City staff to provide a list of specific capital projects for use of fee revenues during the short term (e.g. five years).

Distinguish between: (1) facilities needed to serve growth (that can be funded by impact fees); and (2) facilities needed to correct existing deficiencies (that cannot be funded by impact fees). Use one of three cost allocation methods (existing inventory, system plan, or planned facilities).

Gather planning-level data on new facilities costs based on lump sum project cost estimates, or unit costs and project quantities (acres, building square feet, lane miles, etc.). Consider recent City experience, local market data such as land transactions, and consultant team experience from prior projects. Inflate older cost estimates to base year using appropriate cost indices.

This scope of work does not include additional engineering analysis to identify total facility needs, existing deficiencies, or cost estimates.

Task 5:	Identify Funding and Financing Alternatives
Objective:	Determine the extent of alternative (non-fee) funding available for new facilities.

Description: If impact fees are going to only partially fund a capital project, the *Mitigation Fee Act* requires the agency report on the anticipated source and timing of the additional funding every five years. There are two types of alternative funding sources that we will identify:

1. Funding from non-impact fee sources to correct existing deficiencies; and
2. Funding from new development other than impact fees that must be credited against new development's impact fee contributions, possibly including taxes paid to finance facilities.

Identify anticipated alternative funding based on information from City staff, or note that funds are still to be identified based on a list of probable funding alternatives. If fees will fund debt service include financing costs in the total cost of facilities.

Assume facilities to be funded predominantly on a pay-as-you-go basis. Scope does not include a cash flow analysis to analyze effect of timing of fee revenues on financing costs.

Task 6:	Calculate Fees and Prepare Report
Objective:	Provide technically defensible fee report that comprehensively documents project assumptions, methodologies, and results.

Description: Generate fee schedule to apportion facility costs to individual development projects. Use facility costs per unit of demand multiplied by demand by land use category based on data developed in prior tasks.

Prepare draft report tables for City staff to review that document each step of the analysis, including schedule of maximum justified fees by facility type land use category.

Following one (1) round of comments from City staff on the quantitative analysis and fee schedules, prepare administrative draft report. Following one (1) round of comments on administrative draft, prepare public draft for presentation to interested parties, the public and elected officials. Prepare final report if necessary based on one (1) round of comments received on the public draft report. If requested, post report on our website for public access.

Provide legal counsel with copies of fee resolutions and ordinances used by other jurisdictions.

Deliverables: We will provide up to four (4) bound copies of the draft report, one (1) unbound copy, one Microsoft Word copy, and up to eight (8) bound copies of the final report, one (1) unbound copy, and one Microsoft Word copy.

Task 7:	Meetings
Objective:	The project manager or other necessary Willdan staff will attend project meetings. A member of the development Impact project team will attend up to four meetings throughout the Development Impact Fee Study engagement. Phone conferences are not considered meetings for the purposes of this scope. Additional meetings may be requested for an additional fee based on our hourly billing rates.

City Staff Support

To complete our tasks, we will need the cooperation of City staff. We suggest that the City of St. Helena assign a key individual to represent the City as the project manager who can function as our primary contact. We anticipate that the City's project manager will:

- Coordinate responses to requests for information;
- Coordinate review of work products; and
- Help resolve policy issues.

We will ask for responses to initial information requests in a timely manner. If there are delays on the part of the City, we will contact the City's project manager to steer the project back on track. We will keep the City's project manager informed of data or feedback we need to keep the project on schedule.

Willdan will endeavor to minimize the impact on City staff in the completion of this project.

Willdan will rely on the validity and accuracy of City data and documentation to complete our analysis. Willdan will rely on the data as being accurate without performing an independent verification of accuracy, and that we will not be responsible for any errors that result from inaccurate data provided by the City or a third party.

G. Cost Data

Not to Exceed Fee

Willdan proposes a ***not-to-exceed fee of $81,540*** for the project as a whole. Below we have presented a breakdown of each specific phase of the project.

Cost Allocation Plan

Based on the previously identified cost allocation plan scope, we propose a ***fee of $10,305.*** The table below provides a breakdown of this fee by task and project team member.

City of St. Helena Cost Allocation Plan	C. Fisher Principal-in-Charge	T. Thrasher Analytical Support	R. Quaid QA/Tech Advisor	Total Hours	Total Cost
	$ 210	$ 120	$ 165	Hours	Cost
Task 1: Initial Document Request	-	2.0	-	2.0	$ 240
Task 2: Kick-off /Refine Scope	1.0	2.0	-	3.0	450
Task 3: Gather Staffing Information, Develop Cost Allocation Plan Mode	1.0	18.0	-	19.0	2,370
Task 4: Test and Review Cost Allocation Methodology	2.0	10.0	2.0	14.0	1,950
Task 5: Prepare and Present Draft Report	4.0	12.0	2.0	18.0	2,610
Task 6: Discuss and Revise Report	2.0	8.0	1.0	11.0	1,545
Task 7: Prepare and Present Final Report/Train Staff on Model	2.0	6.0	-	8.0	1,140
Subtotal – Cost Allocation Plan Study:	12.0	58.0	5.0	75.0	$ 10,305
Total Willdan Labor - Cost Allocation Study	**12.0**	**58.0**	**5.0**	**75.0**	**$ 10,305**

User Fee Study

Based on the previously identified user fee study scope, we propose a ***fee of $22,320.*** The table below provides a breakdown of this fee by task and project team member.

City of St. Helena User Fee Study	C. Fisher Principal-in-Charge	T. Thrasher Analytical Support	R. Quaid QA/Tech Advisor	Total Hours	Total Cost
	$ 210	$ 120	$ 165	Hours	Cost
Task 1: Initial Document Request	-	2.0	-	2.0	$ 240
Task 2: Confirm Inventory of Current and Potential Fees	4.0	6.0	-	10.0	1,560
Task 3: Kick-off Call /Refine Scope	2.0	4.0	-	6.0	900
Task 4: Develop Comprehensive Fee Model	2.0	20.0	2.0	24.0	3,150
Task 5: Time Survey Interviews and On-site Information Gathering	14.0	18.0	-	32.0	5,100
Task 6: Common Fees Comparison	2.0	10.0	1.0	13.0	1,785
Task 7: Data Analysis and Final Fee and Rate Schedule	4.0	20.0	2.0	26.0	3,570
Task 8: Prepare and Present Draft Report	2.0	16.0	2.0	20.0	2,670
Task 9: Revise Draft/Determine Cost Recovery Levels	2.0	10.0	1.0	13.0	1,785
Task 10: Prepare and Present Final Report/Train Staff on Model	4.0	6.0	-	10.0	1,560
Subtotal – User Fee Study:	36.0	112.0	8.0	156.0	$ 22,320
Total Willdan Labor - User Fee Study	**36.0**	**112.0**	**8.0**	**156.0**	**$ 22,320**

Development Impact Fee Study

Based on the previously identified impact fee study scope, we propose a ***fee of $48,915.*** The table below provides a breakdown of this fee by task and project team member.

City of St. Helena Development Impact Fee Study	J. Edison Project Manager	C. Villarreal Analytical Support	Total Hours	Total Cost
	$ 200	$ 145	Hours	Cost
Task 1: Identify and Resolve Policy Issues	12.0	18.0	30.0	$ 5,010
Task 2: Identify Existing Development and Future Growth	10.0	16.0	26.0	4,320
Task 3: Determine Facility Standards	25.0	55.0	80.0	$ 12,975
Task 4: Determine Facilities Needs and Costs	28.0	52.0	80.0	13,140
Task 5: Identify Funding and Financing Alternatives	6.0	12.0	18.0	$ 2,940
Task 6: Calculate Fees And Prepare Report	16.0	22.0	38.0	6,390
Task 7: Meetings	12.0	12.0	24.0	4,140
Subtotal – Development Impact Fee Study:	109.0	187.0	296.0	$ 48,915
Total Willdan Labor - Development Impact Fee Study	**109.0**	**187.0**	**296.0**	**$ 48,915**

Notes:

- The cost of preparing the User Fee Study and Cost Allocation Plan can be included in the resulting new fee schedule. Therefore, over time, the City can recover the initial outlay of funds that was required to complete the studies.
- There is no additional expense for the proprietary software program.
- Our fee includes direct expenses associated with the project.
- We will invoice the City monthly based on percentage of project completed.
- Additional services may be authorized by the City, and will be billed at our then-current hourly overhead consulting rates.

Hourly Fee Schedule

Our current hourly rates are listed below.

Hourly Rate Schedule	
Position	**Hourly Rate**
Group Manager	$210
Principal	$200
Senior Project Manager	$165
Project Manager	$145
Senior Project Analyst	$130
Senior Analyst	$120
Analyst	$100
Assistant Analyst	$75

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Report to the City Council
Council Meeting of November 24, 2015

Agenda Section: **Regular Business**

Subject: **Approve Resolution 2015-__ and Rescinding Resolution No. 2014-81 and Approving an Investment Policy for the City of St. Helena and Review Annual Investment Report**

CEQA Status: **Not a Project**

Prepared By: **Jennifer Phillips, City Manager**

Approved By: **Jennifer Phillips, City Manager**

DISCUSSION

California Government Code Section 53646(a)(2) states that the treasurer or chief fiscal officer of any other local agency (other than County agencies) may annually render to its legislative body and any oversight committee an investment policy and that the legislative body shall consider this policy at a public meeting.

The City utilizes PFM Asset Management LLC to manage the City's investment accounts and also has funds in the Local Agency Investment Fund (LAIF). The City meets with its investment advisor at least twice a year to review the City's portfolio and discuss economic conditions and market trends. Staff also receives a quarterly report from LAIF.

PFM reviews the City's Investment Policy each year and recommends changes based on legislation or best practices. Two changes were recommended by PFM this year. The first update falls under Section 8 Authorized Investments and Limitations on Investments. Subsections i) and j) were changed to be consistent with subsection h) indicting that "issuing institutions are rated "A" or better". The second update occurs under section 12 Reporting Requirements. These changes are consistent with State law and best practices for a portfolio that has the small size and simplicity of St. Helena's.

The City of St. Helena currently has an investment portfolio of approximately $8.2 million with PFM in an account called California Asset Management Program (CAMP). The majority of these funds are impact fees being held until the capital improvement projects listed in the impact fee study are initiated. The impact fees include public safety, civic improvement, park, traffic mitigation, storm drain improvement, housing, water and sewer. The annual AB 1600 impact fee report details the fund balance of each impact fee fund. This information was also provided in the FY 2015-16 Adopted Budget.

In addition, the City has approximately $6.9 million invested in LAIF. The source of these funds is the City's many funds which require accessibility such as the General Fund Assigned Reserve, water and wastewater net position, and other various funds, which are also included in the FY 2015-16 Adopted Budget. LAIF is a low interest baring investment account held by the State of California.

The City's portfolio is well diversified by both sector and the holdings are in compliance with California Code and the City's Investment Policy. In addition the portfolio holdings are diversified by maturity with the majority in the 1-3 year range.

FISCAL IMPACT

None

RECOMMENDED ACTION

Approve Resolution 2015-__ and Rescinding Resolution No. 2014-81 and Approving an Investment Policy for the City of St. Helena.

ATTACHMENTS

Attachment 1 – 2014 Investment Policy with redlined changes
Attachment 2 – 2015 Investment Policy
Attachment 3 – Resolution No. 2015-__
Attachment 4 – City of St. Helena PFM Account Statement ending June 30, 2015
Attachment 5 – City of St. Helena Local Agency Investment Fund Remittance Advice

CITY OF ST. HELENA
STATEMENT OF INVESTMENT POLICY
October 2015

1. Policy

It is the policy of the City of St. Helena ("the City") to invest public funds in a manner that will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City and conforming to all California laws and local statutes governing the investment of public funds.

2. Scope

This investment policy applies to all the funds and investment activities under the direct authority of the City as accounted for in the Comprehensive Annual Financial Report (CAFR). Policy statements outlined in this document focus on the City's pooled funds, but will also apply to all other funds under the City Treasurers' span of control unless specifically exempted by statue or ordinance. This policy is applicable, but not limited to, all funds listed below:

- General Fund
- Enterprise Funds
- Special Revenue Funds
- Capital Project Funds
- Trust and Agency Funds

Excluded funds are those held with a fiscal agent, which has their own specific "permitted investments" section in the bond covenants. These funds include funds reserved for debt service and pension funds.

3. Prudence

Pursuant to California Government Code Section 53600.3, all persons authorized to make investment decisions on behalf of the City are trustees and therefore fiduciaries subject to the prudent investor standard: "When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency."

The City Treasurer and/or City Manager, acting within the intent and scope of the investment policy and other written procedures and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations that result in a loss of principal are reported to the City Manager immediately, and to the City Council at their next meeting addressing appropriate actions to be taken to control adverse developments.

4. Objective

The primary objectives in priority order of the City's investment activities shall be:

4.1. ***Safety:*** Safety of principal is the foremost objective of the investment program. Investments of the City shall be undertaken in a manner that seeks to ensure that capital losses are avoided, whether from securities default, broker-dealer default, or erosion of market value. To attain this objective, diversification is required in order that potential losses on individual securities would not exceed the income generated from the remainder of the portfolio.

4.2. ***Liquidity:*** The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements that might be reasonably anticipated.

4.3. ***Return:*** The City's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the City's investment risk constraints and the cash flow characteristics of the portfolio.

5. Delegation of Authority

Authority to manage the City's investment program is derived from the California Government Code. Management responsibility for the investment program is hereby delegated to the Treasurer, who shall establish written procedures for the operation of the investment program consistent with this investment policy. Procedures shall include, but not limited to, references to: safekeeping, wire transfer agreements, collateral/depository agreements, banking services contracts, local banking preferences, and other investment-related activities. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Treasurer. The Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinates.

The Treasurer may delegate investment decision making and execution authority to an investment advisor. The advisor shall follow the Investment Policy and such other written instructions as are provided.

Delegation of authority shall expire one year from the date of adoption of this policy as required by State law.

6. Ethics and Conflicts of Interest

The City Council, City Manager and City Treasurer shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Council members, City Manager and City Treasurer shall disclose to the City Attorney any material financial interests in financial institutions that conduct business within the jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the City's portfolio. The City Attorney and Treasurer shall review all disclosures made to insure there are no conflicts with any planned investment.

7. Authorized Financial Dealers and Institutions

The Treasurer will maintain a list of financial institutions and primary dealers authorized to provide investment services. "Primary" dealers include those that regularly report to the Federal Reserve Bank and should qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule).

All financial institutions, dealers and cash managers who desire to become qualified bidders for investment transactions must supply the City with the following: audited financial statements, proof of National Association of Security Dealers certification when applicable, completed questionnaire and certification of having read the City of St. Helena's investment policy and depository contracts.

If the City has an investment advisor, the investment advisor may use their own list of authorized broker/dealers to conduct transactions on behalf of the City.

Purchase and sale of securities shall be made on the basis of competitive bids and offers with a minimum of three quotes being obtained, when practical.

8. Authorized Investments and Limitations on Investments

Investment of City funds is governed by the California Government Code Sections 53600 et seq. Within the context of the limitations, the following investments are authorized, as further limited herein:

a) United States Treasury Bills, Bonds, and Notes or those for which the full faith and credit of the United States are pledged for payment of principal and interest. There is no percentage limitation of the portfolio that can be invested in this category.

b) Federal Agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

c) Local Agency Investment Fund (LAIF) which is a State of California managed investment pool may be used up to the maximum permitted by LAIF. The LAIF portfolio should be reviewed periodically.

d) California Asset Management Program (CAMP), which is a Joint Powers Authority, which offers an investment pool and individually managed portfolios.

e) Insured savings accounts are permitted without limitations.

Investments detailed in items f) through l) are further restricted to 10% of the market value of all investments and cash accounts (the portfolio) at the time of purchase, in any one issuer name. Credit criteria listed refer to the credit of the issuing organization at the time the security is purchased. In the event a rating drops below the minimum allowed rating category for that given investment type, the investment advisor, if any, shall notify the City Treasurer and/or Designee and recommend a plan of action.

f) Bills of exchange or time drafts drawn on and accepted by commercial banks, otherwise known as banker's acceptances are permitted. Banker's acceptances purchased may not exceed 180 days to maturity or 40% of the cost value of the portfolio.

g) Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical-rating organization (NRSRO). Commercial paper purchased may not exceed 270 days to maturity or 25% of the cost value of the portfolio. The City may purchase no more than 10% of the outstanding commercial paper of any single issuer. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or paragraph (2):
   (1) The entity meets the following criteria:
      (A) Is organized and operating in the United States as a general corporation.
      (B) Has total assets in excess of five hundred million dollars ($500,000,000).
      (C) Has debt other than commercial paper, if any, that is rated "A" or higher by a nationally recognized statistical-rating organization (NRSRO).

   (2) The entity meets the following criteria:
      (A) Is organized within the United States as a special purpose corporation, trust, or limited liability company.
      (B) Has program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or surety bond.
      (C) Has commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally recognized statistical-rating organization (NRSRO).

h) Negotiable certificates of deposit issued by nationally or state chartered banks or state or federal savings institutions or by a federally-licensed or state-licensed branch of a foreign bank; provided that the senior debt obligations of the issuing institution are rated "A" or better by a NRSRO. Purchases of negotiable certificates of deposit may not exceed 30% of total portfolio.

i) Obligations of the State of California or any local agency within the state, including bonds payable solely out of revenues from a revenue-producing property owned, controlled or operated by the state or any local agency or by a department, board, agency or authority of the state or any local agency; provided that the obligations are rated "AA" or higher by a NRSRO.

j) Registered treasury notes or bonds of any of the other 49 United States in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 United States, in addition to California. Obligations are required to be rated in the "AA" category or better by a NRSRO.

k) Time deposits, non-negotiable and collateralized in accordance with the California Government Code, may be purchased through banks or savings and loan associations. Since time deposits are not liquid, no more than 25% of the investment portfolio may be invested in this investment type.

l) Medium-Term Notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Securities eligible for investment shall be rated "A" or better by a NRSRO. Purchase of medium term notes may not exceed 30% of the purchase value of the portfolio and no more than 5% of the purchase value of the portfolio may be invested in notes issued by one corporation.

m) Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940. To be eligible for investment pursuant to this subdivision these companies shall either: (1) attain the highest ranking letter or numerical rating provided by not less than two of the three largest nationally recognized rating services or (2) have an investment advisor registered with the Securities and Exchange Commission with not less than five years experience investing in securities and obligations authorized by Government Code section 53601 and with assets under management in excess of $500,000,000. The purchase price of shares shall not exceed 15% of the investment portfolio.

9. Ineligible Investments

The City shall not invest any funds in inverse floaters, range notes, or interest-only strips that are derived from a pool or mortgages, or in any security that could result in zero interest accrual if held to maturity, or any other investment not listed in this policy.

10. Safekeeping and Custody

All securities owned by the City, including collateral for repurchase agreements, shall be held in safekeeping by the City's custodian bank or a third party bank trust department, acting as agent for the City under the terms of a custody or trustee agreement executed by the bank and by the City. All securities will be received and delivered using standard delivery-versus-payment (DVP) procedures.

~~12.~~ 11. **Percentage Limitations**

Where a section specifies a percentage limitation for a particular category or investments, that percentage is applicable only at the date of purchase. Where a section does not specify a limitation on the term or remaining maturity at the time of the investment, no investment shall be made in any security that at the time of the investment has a term remaining to maturity in excess of five years, unless the City Council has granted express authority to make that investment either specifically or as a part of an investment program approved by the City Council no less than three months prior to the investment.

12. **Reporting Requirements**

~~12. NOTE California Government Code 53646 No Longer Requires Quarterly or Annual Reporting to the City's Legislating Body~~

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The Treasurer shall annually~~, on or before September 30~~, render to the City Council a statement of investment policy, which the Council must consider at a public meeting. The Council at a public meeting shall also consider any changes to the policy.

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The Treasurer shall render a monthly transaction report to the City Council.

The Treasurer shall periodically render an ~~quarterly~~ investment report to the Council ~~within 30 days after the end of the subject quarter. The quarterly report shall~~, which shall include for each individual investment:

- Description of investment instrument
- Issuer name
- Maturity date
- Purchase price
- Par value
- Current market value and the source of the valuation.

The report ~~quarterly report also shall~~shall also include the following: (I) state compliance of the portfolio to the investment policy, or manner in which the portfolio is not in compliance, (II) include a description of any of the City's funds, investments or programs that are under the management of contracted parties, including lending programs, and (III) include a statement denoting the ability of the City to meet its expenditure requirements for the next six months, or provide an explanation as to why sufficient money shall, or may not be available.

GLOSSARY

AGENCIES: Federal agency securities.

BANKERS ACCEPTANCE (BA): A bearer time draft for a specified amount payable on a specified date. It is drawn on a bank by an individual or business seeking to finance domestic or international trade. The BA is collateralized by commodity products. Sale of goods is usually the source of the borrower's repayment to the bank. The bank finances the borrower's transaction and then often sells the BA on a discount basis to an investor. At maturity, the bank is repaid and the investor holding the BA receives par value from the bank.

BOND: An interest-bearing security issued by a corporation, quasi-governmental agency or other body, which can be executed through a bank or trust company. A bond is a form of debt with an interest rate, maturity, and face value, and is usually secured by specific assets. Most bonds have a maturity of greater than one year, and generally pay interest semiannually.

BOND RATING: The classification of a bond's investment quality.

BOOK VALUE: The amount at which a security is carried on the books of the holder or issuer. The book value is often the cost, plus or minus amortization, and may differ significantly from the market value.

BROKER: A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides; he does not position. In the money market, brokers are active in markets in which banks buy and sell money and in interdealer markets.

CERTIFICATE OF DEPOSIT (CD): A time deposit debt instrument issued by a bank with a specific maturity evidenced by a certificate. Institutional CD's are issued in denominations of $100,000 or more. Maturities range from a few weeks to several years. Interest rates are set by competitive forces in the marketplace.

COMMERCIAL PAPER: Short-term obligations with maturities ranging from 2 to 270 days issued by banks, corporations, and other borrowers to investors with temporarily idle cash. Such instruments are unsecured and usually discounted, although some are interest bearing.

COLLATERAL: Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledges by a bank to secure deposits of public monies.

COUPON: The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. A certificate attached to a bond evidencing interest due on a payment date.

DEALER: A dealer, as opposed to a broker acts as a principal in all transactions, buying and selling for his own account.

DELIVERY VERSUS PAYMENT: There are two methods of delivery of securities: delivery versus payment and delivery versus receipts (also called free). Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipts is delivery of securities with an exchange of signed receipt for the securities.

DEBENTURES: A bond secured only by the general credit of the issuer.

DISCOUNT: The difference between the cost price of a security and its value at maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

DISCOUNT SECURITIES: Non-interest bearing money market instruments that are issued at discount and redeemed at maturity for full face value, e.g. U.S. Treasury bills.

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

FEDERAL DEPOSIT INSURANCE COPRORATION (FDIC): A federal agency established in 1933 that guarantees (within limits) funds on deposit in member banks and performs other functions such as making loans to or buying assets from members banks to facilitate mergers or prevent failures.

FISCAL YEAR: An accounting or tax period comprising any twelve-month period. The City's fiscal year begins on July 1.

FULL FAITH AND CREDIT: The unconditional guarantee of the United States government backing a debt for repayment.

INTEREST RATE: The interest payable each year on borrowed funds, expresses as a percentage of the principal.

INVESTMENT: Use of capital to create more money, either through income-producing vehicles or through more risk-oriented ventures designed to result in capital gains.

INVESTMENT PORTFOLIO: A collection of securities held by a bank, individual, institution, or government agency for investment purposes.

LAIF: Trade name for the California State Local Agency Investment Fund.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without substantial loss of value.

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MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MEDIUM-TERM NOTES: Debt obligations issued by corporations and banks, usually in the form of unsecured promissory notes. These are negotiable instruments that can be bought and sold in a large and active secondary market. For the purposes of California Government Code, the term "Medium Term" refers to a maximum remaining maturity of five years or less. They can be issued with fixed or floating-rate coupons, and with or without early call features, although the vast majority are fixed-rate and non-callable. Corporate notes have greater risk than Treasuries or Agencies because they rely on the ability of the issuer to make payment of principal and interest.

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

NEGOTIABLE CERTIFICATES OF DEPOSIT: Large-denomination CDs that are issued at face value and typically pay interest at maturity, if maturing in less than 12 months. CDs that mature beyond this range pay interest semi-annually. Negotiable CDs are issued by U.S. banks (domestic CDs), U.S. branches of foreign banks (Yankee CDs), and thrifts. There is an active secondary market for negotiable domestic and Yankee CDs. However, the negotiable thrift CD secondary market is limited. Yields on CDs exceed those on U.S. treasuries and agencies of similar maturities. This higher yield compensates the investor for accepting the risk of reduced liquidity and the risk that the issuing bank might fail. State law does not require the collateralization of negotiable CDs.

PORTFOLIO: The collection of securities held by an investor.

PRIMARY DEALER: A group of government securities dealers that submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC) registered securities broker-dealers, banks, and a few unregulated firms.

PRINCIPAL: The face or par value of an instrument.

RATE OF RETURN: 1) The yield obtainable on a security based on its purchase price or its current market price. 2) Income earned on an investment, expressed as a percentage of the cost of the investment. This may be the amortized yield to maturity on a bond or the current income return.

RATING: The designation used by investors' services to rate the quality of a security's creditworthiness. Moody's ratings range from the highest Aaa, down through Aa, A, Bbb, Ba, B, etc. while Standard and Poor's rating range from the highest AAA, down through AA, A, BBB, BB, B, etc.

SAFEKEEPING: A service offered to customers for a fee, where securities and valuables of all types and descriptions are held in the vaults for protection.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES: Investment instruments such as bonds, stocks and other instruments of indebtedness or equity.

SPREAD: The difference between two figures or percentages. For example, it may be the difference between the bid and asked prices of a quote, or between the amount paid when brought and the amount received when sold.

TREASURY BILLS (T-Bill): A non-interest bearing security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three month, six month, or one year, and are sold in minimum amounts of $10,000 in multiples of $5,000 above the minimum. Treasury Bills are issued in book entry form only and are sold on a discount basis

TREASURY BONDS: Treasury Bonds are issued for a term of 30 years and pay a fixed rate of interest every six months until they mature.

TREASURY NOTES: Intermediate term coupon bearing U.S. Treasury securities having initial maturities of from one to ten years.

TRUSTEE: A bank designated as the custodian of funds and the official representative for bondholders.

UNDERWRITER: A dealer bank or financial institution, which arranges for the sale and distribution of a large batch of securities and assumes the responsibility for paying the net purchase price.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain maximum ratios of indebtedness to liquid capital of 15 to 1: also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one-reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

U.S. GOVERNMENT AGENCIES: Instruments issued by various U.S. government agencies most of which are secured only by the credit worthiness of the particular agency.

YIELD: The rate of annual income return on an investment, expressed as a percentage. a) INCOME YIELD is obtained by dividing the current dollar income by the current market price for the security. b) NET YIELD or YIELD TO MATURITY is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

CITY OF ST. HELENA
STATEMENT OF INVESTMENT POLICY
November 2015

1. Policy

It is the policy of the City of St. Helena ("the City") to invest public funds in a manner that will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City and conforming to all California laws and local statutes governing the investment of public funds.

2. Scope

This investment policy applies to all the funds and investment activities under the direct authority of the City as accounted for in the Comprehensive Annual Financial Report (CAFR). Policy statements outlined in this document focus on the City's pooled funds, but will also apply to all other funds under the City Treasurers' span of control unless specifically exempted by statue or ordinance. This policy is applicable, but not limited to, all funds listed below:

- General Fund
- Enterprise Funds
- Special Revenue Funds
- Capital Project Funds
- Trust and Agency Funds

Excluded funds are those held with a fiscal agent, which has their own specific "permitted investments" section in the bond covenants. These funds include funds reserved for debt service and pension funds.

3. Prudence

Pursuant to California Government Code Section 53600.3, all persons authorized to make investment decisions on behalf of the City are trustees and therefore fiduciaries subject to the prudent investor standard: "When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency."

The City Treasurer and/or City Manager, acting within the intent and scope of the investment policy and other written procedures and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations that result in a loss of principal are reported to the City Manager immediately, and to the City Council at their next meeting addressing appropriate actions to be taken to control adverse developments.

4. Objective

The primary objectives in priority order of the City's investment activities shall be:

4.1. ***Safety:*** Safety of principal is the foremost objective of the investment program. Investments of the City shall be undertaken in a manner that seeks to ensure that capital losses are avoided, whether from securities default, broker-dealer default, or erosion of market value. To attain this objective, diversification is required in order that potential losses on individual securities would not exceed the income generated from the remainder of the portfolio.

4.2. ***Liquidity:*** The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements that might be reasonably anticipated.

4.3. ***Return:*** The City's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the City's investment risk constraints and the cash flow characteristics of the portfolio.

5. Delegation of Authority

Authority to manage the City's investment program is derived from the California Government Code. Management responsibility for the investment program is hereby delegated to the Treasurer, who shall establish written procedures for the operation of the investment program consistent with this investment policy. Procedures shall include, but not limited to, references to: safekeeping, wire transfer agreements, collateral/depository agreements, banking services contracts, local banking preferences, and other investment-related activities. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Treasurer. The Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinates.

The Treasurer may delegate investment decision making and execution authority to an investment advisor. The advisor shall follow the Investment Policy and such other written instructions as are provided.

Delegation of authority shall expire one year from the date of adoption of this policy as required by State law.

6. Ethics and Conflicts of Interest

The City Council, City Manager and City Treasurer shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Council members, City Manager and City Treasurer shall disclose to the City Attorney any material financial interests in financial institutions that conduct business within the jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the City's portfolio. The City Attorney and Treasurer shall review all disclosures made to insure there are no conflicts with any planned investment.

7. Authorized Financial Dealers and Institutions

The Treasurer will maintain a list of financial institutions and primary dealers authorized to provide investment services. "Primary" dealers include those that regularly report to the Federal Reserve Bank and should qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule).

All financial institutions, dealers and cash managers who desire to become qualified bidders for investment transactions must supply the City with the following: audited financial statements, proof of National Association of Security Dealers certification when applicable, completed questionnaire and certification of having read the City of St. Helena's investment policy and depository contracts.

If the City has an investment advisor, the investment advisor may use their own list of authorized broker/dealers to conduct transactions on behalf of the City.

Purchase and sale of securities shall be made on the basis of competitive bids and offers with a minimum of three quotes being obtained, when practical.

8. Authorized Investments and Limitations on Investments

Investment of City funds is governed by the California Government Code Sections 53600 et seq. Within the context of the limitations, the following investments are authorized, as further limited herein:

a) United States Treasury Bills, Bonds, and Notes or those for which the full faith and credit of the United States are pledged for payment of principal and interest. There is no percentage limitation of the portfolio that can be invested in this category.

b) Federal Agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

c) Local Agency Investment Fund (LAIF) which is a State of California managed investment pool may be used up to the maximum permitted by LAIF. The LAIF portfolio should be reviewed periodically.

d) California Asset Management Program (CAMP), which is a Joint Powers Authority, which offers an investment pool and individually managed portfolios.

e) Insured savings accounts are permitted without limitations.

Investments detailed in items f) through l) are further restricted to 10% of the market value of all investments and cash accounts (the portfolio) at the time of purchase, in any one issuer name. Credit criteria listed refer to the credit of the issuing organization at the time the security is purchased. In the event a rating drops below the minimum allowed rating category for that given investment type, the investment advisor, if any, shall notify the City Treasurer and/or Designee and recommend a plan of action.

f) Bills of exchange or time drafts drawn on and accepted by commercial banks, otherwise known as banker's acceptances are permitted. Banker's acceptances purchased may not exceed 180 days to maturity or 40% of the cost value of the portfolio.

g) Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical-rating organization (NRSRO). Commercial paper purchased may not exceed 270 days to maturity or 25% of the cost value of the portfolio. The City may purchase no more than 10% of the outstanding commercial paper of any single issuer. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or paragraph (2):
   (1) The entity meets the following criteria:
      (A) Is organized and operating in the United States as a general corporation.
      (B) Has total assets in excess of five hundred million dollars ($500,000,000).
      (C) Has debt other than commercial paper, if any, that is rated "A" or higher by a nationally recognized statistical-rating organization (NRSRO).

   (2) The entity meets the following criteria:
      (A) Is organized within the United States as a special purpose corporation, trust, or limited liability company.
      (B) Has program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or surety bond.
      (C) Has commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally recognized statistical-rating organization (NRSRO).

h) Negotiable certificates of deposit issued by nationally or state chartered banks or state or federal savings institutions or by a federally-licensed or state-licensed branch of a foreign bank; provided that the senior debt obligations of the issuing institution are rated "A" or better by a NRSRO. Purchases of negotiable certificates of deposit may not exceed 30% of total portfolio.

i) Obligations of the State of California or any local agency within the state, including bonds payable solely out of revenues from a revenue-producing property owned, controlled or operated by the state or any local agency or by a department, board, agency or authority of the state or any local agency; provided that the obligations are rated "A" or higher by a NRSRO.

j) Registered treasury notes or bonds of any of the other 49 United States in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 United States, in addition to California. Obligations are required to be rated in the "A" category or better by a NRSRO.

k) Time deposits, non-negotiable and collateralized in accordance with the California Government Code, may be purchased through banks or savings and loan associations. Since time deposits are not liquid, no more than 25% of the investment portfolio may be invested in this investment type.

l) Medium-Term Notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Securities eligible for investment shall be rated "A" or better by a NRSRO. Purchase of medium term notes may not exceed 30% of the purchase value of the portfolio and no more than 5% of the purchase value of the portfolio may be invested in notes issued by one corporation.

m) Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940. To be eligible for investment pursuant to this subdivision these companies shall either: (1) attain the highest ranking letter or numerical rating provided by not less than two of the three largest nationally recognized rating services or (2) have an investment advisor registered with the Securities and Exchange Commission with not less than five years experience investing in securities and obligations authorized by Government Code section 53601 and with assets under management in excess of $500,000,000. The purchase price of shares shall not exceed 15% of the investment portfolio.

9. <u>Ineligible Investments</u>

The City shall not invest any funds in inverse floaters, range notes, or interest-only strips that are derived from a pool or mortgages, or in any security that could result in zero interest accrual if held to maturity, or any other investment not listed in this policy.

10. <u>Safekeeping and Custody</u>

All securities owned by the City, including collateral for repurchase agreements, shall be held in safekeeping by the City's custodian bank or a third party bank trust department, acting as agent for the City under the terms of a custody or trustee agreement executed by the bank and by the City. All securities will be received and delivered using standard delivery-versus-payment (DVP) procedures.

11. <u>Percentage Limitations</u>

Where a section specifies a percentage limitation for a particular category or investments, that percentage is applicable only at the date of purchase. Where a section does not specify a limitation on the term or remaining maturity at the time of the investment, no investment shall be made in any security that at the time of the investment has a term remaining to maturity in excess of five years, unless the City Council has granted express authority to make that investment either specifically or as a part of an investment program approved by the City Council no less than three months prior to the investment.

12. <u>Reporting Requirements</u>

The Treasurer shall annually, render to the City Council a statement of investment policy, which the Council must consider at a public meeting. The Council at a public meeting shall also consider any changes to the policy.

The Treasurer shall render a monthly transaction report to the City Council.

The Treasurer shall periodically render an investment report to the Council, which shall include for each individual investment:

- Description of investment instrument
- Issuer name
- Maturity date
- Purchase price
- Par value
- Current market value and the source of the valuation.

The report shall also include the following: (I) state compliance of the portfolio to the investment policy, or manner in which the portfolio is not in compliance, (II) include a description of any of the City's funds, investments or programs that are under the management of contracted parties, including lending programs, and (III) include a statement denoting the ability of the City to meet its expenditure requirements for the next six months, or provide an explanation as to why sufficient money shall, or may not be available.

GLOSSARY

AGENCIES: Federal agency securities.

BANKERS ACCEPTANCE (BA): A bearer time draft for a specified amount payable on a specified date. It is drawn on a bank by an individual or business seeking to finance domestic or international trade. The BA is collateralized by commodity products. Sale of goods is usually the source of the borrower's repayment to the bank. The bank finances the borrower's transaction and then often sells the BA on a discount basis to an investor. At maturity, the bank is repaid and the investor holding the BA receives par value from the bank.

BOND: An interest-bearing security issued by a corporation, quasi-governmental agency or other body, which can be executed through a bank or trust company. A bond is a form of debt with an interest rate, maturity, and face value, and is usually secured by specific assets. Most bonds have a maturity of greater than one year, and generally pay interest semiannually.

BOND RATING: The classification of a bond's investment quality.

BOOK VALUE: The amount at which a security is carried on the books of the holder or issuer. The book value is often the cost, plus or minus amortization, and may differ significantly from the market value.

BROKER: A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides; he does not position. In the money market, brokers are active in markets in which banks buy and sell money and in interdealer markets.

CERTIFICATE OF DEPOSIT (CD): A time deposit debt instrument issued by a bank with a specific maturity evidenced by a certificate. Institutional CD's are issued in denominations of $100,000 or more. Maturities range from a few weeks to several years. Interest rates are set by competitive forces in the marketplace.

COMMERCIAL PAPER: Short-term obligations with maturities ranging from 2 to 270 days issued by banks, corporations, and other borrowers to investors with temporarily idle cash. Such instruments are unsecured and usually discounted, although some are interest bearing.

COLLATERAL: Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledges by a bank to secure deposits of public monies.

COUPON: The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. A certificate attached to a bond evidencing interest due on a payment date.

DEALER: A dealer, as opposed to a broker acts as a principal in all transactions, buying and selling for his own account.

DELIVERY VERSUS PAYMENT: There are two methods of delivery of securities: delivery versus payment and delivery versus receipts (also called free). Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipts is delivery of securities with an exchange of signed receipt for the securities.

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Attachment 3

CITY OF ST. HELENA

RESOLUTION NO. 2015-

RESCINDING RESOLUTION 2014-81 AND APPROVING AN INVESTMENT POLICY FOR THE CITY OF ST. HELENA

RECITALS

A. The City of St. Helena has an Investment Policy, which was adopted by Resolution 94-13. Government Code Sections 53600 et seq. were amended following the aftermath of the Orange County financial disaster. Many restrictions were placed on government investment practices, and reporting requirements were tightened. These changes went into effect on January 1, 1997, and call for the investment policy to be reviewed by the Council annually at a regular meeting.

B. The proposed policy meets all state standards and has stricter standards in many areas. The policy will be reviewed each year.

RESOLUTION

NOW, THEREFORE, the City Council of the City of St. Helena resolves as follows:

City Resolution 2014-81 and any other previous resolutions adopting an investment policy for the City are hereby rescinded, and The Statement of Investment Policy, a copy of which is attached and hereby made a part of this resolution, is hereby approved and shall remain in effect for one year.

Approved at a Regular Meeting of the St. Helena City Council on November 24, 2015, by the following vote:

Mayor Galbraith: ____________

Vice Mayor White: ____________

Councilmember Crull: ____________

Councilmember Dohring: ____________

Councilmember Pitts: ____________

APPROVED: ATTEST:

____________________________ ____________________________

Alan Galbraith, Mayor Cindy Black, City Clerk

Attachment 4

Portfolio Summary and Statistics

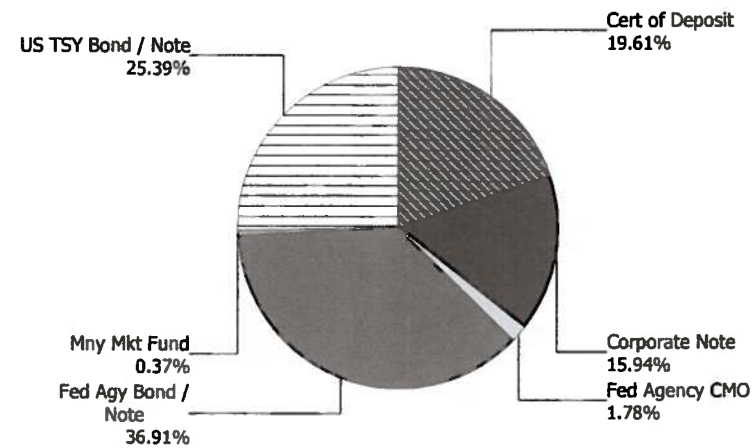
For the Month Ending **June 30, 2015**

CITY OF ST HELENA - OPERATING FUND

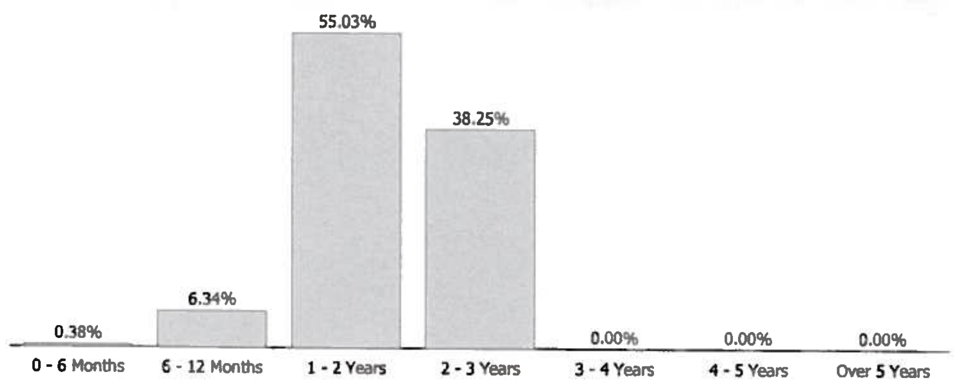
Account Summary

Description	Par Value	Market Value	Percent
U.S. Treasury Bond / Note	2,095,000.00	2,102,266.12	25.39
Federal Agency Collateralized Mortgage Obligation	146,749.62	147,482.78	1.78
Federal Agency Bond / Note	3,035,000.00	3,057,130.93	36.91
Corporate Note	1,315,000.00	1,319,845.17	15.94
Certificate of Deposit	1,625,000.00	1,623,569.95	19.61
Managed Account Sub-Total	**8,216,749.62**	**8,250,294.95**	**99.63%**
Accrued Interest		18,495.18	
Total Portfolio	**8,216,749.62**	**8,268,790.13**	
CAMP Pool	30,864.46	30,864.46	0.37
Total Investments	**8,247,614.08**	**8,299,654.59**	**100.00%**
Unsettled Trades	**0.00**	**0.00**	

Sector Allocation



Maturity Distribution



Characteristics

Yield to Maturity at Cost	0.88%
Yield to Maturity at Market	0.80%
Duration to Worst	1.77
Weighted Average Days to Maturity	675

PFM Asset Management LLC

CAMP

Managed Account Issuer Summary

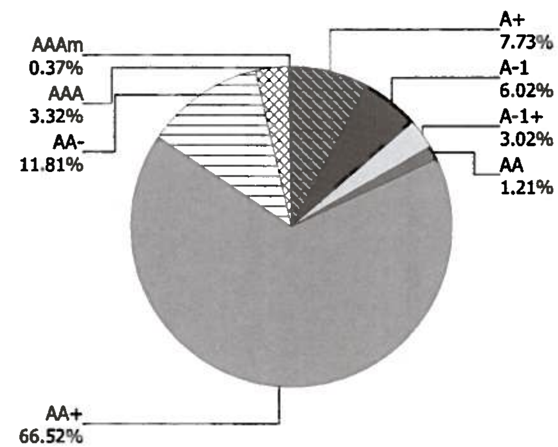
For the Month Ending **June 30, 2015**

CITY OF ST HELENA - OPERATING FUND

Issuer Summary

Issuer	Market Value of Holdings	Percent
APPLE INC	200,598.40	2.42
BANK OF NEW YORK CO INC	164,902.65	1.99
BANK OF NOVA SCOTIA	274,956.55	3.32
CAMP Pool	30,864.46	0.37
CANADIAN IMPERIAL BANK OF COMMERCE	249,587.50	3.01
CHEVRON CORP	100,406.60	1.21
CISCO SYSTEMS INC	175,621.78	2.12
EXXON MOBIL CORP	159,870.08	1.93
FANNIE MAE	785,746.20	9.49
FEDERAL HOME LOAN BANKS	1,535,850.59	18.55
FREDDIE MAC	883,016.92	10.66
JOHNSON & JOHNSON	115,000.46	1.39
NORDEA BANK AB	149,568.75	1.81
RABOBANK NEDERLAND	249,265.00	3.01
TORONTO-DOMINION BANK	250,152.50	3.02
TOYOTA MOTOR CORP	202,765.00	2.45
UNITED STATES TREASURY	2,102,266.12	25.40
US BANCORP	199,888.40	2.41
WELLS FARGO & COMPANY	200,680.20	2.42
WESTPAC BANKING CORP NY	250,151.25	3.02
Total	**$8,281,159.41**	**100.00%**

Credit Quality (S&P Ratings)



CAMP

Managed Account Detail of Securities Held

For the Month Ending **June 30, 2015**

CITY OF ST HELENA - OPERATING FUND

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 01/31/2012 0.875% 01/31/2017	912828SC5	35,000.00	AA+	Aaa	07/29/14	07/31/14	35,066.99	0.80	127.75	35,042.57	35,194.15
US TREASURY NOTES DTD 01/31/2012 0.875% 01/31/2017	912828SC5	320,000.00	AA+	Aaa	02/26/15	02/27/15	321,637.50	0.61	1,167.96	321,347.67	321,775.04
US TREASURY NOTES DTD 03/31/2012 1.000% 03/31/2017	912828SM3	160,000.00	AA+	Aaa	12/05/14	12/10/14	160,675.00	0.81	402.19	160,513.46	161,224.96
US TREASURY NOTES DTD 05/31/2012 0.625% 05/31/2017	912828SY7	70,000.00	AA+	Aaa	06/02/14	06/05/14	69,600.78	0.82	37.06	69,742.87	69,989.08
US TREASURY NOTES DTD 07/02/2012 0.750% 06/30/2017	912828TB6	465,000.00	AA+	Aaa	10/30/14	11/03/14	464,527.73	0.79	9.48	464,644.71	465,908.15
US TREASURY NOTES DTD 11/30/2012 0.625% 11/30/2017	912828UA6	125,000.00	AA+	Aaa	12/01/14	12/03/14	124,082.03	0.87	66.17	124,257.11	124,462.88
US TREASURY NOTES DTD 11/30/2010 2.250% 11/30/2017	912828PK0	210,000.00	AA+	Aaa	03/26/15	03/27/15	217,678.13	0.87	400.20	216,931.94	217,317.24
US TREASURY NOTES DTD 04/01/2013 0.750% 03/31/2018	912828UU2	350,000.00	AA+	Aaa	02/26/15	02/27/15	346,541.02	1.08	659.84	346,916.31	348,222.70
US TREASURY NOTES DTD 04/01/2013 0.750% 03/31/2018	912828UU2	360,000.00	AA+	Aaa	04/28/15	04/30/15	358,706.25	0.88	678.69	358,780.68	358,171.92
Security Type Sub-Total		**2,095,000.00**					**2,098,515.43**	**0.84**	**3,549.34**	**2,098,177.32**	**2,102,266.12**
Federal Agency Collateralized Mortgage Obligation											
FNMA SERIES 2012-M14 ASQ2 DTD 10/01/2012 1.114% 02/01/2017	3136A9MK1	146,749.62	AA+	Aaa	06/18/15	06/23/15	147,242.61	0.79	136.23	146,978.14	147,482.78
Security Type Sub-Total		**146,749.62**					**147,242.61**	**0.79**	**136.23**	**146,978.14**	**147,482.78**
Federal Agency Bond / Note											
FNMA NOTES DTD 07/19/2013 0.625% 08/26/2016	3135G0YE7	335,000.00	AA+	Aaa	07/31/13	08/01/13	333,686.80	0.75	727.00	334,503.26	335,807.69

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Managed Account Detail of Securities Held

For the Month Ending **June 30, 2015**

CITY OF ST HELENA - OPERATING FUND

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Federal Agency Bond / Note											
FHLB NOTES DTD 08/07/2014 0.500% 09/28/2016	3130A2T97	5,000.00	AA+	Aaa	08/06/14	08/07/14	4,988.75	0.61	6.46	4,993.46	5,001.19
FHLB NOTES DTD 08/07/2014 0.500% 09/28/2016	3130A2T97	160,000.00	AA+	Aaa	02/18/15	02/19/15	159,705.60	0.62	206.67	159,772.58	160,037.92
FHLB NOTES DTD 08/07/2014 0.500% 09/28/2016	3130A2T97	165,000.00	AA+	Aaa	02/27/15	03/03/15	164,922.45	0.53	213.13	164,938.65	165,039.11
FNMA NOTES DTD 08/19/2011 1.250% 09/28/2016	3135G0CM3	225,000.00	AA+	Aaa	10/01/13	10/03/13	228,376.37	0.74	726.56	226,412.77	227,170.13
FHLB NOTES DTD 08/07/2014 0.500% 09/28/2016	3130A2T97	320,000.00	AA+	Aaa	10/28/14	10/29/14	320,108.80	0.48	413.33	320,070.78	320,075.84
FHLB NOTES DTD 11/09/2010 1.625% 12/09/2016	313371PV2	115,000.00	AA+	Aaa	01/09/15	01/12/15	117,148.20	0.64	114.20	116,622.24	116,758.35
FHLMC REFERENCE NOTE DTD 01/16/2015 0.500% 01/27/2017	3137EADU0	215,000.00	AA+	Aaa	01/15/15	01/16/15	214,623.75	0.59	492.71	214,708.34	214,747.59
FREDDIE MAC GLOBAL NOTES DTD 01/30/2012 1.000% 03/08/2017	3137EADC0	105,000.00	AA+	Aaa	01/26/15	01/29/15	105,719.25	0.67	329.58	105,576.08	105,661.40
FHLB (CALLABLE) NOTES DTD 03/17/2015 0.850% 03/17/2017	3130A4M58	125,000.00	AA+	Aaa	03/05/15	03/17/15	125,000.00	0.85	306.94	125,000.00	125,180.25
FHLB GLOBAL NOTES (CALLABLE) DTD 03/24/2015 0.840% 03/24/2017	3130A4QV7	160,000.00	AA+	Aaa	03/17/15	03/24/15	160,000.00	0.84	362.13	160,000.00	160,297.76
FHLB GLOBAL BONDS DTD 05/02/2007 4.875% 05/17/2017	3133XKQX6	180,000.00	AA+	Aaa	02/17/15	02/20/15	196,081.20	0.84	1,072.50	193,491.86	194,052.06
FHLB GLOBAL NOTES DTD 05/15/2015 0.625% 05/30/2017	3130A5EP0	290,000.00	AA+	Aaa	05/14/15	05/15/15	289,759.30	0.67	156.08	289,774.17	289,408.11
FREDDIE MAC GLOBAL NOTES DTD 06/25/2012 1.000% 07/28/2017	3137EADJ5	125,000.00	AA+	Aaa	08/12/14	08/14/14	124,991.62	1.00	531.25	124,994.18	125,582.13
FREDDIE MAC GLOBAL NOTES DTD 06/25/2012 1.000% 07/28/2017	3137EADJ5	435,000.00	AA+	Aaa	03/19/15	03/20/15	436,479.00	0.85	1,848.75	436,304.98	437,025.80

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Managed Account Detail of Securities Held

For the Month Ending **June 30, 2015**

CITY OF ST HELENA - OPERATING FUND

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Federal Agency Bond / Note											
FNMA NOTES DTD 08/25/2014 1.000% 09/27/2017	3135G0ZL0	75,000.00	AA+	Aaa	08/21/14	08/25/14	74,732.25	1.12	195.83	74,804.93	75,285.60
Security Type Sub-Total		**3,035,000.00**					**3,056,323.34**	**0.73**	**7,703.12**	**3,051,968.28**	**3,057,130.93**
Corporate Note											
WELLS FARGO & COMPANY DTD 07/29/2013 1.250% 07/20/2016	94974BFL9	100,000.00	A+	A2	07/22/13	07/29/13	99,904.00	1.28	559.03	99,965.58	100,423.80
APPLE INC CORP NOTE DTD 05/06/2014 1.050% 05/05/2017	037833AM2	200,000.00	AA+	Aa1	04/29/14	05/06/14	199,894.00	1.07	320.83	199,934.39	200,598.40
TOYOTA MOTOR CREDIT CORPORATE NOTE DTD 05/22/2012 1.750% 05/22/2017	89233P6D3	200,000.00	AA-	Aa3	05/07/14	05/12/14	203,362.00	1.18	379.17	202,114.43	202,765.00
WELLS FARGO & COMPANY CORP NOTES DTD 09/09/2014 1.400% 09/08/2017	94974BGB0	100,000.00	A+	A2	09/02/14	09/09/14	99,901.00	1.43	439.44	99,927.38	100,256.40
CHEVRON CORP NOTE DTD 11/18/2014 1.345% 11/15/2017	166764AL4	100,000.00	AA	Aa1	11/10/14	11/18/14	100,000.00	1.35	171.86	100,000.00	100,406.60
JOHNSON & JOHNSON CORP NOTES DTD 11/21/2014 1.125% 11/21/2017	478160BL7	115,000.00	AAA	Aaa	11/18/14	11/21/14	114,909.15	1.15	143.75	114,927.41	115,000.46
EXXON MOBIL CORP NOTES DTD 03/06/2015 1.305% 03/06/2018	30231GAL6	160,000.00	AAA	Aaa	03/04/15	03/06/15	160,000.00	1.31	667.00	160,000.00	159,870.08
BANK OF NEW YORK MELLON CORP DTD 05/29/2015 1.600% 05/22/2018	06406HDB2	165,000.00	A+	A1	05/22/15	05/29/15	164,985.15	1.60	234.67	164,985.55	164,902.65
CISCO SYSTEMS INC CORP NOTE DTD 06/17/2015 1.650% 06/15/2018	17275RAU6	175,000.00	AA-	A1	06/10/15	06/17/15	174,970.25	1.66	112.29	174,970.62	175,621.78
Security Type Sub-Total		**1,315,000.00**					**1,317,925.55**	**1.33**	**3,028.04**	**1,316,825.36**	**1,319,845.17**
Certificate of Deposit											
WESTPAC BANKING CORP NY LT FLOAT CD DTD 04/17/2014 0.455% 04/15/2016	96121TWF1	250,000.00	AA-	Aa2	04/16/14	04/17/14	250,000.00	0.41	243.46	250,000.00	250,151.25

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Managed Account Detail of Securities Held

For the Month Ending **June 30, 2015**

CITY OF ST HELENA - OPERATING FUND

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Certificate of Deposit											
BANK OF NOVA SCOTIA HOUS CD FLOAT DTD 06/13/2014 0.462% 06/10/2016	06417HMU7	275,000.00	A+	Aa2	06/11/14	06/13/14	274,833.90	0.28	74.14	274,921.28	274,956.55
TORONTO DOMINION BANK NY CD DTD 09/29/2014 0.900% 09/29/2016	89112UXV8	250,000.00	A-1+	P-1	09/25/14	09/29/14	250,000.00	0.90	1,718.75	250,000.00	250,152.50
CANADIAN IMPERIAL BANK NY YCD DTD 04/10/2015 1.010% 04/06/2017	13606JYY9	250,000.00	A-1	P-1	04/06/15	04/10/15	250,000.00	1.01	568.13	250,000.00	249,587.50
RABOBANK NEDERLAND NV CERT DEPOS DTD 04/27/2015 1.070% 04/21/2017	21684BXH2	250,000.00	A-1	P-1	04/22/15	04/27/15	250,000.00	1.07	475.56	250,000.00	249,265.00
NORDEA BANK FINLAND NY CD DTD 05/29/2015 1.150% 05/26/2017	65558LFA5	150,000.00	AA-	Aa3	05/27/15	05/29/15	150,000.00	1.15	158.13	150,000.00	149,568.75
US BANK NA CINCINNATI (CALLABLE) CD DTD 09/11/2014 1.375% 09/11/2017	90333VPF1	200,000.00	AA-	Aa3	09/09/14	09/11/14	199,678.00	1.41	840.28	199,764.08	199,888.40
Security Type Sub-Total		**1,625,000.00**					**1,624,511.90**	**0.85**	**4,078.45**	**1,624,685.36**	**1,623,569.95**
Managed Account Sub-Total		**8,216,749.62**					**8,244,518.83**	**0.88**	**18,495.18**	**8,238,634.46**	**8,250,294.95**
Money Market Fund											
CAMP Pool		30,864.46	AAAm	NR			30,864.46		0.00	30,864.46	30,864.46
Money Market Sub-Total		**30,864.46**					**30,864.46**		**0.00**	**30,864.46**	**30,864.46**
Securities Sub-Total		**$8,247,614.08**					**$8,275,383.29**	**0.88%**	**$18,495.18**	**$8,269,498.92**	**$8,281,159.41**
Accrued Interest											**$18,495.18**
Total Investments											**$8,299,654.59**

City of St. Helena Transactions July 1, 2014 - June 30, 2015

Trade Date	Settle Date	Transaction	CUSIP	Security	Maturity Date	Par Value	Yield
7/1/2014	7/7/2014	BUY	912828TG5	US TREASURY NOTES	7/31/2017	400,000.00	0.96%
7/1/2014	7/7/2014	SELL	3134A4VC5	FHLMC GLOBAL REFERENCE NOTES	7/17/2015	135,000.00	0.18%
7/1/2014	7/7/2014	SELL	31359MZC0	FANNIE MAE GLOBAL NOTES	10/15/2015	145,000.00	0.24%
7/29/2014	7/31/2014	BUY	912828SC5	US TREASURY NOTES	1/31/2017	250,000.00	0.80%
7/29/2014	7/31/2014	SELL	3130A0GK0	FHLB (EX-CALLABLE) GLOBAL NOTES	12/30/2015	250,000.00	0.38%
8/6/2014	8/7/2014	BUY	3130A2T97	FHLB NOTES	9/28/2016	165,000.00	0.61%
8/6/2014	8/7/2014	SELL	912828LP3	US TREASURY NOTES	9/30/2016	165,000.00	0.53%
8/12/2014	8/14/2014	BUY	3137EADJ5	FREDDIE MAC GLOBAL NOTES	7/28/2017	80,000.00	1.00%
8/12/2014	8/14/2014	BUY	3137EADJ5	FREDDIE MAC GLOBAL NOTES	7/28/2017	160,000.00	1.00%
8/12/2014	8/14/2014	SELL	912828TG5	US TREASURY NOTES	7/31/2017	85,000.00	0.93%
8/12/2014	8/14/2014	SELL	912828TG5	US TREASURY NOTES	7/31/2017	165,000.00	0.93%
8/21/2014	8/25/2014	BUY	3135G0ZL0	FNMA NOTES	9/27/2017	125,000.00	1.12%
8/21/2014	8/25/2014	SELL	912828TG5	US TREASURY NOTES	7/31/2017	150,000.00	0.95%
9/2/2014	9/4/2014	BUY	912828TM2	US TREASURY NOTES	8/31/2017	250,000.00	1.01%
9/3/2014	9/4/2014	SELL	0556N1L35	BNP PARIBAS FINANCE INC COMM PAPER	11/3/2014	250,000.00	0.21%
9/2/2014	9/9/2014	BUY	94974BGB0	WELLS FARGO & COMPANY CORP NOTES	9/8/2017	100,000.00	1.43%
9/2/2014	9/9/2014	SELL	912828SY7	US TREASURY NOTES	5/31/2017	100,000.00	0.90%
9/9/2014	9/11/2014	BUY	90333VPF1	US BANK NA CINCINNATI (CALLABLE) CD	9/11/2017	200,000.00	1.41%
9/9/2014	9/11/2014	SELL	912828TM2	US TREASURY NOTES	8/31/2017	150,000.00	1.08%
9/25/2014	9/29/2014	BUY	89112UXV8	TORONTO DOMINION BANK NY CD	9/29/2016	250,000.00	0.90%
9/25/2014	9/29/2014	SELL	912828LP3	US TREASURY NOTES	9/30/2016	250,000.00	0.59%
10/2/2014	10/6/2014	BUY	912828SM3	US TREASURY NOTES	3/31/2017	210,000.00	0.80%
10/2/2014	10/6/2014	SELL	31359MZC0	FANNIE MAE GLOBAL NOTES	10/15/2015	200,000.00	0.22%
10/28/2014	10/29/2014	BUY	3130A2T97	FHLB NOTES	9/28/2016	320,000.00	0.48%
10/28/2014	10/29/2014	SELL	912828RF9	US TREASURY NOTES	8/31/2016	325,000.00	0.38%
10/30/2014	11/3/2014	BUY	912828TB6	US TREASURY NOTES	6/30/2017	465,000.00	0.79%
10/30/2014	11/3/2014	SELL	912828EN6	US TREASURY NOTES	11/15/2015	300,000.00	0.16%
10/30/2014	11/3/2014	SELL	912828PM6	US TREASURY NOTES	12/31/2015	140,000.00	0.19%
11/13/2014	11/13/2014	MATURITY	3134G4KC1	FHLMC GLOBAL NOTES (CALLED, OMD 11/13/15	11/13/2014	225,000.00	
11/14/2014	11/17/2014	BUY	3130A3J70	FHLB NOTES	11/23/2016	120,000.00	0.65%
11/14/2014	11/17/2014	SELL	912828MA5	US TREASURY NOTES	11/30/2016	120,000.00	0.59%
11/10/2014	11/18/2014	BUY	166764AL4	CHEVRON CORP NOTE	11/15/2017	100,000.00	1.35%

City of St. Helena Transactions July 1, 2014 - June 30, 2015

Trade Date	Settle Date	Transaction	CUSIP	Security	Maturity Date	Par Value	Yield
11/10/2014	11/18/2014	SELL	3135G0ZL0	FNMA NOTES	9/27/2017	50,000.00	1.04%
11/13/2014	11/18/2014	BUY	3130A3HV9	FHLB NOTE	11/18/2015	225,000.00	0.22%
11/18/2014	11/21/2014	BUY	478160BL7	JOHNSON & JOHNSON CORP NOTES	11/21/2017	115,000.00	1.15%
11/18/2014	11/21/2014	SELL	912828TM2	US TREASURY NOTES	8/31/2017	100,000.00	0.90%
11/20/2014	11/21/2014	SELL	912828QF0	US TREASURY NOTES	4/30/2016	10,000.00	0.31%
12/1/2014	12/3/2014	BUY	912828UA6	US TREASURY NOTES	11/30/2017	125,000.00	0.87%
12/1/2014	12/3/2014	SELL	3130A3HV9	FHLB NOTE	11/18/2015	125,000.00	0.25%
12/5/2014	12/8/2014	SELL	3130A3HV9	FHLB NOTE	11/18/2015	100,000.00	0.28%
12/5/2014	12/10/2014	BUY	912828SM3	US TREASURY NOTES	3/31/2017	200,000.00	0.81%
12/5/2014	12/10/2014	SELL	3130A0SD3	FEDERAL HOME LOAN BANK GLOBAL NOTES	2/19/2016	100,000.00	0.37%
12/29/2014	12/30/2014	BUY	912828UJ7	US TREASURY NOTES	1/31/2018	125,000.00	1.21%
12/29/2014	12/30/2014	SELL	3130A1CR7	FHLB NOTES (CALLED, OMD 3/27/17)	3/27/2015	125,000.00	1.47%
1/9/2015	1/12/2015	BUY	313371PV2	FHLB NOTES	12/9/2016	115,000.00	0.64%
1/9/2015	1/12/2015	SELL	3130A3J70	FHLB NOTES	11/23/2016	120,000.00	0.55%
1/15/2015	1/16/2015	BUY	3137EADU0	FHLMC REFERENCE NOTE	1/27/2017	215,000.00	0.59%
1/15/2015	1/16/2015	SELL	912828SC5	US TREASURY NOTES	1/31/2017	215,000.00	0.52%
1/21/2015	1/22/2015	BUY	3130A3J70	FHLB NOTES	11/23/2016	95,000.00	0.56%
1/21/2015	1/22/2015	SELL	912828MA5	US TREASURY NOTES	11/30/2016	90,000.00	0.47%
1/26/2015	1/29/2015	BUY	3137EADC0	FREDDIE MAC GLOBAL NOTES	3/8/2017	105,000.00	0.67%
1/26/2015	1/29/2015	SELL	30231GAA0	EXXON MOBIL CORP NOTE	3/15/2017	105,000.00	0.68%
2/2/2015	2/4/2015	BUY	912828TG5	US TREASURY NOTES	7/31/2017	325,000.00	0.63%
2/2/2015	2/4/2015	SELL	912828QF0	US TREASURY NOTES	4/30/2016	200,000.00	0.27%
2/2/2015	2/4/2015	SELL	912828QF0	US TREASURY NOTES	4/30/2016	100,000.00	0.27%
2/6/2015	2/10/2015	BUY	912828TG5	US TREASURY NOTES	7/31/2017	115,000.00	0.84%
2/6/2015	2/10/2015	SELL	3137EADJ5	FREDDIE MAC GLOBAL NOTES	7/28/2017	80,000.00	0.83%
2/6/2015	2/10/2015	SELL	3137EADJ5	FREDDIE MAC GLOBAL NOTES	7/28/2017	35,000.00	0.83%
2/18/2015	2/19/2015	BUY	3130A2T97	FHLB NOTES	9/28/2016	160,000.00	0.62%
2/18/2015	2/19/2015	SELL	912828LP3	US TREASURY NOTES	9/30/2016	155,000.00	0.55%
2/17/2015	2/20/2015	BUY	3133XKQX6	FHLB GLOBAL BONDS	5/17/2017	180,000.00	0.84%
2/17/2015	2/20/2015	SELL	717081DJ9	PFIZER INC CORPORATE NOTE	5/15/2017	200,000.00	0.94%
2/26/2015	2/27/2015	BUY	912828SC5	US TREASURY NOTES	1/31/2017	320,000.00	0.61%
2/26/2015	2/27/2015	BUY	912828UU2	US TREASURY NOTES	3/31/2018	400,000.00	1.08%

City of St. Helena Transactions July 1, 2014 - June 30, 2015

Trade Date	Settle Date	Transaction	CUSIP	Security	Maturity Date	Par Value	Yield
2/26/2015	2/27/2015	SELL	3130A0SD3	FEDERAL HOME LOAN BANK GLOBAL NOTES	2/19/2016	120,000.00	0.30%
2/26/2015	2/27/2015	SELL	3135G0VA8	FANNIE MAE GLOBAL NOTES	3/30/2016	395,000.00	0.34%
2/27/2015	2/27/2015	SELL	912828RM4	US TREASURY NOTES	10/31/2016	225,000.00	0.52%
2/26/2015	3/3/2015	SELL	17275RAC6	CISCO SYSTEMS INC GLOBAL NOTES	2/22/2016	200,000.00	0.44%
2/27/2015	3/3/2015	BUY	3130A2T97	FHLB NOTES	9/28/2016	225,000.00	0.53%
3/3/2015	3/6/2015	SELL	912828UJ7	US TREASURY NOTES	1/31/2018	125,000.00	1.07%
3/4/2015	3/6/2015	BUY	30231GAL6	EXXON MOBIL CORP NOTES	3/6/2018	160,000.00	1.31%
3/6/2015	3/6/2015	SELL	912828QP8	US TREASURY NOTES	5/31/2016	25,000.00	0.41%
3/5/2015	3/17/2015	BUY	3130A4M58	FHLB NOTES (CALLED, OMD 03/17/17)	9/17/2015	125,000.00	0.85%
3/5/2015	3/17/2015	SELL	912828QF0	US TREASURY NOTES	4/30/2016	140,000.00	0.34%
3/19/2015	3/20/2015	BUY	3137EADJ5	FREDDIE MAC GLOBAL NOTES	7/28/2017	435,000.00	0.85%
3/19/2015	3/20/2015	SELL	912828TG5	US TREASURY NOTES	7/31/2017	115,000.00	0.79%
3/19/2015	3/20/2015	SELL	912828TG5	US TREASURY NOTES	7/31/2017	325,000.00	0.79%
3/17/2015	3/24/2015	BUY	3130A4QV7	FHLB GLOBAL NOTES (CALLABLE)	3/24/2017	160,000.00	0.84%
3/17/2015	3/24/2015	SELL	3130A2T97	FHLB NOTES	9/28/2016	160,000.00	0.58%
3/26/2015	3/27/2015	BUY	912828PK0	US TREASURY NOTES	11/30/2017	210,000.00	0.87%
3/26/2015	3/27/2015	SELL	912828QP8	US TREASURY NOTES	5/31/2016	45,000.00	0.39%
3/26/2015	3/27/2015	SELL	912828QX1	US TREASURY NOTES	7/31/2016	100,000.00	0.45%
3/27/2015	3/27/2015	MATURITY	3130A1CR7	FHLB NOTES (CALLED, OMD 3/27/17)	3/27/2015	30,000.00	
4/6/2015	4/10/2015	BUY	13606JYY9	CANADIAN IMPERIAL BANK NY YCD	4/6/2017	250,000.00	1.00%
4/6/2015	4/10/2015	SELL	912828SM3	US TREASURY NOTES	3/31/2017	210,000.00	0.52%
4/6/2015	4/10/2015	SELL	912828SM3	US TREASURY NOTES	3/31/2017	40,000.00	0.52%
4/22/2015	4/27/2015	BUY	21684BXH2	RABOBANK NEDERLAND NV CERT DEPOS	4/21/2017	250,000.00	1.06%
4/22/2015	4/27/2015	SELL	21684BPV0	RABOBANK NEDERLAND NV NY CD	5/6/2016	250,000.00	0.58%
4/28/2015	4/30/2015	BUY	912828UU2	US TREASURY NOTES	3/31/2018	360,000.00	0.88%
4/28/2015	4/30/2015	SELL	166764AC4	CHEVRON CORP GLOBAL NOTES	6/24/2016	200,000.00	0.52%
4/28/2015	4/30/2015	SELL	36962G7A6	GENERAL ELEC CAP CORP (FLOATING)	7/12/2016	150,000.00	0.29%
5/14/2015	5/15/2015	BUY	3130A5EP0	FHLB GLOBAL NOTES	5/30/2017	290,000.00	0.67%
5/14/2015	5/15/2015	SELL	912828SY7	US TREASURY NOTES	5/31/2017	290,000.00	0.61%
5/21/2015	5/29/2015	SELL	3135G0YE7	FNMA NOTES	8/26/2016	165,000.00	0.48%
5/22/2015	5/29/2015	BUY	06406HDB2	BANK OF NEW YORK MELLON CORP (CALLABLE)	5/22/2018	165,000.00	1.60%
5/27/2015	5/29/2015	BUY	65558LFA5	NORDEA BANK FINLAND NY CD	5/26/2017	150,000.00	1.15%
5/27/2015	5/29/2015	SELL	65558ET57	NORDEA BANK FINLAND NY FLOAT CERT DEP	6/13/2016	150,000.00	0.32%
5/28/2015	5/29/2015	BUY	912828UZ1	US TREASURY NOTES	4/30/2018	130,000.00	0.95%
5/28/2015	5/29/2015	SELL	912828QX1	US TREASURY NOTES	7/31/2016	125,000.00	0.37%

City of St. Helena Transactions July 1, 2014 - June 30, 2015

Trade Date	Settle Date	Transaction	CUSIP	Security	Maturity Date	Par Value	Yield
6/10/2015	6/17/2015	BUY	17275RAU6	CISCO SYSTEMS INC CORP NOTE	6/15/2018	175,000.00	1.66%
6/11/2015	6/17/2015	SELL	912828UU2	US TREASURY NOTES	3/31/2018	50,000.00	1.08%
6/11/2015	6/17/2015	SELL	912828UZ1	US TREASURY NOTES	4/30/2018	130,000.00	1.11%
6/18/2015	6/23/2015	BUY	3136A9MK1	FNMA SERIES 2012-M14 ASQ2	2/1/2017	146,749.62	0.79%
6/18/2015	6/23/2015	SELL	3130A2T97	FHLB NOTES	9/28/2016	60,000.00	0.51%
6/18/2015	6/23/2015	SELL	3130A3J70	FHLB NOTES	11/23/2016	95,000.00	0.55%

Attachment 5

BETTY T. YEE

California State Controller

LOCAL AGENCY INVESTMENT FUND
REMITTANCE ADVICE

Agency Name	ST HELENA
Account Number	98-28-897

As of 10/15/2015, your Local Agency Investment Fund account has been directly credited with the interest earned on your deposits for the quarter ending 09/30/2015.

Earnings Ratio		.00000875275068308
Interest Rate		0.32%
Dollar Day Total	$	632,661,161.16
Quarter End Principal Balance	$	6,877,491.04
Quarterly Interest Earned	$	5,537.53

Report to the City Council
Council Meeting of November 24, 2015

Agenda Section: **Public Hearing**

Subject: **Introduction and 1st Reading of Proposed Modifications of the Development Impact Fee Ordinance No. 2013-2, Section 3.32.070 Water Impact Fees B. Schedule of Water Impact Fees. Modification is to Correct a Calculation Error Discovered in the October 3, 2013 Development Impact Fee Study Report.**

CEQA Status: **Exempt. (CEQA Guidelines §§ 15061(b)(3), 15273.)**

Prepared By: **April Mitts, Finance Director**

Approved By: **Jennifer Phillips, City Manager**

BACKGROUND
In 2013 the City retained Colgan Consulting to assist with an update of its development impact fees, including, for example, public safety, park, civic improvement, traffic, and water system impact fees. On November 12, 2013 City Council adopted Ordinance 2013-2 establishing new development impact fees which took effect on January 12, 2014.

DISCUSSION
California law provides that local agencies may impose fees to mitigate the impacts of development, in amounts which are reasonably related to the estimated costs of providing the service or facility for which the fee is charged. (See, e.g., the Mitigation Fee Act, Gov. Code § 66000 et seq.) In 2013, the City Council adopted an ordinance which imposed such impact fees based on a study by Colgan Consulting. City staff recently discovered that a calculation error in the study inadvertently caused the amount of the Water Impact Fee to be overstated. The underlying data and analysis were proper and supported by substantial evidence, but an arithmetic error caused the bottom line Water System Improvement Impact figures to be overstated.

The initial error is reflected in Table 7.1: Water System Improvements, in the 2013 Colgan Consulting Report. This calculation error was then was carried through to the following tables:

- Table 7.3: Water System Improvement Cost per HCF per Year
- Table 7.4: Water System Improvements – Allocated Cost by Development Type
- Table 7.5: Water System Improvements – Impact Fees per Square Foot.

Attachment A highlights the calculation errors in each of these tables. The impact fees reflected in Attachment A are the calculations per square foot. The adopted fees are slightly higher per square foot due to a 2.5% administrative fee charged. Attachment B is the original staff report dated October 22, 2013 showing the proposed impact fees including administrative costs. Water system impact fees are highlighted on page 2 of this report. Attachment C is an updated report prepared by Colgan Consulting showing the corrected Water Development Impact Fees. (Attachment C does not take into consideration the 2.5% administrative fee.)

As a result of the calculation error, the Ordinance adopted by the City Council in 2013 overstated the Water System Improvement Impact Fees by 48%. The City has thus been overcharging Water System Improvements Development Impact Fees by 48% since January 12, 2014. It is estimated approximately $200,000 will need to be refunded to customers due to this calculation error. Funds are available for this refund in the Water System Impact Fee Account – Fund 764. Accordingly, staff proposes that the City Council adopt an Ordinance (Exh. D), based on the updated corrected report (Exh. C), to state the correct amount of the Water System Improvement Impact Fees, and that the City take action to refund the overcharges.

These actions will ensure that the City only collects Water System Improvement Impact Fees in amounts that are reasonably related to the estimated costs of providing the services and/or facilities, as established in the study prepared by Colgan Consulting.

Per §3.32.150 of the St. Helena Municipal Code, every July 1st fee adjustments are made pursuant to an inflationary index, based on the increase, if any, in the Engineering News Records US20 Cities average construction cost index for the June preceding the increase and the June one year prior. Per §3.32.150 increases were made to Water Impact Fees on July 1, 2014 and on July 1, 2015 (Table 1). The proposed modification to §3.32.070 Water Impact Fees reflects the original correction and the two subsequent increases as directed in §3.32.150 (Table 2).

Table 1 – Adopted Water Impact Fees including Administrative Fee s

Water Impact Fee Per Sq. Foot	**Adopted Amount Effective 1/12/2014**	**7/1/2014 Increase 2.7%**	**7/1/2015 Increase 2.7%**
Single Family Residential	$3.05	$3.13	$3.22
Multi Family Residential	$2.47	$2.54	$2.61
Office	$3.14	$3.22	$3.31
Industrial	$4.18	$4.29	$4.41
Commercial/Retail	$6.06	$6.22	$6.39
Lodging	$6.13	$6.30	$6.47

Table 2 – Proposed Correction to Water Impact Fees including Administrative Fees

Water Impact Fee Per Sq. Foot	Adopted Amount Effective 1/12/2014	7/1/2014 Increase 2.7%	7/1/2015 Increase 2.7%
Single Family Residential	$1.59	$1.63	$1.68
Multi Family Residential	$1.28	$1.31	$1.35
Office	$1.63	$1.67	$1.72
Industrial	$2.17	$2.23	$2.29
Commercial/Retail	$3.16	$3.25	$3.33
Lodging	$3.19	$3.28	$3.36

FISCAL IMPACT

If the ordinance is adopted correcting the water impact fee calculation error, approximately $200,000 will be refunded to customers who were charged incorrect amounts. Funds are available in Fund 764 Water Impact Fees for the refunds. If the ordinance is adopted, refunds for overcharges will be made to all customers charged incorrectly from January 12, 2014 to the effective date of the ordinance change. Going forward the amounts collected will properly reflect the fees supported by the City's 2013 nexus study.

RECOMMENDED ACTION

Introduce the ordinance reflecting the corrected water impact fees and direct staff to place on the December 8, 2015 Council agenda for adoption. If adopted the corrected water impact fees will take effect February 6, 2016. (See Gov. Code § 66017 (fees shall be effective no sooner than 60 days after adoption).)

ATTACHMENTS

Attachment A – Water System Development Impact Fees
Attachment B – Staff Report Dated October 22, 2013
Attachment C – Corrected Water System Development Impact Fees
Attachment D – Proposed Ordinance

Table 7.1: Water System Improvements

Improvement Description	Improvement Cost [1]	New Dev Share [2]	New Dev Cost [3]
Bale Slough (Rutherford W-28)	$ 116,367.00	50%	$ 58,183.50
Tank 2 - PAX Mixer	$ 56,398.00	0%	$ -
Pratt Avenue Transmission Bridge	$ 400,000.00	50%	$ 200,000.00
Community Drive	$ 47,000.00	0%	$ -
Howell Mountain Road	$ 135,000.00	0%	$ -
York Creek Upper Dam Removal	$ 3,196,105.00	0%	$ -
Meadowood & Holmes Tank Upgrade	$ 79,630.00	50%	$ 39,815.00
Water Treatment Plant Upgrades	$ -	15%	$ -
Bell Canyon Reservoir Improvements	$ 369,276.00	15%	$ 55,391.40
Corp Yard Improvements	$ 151,444.00	15%	$ 22,716.60
Machinery & Equipment	$ 58,228.00	15%	$ 8,734.20
SCADA	$ 150.00	15%	$ 22.50
WTP Worker Housing	$ 40,000.00	0%	$ -
Water Valve Replacement	$ 12,900.00	0%	$ -
Charter Oak Water Main Replacement	$ 56,206.00	0%	$ -
Groundwater Well Upgrades	$ 70,545.00	100%	$ 70,545.00
Recycled Water Mains	$ 121,309.00	100%	$ 121,309.00
Vehicle Replacement Program (Treatment)	$ 60,000.00	5%	$ 3,000.00
Dwyer Road Booster	$ 1,150,000.00	50%	$ 575,000.00
Water Rights Renewal	$ 136,029.00	0%	$ -
Tank 1A Construction	$ 1,210,230.00	15%	$ 181,534.50
Bell Canyon/Lower Reservoir Intake Towers	$ 302,125.00	15%	$ 45,318.75
Bell Valve House	$ 462,177.00	15%	$ 69,326.55
Surge Protection at LSWTP & SBW	$ 25,000.00	0%	$ -
Fixed Gas Chlorine Analyzer	$ 6,000.00	0%	$ -
High Service Pump	$ 372,030.00	15%	$ 55,804.50
Bell Creek Inflow Weir Design	$ 470,472.00	15%	$ 70,570.80
Sludge Handling Program	$ 62,000.00	0%	$ -
Replace Telemetry at LSWTP	$ 16,000.00	0%	$ -
Influent Valve Actuator	$ 9,000.00	15%	$ 1,350.00
Lower Reservoir Water Treatment	$ 184,000.00	100%	$ 184,000.00
Raw Water Metering Station	$ 25,000.00	15%	$ 3,750.00
Toilet Retrofit Program	$ 25,000.00	100%	$ 25,000.00
Radio Repeater/Infrastructure	$ 2,000.00	15%	$ 300.00
Tank 1 Rehabilitation	$ 300,000.00	15%	$ 45,000.00
Tank 2 Recoating	$ 500,000.00	15%	$ 1,836,672.30
Total/Average	**$ 10,227,621.00**	**36%**	**$ 3,673,344.60**

[1] Improvement costs estimated by the City of St. Helena Public Works Department

[2] Share of cost attributable to new development estimated by the City of St. Helena Public Works Department

[3] Cost attributable to new development = project cost X new development %

New Development Water Demand

Table 7.2 projects the added water demand associated with each type of new development. This chapter includes Schools (K-12) as a separate development type.

Schools were not addressed in previous chapters, because they are not subject to other City impact fees. However, because schools connect to the City's water and wastewater systems, they are subject to impact fees for water and wastewater.

Table 7.2: New Development Water Demand

Development Types	Dev Units [1]	Potential New Units [2]	HCF per Unit	Added Demand (HCF per Year)
Residential, Low Density	DUs	292	203.0	59,276
Residential, Med/Higher Density	DUs	87	89.0	7,743
Commercial/Retail	KSF	21.9	168.0	3,671
Office	KSF	111.9	87.0	9,731
Industrial	KSF	16.0	116.0	1,856
Lodging	Rooms	220	85.0	18,700
Schools (K-12)	KSF	35.5	96.0	3,407
Total				**104,384**

[1] Units of development: DUs = dwelling units; KSF = 1,000 gross sq. ft. of building area; Rooms = guest rooms or suites

[2] See Table 2.3 except for Schools (K-12); increase in school square footage estimated at 13.7% based on population growth (See Tables 2.2 and 2.3)

[3] Hundreds of cubic feet (HCF) of water usage per unit, based on the 2004 Water and Wastewater Rate Study, except the rates for Lodging and Schools (K-12), which are based on analysis of water meter records

[4] Added demand in HCF per year by development type = potential new units X HCF per unit

Water System Improvement Cost per HCF

Table 7.3 on the next page calculates the average water system improvement cost per HCF per year for new development, using new development's share of improvement costs from Table 7.1 and the total added demand in HCF from Table 7.2.

Table 7.3: Water System Improvement Cost per HCF per Year

New Development Cost [1]	Added Demand (HCF per Year) [2]	Cost per HCF per Year [3]
$3,673,344.60	104,383.8	$35.19

[1] See Table 7.1

[2] See Table 7.2

[3] Cost per hundred cubic feet (HCF) of added demand per year = new development cost / added demand in HCF

Allocated Cost by Development Type

Table 7.4 calculates the share of new development's improvement cost allocated to each type of development, using the cost per HCF per year from Table 7.3, the demand per unit in HCF by development type, and the added units for each type of development.

Table 7.4: Water System Improvements - Allocated Cost by Development Type

Development Type	Cost per per HCF [1]	HCF per Unit [2]	Potential New Units [3]	Alloc Cost by Dev Type [4]
Residential, Low Density	$35.19	203.0	292	$ 2,085,967.32
Residential, Med/Higher Density	$35.19	89.0	87	$ 272,482.03
Commercial/Retail	$35.19	168.0	21.9	$ 129,178.23
Office	$35.19	87.0	111.9	$ 342,439.50
Industrial	$35.19	116.0	16.0	$ 65,314.05
Lodging	$35.19	85.0	220	$ 658,067.16
Schools (K-12)	$35.19	96.0	35.5	$ 119,896.32
Total				$ 3,673,344.60

[1] See Table 7.3

[2] See Table 7.2

[3] See Table 7.2

[4] Allocated cost by development type = cost per HCF X HCF per unit X potential new units

Impact Fee per Square Foot

Table 7.5 calculates the impact fee per square foot of new development for water system improvements using the allocated cost per development type from Table 7.4 and the added square feet by development type.

Table 7.5: Water System Improvements - Impact Fees per Square Foot

Development Type	Alloc Cost by Dev Type [1]	Added Sq Ft by Dev Type [2]	Impact Fee per Sq Ft [3]
Residential, Low Density	$ 2,085,967.32	700,800	$ 2.98
Residential, Med/Higher Density	$ 272,482.03	113,100	$ 2.41
Commercial/Retail	$ 129,178.23	21,850	$ 5.91
Office	$ 342,439.50	111,850	$ 3.06
Industrial	$ 65,314.05	16,000	$ 4.08
Lodging	$ 658,067.16	110,000	$ 5.98
Schools (K-12)	$ 119,896.32	35,490	$ 3.38
Total	$ 3,673,344.60	1,073,600	

[1] See Table 7.4; allocated cost per development type also equals projected revenue

[2] See Table 2.3 except for Schools (K-12); increase in school square feet based on 13.7% population growth using data from Tables 2.2 and 2.3

[3] Impact fee per square foot = cost per development type / added square feet by development type

Projected Revenue

Potential revenue from the water system impact fees is the same as the total allocated cost per development type shown in Table 7.5. Both costs and impact fees shown in this chapter are based on current improvement costs. To maintain parity between the impact fees and improvement costs, the impact fees must be adjusted periodically, to reflect changes in price levels.

A common practice is to adjust impact fees annually based on an index such as the *Engineering News Record* Building Cost Index. See the Implementation Chapter for more on indexing of fees.

Attachment B

STAFF REPORT

DATE: October 22, 2013

TO: Mayor and City Council Item #_11_

FROM: Karen Scalabrini, Finance Director

RE: Review of Impact Fee Study and introduction of new impact fees.

BACKGROUND:

The City retained Colgan Consulting to assist with an update of its development impact fees. The last comprehensive update to impact fees was completed in 2006.

The City maintains a capital improvement program covering a five-year planning period which includes projects for water, wastewater, public safety, civic improvements, street, and storm drainage. Development impact fees are subject to the provisions of Government Code Section 66000 et seq. Colgan Consulting has completed a study for the purpose of evaluating our existing system for impact fees and rates. The completed study is attached.

On May 14, 2013 proposed fees were reviewed during a public hearing. During the hearing Council discussed issues with the transportation impact fee section. Staff was directed to bring the Transportation section back for discussion after the circulation element of the general plan was reviewed by Council. Transportation/circulation projects include bike paths as discussed in the general plan update. Please refer to page 3-2 to see a detail list of projects included in the transportation impact fee calculation.

DISCUSSION/ANALYSIS:

Colgan Consulting has worked with City Staff and reviewed the City's Capital Improvement Program, master plans and other information describing anticipated new development and the facilities requirement to meet the needs of new development. Joe Colgan has evaluated the demands placed on facilities and infrastructure and recommend methodologies for developing an appropriate and comprehensive impact fee schedule. Both the proposed fee schedule and the current fee schedule are provided.

Summary of Proposed Impact Fees (per Square Foot) Including Administrative Fee

Development Type	Transpor-tation	Parks	Public Safety	Civic Facilities	Water System	WW System	Drainage System	**Total**
Residential, Low Density	$1.94	$7.16	$1.04	$1.95	$3.05	$0.45	$0.73	**$16.32**
Res, Med/Higher Density	$2.36	$12.18	$1.04	$1.95	$2.47	$0.66	$0.69	**$21.34**
Commercial/Retail	$20.89		$1.04	$1.95	$6.06	$0.88	$1.65	**$32.47**
Office	$5.36		$1.04	$1.95	$3.14	$0.44	$1.37	**$13.30**
Industrial	$3.40		$1.04	$1.95	$4.18	$0.59	$1.65	**$12.82**
Lodging	$7.98		$1.04	$1.95	$6.13	$0.87	$1.28	**$19.26**

Summary of Existing Development Impact Fees (per Square Foot)

Development Type	Transpor-tation	Parks	Public Safety	Civic Facilities	Water System	WW System	Drainage System	**Total**
Residential, Low Density	$4.11		$1.25	$2.73	$6.46	$5.21	$0.02	**$ 19.78**
Residential, Med/Higher De	$2.82	**Included**	$1.25	$2.73	$2.81	$4.15	$0.02	**$ 13.78**
Commercial/Retail	$36.87	**in Civic**	$1.25	$1.68	$10.69	$8.51	$0.04	**$ 59.04**
Office	$9.46	**Imprvmt**	$1.25	$2.27	$7.35	$4.41	$0.03	**$ 24.77**
Industrial	$5.98	**Fees**	$1.25	$1.58	$5.53	$5.85	$0.04	**$ 20.23**
Lodging			**Classified as Commercial/Retail**					

FISCAL IMPACT:

Overall, impact fees are reduced which will reduce the cost to of development to developers significantly in some areas depending on the type of development. A summary based on total fees by development type is provided below.

Development Type	***Current Rate Per Square Foot***	***Proposed Rate Per Square Foot***	***Increase/(Decrease) Per Square Foot***
Residential, Low Density	$19.78	$16.32	($3.46)
Residential, Med/High Density	$13.78	$21.34	$7.56
Commercial Retail	$59.04	$32.47	($26.57)
Office	$24.77	$13.30	($11.47)
Industrial	$20.23	$12.82	($7.41)
Lodging**	$59.04**	$19.26	($39.78)

** Lodging was previously calculated as Commercial Retail. The rate shown is Commercial retail for comparison purposes.

RECOMMENDED COUNCIL ACTION:

Introduce the ordinance reflecting the new impact fees and direct staff to place on the November 12, 2013 Council agenda for adoption. If adopted new fees would take effect January 12, 2014

ATTACHMENTS/EXHIBITS:

Development Impact Fee Draft Report

Ordinance

Chapter 7
Water System Impact Fees

This chapter calculates impact fees for water system improvements needed to serve future development in St. Helena. The impact fees calculated in this chapter are based on the cost of specific improvements to the City's water system, and those costs are allocated to various types of development based on average water demand for each type of development.

Service Area

The Water System impact fees calculated in this chapter are for a single Citywide service area, and are intended to apply to all new development in the City.

Level of Service

The level of service standard for water system improvements is not addressed explicitly in this study. The appropriate standards are reflected in the engineering studies used to establish the need for the improvements shown in Table 7.1.

Demand Variable

The demand variable used to allocate improvement costs in this chapter is water demand in hundreds of cubic feet (HCF) per year.

Methodology

This chapter calculates impact fees using the plan-based method discussed in Chapter 1. Plan-based fees are calculated by allocating costs for a defined set of improvements to a defined increment of development that will be served by those improvements.

In this case, new development's share of the cost of water system improvements listed in Table 7.1 is allocated to new development based on estimated demand per unit of development by development type.

System Improvements

Table 7.1 on the next page lists the water system improvements used to calculate water system impact fees in this chapter. Table 7.1 also indicates the share of cost for each improvement that is attributed to new development.

As shown in Table 7.1, the share of total improvement costs allocated to new development is 36%.

Table 7.1: Water System Improvements

Improvement Description	Improvement Cost [1]	New Dev Share [2]	New Dev Cost [3]
Bale Slough (Rutherford W-28)	$ 116,367.00	50%	$ 58,183.50
Tank 2 - PAX Mixer	$ 56,398.00	0%	$ -
Pratt Avenue Transmission Bridge	$ 400,000.00	50%	$ 200,000.00
Community Drive	$ 47,000.00	0%	$ -
Howell Mountain Road	$ 135,000.00	0%	$ -
York Creek Upper Dam Removal	$ 3,196,105.00	0%	$ -
Meadowood & Holmes Tank Upgrade	$ 79,630.00	50%	$ 39,815.00
Water Treatment Plant Upgrades	$ -	15%	$ -
Bell Canyon Reservoir Improvements	$ 369,276.00	15%	$ 55,391.40
Corp Yard Improvements	$ 151,444.00	15%	$ 22,716.60
Machinery & Equipment	$ 58,228.00	15%	$ 8,734.20
SCADA	$ 150.00	15%	$ 22.50
WTP Worker Housing	$ 40,000.00	0%	$ -
Water Valve Replacement	$ 12,900.00	0%	$ -
Charter Oak Water Main Replacement	$ 56,206.00	0%	$ -
Groundwater Well Upgrades	$ 70,545.00	100%	$ 70,545.00
Recycled Water Mains	$ 121,309.00	100%	$ 121,309.00
Vehicle Replacement Program (Treatment)	$ 60,000.00	5%	$ 3,000.00
Dwyer Road Booster	$ 1,150,000.00	50%	$ 575,000.00
Water Rights Renewal	$ 136,029.00	0%	$ -
Tank 1A Construction	$ 1,210,230.00	15%	$ 181,534.50
Bell Canyon/Lower Reservoir Intake Towers	$ 302,125.00	15%	$ 45,318.75
Bell Valve House	$ 462,177.00	15%	$ 69,326.55
Surge Protection at LSWTP & SBW	$ 25,000.00	0%	$ -
Fixed Gas Chlorine Analyzer	$ 6,000.00	0%	$ -
High Service Pump	$ 372,030.00	15%	$ 55,804.50
Bell Creek Inflow Weir Design	$ 470,472.00	15%	$ 70,570.80
Sludge Handling Program	$ 62,000.00	0%	$ -
Replace Telemetry at LSWTP	$ 16,000.00	0%	$ -
Influent Valve Actuator	$ 9,000.00	15%	$ 1,350.00
Lower Reservoir Water Treatment	$ 184,000.00	100%	$ 184,000.00
Raw Water Metering Station	$ 25,000.00	15%	$ 3,750.00
Toilet Retrofit Program	$ 25,000.00	100%	$ 25,000.00
Radio Repeater/Infrastructure	$ 2,000.00	15%	$ 300.00
Tank 1 Rehabilitation	$ 300,000.00	15%	$ 45,000.00
Tank 2 Recoating	$ 500,000.00	15%	$ 75,000.00
Total/Average	**$ 10,227,621.00**	**19%**	**$ 1,911,672.30**

[1] Improvement costs estimated by the City of St. Helena Public Works Department

[2] Share of cost attributable to new development estimated by the City of St. Helena Public Works Department

[3] Cost attributable to new development = project cost X new development %

New Development Water Demand

Table 7.2 projects the added water demand associated with each type of new development. This chapter includes Schools (K-12) as a separate development type.

Schools were not addressed in previous chapters, because they are not subject to other City impact fees. However, because schools connect to the City's water and wastewater systems, they are subject to impact fees for water and wastewater.

Table 7.2: New Development Water Demand

Development Types	Dev Units [1]	Potential New Units [2]	HCF per Unit	Added Demand (HCF per Year)
Residential, Low Density	DUs	292	203.0	59,276
Residential, Med/Higher Density	DUs	87	89.0	7,743
Commercial/Retail	KSF	21.9	168.0	3,671
Office	KSF	111.9	87.0	9,731
Industrial	KSF	16.0	116.0	1,856
Lodging	Rooms	220	85.0	18,700
Schools (K-12)	KSF	35.5	96.0	3,407
Total				**104,384**

[1] Units of development: DUs = dwelling units; KSF = 1,000 gross sq. ft. of building area; Rooms = guest rooms or suites

[2] See Table 2.3 except for Schools (K-12); increase in school square footage estimated at 13.7% based on population growth (See Tables 2.2 and 2.3)

[3] Hundreds of cubic feet (HCF) of water usage per unit, based on the 2004 Water and Wastewater Rate Study, except the rates for Lodging and Schools (K-12), which are based on analysis of water meter records

[4] Added demand in HCF per year by development type = potential new units X HCF per unit

Water System Improvement Cost per HCF

Table 7.3 on the next page calculates the average water system improvement cost per HCF per year for new development, using new development's share of improvement costs from Table 7.1 and the total added demand in HCF from Table 7.2.

Table 7.3: Water System Improvement Cost per HCF per Year

New Development Cost [1]	Added Demand (HCF per Year) [2]	Cost per HCF per Year [3]
$1,911,672.30	104,383.8	$18.31

[1] See Table 7.1

[2] See Table 7.2

[3] Cost per hundred cubic feet (HCF) of added demand per year = new development cost / added demand in HCF

Allocated Cost by Development Type

Table 7.4 calculates the share of new development's improvement cost allocated to each type of development, using the cost per HCF per year from Table 7.3, the demand per unit in HCF by development type, and the added units for each type of development.

Table 7.4: Water System Improvements - Allocated Cost by Development Type

Development Type	Cost per per HCF [1]	HCF per Unit [2]	Potential New Units [3]	Alloc Cost by Dev Type [4]
Residential, Low Density	$18.31	203.0	292	$ 1,085,573.61
Residential, Med/Higher Density	$18.31	89.0	87	$ 141,804.38
Commercial/Retail	$18.31	168.0	21.9	$ 67,226.59
Office	$18.31	87.0	111.9	$ 178,211.46
Industrial	$18.31	116.0	16.0	$ 33,990.56
Lodging	$18.31	85.0	220	$ 342,469.57
Schools (K-12)	$18.31	96.0	35.5	$ 62,396.12
Total				**$ 1,911,672.30**

[1] See Table 7.3

[2] See Table 7.2

[3] See Table 7.2

[4] Allocated cost by development type = cost per HCF X HCF per unit X potential new units

Impact Fee per Square Foot

Table 7.5 calculates the impact fee per square foot of new development for water system improvements using the allocated cost per development type from Table 7.4 and the added square feet by development type.

Table 7.5: Water System Improvements - Impact Fees per Square Foot

Development Type	Alloc Cost by Dev Type [1]	Added Sq Ft by Dev Type [2]	Impact Fee per Sq Ft [3]
Residential, Low Density	$ 1,085,573.61	700,800	$ 1.55
Residential, Med/Higher Density	$ 141,804.38	113,100	$ 1.25
Commercial/Retail	$ 67,226.59	21,850	$ 3.08
Office	$ 178,211.46	111,850	$ 1.59
Industrial	$ 33,990.56	16,000	$ 2.12
Lodging	$ 342,469.57	110,000	$ 3.11
Schools (K-12)	$ 62,396.12	35,490	$ 1.76
Total	**$ 1,911,672.30**	**1,073,600**	

[1] See Table 7.4; allocated cost per development type also equals projected revenue

[2] See Table 2.3 except for Schools (K-12); increase in school square feet based on 13.7% population growth using data from Tables 2.2 and 2.3

[3] Impact fee per square foot = cost per development type / added square feet by development type

Projected Revenue

Potential revenue from the water system impact fees is the same as the total allocated cost per development type shown in Table 7.5. Both costs and impact fees shown in this chapter are based on current improvement costs. To maintain parity between the impact fees and improvement costs, the impact fees must be adjusted periodically, to reflect changes in price levels.

A common practice is to adjust impact fees annually based on an index such as the *Engineering News Record* Building Cost Index. See the Implementation Chapter for more on indexing of fees.

Attachment D

ORDINANCE NO. 2015-

MODIFYING DEVELOPMENT IMPACT FEE ORDINANCE NO. 2013-2

The City Council of the City of St. Helena does ordain as follows:

Section 1. Findings.

(a) On April 9, 1996, the City Council adopted Ordinance No. 96-2, which established impact fees for new development. The fees established by Ordinance No. 96-2 were based upon an Impact Fee Study issued in March 1996. The new fees became effective on June 9, 1996.

(b) A Revised Impact Fee Study was completed in February 1997. Based upon the revisions to the original Impact Fee Study, the City Council adopted Ordinance No. 97-4 amending Ordinance No. 96-2 consistent with Government Code Section 66000 et. seq.

(c) A Revised Impact Fee Study was completed in August, 2006. Based upon the revisions to the original Impact Fee Study, the City Council adopted Ordinance No. 06-6 amending Ordinance No. 97-4 and modifying the development impact fees for new development consistent with Government Code Section 66000 et. seq..

(d) A Revised Impact Fee Study was completed April, 2013. Based upon the April 2013 Impact Fee Study, the Council adopted Ordinance No. 2013-2 and found that the impact fee changes were consistent with Government Code Section 66000 et seq..

(e) In 2015, a calculation error was discovered in the Water Impact Fees which were calculated during the Impact Fee Study completed in April, 2013. The underlying data and analysis were proper and supported by substantial evidence, but an arithmetic error caused the bottom line Water System Improvement Impact figures to be overstated. Based upon the revisions to the April, 2013 Impact Fee Study, the Council finds that the following changes to Ordinance No. 2013-2, are consistent with Government Code Section 66000 et seq. and shall be adopted.

Section 2. Section 3.32.070 of the St. Helena City Code is amended to read as follows:

Section 3.32.070 Water Impact Fees

(a) Findings.

The City Council finds that:

(1) Numerous water system improvements are needed to maintain the existing level of water services for all areas served by the City of St. Helena Water Enterprise.

(2) New development or conversions within the service area of the City of St. Helena Water Enterprise results in increased usage of residential, commercial, industrial, and other affected properties, which thereby increases the water service requirements and the capital equipment requirements for the storage, treatment and transmission of the City's water supply. Such increased usage does not ordinarily result from mere subdivision or parcel map divisions of existing properties in the absence of new development or conversions.

(3) The City must continue to fund capital improvements to its water system. These capital improvements include updating or replacing water distribution lines, and improving current treatment and storage capabilities. These additional capital expenditures are necessary to maintain an acceptable level of water service within the next fifteen years.

(4) In the absence of the imposition of a water impact fee upon new development or conversions, the additional capital expenses necessary to maintain an acceptable level of water service for the entire service area of the City of St. Helena Water Enterprise would be unfairly imposed upon the owners and residents of the existing buildings and improvements within the service area of the City of St. Helena Water Enterprise.

(5) New development or conversions without the payment of fees imposed by this section would not be fair to the owners and occupants of existing buildings within the service area of the City of St. Helena Water Enterprise.

(6) Part of the costs associated with the capital improvements to the water system and the debt service on earlier funded water projects are apportioned to new development or conversions to accommodate increased demand for water by new residents and businesses and the increased need for water for fire protection purposes for the new structures associated with new development or conversions.

(7) The facts and evidence presented in the City's Impact Fee Study establish that there exists a reasonable relationship between the need for the water system improvements and the impacts of the types of new development for which a corresponding fee is charged. A reasonable relationship or nexus also exists between the fee's use and the type of new development and_conversions for which the fee is charged.

(b) Schedule of Water Impact Fees.

(1) Every person connecting to the City's water system or converting unusable to usable floor space in or adding to existing buildings which are already connected to the City's water system shall pay to the City a water impact fee in accordance with the following schedule:

Single Family:	$1.68 per sq. ft.
Multi-Family:	$1.35 per sq. ft.
Office:	$1.72per sq. ft.
Industrial:	$2.29 per sq. ft.
Commercial:	$3.33 per sq. ft.
Lodging:	$3.36 per sq. ft.

(2) Every person converting an existing use from one use category (residential, commercial, industrial or office) to another use category shall pay a water impact fee equal to the difference, if any, between the fees calculated for the existing and new uses as set forth in subsection (1), except no water impact fee shall be assessed if a "water-oriented" connection fee had been paid for the building or development project pursuant to the City's former water connection ordinances.

(3) No water impact fee shall be assessed on conversions to another use within the same_use category. No person shall be entitled to a refund on conversions from a higher rate use category to a lower rate use category.

(c) In addition to the above charges, all expenses and costs of making a water connection shall be borne by the person making the connection. No connection shall be made to a public water supply except by the City or by written permission from the City.

(d) There is hereby established and created a fund of the City entitled "Water Impact Fund" and all revenues derived from and monies collected under this section, including accrued_interest thereon, shall be deposited in such fund. The Water Impact Fund is established for the sole purpose of providing monies for equipment, infrastructure, and other capital facilities needed for the acquisition, storage, treatment, and transmission of water for the City of St. Helena Water Enterprise, to repay principal and interest on bonds issued for the construction or reconstruction of water projects or facilities, and to repay Federal and State loans or advances made to the City for the construction or reconstruction of water supplies facilities or infrastructure.

Section 3. Every person who paid Water System Impact Fees at the rates established in Ordinance No. 2013-2 shall be given a refund equal to the difference, if any, between the aggregate Water System Impact fees paid and the aggregate Water System Impact fees established by this ordinance; except no refunds will be paid to persons who received City Council approval of a fee adjustment or waiver during the relevant time period.

Section 4. This ordinance was reviewed at a noticed public hearing, for which the ordinance and the associated Impact Fee Study were available to the general public. These fees shall apply to the issuance of any building permit for any residential and non-residential development issued 60 days following the passage of this ordinance.

Section 5. If any section or portion of this ordinance is for any reason held to be invalid and/or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance.

THE FOREGOING ORDINANCE was introduced at a regular meeting of the St. Helena City Council on November 24, 2015, and was adopted at a regular meeting of the St. Helena City Council on the 8thth day of December, 2015, by the following vote:

Attachment D

Mayor Galbraith: ____________
Vice Mayor White: ____________
Councilmember Crull: ____________
Councilmember Dohring: ____________
Councilmember Pitts: ____________

APPROVED:	ATTEST:
________________________	________________________
Alan Galbraith, Mayor	Cindy Black, City Clerk

Introduced:
Adopted:
Published:

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Item No: 12

Report to the City Council
Council Meeting of November 24, 2015

Agenda Section: **Public Hearings**

Subject: **Introduction and 1st Reading of Proposed Amendments to the City's Purchasing System Ordinance, St. Helena Municipal Code Chapter 3.04 Purchase of Supplies, Equipment and Services and Procedures for Public Works Projects. Specific Amendments Apply to the Following:**

Article 1 §3.04.010 Purpose Objectives / Scope / Responsibilities, Article 1 §3.04.020 Definitions, Article 2 §3.04.060 Requisitions, Article 2 §3.04.080 Contracts, Article 2 §3.04.100 Bidding procedures for various purchase amounts, Article 2 §3.04.110 Departmental purchases, Article 2 §3.04.120 Informal bid procedure, Article 2 §3.04.130 Formal bid procedure, Article 2 §3.04.150 Cooperative purchasing with other agencies, Article 2 §3.04.170 Emergencies, Article 3 §3.04.200 Uniform construction cost accounting procedures, Article 3 §3.04.210 Bidding procedures for various project amounts, Article 3 §3.04.230 Informal bidding procedures, Article 3 §3.04.240 Formal bidding procedures, Article 3 §3.04.250 Bonds, Article 3 §3.04.270 Tie bids, Article 3 §3.04.300 Prevailing wages required, Article 3 §3.04.310 Pre-qualification of bidders, Article 4 §3.04.320 Award of professional service contracts based on competence, and Article 4 §3.04.340 Contracting authority.

The proposed amendments will increase purchasing limits and add clarifying language and definitions.

CEQA Status: **Not a CEQA project**

Prepared By: **April Mitts, Director of Finance**
Kathy Robinson, Operations Manager

Approved By: **Jennifer Phillips, City Manager**

BACKGROUND

The procurement of goods and services is one of the key staff activities impacting the quality and timeliness related to the delivery of City services. City staff is proposing amendments to the City's Purchasing System Ordinance, St. Helena Municipal Code, Chapter 3.04, Purchase of Supplies, Equipment and Services, and Procedures for Public Works Projects.

In 2001, the St. Helena City Council adopted Ordinance No. 2001-14 providing a comprehensive purchasing ordinance for the purchase of supplies, equipment, and services. This ordinance allowed for the purchase of supplies and contracted professional services at the lowest possible cost commensurate with quality needed, to exercise positive image control over purchases, to clearly define authority for purchase function, and to assure the quality of purchases.

In addition, the City Council adopted Resolution No. 2001-160 electing to follow the State of California best practice by becoming subject to the Construction Cost Accounting Procedures as established by California Uniform Construction Cost Accounting Commission. The California Legislature passed the California Uniform Public Construction Cost Accounting Act (CUPCCAA, Public Contract Code §§ 22000, et seq.) to promote uniformity of cost accounting standards and bidding procedures on construction work performed or contracted by public entities. In the event of a conflict with any other provisions of law relative to bidding procedures, the CUPCCAA procedures shall apply and no departments are exempt. The copy of the CUPCCAA procedure manual is maintained by the Public Works Department and Finance Department.

DISCUSSION

Since the adoption of Ordinance No. 2001-14, with the exception of the costs limits of subsections (A) through (C) of Article 3 Public Works Projects, Section 3.04.210 the Purchasing System Ordinance has not been updated to reflect any increases to the threshold minimums/maximums. The average Consumer Price Index for Finished Goods Commodities in 2001 was 140.7, and in 2014 was 200.4, an increase of 42%.

City staff completed a review of existing thresholds in neighboring local jurisdictions within Napa, Solano, and Sonoma counties (Attachment A). City staff found the City of St. Helena's thresholds were lower than other jurisdictions.

In this report City staff did the following:

1. Compared the impacts of increasing purchasing levels in two areas: (1) Supplies, General Services, and Equipment, and (2) Professional Services.

2. Reviewed Municipal Code, Chapter 3.04, Article 3, Public Works Projects, and recommend changes to the Municipal Code to reflect limits approved via Resolution 2001-160.
3. Reviewed current language in Chapter 3.04 Purchase of Supplies, Equipment and Services and Procedures for Public Works Projects and recommend changes to the Municipal Code to add clarification.

<u>Supplies, General Services, and Equipment</u>

City staff compared the impacts of increasing the current Purchase Order (PO) level of $500 by two different amounts: $1,500 and $2,500. For the comparison, staff analyzed the total number and amounts of POs issued in FY 2014-15. In FY 2014-15 a total of 257 POs were processed ranging from $500 to $142,000, and included requests for supplies, professional services, and public works contracts. Chart 1 shows the reduction in administrative workload if the monetary threshold to process purchase orders is increased.

Chart 1

Threshold Increase	$1,500	$2,500
A. Total POs Requested/Processed FY 2014-15 at Current Limit of $500	257	257
B. Reduction of POs Requested/Processed with Proposed Limits	101	155
C. # of POs To Process with Proposed Limits (A - B)	156	102
Administrative workload reduction (B÷A)	**39%**	**60%**

If the requirement for POs is increased to $1,500, the reduction in workload is estimated to be 39%. If the limit is increased to $2,500, the reduction in workload is estimated to be 60%.

Based on the survey scan and the analysis of PO processing, staff recommends the purchasing limits be increased as indicated in Chart 2:

Chart 2

Municipal Code Chapter 3.04 Article 2. Supplies, General Services and Equipment		
CURRENT THRESHOLD LIMITS	***PROPOSED THRESHOLD LIMITS***	***PURCHASING REQUIREMENTS***
No current policy	Less than $500	Requestor receives a verbal/written approval from supervisor, keeps a record of such purchases and exercises reasonable prudence in seeking price quotes and purchasing such items. A requisition is NOT required. ***This is new.*** (§3.04.100.A)
$100-$500	$500 - $1,500	Negotiated, budgeted departmental purchase - attempts to obtain at least 3 oral or written bids or quotes, requires requisition approved by supervisor. No purchase order required by Finance. (§3.04.100.B)
$501-$2,500	$1,501 - $5,000	Negotiated, budgeted departmental purchase - must obtain 3 oral or written bids or quotes, bids or quotes must be attached to purchase order requisition, requires field purchase order approved by department head. (§3.04.100.C). 1% local preference (§3.04.120.B).
$2,501-$25,000	$5,001 - $25,000	Informal bidding - must obtain at least 3 written bids or quotes, requires purchase order requisition signed by department head, bids or quotes must be attached to purchase order requisition, purchase order required and approved by Finance Director if budgeted. (§3.04.100.C). 1% local preference (§3.04.120.B).
$25,000 or more	$25,001 or more	Formal bidding – Approved by Council (§3.04.130). 1% local preference (§3.4.120.B).

Professional Services and Consulting Contracts

Currently the City Manager has authorization to sign Professional Services and consulting contracts up to $10,000. Staff proposes the City Manager signing authority for Professional Services and consulting contracts be increased from $10,000 to $25,000. To date in calendar year 2015, there have been 34 Professional Services contracts brought to City Council for approval. Out of the 34 contracts, 10 would fall in the proposed increased signing authority range. If the proposed increase in City Manager signing authority is increased to $25,000, staff estimates there will be a 29% reduction of required City Council reports for Professional Service and consulting contracts. Staff recommends the Professional Services and consulting contract limits be increased as indicated in Chart 3.

Chart 3

Municipal Code Chapter 3.04 Article 4. Professional Services		
CURRENT THRESHOLD LIMITS	***PROPOSED THRESHOLD LIMITS***	***PURCHASING REQUIREMENTS***
Request for Proposal (RFP) optional, department head responsible for negotiating. (§3.04.330)		
$10,001 or more	$25,000 or less	Approved by City Manager. (§3.04.340)
$10,000 or more	$25,001 or more	Approved by City Council. (§3.04.340)

Increased efficiency and cost-effectiveness would be achieved by reducing the amount of time and administrative expense needed to obtain certain goods and services. It is of significance to note that staff is only proposing threshold increases that would streamline the procurement process for small construction project contracts, professional services, vehicle and equipment purchases, and material/supplies purchases. Increasing the thresholds does not remove the authority of the City Council or the Finance Director to maintain prudent financial controls over purchases, as staff is not recommending any changes to the competitive informal bid or formal procedures as noted above. Those governing procedures would continue to be followed.

Municipal Code Chapter 3.04 Article 3. Public Works Projects

Per Resolution No. 2001-160, the City Council elected to follow the State of California best practice by becoming subject to the Construction Cost Accounting Procedures as established by California Uniform Public Construction Cost Accounting Commission (CUPCCAC). (Public Contract Code, §§ 22000, et seq.) When Resolution No. 2001-160 was adopted, the updated dollar amounts were not reflected in the City's Municipal Code, Chapter 3.04 (formally Chapter 2.92). Chart 4 indicates the update.

Chart 4

Municipal Code Chapter 3.04 Article 3. Public Works Projects		
Resolution 2001-160	*Adopted California Uniform Public Construction Cost Accounting Act (CUPCCAA). See detailed Procedure Manual in Public Works or Finance Department.*	
THRESHOLD LIMITS AS INDICATED IN THE CURRENT MUNICIPAL CODE	***THRESHOLD LIMITS ADOPTED VIA RESOLUTION 2001-160***	***PURCHASING REQUIREMENTS***
$10,000 or less	$45,000 or less	May be performed by 1. Force account (City labor), or 2. Negotiated contract, or 3. Purchase order Requires City Manager approval (§3.04.210.A)
$10,001 or more	$45,001 - $175,000	Informal bidding – 10 calendar day notice mailed to list of qualified contractors and/or trade journals, Council awards to lowest bidder. (§3.04.210.C)
$10,000 or more	$175,001 or more	Formal bidding - plans and bid request approved by Council, 14 calendar day published notice, 15 calendar day electronic notice to trade journals, sealed bids, Council awards to lowest bidder. (§3.04.120.C)

Current Language Review

In addition to proposing an increase in the monetary threshold amounts to streamline the procurement process, the current language in Chapter 3.04 of the municipal code was reviewed. After review, revisions to the municipal code are being proposed to: (1) clarify the definition of "Contract," "Purchase Order," "Requisition," and "Services," (2) reference the relevant provisions for CUPCCAA, (3) add reference to the requirement for a "Bidder's List" for informal bidding procedures, (4) provide electronic notice to potential bidders by electronic mail and/or facsimile, (5) clarify the bid opening procedure, (6) specify the requirement for a labor and material bond for contracts in excess of $25,000, in accordance with California Civil Code Section 9550, (7) clarify the City's procedure in the case of tie bids, and (8) referencing "professional services provider" in place of "contractor" in awarding professional services contracts.

FISCAL IMPACT
None.

RECOMMENDED ACTION
Conduct the first reading of Ordinance No. 2015-____, amending the City's Purchasing System Ordinance, St. Helena Municipal Code, Chapter 3.04, Purchase of Supplies, Equipment and Services and Procedures for Public Works Projects. Specific Amendments Apply to the Following: Article 1 §3.04.010 Purpose Objectives / Scope / Responsibilities, Article 1 §3.04.020 Definitions, Article 2 §3.04.060 Requisitions, Article 2 §3.04.080 Contracts, Article 2 §3.04.100 Bidding procedures for various purchase amounts, Article 2 §3.04.110 Departmental purchases, Article 2 §3.04.120 Informal bid procedure, Article 2 §3.04.130 Formal bid procedure, Article 2 §3.04.150 Cooperative purchasing with other agencies, Article 2 §3.04.170 Emergencies, Article 3 §3.04.200 Uniform construction cost accounting procedures, Article 3 §3.04.210 Bidding procedures for various project amounts, Article 3 §3.04.230 Informal bidding procedures, Article 3 §3.04.240 Formal bidding procedures, Article 3 §3.04.250 Bonds, Article 3 §3.04.300 Prevailing wages, Article 3 §3.04.310 Prequalification of bidders, Article 4 §3.04.320 Award of professional service and consulting contracts based on competence, and Article 4 §3.04.340 Contracting authority. The proposed amendments will increase purchasing limits and add clarifying language and definitions.

ATTACHMENTS
Attachment A - Procurement Policy Comparisons
Attachment B - Proposed Changes to St. Helena Municipal Code Chapter 3.04

Supplies, General Services & Equipment	St. Helena	Calistoga	Yountville	Am. Canyon	Napa	Solano County	Vallejo	Benicia	Dixon	Fairfield	Santa Rosa	Healdsburg
Thresholds												
Negotiated, bugeted departmental purchase, requires requisition aproved by supervisor. No PO.	$100-$500	$1,000 or less	$5,000 or less	Less than $5,000	less than $5,000	less than $5,000	Less than $25,000	Less than $5,000	Less than $2,500	Less than $1,000	Less than $10,000	Less than $1,000
Negotiated, requisition required/PO	$501-$2,500	$1,001-$10,000		$5,000-$10,000		$5,000-$10,000	Less than $25,000	$5,000	$2,500 or less	$1,000-$19,609	$10,000-$50,000	
Informal bidding	$2,501-$25,000	Greater than $10,000 or less than $30,000	Greater than $5,000 to $25,000	$10,001-$25,000	$5,000-$50,000	$10,001-$25,000	Less than $25,000	Between $2,500-$15,000	Greater than $2,500 less than $25,000 (informal bid)	Greater than $19,609	$50,000-$100,000	$1,000-$50,000
Formal Bidding (CC approval)	$25,000 or more	$30,000 or more	Greater than $25,000 to $45,000	$25,000 or more	Greater than $50,000	$25,000 or more	Greater than $100,000	Greater than $15,000 (CC approval required at $25,000	$25,000 or more	Greater than 19,609	Greater than $100,000	Greater than $50,000
City Council/Board approval required at	$25,000 or more	$30,000 or more	Greater than $45,000	Greater than $25,000	Greater than $50,000	Greater than $100,000	Greater than $100,000	Greater than $25,000	Greater than $25,000	Greater than $19,609	Greater than $100,000	Greater than $50,000
Professional Services	**St. Helena**	**Calistoga**	**Yountville**	**Am. Canyon**	**Napa**	**Solano County**	**Vallejo**	**Benicia**	**Dixon**	**Fairfield**	**Santa Rosa**	**Healdsburg**
Thresholds												
Negotiated, no bidding, RFP optional (City Manager approval)	$10,000 or less	Greater than $10,000 or less than $30,000 (Informal bid, CM approval)	Up to and including $45,000	Less than $10,000 Department Head Approval; $10,000 to $50,000 CM approval	$25,000 or less		Less than $100,000	$50,000 or less	$25,000 or less	$50,000 or less	$100,000 or less	$50,000 - $150,000
Negotiated, no bidding, RFP optional (City Council approval)	$10,001 or more	$30,000 or more (Formal Bidding)	Greater than $45,000	Greater than $50,000 Formal Bidding)	Greater than $25,000		Greater than $100,000	Greater than $50,000	Greater than $25,000	Greater than $50,000	Greater than $100,000	Greater than $150,000
City Council/Board approval required at	$10,000 or more	$30,000 or more	Greater than $45,000	Greater than $50,000	Greater than $25,000	Greater than $50,000	Greater than $100,000	Greater than $50,000	Greater than $25,000	Greater than $50,000	Greater than $100,000	Greater than $150,000

CITY OF ST. HELENA

ORDINANCE NO. ______

AMENDING CHAPTER 3.04 OF THE ST. HELENA MUNICIPAL CODE TO REVISE AND ENHANCE THE CITY'S REGULATIONS PROVIDING PURCHASE OF SUPPLIES, EQUIPMENT AND SERVICES AND PROCEDURES FOR PUBLIC WORKS PROJECTS.

The City Council of the City of St. Helena does hereby ordain as follows:

SECTION 1. Amendment of Chapter 3.04. Chapter 3.04 of Title 3 of the St. Helena Municipal Code is hereby amended to read in its entirety as shown on Exhibit A, attached hereto and incorporated herein by reference.

SECTION 2. Compliance with CEQA. The City Council hereby finds that the action to adopt this Ordinance to amend Chapter 3.04 of the St. Helena Municipal Code is not a Project subject to, and also is exempt from, the provisions of the California Environmental Quality Act (Public Resources Code Section 21000, et seq.) (CEQA) because the City Council hereby finds that it can be seen with certainty that there is no possibility the adoption and implementation of this Ordinance may have a significant effect on the environment, and the Ordinance is exempt from CEQA pursuant to CEQA Guidelines Sections 15061(b)(1), 15061(b)(2), and 15061(b)(3).

SECTION 3. Severability. The City Council hereby declares every section, paragraph, sentence, cause and phrase is severable. If any section, paragraph, sentence, clause or phrase of this ordinance is for any reason found to be invalid or unconstitutional, such invalidity, or unconstitutionality shall not affect the validity or constitutionality of the remaining sections, paragraphs, sentences, clauses or phrases.

SECTION 4: Inclusion in the St. Helena Municipal Code. It is the intention of the St. Helena City Council that the text in Exhibit A of this ordinance be made a part of the St. Helena Municipal Code and that the text may be renumbered or relettered and the word "Ordinance" may be changed to "Section," "Chapter," or such other appropriate word or phrase to accomplish this intention.

SECTION 5: Effective Date. This ordinance shall take effect and be in force 30 days after its adoption, and a summary of this ordinance shall be published once with the names of the members of the Council voting for and against the ordinance in the St. Helena Star, a newspaper of general circulation published in the city of St. Helena.

THE FOREGOING ORDINANCE was introduced at a regular meeting of the St. Helena City Council on the th day of 2015, and was adopted at a regular meeting of the St. Helena City Council on the th day of , 2015, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

____

____

____

Alan Galbraith, Mayor

ATTEST:

____

CITY OF ST. HELENA

____

Cindy Black, City Clerk

I, CINDY BLACK, CITY CLERK of the City of St. Helena, California, do hereby certify that the foregoing Ordinance was regularly introduced and placed upon its first reading at a regular meeting of the City Council on the th day of , 2015. That thereafter said Ordinance was duly adopted and passed at a regular meeting of the City Council on the th day of , 20 by the following vote:

AYES: ______

NOES: __________

ABSENT: ____

ABSTAIN:

____

Cindy Black, City Clerk

APPROVED AS TO FORM:

____

Thomas B. Brown, City Attorney

EXHIBIT A

Chapter 3.04

PURCHASE OF SUPPLIES, EQUIPMENT AND SERVICES, AND PROCEDURES FOR PUBLIC WORKS PROJECTS

Article 1

Generally

Sections:

Article 2

Supplies, General Services and Equipment

Sections:

Article 3

Public Works Projects

Sections:

Article 4

Professional Services

Sections:

Article 1

Generally

3.04.010 Purpose ~~and~~ ~~o~~/ Objectives / Scope / Responsibilities.

The purpose of this chapter is to establish an efficient procedure for the purchase of supplies, equipment, and services, and to establish a procedure for performing or contracting for the construction of public works consistent with state law. These procedures are intended to allow the city to obtain the best professional services, to acquire quality supplies, general services and equipment, to construct public works at the lowest possible cost commensurate with quality needed, and to exercise positive financial control over purchases and also to define authority for the purchasing function. (Ord. 01-14 (part): prior code § 2.90.010) These procedures apply to all city employees. These procedures apply to all purchases of supplies, equipment and services, including purchases made online or over the phone. Employees are responsible for reading and understanding the requirements of this chapter.

3.04.020 Definitions.

As used in this chapter:

"Bidder's list" means a list of responsible prospective vendors capable of providing the items being bid upon.

"Contract" means an agreement, regardless of how titled, for the procurement of supplies, equipment or services, including without limitation a verbal or written agreement between the City and a contractor, the City and a service provider, and/or the City and a vendor.

"Emergency" means a sudden, unexpected occurrence that poses a clear and eminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services.

"Equipment" means furnishings, machinery, vehicles, rolling stock, and other personal property used in the city's business.

"General services" are services such as janitorial, uniform cleaning, maintenance work and other services which do not require any unique skill, special background, or training. Obtaining such services at the lowest cost is the single most important factor in selection, as opposed to personal performance.

"Maintenance work" means:

1. Routine, recurring, and usual work for the cleaning, preservation or protection of any publicly owned or publicly operated facility for its intended purposes;

2. Minor repainting;

3. Resurfacing of streets and highways at less than one inch;

4. Landscape maintenance, including mowing, watering, trimming, pruning, planting, replacement of plants, and servicing of irrigation and sprinkler systems;

5. Work performed to keep, operate, and maintain publicly owned water or waste disposal systems including, but not limited to, dams and reservoirs.

"Professional or special services" means any work performed by an attorney, doctor, architect, engineer, land surveyor, construction manager, appraiser, expert, accounting firm, planner, consultant or those services such as computer services, and other services which require special performance criteria, specific experience, training, personal judgement, quality of work or factors other than simply obtaining the service at the lowest cost to the city.

"Public work" means a type of public construction project subject to the regulation of the State Public Contract Code, such as:

1. The erection, construction of, alteration, major painting, repair, or demolition of public buildings, streets, walkways, water and sewer facilities, drainage facilities, or other public facilities, whether owned, leased, or operated by the city;

2. Furnishing supplies ~~or materials~~ for any of the above works or projects;

3. Public work does not include "maintenance work" as defined in this chapter.

"Purchase" includes the renting, leasing, purchasing, licensing, or a trade of equipment or supplies.

"Purchasing officer" means the finance director or his or her designated representative.

"Purchase Order" is a written contract for equipment, supplies, or services with a specified consultant, contractor, or vendor and is initiated by a purchase order requisition. A purchase order submitted by an authorized person becomes a legally binding contract. It can stand alone or include attachments for clarification purposes. A purchase order encumbers the specified amounts to provide specified equipment, supplies, services, and/or fixed assets. Regular purchasers may be paid through a one-time payment of an amount up to the purchase order amount at the conclusion of performance (delivery of supplies, services, etc.), and/or incremental (progress) payments as provided in the contract for each time items are purchased.

"Requisition" is a request to authorize the acquisition of equipment, supplies or services from a specified consultant, contractor, or vendor.

"Services" means the furnishing of labor, time or effort to perform or complete a designated task.

"Special equipment/supplies" means unique supplies, machinery, computers, or other equipment which are not generally and regularly ordered in bulk by the city and which must perform complex tasks, or integrate efficiently with existing equipment or supplies.

"Supplies" means office supplies, janitorial supplies, materials, goods, tools, or other commodities used in the general conduct of the city's business, excepting supplies for a public work which is regulated under municipal code section 3.04.210.

~~the Public Contracts Code Sections 20160, et seq.~~

"Uniform construction cost accounting procedures" means those procedures and rules established by the State Uniform Construction Cost Accounting Commission pursuant to the Public Contracts Code Sections ~~22010~~22030, et seq.,. (Ord. 01-14 (part): prior code § 2.90.020)

3.04.030 Staging prohibited.

Purchases and public works contracts shall not be knowingly staged or separated into smaller units or segments solely for the purpose of evading the competitive formal or informal bidding requirements of this chapter. (Ord. 01-14 (part): prior code § 2.90.030)

3.04.040 Appeals.

Any dispute, contention, or disagreement relative to interpretation, application or enforcement of this chapter shall be submitted to the city council for determination in accordance with the appeal provisions of Chapter 1.16 of this code. (Ord. 01-14 (part): prior code § 2.90.040)

Article 2
Supplies, General Services and Equipment

3.04.050 Purchasing officer—Powers and duties.

The duties of the purchasing officer may be combined with those duties of any other officer or position in the city. The purchasing officer shall have the authority to:

A. Purchase needed city supplies, general services, equipment and special equipment/supplies which are not included within the construction contract or proposed specifications for a construction contract of a public work being administered by any other city department;

B. Investigate, keep knowledgeable about, negotiate, and recommend on the execution of contracts or the purchasing of supplies, general services, and equipment pursuant to the procedures of this chapter and such administrative rules and regulations as prescribed by the city;

C. To keep informed of current developments concerning purchasing, prices, market conditions, and new products;

D. To prescribe and maintain such forms as necessary for the proper operation of this purchasing system;

E. To supervise the inspection of all supplies, general services, and equipment purchased under this chapter in order to assure conformance with city specifications;

F. To supervise the transfer of surplus and unused supplies and equipment or sale or disposal of such;

G. To maintain up-to-date bidders' list, vendors' catalogs, files and such other records as needed to perform these duties;

H. To ensure that purchasing specifications are open and non-restrictive to encourage full competition; and

I. To perform such other tasks as may be necessary for the proper conduct of purchasing of supplies, general services, and equipment. (Ord. 01-14 (part): prior code § 2.91.010)

3.04.060 Requisitions.

Except as authorized under Section 3.04.100(A), any department requesting supplies, general services, equipment, or special equipment/supplies shall submit to the ~~department head~~immediate supervisor a requisition on the purchasing officer's approved form prior to initiating any procurement. (Ord. 01-14 (part): prior code § 2.91.020)

3.04.070 Purchase orders.

Except for departmental purchases as authorized in Section 3.04.100(A), purchases of supplies, general services, most special equipment/supplies and general equipment not covered within a construction contract or public works specification, may be made only by purchase orders issued by the purchasing officer and any other contractual document he or she determines is necessary. (Ord. 01-14 (part): prior code § 2.91.030)

3.04.080 Contracts.

The purchasing officer does not have the authority to sign contracts, nor to bind the city contractually. Contracts may only be entered into by the city manager. (Ord. 01-14 (part): prior code § 2.91.040). Subject to Section 3.04.340 Contracts may only be entered into by the city manager, contracts in excess of city manager authority require city council approval, without which such contract is not valid.

3.04.090 Encumbrance of funds.

Except in case of an emergency or where specific authority is first obtained from the city council or the city manager, the purchasing officer shall not issue any purchase order for purchasing of supplies, general services or equipment unless there exists an unencumbered appropriation in the fund account against which the purchase is to be charged. (Ord. 01-14 (part): prior code § 2.91.050)

3.04.100 Bidding procedures for various purchase amounts.

Except as authorized in Sections 3.04.140 and 3.04.150, or in the case of emergencies as described in Section 3.04.170, the purchase of supplies, general services, equipment and special equipment/supplies, not included in a construction contract or bid specification for a public work, shall be made as follows:

A. A purchase of five hundred dollars ($500.00) or less may be made by departmental purchase in accordance with Section 3.04.110.

B. A purchase greater than five hundred dollars ($500.00) to one thousand five hundred dollars ($1,500.00) may be made by departmental purchase in accordance with Section 3.04.110.

C. A purchase greater than ~~five~~ one thousand five hundred dollars ($1,500.00) to twenty-five thousand dollars ($25,000.00) may be made by an informal bid procedure in accordance with Section 3.04.120.

~~C~~D. A purchase of more than twenty-five thousand dollars ($25,000.00) shall be made by formal bid procedure in accordance with Section 3.04.130. (Ord. 01-14 (part): prior code § 2.91.060)

3.04.110 Departmental purchases.

A department may, independently of the purchase officer, purchase specified and limited supplies, equipment, special equipment/supplies and general services not included in a construction contract or bid specification for a public work, ~~independently of the purchase officer of a value~~ as follows:

A. Purchases of five hundred dollars ($500.00) or less, requestor receives a verbal/written approval from supervisor, keeps a record of such purchases and exercises reasons~~i~~able prudence in seeking price quotes and purchasing such items. All purchases shall be made with funds in an unencumbered appropriation. (Ord. 01-14 (part): prior code § 2.91.070)

~~A.~~B. Purchases greater than five hundred dollars ($500.00) to one thousand five hundred dollars ($1,500.00), requestor receives a verbal/written approval from supervisor, ~~not to exceed five hundred dollars ($500.00),~~ attempt to obtain at least 3 oral or written bids or quotes, requires requisition approved by supervisor, ~~provided such~~ department keeps a record of such purchases and exercises reasonable prudence in seeking price quotes and purchasing such items. All such purchases shall be made with funds in an unencumbered appropriation. (Ord. 01-14 (part): prior code § 2.91.070)

3.04.120 Informal bid procedure.

The purchase of supplies, equipment, special equipment/supplies and general services not included in a construction contract or bid specification for a public work with the estimated value greater than ~~five~~ one thousand five hundred dollars ($1,500.00), but not exceeding twenty five thousand dollars ($25,000.00), shall be made by a ~~purchase~~ Purchase ~~order~~ Order as required by this chapter. Said purchases, subject to ~~, which at~~ the department head's discretion, based upon a small amount, or urgent need and timeliness, may be let without the formal bidding procedures described in Section 3.04.130. In such case, the following procedures shall be followed:

A. Solicitation of Bids. If it is determined that the request is of a sufficient size and time allows, the purchasing officer or designee, before issuing the purchase order to a specific contractor/vendor, shall: for purchases greater than one thousand five hundred dollars ($1,500.00) to five thousand dollars ($5,000.00) ~~attempt to~~must obtain at least three oral or written bids or price quotes; ~~,~~ for purchases greater than five thousand dollars ($5,000.00) to twenty-five thousand dollars ($25,000.00) shall obtain at least three written bids or price quotes. ~~and T~~The purchasing officer or designee may negotiate to obtain the lowest possible contract amount from any vendor contacted who can provide supplies, general service, or equipment within the time constraints of the department's request. The purchasing officer or designee may solicit or determine bids of prospective vendors by written request, telephone, or may base award recommendations upon current catalogs or advertisements.

B. Local Preference. Quality and service being equal, a local preference of one percent shall be given to local bidders located within the city, the difference being the sales tax the city would receive on the sale in the case of vendors.

C. Maintenance of Records. After placing the order, a written record of the contract, bids, quotes or advertisements used or received shall be open public records and maintained by the purchasing officer or the department for a period of two years.

D. Award. The purchasing officer or designee shall award the ~~purchase~~ contract to the lowest responsive and responsible bidder, vendor or ~~offerer~~offeror whose quote, bid, or proposal fulfills the purpose intended, provided the amount is within the unencumbered appropriation for that item, or reject such bids or proposals, or negotiate further for ~~more acceptable~~ terms more favorable to the city. (Ord. 01-14 (part): prior code § 2.91.080)

3.04.130 Formal bid procedure.

For supplies, equipment, special equipment/supplies and general services not included in a construction contract or bid specification for a public work with an estimated value in excess of twenty-five thousand dollars ($25,000.00), purchases shall be made in accordance with the following formal written bid procedures:

A. Published Notices. A notice inviting bids shall be published at least ten (10) calendar days before the date of the opening of bids. The notice shall be published at least once in a newspaper of general circulation printed and published in the city, and also in appropriate trade publications, if any, circulated within the general area. Such other notice as the purchasing officer or designee deems appropriate shall be made.

B. Notices Inviting Bids. Notices inviting bids shall include a general description of the goods, articles, services or equipment to be purchased, any required bidder's security or performance bonds, state where bid blanks and specifications may be secured and the time and place for the opening of bids.

C. Bidder's List. The purchasing officer or designee shall maintain a list of responsible bidders for various categories of supplies, equipment, and general services. A solicitation for a bid shall be sent to all responsible prospective contractors or suppliers whose names are on the bidder's list for the category of equipment, supplies or general services subject to the bid request.

D. Bidder's Security/Failure to Sign Contract. If the city requires a bidder's bond or other form of security, the bidder's security shall be prescribed in the notice inviting bids in an amount equal to ten percent (10%) of the ~~amount~~ bid amount. Bidder's security shall be either a cash deposit with the city, a cashier's or certified check, payable to the city, or a bidder's bond. Unsuccessful bidders shall be entitled to the return of bid security within sixty (60) days of the date of the award. However, the lowest responsive and responsible bidder shall forfeit all or part of its bid security, as may be determined by the city council, upon the bidder's refusal or failure to execute the contract within ten (10) days after the date of the award of the contract. On the refusal or failure of the lowest responsive and responsible bidder to execute the contract, the council may award the contract to the next lowest responsive, responsible bidder.

E. Bid Opening Procedure. Sealed bids shall be submitted to the city clerk's office and shall be identified as to bidder, project, and "Bid" on the envelope. Bids shall be opened by city staff in public at the time and place stated and as described in the notice inviting bids. A written record and tabulation shall be made at that time of all bids received, and shall be open for public inspection during regular business hours for a period of two years after the bid opening.

F. Local Preference. Quality and service being equal, a local preference of one percent shall be given to local bidders located within the city, the difference being the sales tax the city would receive on the sale in the case of vendors.

G. Bid Evaluation Procedures. All bids and bidders shall be analyzed by purchasing officer or designee and the responsible department for bidder's qualifications and compliance with bid specifications. The purchasing officer or designee shall prepare a recommendation to the department for award or rejection; the department shall then prepare a recommendation for award or rejection to the city council.

H. Rejection of Bids. In its discretion, the city council may reject all bids and readvertise. ~~If the city council determines that bids are excessively high or that specifications were unclear, or i~~If no bids are received, the city council may proceed with the procurement without further complying with this chapter ~~reject all bids presented and~~ using ~~use~~ whatever method it deems appropriate, such as rebid, abandon acquisition, or negotiate a contract.

I. Award of Contracts. Contracts shall be awarded by the city council to the lowest responsive and responsible bidder whose bid fulfills the purpose intended according to criteria designated in the solicitation, provided the award amount is within the unencumbered appropriation for that item. The city council may waive any minor bid irregularities.

J. Tie Bids. If two or more bids received are for the same total amount or unit price, quality and service being equal, and if the public interest will not permit the delay of readvertising for bids, the council may accept either bid or accept the lowest bid made by negotiation with the tied bidders.

K. Performance Bonds. The city may require a performance bond in such amount as it shall find reasonably necessary to protect the public interest. If the city requires a performance bond, the form and amount of the bond shall be described in the notice inviting bids. (Ord. 01-14 (part): prior code § 2.91.090)

3.04.140 Special equipment/supplies; sole source purchases; and bid exceptions.

A. Special Equipment/Supplies. In purchasing any special equipment or supplies needed to be compatible with existing equipment, or to perform complex or unique functions, the purchasing officer or department head may:

1. Limit bidding to a specific product type, or a brand name product; or

2. Utilize a request for proposal approach where warranties, servicing obligations, and product performance will be evaluated in addition to the price of the product, and the award of the contract is made by the council to the proposer it deems is in the best public interest.

B. Sole Source Purchases. Commodities or services that can be obtained from only one vendor, or one distributor authorized to sell in this area, are exempt from the competitive bidding requirements in Section 3.04.100 and are deemed sole source purchases. Sole source purchases may include proprietary items sold direct from the manufacturer. All sole source purchases shall be supported by written documentation indicating the facts and nature supporting the determination of a sole source, signed by the appropriate department head and forwarded to the purchasing officer. Approval of any sole source acquisition shall be obtained from the city council for an award of a contract or purchase order greater than twenty-five thousand dollars ($25,000.00).

C. Bid Exceptions. The competitive bid process is not applicable to certain purchases. The following are exempt from bid processes of this chapter:

1. Departmental purchases, as defined in Section 3.04.110;

2. Subscriptions;

3. Trade circulars or books;

4. Newspaper advertisements and notices;

5. Utility payments;

6. Land.

(Ord. 01-14 (part): prior code § 2.91.100)

3.04.150 Cooperative purchasing with other agencies.

The bidding requirements of Section 3.04.100 shall not apply to the purchasing of any equipment or supplies which the purchasing officer decides to obtain through a cooperative competitive bidding procedure prepared by and processed through another public, local, state, or federal governmental agency. If it is determined to be in the best interest of the city, the purchasing officer is authorized to "piggy-back" onto or join into an existing written purchase contract, which contract was obtained within the last twelve (12) months through a competitive bidding process prepared by and awarded by another public, local, state or federal government agency. However, the city council's ~~consent~~ approval shall be required prior to and for the joining of a "piggy-back" purchase or cooperative purchase for a purchase greater than twenty-five thousand dollars ($25,000.00). (Ord. 01-14 (part): prior code § 2.91.110)

3.04.160 Recycled supply products specification.

If in procuring supplies a recycled product can achieve the necessary city performance standard, and if such recycled product is readily available, specifications should, if economically feasible, require products made with recycled materials be bid. If the department head determines that: (1) a recycled product lacks performance capabilities or needed quality levels; or (2) a sufficient amount of such recycled or reusable product is not currently available in the market, then a reduced percentage can be required, or the supply specification can be limited to nonrecycled or virgin materials. When recycled products are required, reasonable efforts shall be made to label the products as containing recycled materials. As used in this section, recycled products does not mean used products, but is limited to new products made with materials which have been recycled. (Ord. 01-14 (part): prior code § 2.91.120)

3.04.170 Emergencies.

Bidding procedures may be dispensed with in the case of an emergency. The city council delegates to the city manager the authority to declare a public emergency and enter into contracts for any purchase in accordance with section 3.04.340. The city manager's authority is subject to confirmation by the city council at~~s~~ its next meeting for any purchase in excess of twenty-five thousand dollars ($25,000.00). (Ord. 01-14 (part): prior code § 2.91.130)

3.04.180 Surplus supplies and equipment.

All departments shall submit to the purchasing officer, at such times and in such forms as he or she may prescribe, reports showing all supplies and equipment which are no longer used or which have become obsolete or worn out. The purchasing officer may direct that the designated supplies or equipment be:

A. Transferred to another city department or agency;

B. Exchanged or traded in on new supplies and equipment; or

C. Disposed of in some other suitable manner, which may include sale at auction or deposit at a landfill. (Ord. 01-14 (part): prior code § 2.91.140)

3.04.190 Inspection and tests.

The purchasing officer or designee or department requesting the item shall inspect all deliveries of supplies and equipment to assure conformance with the contract or order specifications. The purchasing officer or designee, at his or her discretion, may require such reasonable chemical and physical tests of samples of supplies and equipment as he or she deems necessary to determine the quality in conformance with those specifications. (Ord. 01-14 (part): prior code § 2.91.150)

Article 3
Public Works Projects

3.04.200 Uniform construction cost accounting procedures.

The city council has elected to become subject to the Uniform Public Construction Cost Accounting Act and ~~Procedures~~ procedures as established by the California Uniform Construction Cost Accounting Commission in Public Contract Code Section 22000, et seq.. (Ord. 01-14 (part): prior code § 2.92.010)

3.04.210 Bidding procedures for various project amounts.

A. A public work project of ~~twenty~~forty-five thousand dollars ($~~25~~45,000.00) or less may be performed by city force account, by negotiated contract, or by purchase order.

B. A public work project greater than ~~twenty~~forty-five thousand dollars ($~~25~~45,000.00) and less than or equal to one hundred seventy-five thousand dollars ($~~100~~175,000.00) may be let to contract by informal bid procedures.

C. A public work project of more than one hundred seventy-five thousand dollars ($~~100~~175,000) shall, except as otherwise provided in this chapter, be let to contract by formal bidding procedure.

The described project costs limits of subsections (A) through (C) of this section shall be increased automatically as authorized pursuant to the adjustments made by the California Uniform Construction Cost Accounting Commission under Public Contracts Code Section 22034~~20, when in conflice the latest CUCCAC bid limitations shall govern~~. (Ord. 01-14 (part): prior code § 2.92.020)

3.04.220 Negotiate contract or purchase order procedures.

For those projects qualifying under Section 3.04.210(A), the applicable department head shall obtain a cost estimate from the project engineer or architect prior to issuing a purchase order or negotiating a contract with a responsible contractor. For any city force account work, the department head shall first comply with the guidelines established by the California Uniform Construction Cost Accounting Commission in determining the cost of the public work. The city manager shall have the authority to award and to execute any contract for the public work qualifying under Section 3.04.210(A). (Ord. 01-14 (part): prior code § 2.92.030)

3.04.230 Informal bidding procedures.

For those projects which qualify under Section 3.04.210(B) for informal bidding, the following procedures shall be used:

A. Bidder's List. The city shall maintain a list of qualified contractors, identified according to categories of work. Minimum criteria for development and maintenance of the contractors' list shall be consistent with the Uniform Public Construction Cost Accounting Act~~State Uniform Construction Cost Accounting~~ rules.

B. Notice. The city clerk shall prepare a notice inviting bids.

1. Contents of Notice. The notice inviting bids shall include a general description of the services and/or articles to be purchased, where bid blanks and specifications may be obtained, the time and place for bid openings, and whether bid deposit or bond and faithful performance bond will be required.

2. Mailing of Notice. Unless the product or service is proprietary, all contractors on the city's list for the category of work being bid shall be mailed a notice inviting informal bids, or an announcement/advertisement shall be placed in all construction trade journals, or both such mailing and advertising. The trade journals shall be those identified by the California Uniform Construction Cost Accounting Commission as appropriate for this area, in accordance with California Public Contract Code Section 22036.

3. Ten-day Notice. Notices inviting informal bids shall be posted at the city hall and mailed at least ten (10) calendar days before the due date of submission of bids to all firms or suppliers on the bidder's list for the category of equipment, supplies, or general services being bid and to such other vendors as the public works director deems appropriate.

4. Proprietary Products or Services. If the product or service is proprietary in nature such that it can be obtained only from a certain contractor or contractors, the notice inviting bids may be sent exclusively to such contractor or contractors.

C. Award. The city council shall award the contract to the lowest responsive and responsible bidder whose bid or proposal fulfills the purpose intended according to criteria designated in the solicitation. The council may waive any minor bid irregularities.

D. Bids in Excess of Statutory Amount. If all bids received are in excess of one hundred seventy-five thousand dollars ($~~100~~175,000.00), the city council may by passage of a resolution by a four-fifths vote, award the contract up to one hundred eighty-seven ~~ten~~ thousand five hundred dollars

($~~110~~185,~~000~~500.00) to the lowest responsible bidder if it determines the cost estimate of the city was reasonable. (Ord. 01-14 (part): prior code § 2.92.040)

3.04.240 Formal bidding procedures.

For those projects which qualify under Section 3.04.210(C) for formal bidding, the following procedures shall be used:

A. Adoption of Plans. Prior to soliciting bids, the city council shall approve and adopt the plans, specifications and working details, and authorize the bid request for all public work projects in excess of one hundred seventy-five thousand dollars ($~~100~~175,000.00).

B. Notice. The city clerk shall prepare a notice inviting bids.

1. Contents of Notice. The notice inviting bids shall state the time and place for the receiving and opening of sealed bids and distinctly describe the project.

2. Publication of Notice. The notice shall be published at least once fourteen (14) calendar days before the date of opening the bids in a newspaper of general circulation, which is circulated within the jurisdiction of the city.

3. Mailing of Notice. The notice inviting formal bids shall also be sent electronically, if available, by either facsimile or electronic mail and ~~-~~mailed to all construction trade journals specified by the California Uniform Construction Cost Accounting Commission as appropriate for the area. The notice shall be mailed at least ~~thirty~~ fifteen (15~~30~~) calendar days before the date of opening the bids.

4. Other Notice. In addition to notice required by this section, the city may give other notice as it deems proper.

C. Bid Opening Procedure. Sealed bids shall be submitted to the city clerk's office and shall be identified as to bidder, project and bid on the envelope. Bids shall be opened by the city clerk's staff in public at the time and place stated and as described in the notice inviting bids. A written record and tabulation shall be made at that time of all bids received, and shall be open for public inspection during regular business hours for a period of two years after the bid opening. The public works director shall make an analysis of the bids for compliance with bid specifications and thereafter make a recommendation for award or rejection.&&

D. Award. Contracts shall be awarded by the city council to the lowest responsive and responsible bidder whose bid fulfills the purpose intended, according to criteria designated in the solicitation. The council may waive minor bid irregularities. (Ord. 01-14 (part): prior code § 2.92.050)

3.04.250 Bonds.

A. The city shall require ~~performance, bid and/or~~ labor and materials bonds for projects in excess of $25,000 in accordance with California Civil Code Section 9550, as may be amended from time to time. The city council may require bid security or bid bonds and/or performance bonds from an acceptable surety in such amounts as it finds reasonably necessary to protect the public interest. If the city requires a bond, the form and amount of the bond shall be described in the notice inviting bids.

B. Unsuccessful bidders shall be entitled to the return of bid security within sixty (60) days of the date of the award. However, the lowest responsive and responsible bidder shall forfeit all or part of its bid security, as may be determined by the council, upon the bidder's refusal or failure to execute the contract within ten (10) days after the date of the award of the contract. On the refusal or failure of the lowest responsive and responsible bidder to execute the contract, the city council may award the contract to the next lowest responsible bidder. (Ord. 01-14 (part): prior code § 2.92.060)

3.04.260 No bids received.

If no bids are received through the formal or informal procedure, the project may be performed by city employees by force account or by negotiated contract without further complying with this chapter. (Ord. 01-14 (part): prior code § 2.92.070)

3.04.270 Tie bids.

If two or more bids received are for the same total amount or unit price, quality and service being equal, and if the public interest will not permit the delay of readvertising for bids, the city council may accept either bid or accept the lowest bid made by negotiation with the tied bidders. (Ord. 01-14 (part): prior code § 2.92.080)

3.04.280 Rejection of bids.

In its discretion, the council may reject any bids presented. If after the first invitation of bids all bids are rejected, the city shall state the reasons for the rejection and after reevaluating its cost estimates of the project, the city shall have the option of any of the following:

A. Abandoning the project;

B. Readvertising for bids in the manner described in this chapter; or

C. By passage of a resolution by a four-fifths vote of the council declaring that the project can be performed more economically by city employees, may have the project done by force account without further complying with this chapter. (Ord. 01-14 (part): prior code § 2.92.090)

3.04.290 Emergencies.

A. In cases of emergency as defined in this chapter, the city, pursuant to a four-fifths vote of the council may proceed at once to replace or repair any public facility, take any directly related and immediate action required by that emergency, and procure the necessary equipment, services, and supplies for those purposes, without adopting plans, specifications, working details, or giving notice for bids to provide contracts. The work may be done by day labor under the direction of the council, by contractor, or by a combination of the two.

B. The city manager may order any action under this section subject to the provisions of California Public Contract Code Section 22050. (Ord. 01-14 (part): prior code § 2.92.100)

3.04.300 Prevailing wages required.

Public works contracts are subject to prevailing wage requirements as set forth in Labor Code sections 1720, et seq., ~~and following,~~ as ~~they~~ may be amended from time to time. (Ord. 01-14 (part): prior code § 2.92.110)

3.04.310 Pre-qualification of bidders.

Prospective bidders on a public works contract may be required to be pre-qualified in accordance with procedures adopted by city council resolution, subject to the provisions of California Public Contract Code Section 20101. (Ord. 01-14 (part): prior code § 2.92.120)

Article 4
Professional Services

3.04.320 Award of professional service contracts based upon competence.

In contracting for those professional services as defined in Section 3.04.020, contracts should only be awarded to firms or persons who have demonstrated an adequate level of experience, competence, staffing and other professional qualifications necessary for more than a satisfactory performance of the services required. Once the department requesting the service has determined a firm has an adequate level of competence, the cost of the service may be considered. However, the lowest cost may not be the sole factor in deciding which firm or ~~whom~~who shall be awarded the contract. It may be in the city's best interest to award the contract to a higher priced professional services provider ~~contractor~~ based on the scope of services available, unique skills, staffing levels, timing, prior experience, past working relationship and other factors required by the department or proposed by that professional services provider~~contractor~~. The information needed for determining that level of competence, other qualifications and the procedure for selecting such services shall be determined by each city department responsible for recommending the professional service contract. (Ord. 01-14 (part): prior code § 2.93.010)

3.04.330 Request for proposal/qualification.

The acquiring of professional services shall be procured through negotiated contract and may include requests for proposals/qualifications. Contracting for professional services is decentralized and shall be the responsibility of the department head requesting the service. (Ord. 01-14 (part): prior code § 2.93.020)

3.04.340 Contracting authority.

The city manager shall approve professional service or consulting contracts up to and including ~~ten~~ twenty-five thousand dollars ($~~10~~25,000.00). The city council shall approve professional service or consulting contracts greater than ~~ten~~ twenty-five thousand dollars ($~~10~~25,000.00). (Ord. 01-14 (part): prior code § 2.93.030)

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Report to the City Council
Council Meeting of November 24, 2015

Agenda Section: **New Business**

Subject: **Determine Acceptance of Electric Vehicle (EV) Charger Grant from Bay Climate Action Plan (BayCAP), Authorize City Manager to Execute Agreement and Appropriate Up to $14,000 in General Fund Reserves for Additional Installation Costs**

CEQA Status: **Installations of the EV Chargers are Categorically Exempt from CEQA under Section 15303 (Class 3 Categorical Exemption) and Exempt from NEPA under 23 CFR 771.117(c) at Either Location.**

Prepared By: **April Mitts, Finance Director**
Tracey Perkosky, Grants Manager

Approved By: **Jennifer Phillips, City Manager**

BACKGROUND

In January 2014, the City of St. Helena joined other cities in Northern California as part of the Bay Climate Action Plan (BayCAP) program who submitted an application to the California Energy Commission (CEC) for a grant to procure and install level II Electric Vehicle (EV) chargers. The grant would pay for the charger, valued at approximately $1,500, and $3,000 of installation costs. The City selected two locations: adjacent the proposed new restroom in the Oak Avenue parking lot and near the diagonal parking spaces on Railroad Avenue.

In December 2014, the City received a grant agreement from BayCAP to move forward with the project. However due to staff turnover, the grant review did not begin until July 29, 2015. During this review it was determined that the Railroad Avenue site was not located on City-owned land, and therefore a new location had to be selected.

In October 2015, staff solicited feedback from the Sustainability Committee on alternate locations for the second charger. The Committee recommended Jacob Meily Park and City Hall/Lyman Park parking lot. The grant project manager came to Saint Helena on October 21, 2015 to determine additional city costs for installation. Site visits were made to Meily Park, City Hall/Lyman Park plus two additional sites of Crane Park and the Library parking lot. It was determined that all four of these sites will cost the City $10,000 each for installation. Staff sought additional information on the City Hall/Lyman Park site which would utilize electricity from the Fire Station. This location is projected to cost $14,500 for the charger, subpanel, conduit, trenching, saw cutting and landscaping. The grant covers $4,500 of this cost, leaving the City responsible for $10,000. This cost is not budgeted.

The Oak Avenue parking lot location is contingent on the restroom construction being complete. This is because the electric lines will be installed as part of the construction and out-of-order installation may cause the construction cost to rise or the EV charger to be damaged. However, this location will also incur $4,000 of additional installation costs. This is for a subpanel, circuit breakers, PVC conduit, sawcutting, asphalt patch and a concrete pad. This $4,000 cost is also not budgeted.

All EV charger installations require the purchase of ChargePoint services for maintenance, software upgrades, and transaction fees. The required annual fee is $230 per port. There are two ports per charger, and with two chargers the annual fee is $920. The optional maintenance plan is $800 annually ($200 per port). The optional extended warranty is $1,320 ($660 per charger) annually after the second year. The maintenance costs are covered by the grant in the first year, then reduced by half the second year. The first and second years will cost $920 for both locations. The third year will cost $3,040 with the extended warranty and $1,720 without the warranty.

Based on upon usage, these costs may be defrayed by fees paid by the user. Fees are between $1.00 and $1.50 per hour. If the usage is high enough, the $660 will be covered by user fees; if usage is lower, the City will pay for these costs. This cost will also cover the electricity cost to charge the vehicle. The $1.00 to $1.50 per hour cost is limited under the grant agreement.

All EV charger installations must be completed by June 30, 2016, which is the end of the grant agreement. If the restroom project is under construction by this date, it may be possible for BayCAP to get an extension to complete the installation. However this is unlikely.

The City must commit to participating in this grant by November 30, 2015.

DISCUSSION

There is great benefit to the installation of EV chargers within St. Helena as they will encourage residents and visitors who need to charge their vehicle to stay for an hour or two and enjoy the parks, library, restaurants and shops downtown. However, this grant requires the City to pay for substantial installation costs and is limited to utilizing the ChargePoint system. The unbudgeted installation fees for the two locations is $14,000.

ChargePoint offers software upgrades and technical support to charging station owners and sends a check of the usage fees monthly. Usage rates can be customized and detailed reports are available. There are more than 25,000 ChargePoint stations nationwide, so it is a familiar company to EV owners. However, EV drivers must pre-register to use these stations and receive a coded keyfob to access the stations. The City will pay an annual fee for the life of the charging station.

There are several hurdles to the completion of this grant. One is the additional, unbudgeted installation costs of up to $14,000. These may be allocated from the General Fund Reserves. The second challenge is the timeline for the completion of the Oak Avenue restroom which is currently projected to be late autumn 2016. The EV charger will be installed during the final phase of construction, and therefore will be beyond the project deadline of June 30, 2016. Staff has explored installing the charging station prior to construction however the charger would have to be relocated during the construction of the restroom, adding additional cost. Staff also inquired about taking delivery of the charger prior to June 30, 2016, and installing it when the construction was completed; but that was not approved. It is possible that a project extension could be granted to allow for the restroom completion however that is unlikely.

If this grant award is declined, an EV charger can still be installed in the Oak Avenue parking lot. Additional grants are available that also help defray the cost of the charging unit and a small amount of the installation costs. Plus, staff has carefully evaluated the restroom budget and there is funding in the construction budget to install an EV charger. This would also allow the City to select which EV charger brand is best suited for our needs and not be locked into the ChargePoint system.

FISCAL IMPACT

The fiscal impact will vary based on the option chosen. For Option 1, the impact will be up to $4,000 for procurement and installation of an EV charger which is currently available as part of the restroom construction budget. Any ongoing fees for maintenance, software, transactions will be determined in the future.

For Option 2, the impact will be up to $14,000 for installation costs and $920 ChargePoint fees for the first two years and up to $3,040 annually thereafter. A portion of the fees may come from cost recovery of EV drivers. The $14,000 will come from the General Fund Reserve.

RECOMMENDED ACTION

Option 1:

This recommendation is to decline the grant award due to the high installation costs and strong likelihood of being unable to meet the installation deadline due to the restroom construction project. The Oak Avenue parking lot charger will be installed using existing funds or another grant.

Option 2:
This recommendation is to accept the award for one or both locations, authorize the City Manager to execute a finalized agreement, and allocate up to $14,000 from the Assigned General Fund Reserve to capital projects account 713-5030-2130.

ATTACHMENTS
Draft Approval to Proceed Agreement between City of Saint Helena CEVA/California EV Alliance

Attachment

ABM Building Value | CEVA / California EV Alliance | chargepoint

Bay Area Charge Ahead Project 2 – Approval to Proceed

Installation of Level 2 EV Supply Equipment (EVSE)

Date	November 24, 2015
Site Host Entity	City of St Helena
Address of Site Host Entity	1480 Main Street, St Helena CA 94574
Primary Contact Name & Title	Tracey Perkosky, Grants Manager
Primary Contact Phone	(707) 968-2627
Primary Contact Email	tperkosky@cityofsthelena.org
Authorizing Official Name & Title	Jennifer Phillips, City Manager
Authorizing Official Phone	(707) 968-2792
Authorizing Official E-mail	jphillips@cityofsthelena.org

I. Project Summary

The Bay Area Charge Ahead Project 2 (BayCAP2) is a multi-jurisdictional project led by the California EV Alliance (CEVA) to procure and install Level 2 Electric Vehicle Supply Equipment (EVSE) – a.k.a., EV chargers – in specified locations throughout the greater Bay Area. The project is funded by the California Energy Commission (CEC) via the PON-13-606 solicitation award approved on May 14, 2014. Upon completion, the Bay Area Charge Ahead 2 project will install a total of 38 dual port Level 2 chargers, for a total of 74 Level 2 charge ports, including **__2__ charging stations (with a total of _4_ charge ports)** located in the **City of St Helena.**

II. Purpose of this Approval to Proceed

This document provides the approval for ABM to ship and install the CEC-funded Level 2 charging stations at the approved addresses identified by the Site Host; and identifies for each of the relevant parties (the California EV Alliance, the Site Host, ABM, and ChargePoint) the roles, responsibilities, terms, and conditions for installation, maintenance, and operation of the charging stations.

III. Partner Roles

1. **The California EV Alliance (CEVA)** – a California nonprofit corporation, is the awardee of California Energy Commission grant support. CEVA will provide overall project management services, including contract oversight, fiscal administration, and reporting to the CEC. CEVA has contracted with ABM for charging installation services, and with the Bay Area Climate Collaborative for project management support.
2. **Site Hosts:** Site hosts for the EV charging stations in the BayCAP2 project include the cities of Benicia, Berkeley, Fremont, Hayward, St. Helena, Yountville, Petaluma, San Leandro, the Napa

County Transportation and Planning Authority, and Barker Pacific (a commercial property owner located in the Hamilton Landing area of Novato.)

3. **ABM**, a national leader in EV infrastructure and energy management services, will provide installation, commissioning, and maintenance services for the project charging stations, and will provide a portion of the required matching funds.
4. **ChargePoint** – a leading charging equipment manufacturer – will provide Level 2 networked chargers and network operating services, including payment processing, cloud-based charge station information services, and software upgrades.
5. **The Site Host Entity** will:
   A. **Complete required CEQA documentation** specified by the California Energy Commission (CEC).

   B. **Provide access to charge station locations in their jurisdiction** designated in the PON-13-606 application (or a suitable alternative in the event that the original site is deemed infeasible to install.)

   C. **Provide all necessary permits for the project**

   D. **Collaboratively identify the most appropriate location for the chargers within the designated site**, taking into account convenience for both the EV driver and other users of the facility, visibility, accessibility, and installation cost. (Please note that site cost guidelines are highlighted below in the Siting Requirements and Scope of Work sections.) In the event that a location preferred by the Site Host cannot be installed by ABM within the project budget, a new site will be selected which is responsive to the Siting Guidelines indicated below. The California EV Alliance will assist the parties in coming to consensus on final siting as needed.

   E. **Provide charging station signage (per the requirements defined below) and striping (where needed to clearly designate the space for EV use).** A minimum of one sign per EVSE-equipped parking space is required by the California Energy Commission and CEVA, which shall indicate that the space is "reserved for EV charging." The relevant signage must comply with the Manual on Uniform Traffic Control Devices (MUTCD) and California Vehicle Codes (CVC), ensuring that signs are high enough, easily visible, and provide clear and accurate information on parking and charging policies.

   F. **Provide adequate electrical capacity** and any other items deemed necessary to complete the EVSE installation that are otherwise excluded from the standard ABM installation services as specified in the Siting Requirements and Scope of Work sections of this Agreement. Any such items or services, if needed, will be further specified in this agreement (following the joint site inspection by ABM and the Site Host). Additional items (if any) to be provided for by the Site Host shall be summarized in Exhibit C. Items (if any) that are contracted for with ABM for an additional fee are summarized in the form of a work order in Exhibit B, subject to the terms listed in Exhibit B.

   G. **Oversee installation with ABM**, and assign an administrative contact authorized to set up the ChargePoint online station management account before the stations are activated.

   H. **Contract with ChargePoint to provide charge station network operating services** during the 2014-2016 project performance period – as defined in the attached Master Software Services Agreement ("MSSA") and in fulfillment of CEC local match requirements affirmed in the Site Host Letter of Participation included as part of the CEC PON-13-606 grant submittal. The ChargePoint MSSA needs to be "accepted" online as part of the EV station activation process after payment is made. As a reference, a copy of the ChargePoint MSSA is attached as Exhibit E of this document.

I. **Maintain public accessibility for all chargers** on a 24/7 basis.

J. **Maintain stations in good operating condition** during the 2014-2016 project operating period.

K. **Provide adequate insurance** per CEC requirements.

L. **Operate the chargers in compliance with a *Site Host Pricing Policy*** that meets grant requirements defined in the California EV Alliance response to PON-13-606 and summarized herein.

IV. Siting Requirements

ABM will install Level 2 ChargePoint charging stations at the designated sites identified through collaboration between the Site Host and ABM. In the event that these sites are deemed by ABM to be cost-prohibitive, or pose other obstacles to effective installation, maintenance, or operation, a new site will be identified that meets the selection criteria identified by the CEC and by the California EV Alliance (CEVA), and which is mutually satisfactory to the Site Host, CEC, CEVA, and ABM. Alternatively, the Site Host may choose to perform or contract additional services as outlined below in Section V/Additional Services:

- **Location**: Select a high-demand, high-visibility location that conforms to CEC criteria for safety, ease of access/ingress, shelter, lighting, and ADA access.
- **Electricity**: Select a location where AC Level 2 (240V/40A) electrical supply is or can be made available with relative ease and minimal cost. (Note that the average cost of installation is projected at a market value of approximately $4500 per site, which will limit panel upgrades and conduit runs.) More cost details are available in the ABM Scope of Work (Section V below).
- **Equipment Protection**: EV chargers should be placed where they can be best protected from physical damage by such measures as curbs, wheel stops, setbacks, bumper guards, and concrete-filled steel bollards, while simultaneously taking into consideration ease of access to the charger, mobility of users, and foot traffic in the area.
- **Public Safety**: Chargers should be located in areas with proper ventilation and away from potential hazards including traffic, explosive materials, flammable vapors, liquids and gases, combustible dust or fibers, materials that ignite spontaneously on contact with air, flood-prone areas, and areas that might be prone to vandalism.
- **Duration of Use**: AC Level 2 charger sites should focus on locations where PEV owners will be parked for significant, though shorter, periods of time (e.g., one to six hours).
- **Shelter**: When possible, choose locations with nearby shelter to protect users from weather when connecting their vehicle to the charger. (However, chargers are designed to be safely operated in exposed locations in the rain, with no danger of electrical shock.)
- **Accessibility**: To the extent feasible, EV charger locations within a site will be accessible in accordance with the draft Governor's Office of Planning & Research guidelines on ADA access.
- **Security:** Locations should be selected that are secure for users at all times of day and night and relatively secure from vandalism (e.g., in well-lighted, well-traveled areas.)
- **Cell Coverage:** Chargers require cell phone signals for networked operation and repeaters may be installed to provide signals if the site does not have coverage.

If no qualifying site is identified within the Site Host jurisdiction that satisfies the requirements of all parties, then the California EV Alliance, with the concurrence of the California Energy Commission, may propose a new site in another jurisdiction.

V. ABM Scope of Work

Under contract with the California EV Alliance, ABM will provide the following installation and related services at designated Site Host locations:

- Turn-key EVSE installation project management
- Delivery, installation and activation of ChargePoint stations
- Site analysis, station placement recommendation (in collaboration with Site Hosts), engineering, and installation management
- Quarterly maintenance (see description herein)
- ChargePoint warranty support
- Provide proper insurance and liability coverage information to Site Hosts as per standard contractor requirements.
    - ABM shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by ABM, its agents, representatives, or employees, as indicated:

A. Minimum Scope of Insurance. Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).
2. Insurance Services Office form number CA 0001 (Ed. 1/87) covering Automobile Liability, code 1 (any auto).
3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

B. Minimum Limits of Insurance. ABM shall maintain limits no less than:

1. General Liability: $2,000,000 per occurrence for bodily injury, personal injury and property damage including operations, products and completed operations, as applicable. If Commercial General Liability Insurance or other form with a General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability: $2,000,000 per accident for bodily injury and property damage.
3. Employer's Liability: $2,000,000 per accident for bodily injury or disease.

C. Professional Liability Insurance. When ABM under this Agreement is duly licensed under California Business and Professions Code as an architect, landscape architect, professional engineer, or land surveyor ("design professional"), ABM shall maintain at least $2,000,000 of professional liability insurance.

D. Excess Limits. If ABM maintains higher limits than the minimums shown above, City of St. Helena requires and shall be entitled to coverage for the higher limits maintained by ABM. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City of St. Helena.

E. Primary Coverage. For any claims related to this contract ABM's insurance coverage shall be primary insurance as respects to City, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, or volunteers shall be excess of ABM's insurance and shall not contribute with it.

F. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions of $25,000 or greater must be declared to and approved by the City of St. Helena.

G. Other Insurance Provisions. The commercial general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:
   1. The City of St. Helena, its agent, officers, officials, employees, and volunteers are to be covered as additional insured as respects: liability arising out of work or operations performed by ABM or ABM's subconsultants; or automobile owned, leased, hired or borrowed by ABM.
   2. For any claims related to ABM's conduct while performing the work of this project, ABM's insurance coverage shall be primary insurance as respects the City of St. Helena, its agents, officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the City, its agents, officers, officials, employees or volunteers shall be excess of ABM's insurance and shall not contribute with it.
   3. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be cancelled by either party, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City of St. Helena.
   4. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subsection (b) of Section 2782 of the Civil Code.

ABM installation services funded by the BayCAP2 program will be provided within the parameters outlined below for each Site Host. All chargers in the program are ChargePoint dual-port Level 2 stations (see illustration below). Station configuration and installation profile options are listed below:

- **Wall-Mount vs. Pedestal-Mount Configurations:** ChargePoint CT4023 Wall-Mount OR CT4021 Bollard-Mount units will be provided as appropriate to siting circumstances. Please note that the "bollard-mount" units are also interchangeably referred to as "pedestal mount." These units are NOT to be confused with *protective bollards,* which are separate devices such as a metal or concrete pole or blocking device, which may be installed separately to prevent damage to the charging station.
- **"Gateway" vs. "Drone" Charging Station Models:** Each ChargePoint CT 4000 series model is available as either: a) a "Gateway" unit, which includes the internal cellular communications equipment to connect to the public network; or, b) as a "Drone" unit that wirelessly communicates to the Gateway when installed within appropriate proximity and line-of-site locations. Multiple Drone units are typically added near one Gateway unit to form a multi-station charging group or array. Note that slight variations in the maximum length of conduit indicated in the scenarios below (Options 1-3) may be accommodated in limited situations at the sole discretion of ABM and CEVA. Standard installation options include:
- **Installation Profile Option #1: Surface Mount Installation**

Install Pedestal ("Bollard") or Wall-Mounted dual charging station on existing concrete with anchors. Two (2) 40 Amp Standard Circuit Breakers will be provided and installed in existing electrical panel with available space and amperage. Two (2) 60 Amp Disconnects will serve as local disconnecting means. A maximum of eighty (80) feet of ¾" Electrical Metallic Tubing (EMT) surface mount conduit and wire will be provided and installed.

- **Installation Profile Option #2: Underground Installation**

Install Pedestal ("Bollard") dual charging station on new concrete base. One (1) new concrete base will be constructed per charger. Two (2) 40 amp standard circuit breakers will be provided and installed in existing electrical panel with available space and amperage. Two (2) 60 Amp Disconnects will serve as local power disconnecting means. A maximum of forty-five (45) feet of underground trenching in planter and ¾" PVC underground conduit and wire will be provided and installed from existing electrical panel to new concrete base.

- **Installation Profile Option #3: Partial Surface and Underground Installation**

Install Pedestal ("Bollard") dual charging station on new concrete base. One (1) new concrete base will be constructed. Two (2) 40 amp standard circuit breakers will be provided and installed in existing electrical panel with available space and amperage. Two (2) 60 Amp Disconnects will serve as local disconnecting means. A maximum of forty (40) feet of ¾" EMT surface mount conduit and wire will be provided and installed onto the existing structure with straps in surface mounted configuration -- and a maximum of up to twenty-five (25) feet of underground trenching will be provided in planter and ¾" PVC underground conduit and wire will be installed from structure to new concrete base of EVSE.

ChargePoint 4000 Series Charging Stations

- **Additional ABM or Site Host Provided Services**

a) The Site Host may also opt to self-perform additional scope beyond Installation Profile Option #1, #2, or #3. This additional scope, if needed, is referenced as Exhibit C of this document.

b) If upon the site survey conducted by ABM, it is determined that there is additional required work beyond the scope detailed in Installation Profile Options #1, #2, or #3 above, ABM will provide an additional estimate for costs to complete the EVSE installation. These proposals, if desired, will be added as Exhibit B to this Agreement, while Site Host approval is included as Exhibit A of this document.

c) In the event that the Site Host's site does not have sufficient electrical infrastructure to support the addition of EV charging infrastructure, ABM may offer options or potential solutions that would help reduce or balance current electrical loads within a facility. Some options are designed to free up electrical capacity while others are designed to minimize peak load spikes and their resulting demand fees. Any such solutions will be implemented only upon Site Host approval.

d) In the case of additional services by either party, ABM will cooperate with the Site Host to coordinate satisfactory completion of the installation of the EVSE pursuant to the requirements of the project.

- **ABM Exclusions and Qualifications**

  Unless specifically noted otherwise:

  a) Electrical design work to accommodate non-standard configurations is excluded and will be charged as additional as required, with agreement of Site Host.

  b) Electrical permit, plan check fees, and utility charges are excluded and must be paid by Site Host where required.

  c) Pricing is based on existing electrical system having adequate physical space and amperage available.

  d) Excludes any underground work such as excavating, concrete or asphalt cutting and patching.

  e) Excludes cellular signal booster for equipment without adequate cellular connection.

  f) Excludes concrete coring of walls, floor, ceiling of building or parking structures

  g) Excludes x-ray or radar detection of concealed obstacles within a concrete slab in either a post tension slab or rebar supported slab.

  h) Excludes protective barriers i.e. post barriers (bollards) or wheel stops.

  i) Excludes pull boxes or intermediate junction boxes for primary electrical feeds to EV chargers or any low voltage or signal wiring.

  j) Excludes landscape repair or restoration.

  k) Excludes any cosmetic enhancements such as paint or parking lot striping.

  l) Excludes any parking lot, access ramp or access path re-configuration or leveling that may be required to create ADA accessible spaces.

VI. ABM Warranty, Installation Services, and Limitations

- **Warranty:** ABM labor and construction material are under warranty for one year after installation; all new work is done to local NEC code requirements. ABM is not responsible for the condition or capacity of the existing electrical systems. ABM is not responsible for any vandalism that occurs during or after the installation of materials. The cost of City permits and electrical engineering and engineered drawings (if applicable) are not included as part of the CEC-funded installation, although regular construction drawings are included. The CEC prohibits use of its funds for permitting. Local site hosts must cover permit costs.

- **Signal Boosting Equipment:** At times, signal boosting antennae may be required for the wireless features of ChargePoint EV charging stations to function properly. Due to the nature of wireless signals, possible interference, line of sight obstructions, etc., one or more antennae could be needed. During the original site visit, ABM will make efforts to determine the need for signal boosting equipment, and will provide such equipment to the extent feasible within the overall project cost framework. However, it is possible that supplementary signal boosting equipment may be needed in the future. If the need should arise, or if the cost exceeds what is feasible within the CEC grant cost parameters, a proposal can be provided for signal boosting equipment.

- **ADA and Accessibility Requirements:** All ADA requirements determined by municipal or state agencies are the responsibility of the Site Host. ABM is responsible for the installation of the electrical system(s) necessary to the specific scope outlined for the EV chargers specified. It does not include surface modifications, striping removal, re-striping, etc. that may be necessary to comply with ADA or Accessibility Requirements. Also, any material changes to the electrical scope caused by ADA or Accessibility requirements are considered as additional to ABM services provided through CEC funding. The guidelines to be followed are the draft "Plug-In Electric Vehicles: Universal Charging Access Guidelines and Best Practices" published by the State of California, Governor's Office of Planning and Research, at: http://opr.ca.gov/docs/PEV_Access_Guidelines.pdf. In the event that the state issues new guidelines prior to installation, the new guidelines will be used to define ADA requirements.

- **Wheel Stops and Bollards:** Reasonable measures will be taken to install stations in a safe location set back to avoid contact from vehicles. As noted above, protective bollards and wheel stops are not included in the standard ABM work scope. If additional protection is desired or required by the City, bollards or wheel stops can be procured and installed with the city's own resources or a proposal can be provided by ABM.

VII. ABM Terms and Conditions

A. **INDEMNIFICATION.** ABM will defend, indemnify and save harmless the Site Host, its officers, agents and employees from any and all claims, demands, damages, costs, expenses (including attorney's fees), judgments or liabilities arising out of this Agreement or occasioned by the performance or attempted performance of the provisions hereof; including, but not limited to, any act or omission to act on ABM's part, or that of ABM's agents or employees or other independent contractors directly responsible to ABM, but only to the extent same are caused by the negligence, misconduct, or fault of ABM, ABM's agents or employees or other independent contractors directly responsible to ABM. ABM shall notify both the Site Host's Designee and Purchasing immediately in the event of any accident or injury arising out of or in connection with this Contract.

B. **CONSEQUENTIAL DAMAGES.** UNDER NO CIRCUMSTANCES, WHETHER ARISING IN CONTRACT, TORT (INCLUDING NEGLIGENCE), EQUITY OR OTHERWISE, WILL CONTRACTOR BE RESPONSIBLE FOR LOSS OF USE, LOSS OF PROFIT, INCREASED OPERATING OR MAINTENANCE EXPENSES, CLAIMS OF SITE HOST'S TENANTS OR CLIENTS, OR ANY SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES.

C. **Contractor Access to Site:** The Site Host shall permit ABM ("Contractor"), free and timely access to areas and equipment, and allow Contractor to start and stop the equipment as necessary to perform required services. All planned work under this Agreement will be performed during Contractor's normal working hours.

D. **Workmanship & Warranty:** Contractor warrants that the workmanship hereunder shall be free from defects for one year from date of installation. If any replacement part or item of equipment proves defective, Contractor will extend to Customer the benefits of any warranty Contractor has received from the manufacturer. Removal and reinstallation of any equipment or materials repaired or replaced not under a manufacturer's warranty will be at Customer's expense and at the rates then in effect.

E. **Alteration to Scope of Work:** Any alteration to, or deviation from, the scope of work in this Agreement involving extra work, cost of material or labor will become an extra charge (fixed-price amount or on a time-and-material basis at Contractor's rates then in effect) over the sum stated in this Agreement.

F. **Liability for Delay:** Contractor shall not be liable for any delay, loss, damage, or detention caused by unavailability of machinery, equipment or materials, delay of carriers, strikes, including those by Contractor's employees, lockouts, civil or military authority, priority regulations, insurrection or riot, action of the elements, forces of nature, or by any cause beyond its control.

G. **OSHA Provisions:** Site Host shall make available to Contractor's personnel all pertinent Material Safety Data Sheets (MSDS) pursuant to OSHA's Hazard Communication Standard Regulations.

H. **Toxic and Hazardous Substances:** Site Host's obligation under this proposal; and any subsequent contract does not include the identification, abatement or removal of asbestos or any other toxic or hazardous substances, hazardous wastes or hazardous materials. In the event such substances, wastes, or materials are encountered, Contractor's sole obligation will be to notify the Site Host of their existence. Contractor shall have the right thereafter to suspend its work until such substances, wastes, or materials and the resultant hazards are removed. The time for completion of the work shall be extended to the extent caused by the suspension and the contract price equitably adjusted.

VIII. ABM Preventive Maintenance Program and Funding

The California Energy Commission requires that applications for funding under PON-13-603 "must include a maintenance plan for continued reliable operation and unforeseen breakdowns of the electric vehicle supply equipment." (Application Guidelines, p. 9) To fulfill this requirement, the California EV Alliance has negotiated a maintenance plan with ABM to cover Site Host charging stations for a two-year period following their installation. (Note that the formal term of the CEC project is anticipated to be from the date of execution of the CEC contract with the California EV Alliance through June 30, 2016.) To cover Year 1 of the project period, ABM will donate (as local match) the entire value of the maintenance plan based on its Manufacturers' Suggested Retail Price (MSRP), which is $200 per charge port for the year. In Year 2, ABM will discount the Plan by 50%, providing $100 per charge port as match, while CEC funds will provide the balance of $100 per port to ensure continuity of maintenance across all charging stations in the Project. The following chart outlines the funding commitments of ABM and the CEC:

BayCAP2 Maintenance Plan: Discount Pricing in Program Years 1 - 2					
Program Year	Annual MSRP Maintenance Plan (per Charge Port for quarterly inspection)	ABM Local Match (50% discount for BayCAP Quarterly Plan)	Site Host Contribution	CEC Funding	% Discount to Site Host
Year 1	$200	$200	$0	$0	100%
Year 2	$200	$100	$0	$100	100%

ABM Maintenance Scope of Work

- **Software Monitoring:** ABM will monitor on a daily basis the ChargePoint network software to detect failure modes and promptly address the problem, either through software adjustments or dispatch of a technician to the site, if authorized by the site host.
- **Software Upgrades:** ABM will work with ChargePoint to ensure rapid and seamless deployment of software upgrades.
- **Monitoring and re-programming of pricing:** ABM will assist Site Hosts in monitoring (and re-programming as necessary) their pricing approach to EV parking and charging services.

- **Monitor and report key EVSE data:** ABM will monitor and report key EVSE utilization data, including charge session frequency, length, energy utilization, and payment history.
- **Quarterly On-site Maintenance Scope of Work:** An ABM technician will visit Site Host locations in person on a quarterly basis to undertake the following maintenance activities:
    - **Maintain equipment finishes:** ABM will clean the display, head and pedestal/base unit with ABM Green Care cleanser and microfiber cloth; inspect and clean cord and J-1772 receptacle, apply cable protective Green Care coating, and clean aluminum and plastic parts with microfiber cloths and Green Care cleansers. (Note that ABM Green Care products are LEED certified for green maintenance processes.)
    - **Activate "ChargePoint" session** and perform visual inspection of electrical components and initiate the charging station self-test processes. Minor repairs and recalibration can often be done on site while technician is performing service to eliminate return trips and minimize down time of the equipment.
- **ChargePoint warranty repair work:** Charging station warranty related repair work will be processed through ChargePoint if such repairs are the responsibility of the manufacturer.
- **Non-Warranty work – option of pre-authorized work:** All non-warranty work such as vandalism repair or damage to EVSE equipment shall be estimated prior to repairs. At the option of the Site Host, this work could be immediately addressed under a "Not To Exceed" threshold of $750.00 (or other amount) pre-approved by the site host. If authorized, ABM will perform work on a time and materials basis. Any agreement for pre-authorized repairs (if so desired) will be executed by ABM and the Site Host independently of this Authorization to Proceed.

IX. Network Services Fees

The ChargePoint network services fee is $230 per year per port, and covers software upgrades, station programming, cellular connections, and 24/7 driver support. THE TWO-YEAR NETWORK SERVICES FEE MUST BE PAID IN FULL PRIOR TO THE COMMISSIONING OF CHARGING STATIONS. ABM will invoice the Site Host on behalf of ChargePoint, and shall provide proof of Site Host payment within 30 days to the California EV Alliance in fulfillment of CEC project reporting requirements.

X. ChargePoint One Year Warranty and Optional Extended Warranty

The first year ChargePoint warranty is included free with all charging stations included in the Project. An optional extended warranty covers one or two additional years (parts only) for $660 per Charging Station per year. ChargePoint equipment warranty details are provided in Exhibit D of this document. If a Site Host wishes to extend the ChargePoint warranty, it must be specified at the time of equipment order and paid within 30 days.

XI. Site Host Pricing Policy Requirements

The California Energy Commission requires Site Hosts to implement a plan to optimize the use of the charging site to allow multiple EVs to use the charging equipment during a typical day, and to prohibit utilization of a charging station "beyond a reasonable period of time." In alignment with this goal, the Site Host shall implement the Pricing Plan identified in their Letter of Participation included in response to the CEC solicitation PON-13-603. The standard (default) Plan developed for all BayCAP project participants calls for the following elements to be administered by the Site Host. (Note that variations from this Plan may be acceptable, but must be approved by the California EV Alliance and included as part of this Notice to Proceed.)

A. **Fee-Based Charging:** Site hosts shall set charging rates between $1.00 and $1.50 per hour for use of the charger. This may or may not include separate charges for parking per the jurisdiction's usual parking policies. Fees may be calculated based on duration of stay, energy consumed (kWh), or a combination of the two.

B. **Graduated Pricing Based on Duration of Stay:** Site hosts shall raise the fee for occupying the EVSE-equipped space by a sufficient increment to encourage turnover of the space and thus greater availability and utilization (in charging mode) for EV drivers. It is recommended that this approach be implemented after approximately four hours of charging at the lower cost rate – particularly in cases where utilization rates are observed to be very high (70% or more) and available alternative charging facilities are limited. Site hosts may also consider a lower evening or weekend rate for EVs (similar to most existing parking policies) to encourage responsible off-peak use. (In particular, lots proximate to multi-unit residential buildings could provide a lower-cost overnight rate with a higher daytime rate that incentivizes overnight EVSE users to make way for daytime visitors and commuters.)

C. **EVSE Revenue and Cost Monitoring:** Pricing strategies should be reviewed on a semi-annual basis to ensure that expenses for sustaining charger operations are covered to the maximum extent feasible and appropriate. In most cases, fees for charger operations set in the $1/hr. range (or equivalent kWh) should be adequate to cover energy costs, transaction fees, the ChargePoint network services fee, and (beginning with Year 3 of the Project) the (optional) continuation of the ABM Maintenance Plan. In rare cases where the charger is not yet being well-utilized, there may be a modest operating subsidy required.

XII. Disposition of Equipment: Charging stations and related equipment installed by ABM at Host Sites are considered to be the property of the Site Host upon delivery at the Site. Per CEC Terms and Conditions, the Site Host shall use the equipment in the project for which it was acquired as long as needed, and the Site Host shall not encumber the property without CEC approval. When no longer needed for the original project or program, the Site Host shall contact the California Energy Commission for disposition instructions.

Exhibit A: Summary of Equipment and Services Provided Under This Agreement

CITY OF ST HELENA Summary of Charging Station Installation Agreements for ChargePoint (CPI) Charging Stations and ChargePoint Network Services and ABM Maintenance Services	
Description	**Cost**
A. Total Quantity and Type of Charging Stations ___ ChargePoint CT 4023-GW1 "Gateway" dual port Level 2 Charging Station(s) (wall-mounted) _2__ ChargePoint CT 4021-GW1 "Gateway" dual port Level 2 Charging Station(s) (pedestal mounted) ____ ChargePoint CT 4023 "drone" dual port Level 2 Charging Station(s) (wall-mounted) ___ ChargePoint CT 4021 "drone" dual port Level 2 Charging Station(s) (pedestal-mounted) TOTAL: __2__ChargePoint CT 4000 Charging Stations providing a total of __6___ Charging Ports See http://www.chargepoint.com/files/CT4000-Data-Sheet.pdf for complete product specs and details.	Paid by CEC with CPI discount as local match
B. Location of Charging Stations (Please summarize Site and Charger information below -- adding space if needed) **Site Host Address #1:** (include facility name/ if any, street address, city, and zip code): Adjacent Restroom at Oak Avenue Parking Lot, Oak Ave, St Helena CA 94574 **Station Location Description #1** (location on lot where EVSE is to be installed): **Location #1** **ChargePoint Units to be Installed at this Site** (# of units and model #, see following page for model info): **1 CT4021 Gateway** **Other Site Information** (provided by ABM and Site Host following Site Inspection): **Site Host Address #2**: (include facility name/ if any, street address, city, and zip code): City Hall/Lyman Park Parking Lot, behind 1480 Main St, St Helena CA 94574 **Station Location Description #2:** **Location #2** **ChargePoint Units to be Installed at this Site (# and model):** **1 CT4021 Gateway** **Other Site Information:**	

C. <u>Required</u> Two-Year ChargePoint Network Services Agreement: **($230 per port x 2 years x total number of ports = total price)** ▪ Payment for the ChargePoint agreement must be made direct to ABM via the process described below. ▪ Following receipt of payment by ABM, a ChargePoint user ID, temporary password, and URL for the user log-in page will be sent via e-mail to the designated Administrator at the Host Site. ▪ To complete the ChargePoint network services activation, the Site Host Administrator must log-in at the designated URL, provide the registration information requested, and acknowledge and accept the ChargePoint Master Software Services Agreement ("MSSA"). This process must be completed <u>before</u> stations can be utilized. *Exhibit E of this document includes a sample ChargePoint MSSA.* ▪ If the Site Host is unable to enter into the MSSA agreement via the ChargePoint website, please request a hard copy contract from Ken Sapp at ABM -- <u>ken.sapp@abm.com</u> or (949) 330-1542.	**$1,840**
D. <u>Included</u> Two-Year ABM Cleaning and Maintenance Service ($200 per year per charge port – included as local match)	**Paid by ABM**
E. Optional: 2nd or 2nd/3rd Year ChargePoint Extended Warranty (parts only): **(# of Charging <u>Stations</u> x $660 per year x # of years = total price.) Note** that the warranty is priced on the basis of charging <u>stations</u> rather than charging ports, i.e., a dual port charging <u>station</u> is $660/year.	**OPTIONAL**
F. Additional (optional) installation or equipment upgrades specified in Exhibit B below (including parts and services):	**TBD**
Total Costs Paid by Site Host (sum of Sections C, E, and F above):	**TBD**

Billing Information

Billing Contact Name: <u>April Mitts, Finance Director</u> Phone: <u>(707) 967-2792</u>

E-mail: <u>finance@cityofsthelena.org</u>

Authorization: We instruct **ABM Electrical Power Solutions, LLC** or subsidiaries to proceed with scheduling and performing the work described in the attached proposal.

Proposed date to begin work: <u>June 2016</u>

Host Entity Name (for billing and payment purposes): <u>City of St. Helena</u>

Amount: (Insert "total costs paid by site host" itemized above):______________________

Payment will be made to ABM by: (check one option below)

____ **Company check** before project start date: Check number: ____________________

__x__ **Purchase or Service order:** P.O. Number: ____________________

____ **Credit or Debit card:** ___Visa ___Master Other: ______________________

Card Number: ____

Billing Address: ____

<u>Exhibit B: Optional Additional Infrastructure Services Provided by ABM</u>

Sample Additional Electrical Upgrade & Installation Infrastructure Services
(to be customized by ABM and Site Host)

▪ **Install ______ Wheel Stop(s)**	▪ **J - Box Qty ________**
▪ **Install ______ Protective Bollard(s)**	▪ **Trenching ________ ft**
▪ **Transformer ________ KVA**	▪ **Concrete Cut/Patch ________ ft**
▪ **Wall Core Qty ________**	▪ **Asphalt Cut/Patch ________ ft**
▪ **Floor Core Qty ________**	▪ **Landscape Repair ________ ft**

Description of Work to be Performed: ____

Subpanel installation, conduit/wire, saw cutting, trenching and asphalt at both sites (this will be more detailed

In final agreement)

Materials List: ____

Materials $: ______________________

Labor $: ______________________

Tax $: ______________________

Total $: 14,000

Note: All work performed to local and NEC requirements by California State Certified Electricians.

ABM Electrical Power Services, LLC (ABEPS) Terms and Conditions
The following items are in addition to Section VII – ABM Terms and Conditions within this BayCAP Approval to Proceed document. Authorization to proceed with the work outlined in this quotation shall constitute Site Host ("Buyer's") acceptance of these terms and conditions in full. Oral authorizations to proceed must be confirmed to ABMEPS in writing (Fax or e-mail) within 24 hours. If there is a conflict or discrepancy between terms and conditions in the Buyer's purchase authorization and this quotation, this quotation shall prevail unless specifically authorized, in writing, by ABM Electrical Power Services, LLC

Terms of Payment: **1.** Terms are net thirty (30) days. Any invoice not paid within thirty (30) days from the date of invoice will be subject to a service charge equal to the lesser of One and One-half percent (1.5%) per month on account balances or the maximum percentage permitted by law. **2.** At ABMEPS's option, customers may be invoiced on a monthly basis for services provided over more than one month. **3.** All pricing and payment terms contained herein are contingent upon a favorable Credit Report for the customer/client to whom this quotation is provided. Upon receipt of a less than favorable credit report ABMEPS reserves the right to withdraw this proposal, modify the pricing, or require payment when services are rendered, or advance payment of the total job quotation before providing services. **4.** For material purchases in excess of $50,000, ABMEPS reserves the option to invoice 50% of the total at the time of material order and the remaining 50% at the time of material delivery. **5.** Customer agrees to pay ABMEPS, to the extent permitted by applicable law, all costs and expenses, including but not limited to reasonable attorney's fees, incurred by ABMEPS in connection with any collection activities or actions to collect unpaid invoices under this quotation.

Delays: ABMEPS shall not be liable for delays or performance resulting from causes beyond its reasonable control, acts of God, acts or omissions of Buyer, fire, strike or other labor difficulty. Should there be a delay, the date of delivery or performance shall be extended.

Cancellation: Notice of cancellation of services to be performed must be received thirty-six (36) hours prior to the agreed upon date and time. Unless such notification is provided, charges will be incurred. These charges will be ABMEPS's cost plus ten percent (10%) and will include any rental equipment for the Project.

Responsibility: All services are performed in accordance with industry standards, project specifications and/or NETA specifications. Where remediation is beyond the scope of normal reliability testing, and where corrective action is required, such services will be quoted separately.

Assignment: ABMEPS reserves the right to assign this project in part or in total to an affiliated entity.

Termination: An order may be terminated only by mutual written agreement between Buyer and ABMEPS and only upon payment of costs and expenses already incurred by ABMEPS

Safety: ABMEPS agrees to comply with all applicable federal, state, local, National Electric Codes and project safety rules and regulations. ABMEPS reserves the right not to perform work that in its opinion violates OSHA Electrical Safety-Related Work Practices; Final Rule or other safety rules and regulations.

Standby Time: When ABMEPS service personnel are on the job site but unable to perform services requested because of circumstances beyond ABMEPS control, the customer may be charged standby time at the applicable rate for each such ABMEPS service person (up to a maximum of eight (8) hours per day per person).

Warranties: All material and equipment delivered and/or installed will be the products of reputable manufacturers. ABMEPS MAKES NO WARRANTY, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE WHICH ARE HEREBY EXPRESSLY EXCLUDED, CONCERNING MATERIAL AND EQUIPMENT MANUFACTURED BY OTHERS. ABMEPS sells and delivers all materials and equipment not manufactured by it "AS IS," but ABMEPS will use its best reasonable efforts to obtain from the manufacturer, in accordance with the manufacturer's customary practices, the repair or replacement of any material or equipment which may prove defective in workmanship or material. The foregoing shall be the exclusive remedy of Buyer and the sole obligation of ABEPS with respect to material and equipment manufactured by others. Further, ABEPS warranties its labor for one (1) year.

Exhibit C: Site Host Commitment to Perform Site Preparation Services

NOTE: This Exhibit is needed ONLY if the Site Host and ABM mutually determine that additional services must be performed by the Site Host to enable successful installation of EVSE.

Project(s): ______________________________

Site Addresses: ______________________________

Site Addresses: ______________________________

Site Addresses: ______________________________

Site Host Contact Name & Title: ______________________________

Site Host Phone: ______________ **Site Host E-mail:** ______________________________

Acknowledgement: We hereby acknowledge that the following additional work is required to meet the terms and conditions of the CEC-funded charging station installation project described herein, and that this work shall be conducted by the Site Host, at the Host's own expense, using the Host's own resources, contractors (if applicable), and personnel.

Scope of Work: ______________________________

____

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____

____

Proposed date to begin work: ______________________________

Proposed date to complete work: ______________________________

Authorized Signature: ______________________________

Printed Name: ______________________________

Title (Please Print): ______________________________

Date: ______________________________

Exhibit D: ChargePoint Warranty Information

-chargepoint

Parts Exchange Warranty

Our Promise

This Parts Exchange Warranty ("Warranty") applies to you, the original purchaser of one or more new CHARGEPOINT, INC. ("CHARGEPOINT") Charging Stations (the "Charging Stations") from CHARGEPOINT or one of its authorized resellers for your own use and not for resale. This warranty is not transferrable and is valid for U.S.A. and Canada only.

If your Charging Stations have been installed in accordance with the requirements for ChargePoint Assure coverage, during the Warranty Period (defined below) ChargePoint will provide to you, at no cost, ChargePoint Assure coverage and will, among other things, perform the monitoring, triage, coordination, and on-site repair or replacement services described in the ChargePoint Assure Terms and Conditions of Service. If you do not comply with the installation requirements, your coverage will be limited to that described herein.

LIMITED ONE-YEAR PARTS EXCHANGE WARRANTY: Subject to the exclusions from Warranty coverage set forth below, CHARGEPOINT warrants that your Charging Station will be free from any defects in materials or workmanship for a period (the "Warranty Period") of one (1) year. Your Warranty Period commences on the earlier to occur of (i) the date you activate your Charging Station or (ii) six (6) months after the date your Charging Station is shipped to you. If, during the Warranty Period, your Charging Station becomes defective in breach of the Warranty, CHARGEPOINT will, upon written notice of the defect received during the Warranty Period, either repair or replace, at CHARGEPOINT's election, the Charging Stations. The Warranty covers both parts and factory labor necessary to repair your Charging Station, but does not include any on-site labor costs related to un-installing or repair of the defective Charging Station or reinstalling the repaired or replacement Charging Station.

Follow These Easy Steps to Obtain Warranty Service

1. Activate your Warranty on-line during the installation and activation process for your Charging Station.
2. If at any time turning the term of your Warranty you believe you have a defective Charging Station, contact Customer Service at 1-877-850-4562 or support@chargepoint.com, or for customers outside the U.S., contact 001-408-841-4548, and request a Return Material Authorization ("RMA") number from ChargePoint. At the time of your call, ChargePoint will determine if your issues may be resolved remotely.
3. If your issues cannot be resolved remotely, in order to assure prompt and proper diagnosis and repair, physical on-site troubleshooting of suspected defects, and coordination with ChargePoint, must be performed by an electrician at your sole expense. ChargePoint will ship all replacement parts or Charging Stations to your electrician who will be responsible for receipt and return of all RMA parts and Charging Stations.
4. In connection with your RMA request, you will be asked for each of the following:
   a. A detailed description of the problems you are experiencing with the Charging Station;
   b. The model number and serial number of the Charging Station;
   c. Proof of purchase (such as a copy of the ChargePoint invoice for your Charging Station); and
   d. Shipping information.

5. If ChargePoint determines that the defect appears to be covered by your Warranty and your Warranty is still in effect you will be provided a Returned Material Authorization number (RMA number) to reference when returning the defective Charging Stations for repair or replacement.
6. Ship the defective Charging Stations to CHARGEPOINT and reference the RMA number in the shipping documentation. The Charging Station must be returned in its original shipping container or in another shipping container designed to prevent damage to the Charging Station.
7. CHARGEPOINT will either repair or replace the defective Charging Stations at no charge to you and ship the repaired or replaced Charging Stations back to you at CHARGEPOINT's expense.

IMPORTANT

1. You are responsible for the proper installation and maintenance of the Charging Stations including the de-installing of any defective Charging Stations and the installation of repaired or replacement Charging Stations returned to you.
2. Any service or repairs beyond the scope of the Warranty above will be performed upon customer approval at CHARGEPOINT's then prevailing labor rates and other applicable charges.
3. Charging Stations that are found by CHARGEPOINT to be out-of-warranty or otherwise ineligible for warranty service will be returned, repaired or replaced upon customer approval at CHARGEPOINT's standard charges at your expense.
4. Please read carefully through the detailed descriptions of the WARRANTY, the EXCLUSIONS FROM LIMITED PRODUCT WARRANTY, and the LIMITATIONS ON WARRANTY AND LIABILITY on the following pages to assure that your Charging Station is eligible for warranty service without additional cost to you.

REPLACEMENT PARTS OR CHARGING STATIONS

You acknowledge that replacement parts or Charging Stations provided by CHARGEPOINT under the Warranty may be remanufactured or reconditioned parts or Charging Stations or, if the exact Charging Station is no longer manufactured by CHARGEPOINT, a Charging Station with substantially similar functionality ("Replacement Products"). All replaced parts, whether under warranty or not, become the property of CHARGEPOINT.

Any replacement parts or Charging Stations so furnished will be warranted for the remainder of the original Warranty Period or ninety days from the date of delivery of such replacement parts or Charging Stations, whichever is later. Should CHARGEPOINT be unable to repair or replace your Charging Station, CHARGEPOINT will refund the purchase price of the Charging Station to you.

EXCLUSIONS FROM WARRANTY

IMPORTANT: The Warranty on your Charging Stations shall not apply to defects or service repairs resulting from the following:

- Improper site preparation or maintenance, improper installation, cosmetic damage such as scratches and dents, or normal aging.
- Abuse, vandalism, damage or other problems caused by accidents, misuse or negligence (including but not limited to physical damage from being struck by a vehicle), or use of the Charging Stations in a way other than as specified in the applicable CHARGEPOINT documentation.
- Installation, alteration, disassembly, modification or relocation of the Charging Stations that was not approved in writing by CHARGEPOINT or performed by CHARGEPOINT or by a certified CHARGEPOINT installer or service provider.
- Use of the Charging Stations with software, interfacing, parts or supplies not supplied by CHARGEPOINT.
- Damage as a result of extreme power surge, extreme electromagnetic field or any acts of nature.
- Any other causes beyond the control of CHARGEPOINT.

IN ADDITION: The Warranty on your Charging Stations shall not apply if the original identification markings (for example, serial numbers and trademarks) have been defaced, altered or removed.

THE WARRANTY APPLIES ONLY TO YOUR CHARGING STATION AND NOT TO ANY CHARGEPOINT SERVICE PLAN. CHARGEPOINT SPECIFICALLY DOES NOT WARRANT THAT ANY CHARGEPOINT SERVICES WILL BE ERROR FREE OR WILL OPERATE WITHOUT INTERRUPTION.

LIMITATIONS ON WARRANTY AND LIABILITY

NO AGENT OF CHARGEPOINT IS AUTHORIZED TO ALTER OR EXCEED THE WARRANTY OBLIGATIONS OF CHARGEPOINT. THE REMEDIES IN THIS LIMITED PRODUCT WARRANTY ARE YOUR SOLE AND EXCLUSIVE REMEDIES. CHARGEPOINT MAKES NO OTHER EXPRESS OR IMPLIED WARRANTIES OTHER THAN THE WARRANTY SET FORTH ABOVE. ALL OTHER WARRANTIES, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF DESIGN, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE (EVEN IF CHARGEPOINT HAS BEEN INFORMED OF SUCH PURPOSE) OR AGAINST INFRINGEMENT, ARE EXCLUDED TO THE EXTENT PERMITTED BY LAW. IF ANY IMPLIED WARRANTY CANNOT BE DISCLAIMED UNDER APPLICABLE LAW, SUCH IMPLIED WARRANTY SHALL BE LIMITED IN DURATION TO THE WARRANTY PERIOD DESCRIBED ABOVE. NO WARRANTIES APPLY AFTER EXPIRATION OF THE WARRANTY PERIOD.

Some states or jurisdictions do not allow the exclusion of express or implied warranties or limitations on how long an implied warranty lasts, so the above limitation may not apply to you.

CHARGEPOINT IS NOT LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, INCLUDING WITHOUT LIMITATION LOST PROFITS, LOST BUSINESS, LOST DATA, LOSS OF USE, OR COST OF COVER INCURRED BY YOU ARISING OUT OF OR RELATED TO YOUR PURCHASE OR USE OF, OR INABILITY TO USE, THE CHARGING STATIONS, UNDER ANY THEORY OF LIABILITY, WHETHER IN AN ACTION IN CONTRACT, STRICT LIABILITY, TORT (INCLUDING NEGLIGENCE) OR OTHER LEGAL OR EQUITABLE THEORY, EVEN IF CHARGEPOINT KNEW OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGES. IN ANY EVENT, THE CUMULATIVE LIABILITY OF CHARGEPOINT FOR ALL CLAIMS WHATSOEVER RELATED TO THE CHARGING STATIONS WILL NOT EXCEED THE PRICE YOU PAID FOR THE CHARGING STATIONS. THE LIMITATIONS SET FORTH HEREIN ARE INTENDED TO LIMIT THE LIABILITY OF CHARGEPOINT AND SHALL APPLY NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY.

Some states or jurisdictions do not allow the exclusion or limitation of incidental or consequential damages, so the above limitation or exclusion may not apply to you.

ADDITIONAL INFORMATION

This Warranty shall be governed by and construed in accordance with the laws of the State of California, U.S.A., exclusive of its conflict of laws principles. The U.N. Convention on Contracts for the International Sale of Goods shall not apply.

This Warranty is the entire and exclusive agreement between you and CHARGEPOINT with respect to its subject matter, and any modification or waiver of any provision of this statement is not effective unless expressly set forth in writing by an authorized representative of CHARGEPOINT.

Exhibit E: ChargePoint Master Software Services Agreement

CHARGEPOINT®

MASTER SERVICES AND SUBSCRIPTION AGREEMENT

IMPORTANT: THIS MASTER SERVICES AND SUBSCRIPTION AGREEMENT IS A LEGAL AGREEMENT BETWEEN YOU OR THE CORPORATION, PARTNERSHIP OR OTHER LEGAL ENTITY YOU REPRESENT ("SUBSCRIBER") AND CHARGEPOINT, INC., A DELAWARE CORPORATION ("CPI"). PLEASE READ IT CAREFULLY. BY USING ANY OF THE CHARGEPOINT SERVICES, YOU INDICATE YOUR ACCEPTANCE OF THIS AGREEMENT. IF YOU DO NOT AGREE WITH ANY OF THESE TERMS AND CONDITIONS, DO NOT USE ANY CHARGEPOINT SERVICES.

IF YOU ARE ENTERING INTO THIS AGREEMENT ON BEHALF OF A CORPORATION, PARTNERSHIP OR OTHER LEGAL ENTITY, THAT ENTITY REPRESENTS THAT YOU HAVE AUTHORITY TO BIND SUCH ENTITY TO THESE TERMS AND CONDITIONS. IF YOU DO NOT HAVE SUCH AUTHORITY TO BIND SUCH ENTITY TO THESE TERMS AND CONDITIONS, YOU MAY NOT ENTER INTO THIS AGREEMENT AND SUCH ENTITY MAY NOT USE THE CHARGEPOINT SERVICES.

1. AGREEMENT.

1.1 SCOPE OF AGREEMENT. This Agreement governs the following activities:

(a) Provisioning of Subscriber's Charging Station(s), if any, on ChargePoint;

(b) Activation and use of the ChargePoint Services on Subscriber's Charging Station(s), if any;

(c) Subscriber's use of the APIs as part of the ChargePoint Services;

(d) Each grant of Rights by Subscriber; and

(e) Each grant of Rights by a third party to Subscriber.

1.2 EXHIBITS AND PRIVACY POLICY. This Agreement includes the CPI Privacy Policy, as amended from time to time, and the following Exhibits, which are made a part of, and are hereby incorporated into, this Agreement by reference.

Exhibit 1: Flex Billing Terms
Exhibit 2: API Terms
Exhibit 3: Terms Regarding Granting and Receipt of Rights

In the event of any conflict between the terms of this Agreement on the one hand, and the Privacy Policy or any Exhibit on the other hand, this Agreement shall govern. Capitalized terms not otherwise defined in any Exhibit or the Privacy Policy shall have the same meaning as in this Agreement.

2. DEFINITIONS. The following terms shall have the definitions set forth below when used in this Agreement:

2.1 ***"Affiliate"*** means any entity which directly or indirectly controls, is controlled by, or is under common control with the subject entity. "Control", for purposes of this definition, means direct or indirect ownership or control of fifty percent (50%) or more of the voting interests of the subject entity.

2.2 ***"APIs"*** means, individually or collectively, the application programming interfaces which are made available to Subscriber from time to time, as and when updated by CPI.

2.3 ***"ChargePoint Connections"*** shall have the meaning ascribed to it in the applicable data sheet. The term ChargePoint Connections shall also mean any successor service provided by CPI.

2.4 "***ChargePoint®***" means the open-platform network of electric vehicle charging stations and the vehicle charging applications the network delivers, that is operated and maintained by CPI (as defined below) in order to provide various services to, among others, Subscriber and its employees.

2.5 ***"ChargePoint Services"*** means, collectively, the various cloud services offerings (including, without limitation, APIs and application service plans) made available for subscription by CPI.

2.6 ***"ChargePoint Application"*** means any of the applications established and maintained by CPI which will allow Subscriber to access ChargePoint Services.

2.7 "***Charging Station***" means the electric vehicle charging station(s) purchased by Subscriber, whether manufactured by CPI or by a CPI authorized entity, which are registered and activated on ChargePoint.

2.8 "***Content***" means all data collected or maintained by CPI in connection with the operation of ChargePoint.

2.9 ***"CPI Marks"*** means the various trademarks, service marks, trade names, logos, domain names, and other distinctive brand features and designations used in connection with ChargePoint and/or CPI manufactured Charging Stations, including without limitation, ChargePoint.

2.10 "***CPI Property***" means (i) ChargePoint, (ii) the ChargePoint Services (including all Content), (iii) all data generated or collected by CPI in connection with the operation of ChargePoint and ChargePoint Services, (iv) the CPI Marks, (v) the ChargePoint Cards, and (vi) all other CPI-supplied material developed or provided by CPI for Subscriber use in connection with the ChargePoint Services.

2.11 "***Documentation***" means written information (whether contained in user or technical manuals, product materials, specifications or otherwise) pertaining to ChargePoint Services and/or ChargePoint and made available from time to time by CPI to Subscriber in any manner (including on-line).

2.12 ***"Effective Date"*** means the earlier of (a) the date that Subscriber electronically accepts this Agreement, or (b) the date of Subscriber's first use of the ChargePoint Services.

2.13 "***Intellectual Property Rights***" means all intellectual property rights, including, without limitation, patents, patent applications, patent rights, trademarks, trademark applications, trade names, service marks, service mark applications, copyrights, copyright applications, franchises, licenses, inventories, know-how, trade secrets, Subscriber lists, proprietary processes and formulae, all source and object code, algorithms, architecture, structure, display screens, layouts, inventions, development tools and all documentation and media constituting, describing or relating to the above, including, without limitation, manuals, memoranda and records.

2.14 ***"Malicious Code"*** means viruses, worms, time bombs, Trojan horses and all other forms of malicious code, including without limitation, malware, spyware, files, scripts, agents or programs.

2.15 ***"Party"*** means each of CPI and Subscriber.

2.16 "***PII***" means personally identifiable information regarding Subscriber or a User (e.g., name, address, email address, phone number or credit card number) that can be used to uniquely identify, contact or locate Subscriber or such User.

2.17 ***"Provisioning"*** means activating Charging Stations, warrantees and Service Plans on ChargePoint

2.18 ***"Rights"*** means the rights, authorizations, privileges, actions, information and settings within the ChargePoint Services which a Rights Grantor grants to an Rights Grantee, to enable such Rights Grantee to access, obtain and use certain portions of the ChargePoint Services and certain information available therein in the course of providing services to or on behalf of such Rights Grantor in connection with one or more of the Rights Grantor's Charging Stations. A Rights Grantor shall be deemed to have granted Rights to the entity that will be responsible for creating Subscriber's account and Provisioning Subscriber's Charging Stations. Such deemed grant may be terminated by Subscriber at any time.

2.19 ***"Service Plan(s)"*** means subscription plans to the ChargePoint Services which are offered and sold by CPI from time to time, which vary according to their features, privileges and pricing.

2.20 ***"Subscriber Content and Services"*** means any content and/or services that a Subscriber provides or makes available to Users and/or the general public in connection with the ChargePoint Services, other than Content, ChargePoint Services and CPI Property.

2.21 ***"Subscriber Marks"*** means the various trademarks, service marks, trade names, logos, domain names, and other distinctive brand features and designations used by Subscriber in connection with its business and/or Charging Stations.

2.22 ***"Subscription Fees"*** means the fees payable by Subscriber for subscribing to any ChargePoint Services.

2.23 ***"Taxes"*** shall mean all present and future taxes, imposts, levies, assessments, duties or charges of whatsoever nature including without limitation any withholding taxes, sales taxes, use taxes, service taxes, value added or similar taxes at the rate applicable for the time being imposed by any national or local government, taxing authority, regulatory agency or other entity together with any penalty payable in connection with any failure to pay or any delay in paying any of the same and any interest thereon.

2.24 ***"Token(s)"*** means the serialized proof of purchase of a Service Plan that is used by CPI in connection with enabling Services and/or provisioning Charging Stations.

2.25 "***User***" means any person using a Charging Station.

3. **<u>AVAILABLE CHARGEPOINT SERVICES & SERVICE PLANS</u>.** A description of the various ChargePoint Services and Service Plans currently available for subscription is located on the CPI website. CPI may make other ChargePoint Services and/or Service Plans available from time to time, and may amend the features or benefits offered with respect to any ChargePoint Service or Service Plan at any time and from time to time. Subscription Fees are based on Subscriber's choice of Service Plan and not on actual usage of the Subscription.

4. **<u>CPI'S RESPONSIBILITIES AND AGREEMENTS</u>.**

4.1 **OPERATION OF CHARGEPOINT.** CPI agrees to provide and shall be solely responsible for: (i) provisioning and operating, maintaining, administering and supporting ChargePoint and related infrastructure (other than Subscriber's Charging Stations and infrastructure for transmitting data from Charging Stations to any ChargePoint operations center); (ii) provisioning and operating, maintaining, administering and supporting the ChargePoint Applications; and (iii) operating ChargePoint in compliance with all applicable laws. CPI will protect the confidentiality and security of PII in accordance with all applicable laws and regulations and the CPI Privacy Policy.

4.2 **LIMITATIONS ON RESPONSIBLITY.** CPI shall not be responsible for, and makes no representation or warranty with respect to the following: (i) specific location(s) or number of Charging Stations now, or in the future, owned, operated and/or installed by persons other than Subscriber, or the total number of Charging Stations that comprise ChargePoint; (ii) continuous availability of electrical service to any of Subscriber's Charging Stations; (iii) continuous availability of any wireless or cellular communications network or Internet service provider network necessary for the continued operation by CPI of ChargePoint; (iv) availability of or interruption of the ChargePoint Network attributable to unauthorized intrusions; and/or (v) charging stations that are not registered with and activated on the ChargePoint Network.

5. SUBSCRIBER'S RESPONSIBILITIES AND AGREEMENTS.

5.1 GENERAL.

(a) All use of ChargePoint and ChargePoint Services by Subscriber, its employees and agents and its grantees of Rights shall comply with this Agreement and all of the rules, limitations and policies of CPI set forth in the Documentation. All ChargePoint Services account details, passwords, keys, etc. are granted to Subscriber solely for Subscriber's own use (and the use of its grantees of Rights), and Subscriber shall keep all such items secure and confidential. Subscriber shall prevent, and shall be fully liable to CPI for, any unauthorized access to or use of ChargePoint or ChargePoint Services via Subscriber's Charging Stations, ChargePoint Services account(s) or other equipment. Subscriber shall immediately notify CPI upon becoming aware of any such unauthorized use.

(b) Subscriber shall be solely responsible for: (i) Provisioning of its Charging Stations, if any; (ii) keeping Subscriber's contact information, email address for the receipt of notices hereunder, and billing address for invoices both accurate and up to date; (iii) updating on the applicable ChargePoint Application, within five (5) business days, the location to which any of Subscriber's Charging Stations are moved; (iv) the maintenance, service, repair and/or replacement of Subscriber's Charging Stations as needed, including informing CPI of the existence of any Charging Stations that are non-operational and not intended to be replaced or repaired by Subscriber; and (v) compliance with all applicable laws.

(c) Subscriber shall deliver in full all benefits promised to Users by Subscriber in exchange for such Users connecting with Subscriber using ChargePoint Connections.

5.2 REPRESENTATIONS AND WARRANTIES OF SUBSCRIBER. Subscriber represents and warrants to CPI that: (i) it has the power and authority to enter into and be bound by this Agreement and shall have the power and authority to install the Charging Stations and any other electrical vehicle charging products which are registered and activated on the ChargePoint Network); (ii) the electrical usage to be consumed by Subscriber's Charging Stations will not violate or otherwise conflict with the terms and conditions of any applicable electrical purchase or other agreement including, without limitation, any lease, to which Subscriber is a party; and (iii) it has not installed or attached and will not install or attach Charging Stations on or to infrastructure not owned by Subscriber without proper authority, or in a manner that will block any easement or right of way.

5.3 CHARGEPOINT CARDS. Subscriber may be permitted by CPI, in CPI's sole discretion, to obtain CPI-provisioned radio-frequency identification cards ("ChargePoint Cards") which enable the individual card recipients to access and use ChargePoint. Subscriber may distribute such ChargePoint Cards to individuals, and each individual ChargePoint Card recipient is responsible for activating his or her ChargePoint Card on ChargePoint directly with CPI on the CPI web site. In no event will Subscriber create any separate ChargePoint accounts for any ChargePoint Card recipients or other third parties, nor will Subscriber create anonymous ChargePoint accounts associated with any ChargePoint Card.

5.4 USE RESTRICTIONS AND LIMITATIONS. Subscriber shall not:

(a) sell, resell, license, rent, lease or otherwise transfer the ChargePoint Services or any Content therein to any third party;

(b) interfere with or disrupt the ChargePoint Services, servers, or networks connected to the ChargePoint Services, or disobey any requirements, procedures, policies, or regulations of networks connected to the ChargePoint Services;

(c) restrict or inhibit any other user from using and enjoying the ChargePoint Services or any other CPI services;

(d) attempt to gain unauthorized access to the ChargePoint Network or the ChargePoint Services or related systems or networks or any data contained therein, or access or use ChargePoint or ChargePoint Services through any technology or means other than those provided or expressly authorized by CPI;

(e) create any ChargePoint Services user account by automated means or under false or fraudulent pretenses, or impersonate another person or entity on ChargePoint, or obtain or attempt to obtain multiple keys for the same URL;

(f) reverse engineer, decompile or otherwise attempt to extract the source code of the ChargePoint Services or any part thereof, or any Charging Station, except to the extent expressly permitted or required by applicable law;

(g) create derivative works based on any CPI Property;

(h) remove, conceal or cover the CPI Marks or any other markings, labels, legends, trademarks, or trade names installed or placed on the Charging Stations or any peripheral equipment for use in connection with Subscriber's Charging Stations;

(i) except as otherwise expressly permitted by this Agreement or in any applicable data sheet relating to a ChargePoint Service, copy, frame or mirror any part of the ChargePoint Services or ChargePoint Content, other than copying or framing on Subscriber's own intranets or otherwise solely for Subscriber's own internal business use and purposes;

(j) access ChargePoint, any ChargePoint Application or the ChargePoint Services for the purpose of monitoring their availability, performance or functionality, or for any other benchmarking or competitive purpose, or for any improper purpose whatsoever, including, without limitation, in order to build a competitive product or service or copy any features, functions, interface, graphics or "look and feel;"

(k) use any robot, spider, site search/retrieval application, or other device to retrieve or index any portion of the ChargePoint Services or Content or collect information about ChargePoint users for any unauthorized purpose;

(l) upload, transmit or introduce any Malicious Code to ChargePoint or ChargePoint Services;

(m) use any of the ChargePoint Services if Subscriber is a person barred from such use under the laws of the United States or of any other jurisdiction; or

(n) use the ChargePoint Services to upload, post, display, transmit or otherwise make available (A) any inappropriate, defamatory, obscene, or unlawful content; (B) any content that infringes any patent, trademark, copyright, trade secret or other proprietary right of any party; (C) any messages, communication or other content that promotes pyramid schemes, chain letters, constitutes disruptive commercial messages or advertisements, or is prohibited by applicable law, the Agreement or the Documentation.

5.5 CONTENT.

(a) ChargePoint Content (including but not limited to Charging Station data and status) is provided for planning purposes only. Subscriber may find that various events may mean actual Charging

Station conditions (such as availability or pricing) differ from what is set forth in the Content. In addition, certain Charging Station-related Content, including Charging Station name and use restrictions, is set by the Charging Station owner and is not verified by CPI. Subscriber should exercise judgment in Subscriber's use of the Content.

(b) Certain Content may be provided under license from third parties and is subject to copyright and other intellectual property rights of such third parties. Subscriber may be held liable for any unauthorized copying or disclosure of such third party-supplied Content. Subscriber's use of such Content may be subject to additional restrictions set forth in the Documentation.

(c) Subscriber shall not copy, modify, alter, translate, amend, or publicly display any of the Content except as expressly permitted by the Documentation. Subscriber shall not present any portion of the Content in any manner, that would (i) make such Content false, inaccurate or misleading, (ii) falsify or delete any author attributions or labels of the origin or source of Content, or (iii) indicate or suggest that the Charging Station locations provided as part of the Content are anything other than ChargePoint® Network Charging Stations.

(d) Subscriber shall not remove, obscure, or alter in any manner any proprietary rights notices (including copyright and trademark notices), warnings, links or other notifications that appear in the ChargePoint Service.

6. SUBSCRIPTION FEES AND PAYMENT TERMS.

6.1 SUBSCRIPTION FEES. Subscriber shall pay all Subscription Fees within thirty (30) days of its receipt of CPI's invoice. All payments shall be made in U.S. Dollars by check, wire transfer, ACH payment system or other means approved by CPI. Customer may not offset any amounts due to CPI hereunder against amounts due to Customer under this Agreement or any other agreement. Fees payable to CPI do not include any Taxes, and Subscriber is responsible for any and all such Taxes. All payment obligations under this Agreement are non-cancelable and non-refundable.

6.2 LATE PAYMENTS. Late payments shall be subject to a charge equal to the lesser of (i) one and one-half percent (1.5%) per month or (ii) the maximum rate permitted by law. Subscriber will reimburse CPI for attorneys' fees and other expenses reasonably incurred by CPI in the collection of any late payments. If any amount owing by Subscriber under this Agreement is more than thirty (30) days overdue, CPI may, without otherwise limiting CPI's rights or remedies, (a) terminate this Agreement, (b) suspend the use by Subscriber of the ChargePoint Services until such amounts are paid in full, and/or (c) condition future ChargePoint Service renewals and other Subscriber purchases on payment terms other than those set forth herein; provided that CPI shall not exercise any such rights if Subscriber has reasonably disputed such charges and is cooperating diligently in good faith to resolve the dispute.

7. INTELLECTUAL PROPERTY RIGHTS AND LICENSES.

7.1 CPI PROPERTY. As between CPI and Subscriber, CPI retains and reserves all right, title and interest (including all related Intellectual Property Rights) in and to the CPI Property and any improvements thereto. No rights are granted to Subscriber in the CPI Property hereunder except as expressly set forth in this Agreement.

7.2 SUBSCRIBER PROPERTY. As between CPI and Subscriber, Subscriber retains and reserves all right, title and interest (including all related Intellectual Property Rights) in and to (i) all Subscriber Marks and (ii) all Subscriber Content and Services (collectively, the "Subscriber Property"). No rights are granted to CPI in the Subscriber Property hereunder except as expressly set forth in this Agreement.

7.3 LIMITED LICENSE TO SUBSCRIBER. CPI hereby grants to Subscriber a royalty-free, non-assignable, non-transferable, and non-exclusive license to use the CPI Property solely in accordance with the terms of this Agreement (including without limitation all limitations and restrictions on such use) to the extent necessary for Subscriber to access, use and receive the ChargePoint Services as permitted herein.

7.4 LIMITED LICENSE TO CPI. Subscriber hereby grants to CPI a non-assignable, non-transferable, and non-exclusive license to use the Subscriber Property solely in accordance with the terms of this Agreement (including without limitation all limitations and restrictions on such use) to the extent necessary for CPI to provide the ChargePoint Services. CPI may utilize the Subscriber Marks to advertise that Subscriber is using the ChargePoint Services. The foregoing license includes a perpetual and irrevocable right of CPI to reproduce, adapt, modify, translate, publicly perform, publicly display and distribute all Subscriber Content and Services submitted, posted or displayed by Subscriber in the ChargePoint Services, solely for the purpose of enabling CPI to operate, market and promote the ChargePoint Services, and to index and serve such Subscriber Content and Services as search results through ChargePoint Services. CPI shall have a royalty-free, worldwide, transferable, sublicensable, irrevocable perpetual license to use or incorporate in the ChargePoint Services any suggestions, enhancement requests, recommendations or other feedback provided by Subscriber or Subscriber Rights Grantees relating to the ChargePoint Services.

7.5 ADDITIONAL TERMS REGARDING CPI MARKS.

(a) USE LIMITATIONS. Subscriber shall display the CPI Marks in connection with Subscriber Charging Stations as required in this Agreement during the term of Subscriber's Service Plan. Subscriber shall not use any of the CPI Marks for or with any products other than its Charging Stations. From time to time, CPI may provide updated CPI Mark usage guidelines on the ChargePoint Application or elsewhere in the Documentation, and Subscriber shall thereafter comply with such updated guidelines. For any use of the CPI Mark not authorized by such guidelines, or if no such guidelines are provided, then for each initial use of the CPI Mark, Subscriber must obtain CPI's prior written consent, which shall not be unreasonably withheld or delayed, and after such consent is obtained, Subscriber may use the CPI Mark in the approved manner. All use by Subscriber of CPI's Marks (including any goodwill associated therewith) will inure to the benefit of CPI.

(b) PROHIBITIONS. Subscriber shall not use or display any CPI Mark (or any likeness of a CPI Mark):

(i) as a part of the name under which Subscriber's business is conducted or in connection with the name of a business of Subscriber or its Affiliates;

(ii) in any manner that (x) implies a relationship or affiliation with CPI other than as described under the Agreement, (y) implies any sponsorship or endorsement by CPI, or (z) can be reasonably interpreted to suggest that any Subscriber Content and Services has been authored by, or represents the views or opinions of CPI or CPI personnel;

(iii) in any manner intended to disparage CPI, ChargePoint, or the ChargePoint Services, or in a manner that is misleading, defamatory, infringing, libelous, disparaging, obscene or otherwise objectionable to CPI;

(iv) in any manner that violates any law or regulation; or

(v) that is distorted or altered in any way (including squeezing, stretching, inverting, discoloring, etc.) from the original form provided by CPI.

(c) NO REGISTRATION OF CPI MARKS. Subscriber shall not, directly or indirectly, register or apply for, or cause to be registered or applied for, any CPI Marks or any patent, trademark, service mark, copyright, trade name, domain name or registered design that is substantially or confusingly similar to a CPI Mark, patent, trademark, service mark, copyright, trade name, domain name or registered design of CPI, or that is licensed to, connected with or derived from confidential, material or proprietary information imparted to or licensed to Subscriber by CPI. At no time will Subscriber challenge or assist others to challenge the CPI Marks (except to the extent such restriction is prohibited by law) or the registration thereof by CPI.

(d) TERMINATION AND CESSATION OF USE OF CPI MARKS. Upon termination of this Agreement, Subscriber will immediately discontinue all use and display of all CPI Marks.

8. <u>LIMITATIONS OF LIABILITY</u>.

8.1 DISCLAIMER OF WARRANTIES. CHARGEPOINT AND THE CHARGEPOINT SERVICES ARE PROVIDED "AS IS" AND "AS AVAILABLE" FOR SUBSCRIBER'S USE, WITHOUT WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING ALL IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE AND NONINFRINGEMENT. WITHOUT LIMITING THE FOREGOING, CPI DOES NOT WARRANT THAT (A) SUBSCRIBER'S USE OF THE CHARGEPOINT SERVICES WILL BE UNINTERRUPTED, TIMELY, SECURE, FREE FROM ERROR, OR MEET SUBSCRIBER'S REQUIREMENTS; (B) ALL CONTENT AND OTHER INFORMATION OBTAINED BY SUBSCRIBER FROM OR IN CONNECTION WITH THE CHARGEPOINT SERVICES WILL BE ACCURATE AND RELIABLE; (C) ALL DEFECTS IN THE OPERATION OR FUNCTIONALITY OF THE CHARGEPOINT SERVICES WILL BE CORRECTED. ALL CONTENT OBTAINED THROUGH THE CHARGEPOINT SERVICES IS OBTAINED AT SUBSCRIBER'S OWN DISCRETION AND RISK, AND SUBSCRIBER WILL BE SOLELY RESPONSIBLE FOR ANY DAMAGE TO SUBSCRIBER'S COMPUTER SYSTEM OR OTHER DEVICE, LOSS OF DATA, OR ANY OTHER DAMAGE OR INJURY THAT RESULTS FROM THE DOWNLOAD OR USE OF ANY SUCH CONTENT.

8.2 EXCLUSION OF CONSEQUENTIAL AND RELATED DAMAGES. REGARDLESS OF WHETHER ANY REMEDY SET FORTH HEREIN FAILS OF ITS ESSENTIAL PURPOSE OR OTHERWISE, IN NO EVENT WILL CPI BE LIABLE FOR ANY LOST REVENUE OR PROFIT, LOST OR DAMAGED DATA, BUSINESS INTERRUPTION, LOSS OF CAPITAL, OR FOR SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL OR PUNITIVE DAMAGES, HOWEVER CAUSED AND REGARDLESS OF THE THEORY OF LIABILITY OR WHETHER ARISING OUT OF THE USE OF OR INABILITY TO USE THE CHARGEPOINT NETWORK, ANY CHARGEPOINT SERVICES, THIS AGREEMENT, A GRANT OR RECEIPT OF RIGHTS OR OTHERWISE OR BASED ON ANY EXPRESSED, IMPLIED OR CLAIMED WARRANTIES BY SUBSCRIBER NOT SPECIFICALLY SET FORTH IN THIS AGREEMENT.

8.3 ELECTRICAL, CELLULAR AND INTERNET SERVICE INTERRUPTIONS. Neither CPI nor Subscriber shall have any liability whatsoever to the other with respect to damages caused by: (i) electrical outages, power surges, brown-outs, utility load management or any other similar electrical service interruptions, whatever the cause; (ii) interruptions in wireless or cellular service linking Charging Stations to ChargePoint; (iii) interruptions attributable to unauthorized ChargePoint Network intrusions; (iv) interruptions in services provided by any Internet service provider not affiliated with CPI; or (v) the inability of a Charging Station to access ChargePoint as a result of any change in product offerings (including, without limitation, the any network upgrade or introduction of any "next generation" services) by any wireless or cellular carrier. This includes the loss of data resulting from such electrical, wireless, cellular or Internet service interruptions.

8.4 LIMITATION OF LIABILITY. CPI's aggregate liability under this Agreement shall not exceed aggregate Services Fees paid by Subscriber to CPI in the twelve (12) calendar months prior to the event giving rise to the liability.

8.5 CELLULAR CARRIER LIABILITY. IN ORDER TO DELIVER THE CHARGEPONT SERVICES, CPI HAS ENTERED INTO CONTRACTS WITH ONE OR MORE UNDERLYING WIRELESS SERVICE CARRIERS (THE "UNDERLYING CARRIER"). SUBSCRIBER HAS NO CONTRACTUAL RELATIONSHIP WITH THE UNDERLYING CARRIER AND SUBSCRIBER IS NOT A THIRD PARTY BENEFICIARY OF ANY AGREEMENT BETWEEN CPI AND THE UNDERLYING CARRIER. SUBSCRIBER UNDERSTANDS AND AGREES THAT THE UNDERLYING CARRIER HAS NO LIABILITY OF ANY KIND TO SUBSCRIBER, WHETHER FOR BREACH OF CONTRACT, WARRANTY, NEGLIGENCE, STRICT LIABILITY IN TORT OR OTHERWISE. SUBSCRIBER AGREES TO INDEMNIFY AND HOLD HARMLESS THE UNDERLYING CARRIER AND ITS OFFICERS, EMPLOYEES, AND AGENTS AGAINST ANY AND ALL CLAIMS, INCLUDING WITHOUT LIMITATION CLAIMS FOR LIBEL, SLANDER, OR ANY PROPERTY DAMAGE, PERSONAL INJURY OR DEATH, ARISING IN ANY WAY, DIRECTLY OR INDIRECTLY, IN CONNECTION WITH USE, FAILURE TO USE, OR INABILITY TO USE THE WIRELESS SERVICES EXCEPT WHERE THE CLAIMS RESULT FROM THE UNDERLYING CARRIER'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. THIS INDEMNITY WILL SURVIVE THE TERMINATION OF THE AGREEMENT. SUBSCRIBER HAS NO PROPERTY RIGHT IN ANY NUMBER ASSIGNED TO IT, AND UNDERSTANDS THAT ANY SUCH NUMBER CAN BE CHANGED. SUBSCRIBER UNDERSTANDS THAT CPI AND THE UNDERLYING CARRIER CANNOT GUARANTEE THE SECURITY OF WIRELESS TRANSMISSIONS, AND WILL NOT BE LIABLE FOR ANY LACK OF SECURITY RELATING TO THE USE OF THE CHARGEPOINT SERVICES.

8.6 ADDITIONAL RIGHTS. BECAUSE SOME STATES OR JURISDICITONS DO NOT ALLOW THE LIMITATION OR EXCLUSION OF CONSEQUENTIAL OR INCIDENTAL DAMAGES AND/OR THE DISCLAIMER OF IMPLIED WARRANTIES AS SET FORTH IN THIS SECTION 8, ONE OR MORE OF THE ABOVE LIMITATIONS MAY NOT APPLY; PROVIDED THAT, IN SUCH INSTANCES, CPI'S LIABILTY AND/OR IMPLIED WARRANTIES GRANTED IN SUCH CASES SHALL BE LIMITED TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW.

9. <u>TERM AND TERMINATION</u>.

9.1 TERM OF AGREEMENT. This Agreement shall become effective on the Effective Date and shall continue until the expiration of all of Subscriber's Service Plans.

9.2 SERVICE PLAN TERM. Each Service Plan acquired by Subscriber shall commence as follows: Each Service Plan acquired for use with a new Charging Station will commence on the earlier to occur of (i) the date of Provisioning such new Charging Station, or (ii) one year from the date the Token(s) necessary for Provisioning such new Charging Station is made available to Subscriber or its installer. Renewals of Service Plans will commence on the date of the expiration of the Subscription being renewed. Each Subscriber Service Plan shall continue for the applicable duration thereof, unless this Agreement is terminated earlier in accordance with its terms.

9.3 TERMINATION BY CPI.

(a) This Agreement may be immediately terminated by CPI: (i) if Subscriber is in material breach of any of its obligations under this Agreement, and has not cured such breach within thirty (30) days (or within five (5) days in the case of any payment default) of Subscriber's receipt of written notice thereof; (ii) Subscriber becomes the subject of a petition in bankruptcy or any other proceeding related to insolvency, receivership, liquidation or an assignment for the benefit of creditors; (iii) upon the determination by any regulatory body that the subject matter of this Agreement is subject to any governmental regulatory authorization or review that imposes additional costs of doing business upon CPI; or (iv) as otherwise explicitly provided in this Agreement. Regardless of whether Subscriber is then in breach, CPI may, in its reasonable discretion, determine that it will not accept any renewal by Subscriber of its subscription to ChargePoint Services. In such case, this Agreement shall terminate upon the later of the expiration of all of Subscriber's subscriptions to ChargePoint Services.

(b) CPI may in its discretion suspend Subscriber's continuing access to the ChargePoint Services or any portion thereof if (A) Subscriber has breached any provision of this Agreement, or has acted in manner that indicates that Subscriber does not intend to, or is unable to, comply with any provision of this Agreement; (B) such suspension is required by law (for example, due to a change to the law governing the provision of the ChargePoint Services); or (c) providing the ChargePoint Services to Subscriber could create a security risk or material technical burden as reasonably determined by CPI.

9.4 TERMINATION BY SUBSCRIBER.

This Agreement may be immediately terminated by Subscriber without prejudice to any other remedy of Subscriber at law or equity: (i) if CPI is in material breach of any of its obligations under this Agreement, and has not cured such breach within thirty (30) days of the date of its receipt of written notice thereof, or (ii) CPI becomes the subject of a petition in bankruptcy or any other proceeding related to insolvency, receivership, liquidation or an assignment for the benefit of creditors.

9.5 REFUND OR PAYMENT UPON TERMINATION. Upon any termination of this Agreement for cause by Subscriber pursuant to Section 9.4(i) or by CPI pursuant to Section 9.3(a)(iii), CPI shall refund to Subscriber a pro-rata portion of any pre-paid Subscription Fees based upon the remaining Service Plan term. Upon any termination for any other reason, Subscriber shall not be entitled to any refund of any Subscription Fees as a result of such termination. In no event shall any termination relieve Subscriber of any unpaid Subscription Fees due CPI for the Service Plan term in which the termination occurs or any prior Service Plan term.

9.6 SURVIVAL. Those provisions dealing with the Intellectual Property Rights of CPI, limitations of liability and disclaimers, restrictions of warranty, Applicable Law and those other provisions which by their nature or terms are intended to survive the termination of this Agreement will remain in full force and effect as between the Parties hereto regardless of the termination of this Agreement.

10. INDEMNIFICATION. Subscriber hereby agrees to indemnify, defend and hold CPI, its officers, directors, agents, affiliates, distribution partners, licensors and suppliers harmless from and against any and all claims, actions, proceedings, costs, liabilities, losses and expenses (including, but not limited to, reasonable attorneys' fees) (collectively, "Claims") suffered or incurred by such indemnified parties resulting from or arising out of Subscriber's actual or alleged use (directly, or through a grantee of Rights by Subscriber) of the ChargePoint Services, ChargePoint or Subscriber Content and Services. Subscriber will cooperate as fully as reasonably required in the defense of any claim. CPI reserves the right, at its own expense, to assume the exclusive defense and control of any matter subject to indemnification by Subscriber.

11. GENERAL.

11.1 AMENDMENT OR MODIFICATION. CPI reserves the right to modify this Agreement from time to time. CPI will provide notice of each such modification to Subscriber. Subscriber's continued use of the ChargePoint Services following such notice will constitute an acceptance of the modified Agreement.

11.2 WAIVER. The failure of either Party at any time to enforce any provision of this Agreement shall not be construed to be a waiver of the right of such Party to thereafter enforce that provision or any other provision or right.

11.3 FORCE MAJEURE. Except with respect to payment obligations, neither CPI nor Subscriber will be liable for failure to perform any of its obligations hereunder due to causes beyond such party's reasonable control and occurring without its fault or negligence, including but not limited to fire, flood, earthquake or other natural disaster (irrespective of such Party's condition of any preparedness therefore); war, embargo; riot; strike; labor action; any lawful order, decree, or other directive of any government authority that prohibits a Party from performing its obligations under this Agreement; material shortages; shortage of transport; and failures of suppliers to deliver material or components in accordance with the terms of their contracts.

11.4 ARBITRATION. This Agreement is to be construed according to the laws of the State of California, excluding the provisions of the United Nations Convention on Contracts for the International Sale of Goods and any conflict of law provisions that would require application of another choice of law. Except with respect to any matter relating to Subscriber's violation of the intellectual property rights of CPI, any dispute arising from or relating to this Agreement shall be arbitrated in Santa Clara, California. The arbitration shall be administered by JAMS in accordance with its Comprehensive Arbitration Rules and Procedures, and judgment on any award may be entered in any court of competent jurisdiction. If the Parties agree, a mediator may be consulted prior to arbitration. All claims shall be brought in the parties' individual capacity, and not as a plaintiff or class member in any purported class or representative proceeding. With respect to any matter relating to the intellectual property rights of CPI, such claim may be litigated in a court of competent jurisdiction. The prevailing party in any dispute arising out of this Agreement shall be entitled to reasonable attorneys' fees and costs..

11.5 NOTICES. Any notice required or permitted by this Agreement shall be sent (a) if by CPI, via electronic mail to the address indicated by Subscriber in Subscriber's ChargePoint Services account; or (b) if by Subscriber, via electronic mail to mssa@chargepoint.com.

11.6 INJUNCTIVE RELIEF. Subscriber acknowledges that damages for improper use of the ChargePoint Services may be irreparable; therefore, CPI is entitled to seek equitable relief, including but not limited to preliminary injunction and injunction, in addition to all other remedies.

11.7 SEVERABILITY. Except as otherwise specifically provided herein, if any term or condition of this Agreement or the application thereof to either Party will to any extent be determined jointly by the Parties or by any judicial, governmental or similar authority, to be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to this Agreement, the Parties or circumstances other than those as to which it is determined to be invalid or unenforceable, will not be affected thereby.

11.8 ASSIGNMENT. Subscriber may not assign any of its rights or obligations hereunder, whether by operation of law or otherwise, without the prior written consent of CPI (not to be unreasonably withheld). In the event of any purported assignment in breach of this Section, CPI shall be entitled, at its sole discretion, to terminate this Agreement upon written notice given to Subscriber. Subject to the foregoing, this Agreement shall bind and inure to the benefit of the parties, their respective successors and permitted assigns. CPI may assign its rights and obligations under this Agreement.

11.9 NO AGENCY OR PARTNERSHIP. CPI, in the performance of this Agreement, is an independent contractor. In performing its obligations under this Agreement, CPI shall maintain complete control over its employees, its subcontractors and its operations. No partnership, joint venture or agency relationship is intended by CPI and Subscriber to be created by this Agreement. Neither Party has any right or authority to assume or create any obligations of any kind or to make any representation or warranty on behalf of the other Party, whether express or implied, or to bind the other Party in any respect whatsoever.

11.10 ENTIRE AGREEMENT. This Agreement (including the attached Exhibits) contains the entire agreement between the Parties with respect to the subject matter hereof and supersedes and cancels all previous and contemporaneous agreements, negotiations, commitments, understandings, representations and writings. All purchase orders issued by Subscriber shall state that such purchase orders are subject to all of the terms and conditions of this Agreement, and contain no other term other than the type of Service Plan, the number of Charging Stations for which such Service Plan is ordered, the term of such Service Plans and applicable Subscription Fees. To the extent of any conflict or inconsistency between the terms and conditions of this Agreement and any purchase order, the Agreement shall prevail. Notwithstanding any language to the contrary therein, no terms or conditions stated in any other documentation shall be incorporated into or form any part of this Agreement, and all such purported terms and conditions shall be null and void.

11.11 COPYRIGHT POLICIES. It is CPI's policy to respond to notices of alleged copyright infringement that comply with applicable international intellectual property law (including, in the United States, the Digital Millennium Copyright Act) and to terminate the accounts of repeat infringers.

11.12 THIRD PARTY RESOURCES. The ChargePoint Services may include hyperlinks to other websites or resources. CPI has no control over any web sites or resources that are provided by companies or persons other than CPI. Subscriber acknowledges and agrees that CPI is not responsible for the availability of any such web sites or resources, CPI does not endorse any advertising, products or other materials on or available from such web sites or resources, and CPI is not liable for any loss or damage that may be incurred by Subscriber as a result of any reliance placed by Subscriber on the completeness, accuracy or existence of any advertising, products, or other materials on, or available from, such websites or resources.

11.13 COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which, taken together, shall constitute but one and the same document.

11.14 ENGLISH LANGUAGE AGREEMENT GOVERNS. Where CPI has provided Subscriber with a translation of the English language version of this Agreement, Subscriber agrees that the translation is provided for Subscriber's convenience only and that the English language version of this Agreement governs Subscriber's relationship with CPI. If there is any conflict between the English language version of this Agreement and such translation, the English language version will prevail.

EXHIBIT 1

FLEX BILLING TERMS

This Exhibit sets forth certain additional terms and conditions ("Flex Billing Terms") pursuant to which Subscriber may charge Users fees for the use of Subscriber's Charging Stations. In order to charge such fees, Subscriber must subscribe to a Service Plan that includes CPI's management, collection and/or processing services related to such fees ("Flex Billing").

1. **DEFINITIONS.** The following additional defined terms shall apply to these Flex Billing Terms:

1.1 ***"CPI Fees"*** means a fee, currently equal to ten percent (10%) of Session Fees, charged for a particular Session. CPI Fees are charged by CPI in exchange for its collection and processing of Session Fees on behalf of Subscriber. CPI will provide Subscriber with thirty (30) days prior written notice (which may include, without limitation, notice provided by CPI through its regular newsletter to Subscriber) of any increase in CPI Fees.

1.2 ***"Net Session Fees"*** means the total amount of Session Fees collected on behalf of the Subscriber by CPI, less CPI Fees and Taxes, if any, required by law to be collected by CPI from Users in connection with the use of Charging Stations. Except as required by law, Subscriber shall be responsible for the payment of all Taxes incurred in connection with use of Subscriber's Charging Stations.

1.3 ***"Session"*** or ***"Charging Session"*** means the period of time during which a User uses Subscriber's Charging Station to charge his or her electric vehicle for a continuous period of time not less than two (2) minutes commencing when a User has accessed such Charging Station and ending when such User has terminated such access.

1.4 ***"Session Fees"*** means the fees set by the Subscriber for a Charging Session, inclusive of any applicable Taxes.

2. FLEX-BILLING SERVICE FOR CHARGING STATIONS.

2.1. **SESSION FEES.** Subscriber shall have sole authority to determine and set in real-time Session Fees. Subscriber shall be solely responsible for determining and charging Session Fees in compliance with all applicable laws and regulations (including without limitation any restriction on Subscriber's use of per-kWh pricing). Subscriber acknowledges that CPI is not responsible for informing Subscriber of applicable laws or changes thereto, and CPI will not be liable to Subscriber or any third party for any alleged or actual failure of Subscriber to comply with such applicable laws and regulations.

2.2 **DEDUCTIONS FROM SESSION FEES.** In exchange for CPI collecting Session Fees on behalf of the Subscriber, the Subscriber hereby authorizes CPI to deduct from all Session Fees collected: (i) CPI Fees and (ii) to the extent required by Section 3, applicable Taxes.

2.3 **PAYMENT TO SUBSCRIBER OF NET SESSION FEES.** CPI shall remit Net Session Fees to Subscriber not more than thirty (30) days after the end of each calendar month as directed by Subscriber from time to time through the applicable ChargePoint Services. Notwithstanding the foregoing, no such payment will be required if at the end of any calendar month the amount due to Subscriber hereunder is less than fifty U.S. Dollars ($50), except in connection with the expiration or termination of this Agreement. In no event shall CPI remit amounts due to Subscriber, regardless of the amount then due, later than thirty (30) days following the end of each calendar quarter.

3. TAXES. Subscriber is responsible for the payment of all Taxes incurred in connection with Session Fees; provided that CPI is solely responsible for all Taxes assessable based on CPI's income, property and employees. Where CPI is required by law to collect and/or remit the Taxes for which Subscriber is responsible, the appropriate amount shall be invoiced to Subscriber and deducted by CPI from Session Fees, unless Subscriber has otherwise provided CPI with a valid tax or regulatory exemption certificate or authorization from the appropriate taxing or regulatory authority.

EXHIBIT 2
API TERMS

This Exhibit sets forth certain additional terms and conditions ("API Terms") governing Subscriber's use of the APIs in connection with Subscriber's use of the ChargePoint Services. The API Terms are part of the Agreement, and all such use of the APIs remains subject to the Agreement terms.

1. ADDITIONAL DEFINITIONS. The following additional definitions shall apply to the API Terms.

1.1 ***"API Implementation"*** means a Subscriber software application or website that uses any of the APIs to obtain and display Content in conjunction with Subscriber Content and Services.

1.2 ***"API Documentation"*** means all Documentation containing instructions, restrictions or guidelines regarding the APIs or the use thereof, as amended and/or supplemented by CPI from time to time.

1.3 ***"CPI Site Terms"*** means the Terms and Conditions displayed on CPI's website, governing use of CPI's website and the ChargePoint Services by visitors who are not Service Plan subscribers.

2. API USE. Subscriber may use the APIs as and to the extent permitted by Subscriber's Service Plan and the API Documentation, subject to the terms and conditions of the Agreement.

2.1 AVAILABLE APIs AND FUNCTION CALLS. The APIs give Subscriber access to information through a set of function calls. The particular APIs and API function calls made available by CPI from time to time (and the Content available through such APIs and function calls) will be limited by Subscriber's Service Plan, and Subscriber's particular Service Plan may not include all APIs and function calls then available from CPI.

2.2 USE AND DISPLAY OF CONTENT. Subscriber is permitted to access, use and publicly display the Content with Subscriber Content and Services in Subscriber's API Implementation, subject to the following requirements and limitations.

(a) All Charging Station locations provided to Subscriber as part of the Content shall be clearly identified by Subscriber in Subscriber's API Implementation as ChargePoint® Network Charging Stations and shall contain the Brand Identifiers required by the API Documentation. In no event shall Subscriber's API Implementation identify or imply that any Charging Station is a part of any network of charging stations other than ChargePoint.

(b) Subscriber shall keep the Content used by Subscriber's API Implementation current with Content obtained with the APIs to within every forty eight (48) hours.

(c) Content provided to Subscriber through the APIs may contain the trade names, trademarks, service marks, logos, domain names, and other distinctive brand features of CPI's business partners and/or other third party rights holders of Content indexed by CPI, which may not be deleted or altered in any manner.

(d) Subscriber shall not:

(i) pre-fetch, cache, or store any Content, except that Subscriber may store limited amounts of Content for the purpose of improving the performance of Subscriber's API Implementation if Subscriber does so temporarily, securely, and in a manner that does not permit use of the Content outside of the ChargePoint Service;

(ii) hide or mask from CPI the identity of Subscriber's service utilizing the APIs, including by failing to follow the identification conventions listed in the API Documentation; or

(iii) defame, abuse, harass, stalk, threaten or otherwise violate the legal rights (such as rights of privacy and publicity) of others.

2.3 REQUIRED INFORMATION. Subscriber must:

(a) display to all viewers and users of Subscriber's API Implementation the link to the CPI Site Terms and Conditions as presented through the ChargePoint Services or described in the Documentation;

(b) explicitly state in the use terms governing Subscriber's API Implementation that, by using Subscriber's API Implementation, such viewers and users are agreeing to be bound by the CPI Site Terms; and

(c) include in Subscriber's API Implementation, and abide by, a privacy policy complying will all applicable laws; and

(d) comply with all applicable laws designed to protect the privacy and legal rights of users of Subscriber's API Implementation.

2.4 REPORTING. Subscriber must implement reporting mechanisms, if any, that CPI requires in the API Documentation.

3. <u>CPI BRANDING REQUIREMENTS AND RESTRICTIONS</u>.

3.1 MANDATORY CPI BRANDING. Subject to Section 3.2 below and the restrictions on use of CPI Marks set forth in the Agreement, Subscriber agrees that each page comprising Subscriber's API Implementation will include a ChargePoint logo and will state that Subscriber's application or website is provided, in part, through the ChargePoint Services.

3.2 RESTRICTIONS. Subscriber shall not:

(a) display any CPI Mark as the most prominent element on any page in Subscriber's API Implementation or Subscriber's website (except as used in connection with the display of Charging Stations); or

(b) display any CPI Mark anywhere in Subscriber's API Implementation or on Subscriber's website if Subscriber's API Implementation or website contains or displays adult content or promotes illegal activities, gambling, or the sale of tobacco or alcohol to persons under twenty-one (21) years of age.

EXHIBIT 3
TERMS REGARDING GRANTING OF RIGHTS

This Exhibit sets forth certain additional terms and conditions applicable to Rights Grantors and Rights Grantees regarding the granting of Rights ("Rights Terms"). The Rights Terms are part of the Agreement, and all use of the ChargePoint Services permitted pursuant to the Rights Terms remains subject to the Agreement.

1. ADDITIONAL DEFINITIONS. The following additional definitions shall apply.

1.1 ***"Rights Grantor"*** means Subscriber.

1.2 ***"Rights Grantee"*** means a any person to whom Subscriber has granted Rights. For purposes of this Agreement, a Subscriber shall be deemed to have granted Rights to the entity assisting Subscriber with creating its account and initiating Subscriber's access to Services.

2. TERMS. This Section governs Subscriber's granting of Rights as a Rights Grantor.

2.1 LIMITED RIGHTS. A Rights Grantee's right to access and use the ChargePoint Services for and on behalf of a Rights Grantor is limited to the specific Rights granted by such Rights Grantor to such Rights Grantee. Such Rights may be limited according to the Service Plan(s) subscribed to by Subscriber. Subscriber may revoke Rights, or any portion thereof, it has granted to a Rights Grantee at will and such Rights will thereafter by terminated with respect to such Rights Grantee. In no event may Subscriber grant Rights in excess of those provided to it through the Service Plan(s) to which it has subscribed.

2.2 RESPONSIBILITY FOR AUTHORIZED USER. All use of the ChargePoint Services by a Rights Grantee exercising Rights granted by Subscriber shall be subject to the terms and conditions of the Agreement (including without limitation Subscriber's indemnification obligation pursuant to Section 10 thereof). Subscriber shall be responsible for the actions, omissions, or performance of such Rights Grantee while exercising any such Rights, as if such action, omission or performance had been committed by Subscriber directly.

2.3 NO AGREEMENT. Subscriber acknowledges and agrees that the ChargePoint Services merely enable a Rights Grantor to extend Rights to Rights Grantees. The mere extension of such Rights by a Rights Grantor to a Rights Grantee does not constitute an agreement between Rights Grantor and the Rights Grantee with respect to the granted Rights or the exercise of such Rights by the Rights Grantee. CPI does not, either through the terms of the Agreement or the provision of ChargePoint Services undertake to provide any such agreement. It is the responsibility of the Rights Grantor and the Rights Grantee to enter into such an agreement on terms mutually acceptable to each. CPI expressly undertakes no liability with respect to such an agreement and Rights Grantor fully and unconditionally releases CPI from any liability arising out of such an agreement. Further Rights Grantor agrees to indemnify and hold CPI, its officers, directors, agents, affiliates, distribution partners, licensors and suppliers harmless from and against any and all claims, actions, proceedings, costs, liabilities, losses and expenses (including, but not limited to, reasonable attorneys' fees) (collectively, "Claims") suffered or incurred by such indemnified parties resulting from or arising out of such agreement.

APPROVAL TO PROCEED

(inclusive of Exhibits A, B, C, D, and E above – as applicable)

The signatures below indicate agreement by all named parties with this Approval to Proceed (including Exhibits A, B, C, D, and E above – as applicable) with the installation of charging equipment and related services under the terms and conditions outlined in this document and in the Bay Area Charge Ahead Project grant application and award from the California Energy Commission.

Please note that this agreement is contingent upon and only goes into force after execution of all necessary agreements between the CEC and the California EV Alliance (CEVA), and the subsequent execution of valid agreements between the CEVA and ABM. If in the event that these superior agreements are not completed successfully with mutual consent between the parties, then ABM is not obligated to provide the equipment nor services identified in this agreement.

Site Host Authorized Signature	**Printed Name & Title**
Date	

ABM Authorized Signature	**Printed Name & Title**
Date	

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Item No: 14

Report to the City Council
Council Meeting of November 24, 2015

Agenda Section: **New Business**

Subject: **Request for formal direction to include designation of a portion of 1480 Main Street (City Hall) and the Adams Street Property (APN 009-150-006) as Central Business, into the General Plan Update and Environmental Impact Report analysis.**

CEQA Status: **Not a CEQA Project; Any formal land use changes to the 1480 Main Street and the Adams Street property will undergo a complete environmental review under CEQA.**

Prepared By: **Noah Housh, Planning and Community Improvement Director** NH

Approved By: **Jennifer Phillips, City Manager**

BACKGROUND

On October 17, 2015, the City Council reviewed conceptual Request for Proposals (RFPs) requesting development proposals for City owned parcels at 1480 Main Street and the Adams Street Property (APN 009-150-006).

As a component of that review, staff provided the City Council with appraisals of each of the properties which were conducted in October 2015. These appraisals identified the current value of the City Hall property (excluding the Fire Station) is as approximately $4.7 Million if the property were to be designated as Central Business (CB) by the General Plan. The current value of the Adams Street property was identified as $8.9 Million, however (according to the appraisal) this value would increase to approximately $12.2 million if the entire property were included within the Urban Limit Line and designated Central Business (or a similar designation) by the General Plan.

DISCUSSION

As a part of the Council review of the conceptual RFP documents, the value differential between the current land use designations of the property and those assumed by the appraisal was identified by staff. During this review, Council gave general direction for implementing the land use changes assumed by the appraisal, with the goal of minimizing limitations on potential development proposals as well as maximizing the value of the property.

In response to this direction, staff has prepared graphics to identify how the proposed land use changes would be incorporated into the on-going General Plan update. These changes include designating both the 1480 Main Street property (City Hall) and the Adams Street Parcel as Central Business (CB). These graphics are attached to this report (Attachment A and Attachment B). The appraisal of the properties has also been attached to the report to full inform the Council decision making process.

FISCAL IMPACT

The General Plan update is nearly complete and making these minor modifications to the land use designations will add some cost to the update process. The Draft General Plan itself will need to be updated to incorporate the change to the Adams Street and Main Street properties. Further, the analysis of the impacts of these land use changes will need to be incorporated into the Environmental Impact Report (EIR).

While these are direct fiscal impacts of the proposed land use changes, staff does not see these minor revisions as significantly impacting the total costs of the General Plan update or EIR.

RECOMMENDED ACTION

It is recommended by the Planning and Community Improvement Department that the City Council confirm the direction to designate a portion of 1480 Main Street and the Adams Street Parcel (APN 009-150-006) as Central Business as a component of the General Plan update process.

ATTACHMENTS

A) 1480 Main Street Central Business General Plan Revision-Draft
B) Adams Street Central Business General Plan Revision-Draft
C) Appraisals of 1480 Main Street and Adams Street Parcel

Attachment A

EXISTING GENERAL PLAN

Public / Quasi Public Land Designation

Attachment A

PROPOSED GENERAL PLAN DESIGNATION

 Central Business District Land Designation

EXISTING GENERAL PLAN

General Plan Land Use

- Central Business District
- Agriculture
- Urban Limit Line

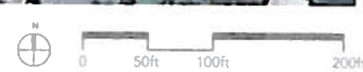
Attachment B

Adams StreetProposed Changes

General Plan Use - Central Business District

General Plan Use

Central Business District



Attachment C

AN APPRAISAL REPORT

of

City of St. Helena Properties

A 0.88 Acre Site
1480 Main Street
St. Helena, CA 94574

&

A 5.60 Acre Site
NWC Adams Street and Library Lane
St. Helena, CA 94574

DATE OF VALUE

September 18, 2015

PREPARED FOR

Jennifer Phillips
City Manager
City of St. Helena
1480 Main Street
St. Helena, CA 94574
(707) 968-2744

PREPARED BY

Ryan C. Ward
Howard R. Levy, MAI, AI-GRS
Ward Levy Appraisal Group, Inc.
533 Fifth Street, Suite 300
Santa Rosa, CA 95401
(707) 575-7778

Attachment C

WARD LEVY APPRAISAL GROUP, INC
Real Property Valuation

533 Fifth Street, Suite 300
Santa Rosa, CA 95401
(707) 921-5050
info@wardlevy.com

October 13, 2015

Jennifer Phillips
City Manager
City of St. Helena
1480 Main Street
St. Helena, CA 94574

RE: City of St. Helena Properties

Dear Ms. Phillips:

As requested by you, we have conducted the required investigation, gathered the necessary data and made certain analyses that have enabled the formation of the following opinions of value:

Appraisal Premise	Interest Appraised	Date of Value	Opinion of Value
Hypothetical – 1480 Main Street	**Fee Simple**	**September 18, 2015**	**$4,740,000**
Hypothetical – NWC Adams Street & Library Lane	**Fee Simple**	**September 18, 2015**	**$12,200,000**
As Is – NWC Adams Street & Library Lane	**Fee Simple**	**September 18, 2015**	**$8,970,000**

This letter and related exhibits must remain attached to the report in order for the value opinions set forth to be considered valid.

The appraisal that follows is a narrative appraisal report that sets forth the scope of the assignment, identification of the property, pertinent facts about the area and the subject property, comparable data, the results of the research and analyses and the reasoning leading to the conclusions set forth.

The value opinions are subject to the Statement of Assumptions and Limiting Conditions and Certifications set forth in this report, as well as the following Extraordinary Assumptions and Hypothetical Conditions, the use of which might have affected the assignment results:

Extraordinary Assumptions:

- No Preliminary Title Report was provided. The value opinions set forth in this appraisal report are subject to and conditioned upon the absence of any easements or encumbrances that would materially affect the subject's market value, and are

WARD LEVY APPRAISAL GROUP, INC
Real Property Valuation

533 Fifth Street, Suite 300
Santa Rosa, CA 95401
(707) 921-5050
info@wardlevy.com

subject to review and possible revision upon the receipt of any conflicting information.

Hypothetical Conditions:

- The hypothetical value of the Main Street and Adams Street parcels assumes that as of the date of the appraisal these parcels are zoned Downtown Commercial. As of the date of the appraisal, the zoning is Public/Quasi-Public for the Main Street parcel and split between Downtown Commercial and Agricultural for the Adams Street parcel.

Respectfully submitted,

Ryan C. Ward

Ryan C. Ward, MAI
State of California Certified General Real Property Appraiser
OREA License Number AG026338
Expiration: December 22, 2016

Howard Levy

Howard R. Levy, MAI, AI-GRS
State of California Certified General Real Property Appraiser
OREA License Number AG003852
Expiration: August 30, 2016

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SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Property Name:	City of St. Helena Properties	
Property Type:	Land	
Address:	1480 Main Street St. Helena, CA 94574 The Adams Street parcel has no street address.	
Assessor's Parcel Numbers:	1480 Main Street: Adams Street:	009-211-016 (portion) 009-150-006
Census Tract:	2016.02	
Site Area:	6.48 Gross Acres / 282,269 Square Feet 6.48 Usable Acres / 282,269 Square Feet	
Zoning:	Main Street: Adams Street:	P/QP (Public/Quasi-Public) - Current Central Business - As Appraised Central Business & Urban Reserve - CB / 20-Acre Agriculture – A-20
General Plan Land Use Designation:	Main Street: Adams Street:	P/Q-P / Central Business Agriculture/Public/Quasi-Public/ Mixed Use
Flood Hazard Area:	The subject is located in an area mapped by the Federal Emergency Management Agency (FEMA). The subject is located in FEMA flood zone X, which is not classified as a special flood hazard area. FEMA Map Number: FEMA Map Date:	 06055C0263E & 06055C0264E September 26, 2008
Earthquake Area:	The subject sites are not located in an Alquist Priolo Special Studies Zone.	
Soil Conditions:	The appraisers are not qualified as soil experts and do not possess the skills to determine if the sites are contaminated in any manner which might have a negative impact on the overall value of the properties. The reader of this report is advised to determine the development potential of the sites and ensure that no soil contamination exists prior to making any financial commitments on the	

subject property. This appraisal assumes that the sites can be improved to their highest and best use, and that no contamination exists which would negatively impact the subject property.

Site Status: There are no entitlements or approvals for any development on the subject properties.

Improvements: The parcel at 1480 Main Street contains offices and is utilized as city hall and the police station for the City of St. Helena. The improvements are of concrete block construction with relatively low ceilings and relatively low appeal. The structure was built in the 1950's or 1960's based on its construction quality, though it is obvious that the property has been expanded over time as some of the interior walls were formerly exterior walls. Based on our measurements, the building is approximately 11,140 square feet with parking for approximately 24 vehicles on-site. On balance, the improvements are not considered to contribute value to the underlying land and the highest and best use is to redevelop the site with a mixed-use development, with retail and lodging.

Highest and Best Use:

As Vacant: The highest and best use as vacant for each parcel is for the development of a mixed-use project comprising retail, office and even lodging. The Main Street property has frontage on a very busy street and would be a suitable site for first floor retail and office, residential or lodging on the upper floors. The Adams Street property has less retail appeal and would be a better site for a mixed-use property with a small retail component, office, apartment or a lodging facility/resort.

As Improved: The highest and best use of the subject property as improved is for demolition and construction of a mixed-use development.

Estimated Marketing Period: A reasonable marketing period for the subject properties is estimated to be 6 to 9 months based upon an analysis of sales of comparable properties and assumes no foreseeable changes in market conditions.

Estimated Exposure Time: A reasonable exposure time for the subject properties at the appraisers' determination of market value would be 6 to 9 months as of the effective date of the report and based upon an analysis of sales of comparable properties.

Date of Inspection: September 18, 2015

Report Date: October 13, 2015

Extraordinary Assumptions: No Preliminary Title Report was provided. The value opinions set forth in this appraisal report are subject to and conditioned upon the absence of any easements or encumbrances that would materially affect the subject's market value, and are subject to review and possible revision upon the receipt of any conflicting information.

Hypothetical Conditions: The hypothetical value of the Main Street and Adams Street parcels assumes that as of the date of the appraisal these parcels are zoned Downtown Commercial. As of the date of the appraisal, the zoning is Public/Quasi-Public for the Main Street parcel and split between Downtown Commercial and Agricultural for the Adams Street parcel.

Value Indications

	Hypothetical – 1480 Main Street	Hypothetical – Adams Street & Library Lane	As Is – Adams Street & Library Lane
Value Conclusion	$4,740,000	$12,200,000	$8,970,000
Date of Value	September 18, 2015	September 18, 2015	September 18, 2015
Property Rights	Fee Simple	Fee Simple	Fee Simple

Identification of the Property

The 1480 Main Street parcel is located on the east side of Main Street (Highways 29 and 128) in the downtown area of the City of St. Helena, Napa County, California. This parcel is referred to as a portion of Napa County Assessor's Parcel Number 009-211-016 and is commonly known as 1480 Main Street, St. Helena, Napa County, CA 94574.

The other subject property is located at the northwest corner of Adams Street and Library Lane in the City of St. Helena, Napa County, California. This parcel is referred to as Napa County Assessor's Parcel Number 009-150-006 and does not have a street address, but is accessible from either Adams Street or Library Lane.

Ownership and Recent History of Subject Property

The subject ownership is vested in the City of St. Helena. Ward Levy Appraisal Group, Inc. is unaware of any transfers, offers, options or agreements to purchase pending on the subject property within the last three years.

Date of Inspection, Valuation & Report Date

The date of inspection and valuation is September 18, 2015. The report date is October 13, 2015.

Legal Description

The subject has been identified by its Assessor's Parcel Numbers and the Assessor's Parcel Maps. Also, the 1480 Main Street property is part of a larger parcel and the land area is estimated based on guidance from the Planning Director. No legal description was available.

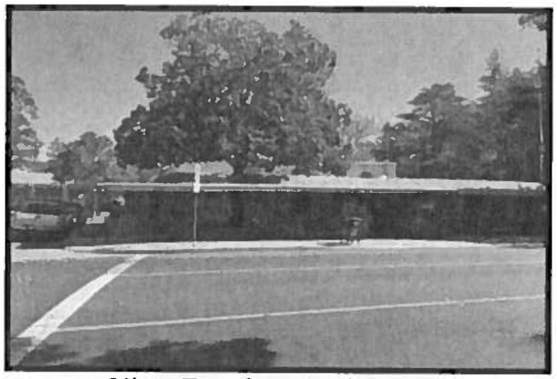
Real Property Tax and Assessment Data

As a result of the passage of Proposition 13, or the Jarvis Gann initiative in 1978, real property taxes in the State of California are limited to 1% of market value, based upon the Assessor's market value estimate for the 1975 base year, unless there is a transfer of ownership, new construction or the property is leased on a long-term basis. Whenever any of the foregoing occurs, the property is reassessed at full market value. If there is no reassessment, the assessed value is increased at 2% annually. Assessed values in California rarely have any relationship to market value due to the increase limit. Thus, comparison to other similar properties is irrelevant since the assessed values are not based upon current market value.

Proposition 13 limits the annual real property taxes to 1% of the assessed value, plus an amortized amount for voter approved bonded indebtedness. The voter approved bonded indebtedness can take the form of a percentage of value or as a fixed per parcel charge. In addition, special tax assessments which have a finite life are collected with the regular tax roll and represent a supplemental debt to the owner that can be paid off in one lump sum or over time.

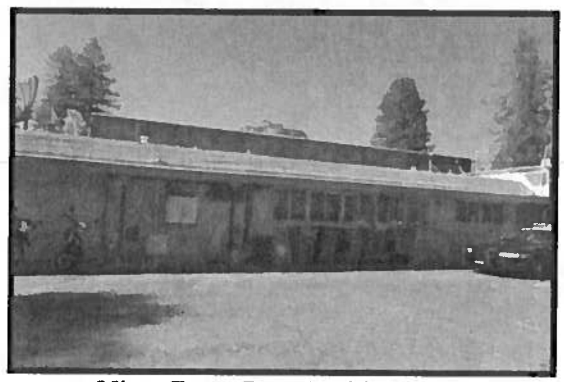
The subject properties are owned by the City of St. Helena and are not assessed for ad valorem tax purposes. As such, there are no historical taxes to report or analyze.

SUBJECT PROPERTY PHOTOGRAPHS – 1480 MAIN STREET


View East from Main Street

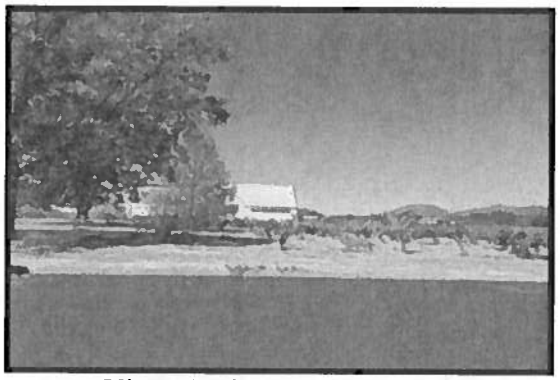

View of Pine Street Frontage

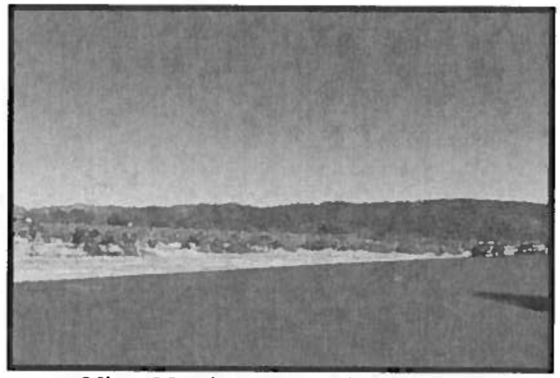

Rear of Site

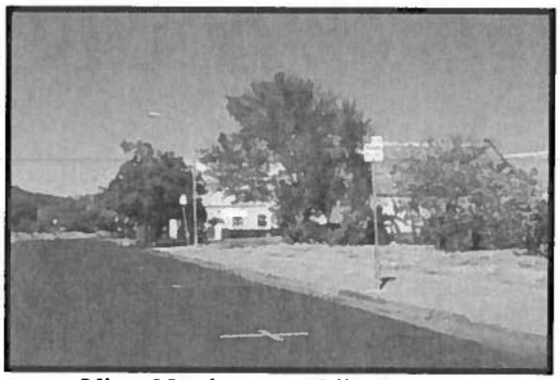

View From Rear Parking Area


Police Station Frontage

SUBJECT PROPERTY PHOTOGRAPHS – ADAMS STREET


View North on Adams Street


View Northeast on Adams Street


View Northeast on Library Lane


View East on Library Lane

SCOPE OF WORK

According to the Uniform Standards of Professional Appraisal Practice, it is the appraiser's responsibility to develop and report a scope of work that results in credible results that are appropriate for the appraisal problem and intended user(s). Therefore, the appraiser must identify and consider:

- the client and intended users;
- the intended use of the report;
- the type and definition of value;
- the effective date of value;
- assignment conditions;
- typical client expectations; and
- typical appraisal work by peers for similar assignments.

Scope of Work	
Client:	City of St. Helena
Intended Use:	To assist the client in establishing a sales price
Intended User:	City of St. Helena
Report Type:	This is an Appraisal Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(a). This format provides a summary of the appraisal process, subject and market data and valuation analyses.
Property Identification:	The subject has been identified by its Assessor's Parcel Numbers and the Assessor's Parcel Maps. Also, the 1480 Main Street property is part of a larger parcel and the land area is estimated based on guidance from the Planning Director. No legal description was available.
Inspection:	A complete inspection of the subject property at 1480 Main Street has been made with measurements and photographs taken.
Information Sources:	Obtaining the site size from the Assessor's records and the building area from on-site measurements, researching local area use trends and construction activity from public agencies and local market participants, determining probable marketing and exposure time based on recent sales and interviews with local real estate professionals, conducting telephone and personal interviews with persons considered knowledgeable regarding the subject property and general market conditions, verifying the comparable

market data with at least one party to the transactions.

Market Area and Analysis of Market Conditions:	A complete analysis of market conditions has been made.
Highest and Best Use Analysis:	A complete as vacant and as improved highest and best use analysis for the subject has been made. Legally permissible, physically possible and financially feasible uses were considered, and the maximally productive use was concluded.
Type of Value:	Market Value
Personal Property, Fixtures and Intangible Items:	The valuation opinion included within this appraisal is for the real property only. No personal property, fixtures or intangible items of material value are included as part of the real property.

Valuation Analyses

Cost Approach:	A cost approach was not applied as there are no improvements to analyze with regard to the Adams Street parcel and the Main Street property is an older building that is at the end of its economic life and has a highest and best use to be demolished and developed with a mixed-use development.
Sales Comparison Approach:	A sales approach was applied as market participants consider similar type properties when determining the subject properties market value and thus the Sales Comparison Approach is utilized in the analysis.
Income Approach:	An income approach was not applied as the subject is not a typical income producing property.
Hypothetical Conditions:	The hypothetical value of the Main Street and Adams Street parcels assumes that as of the date of the appraisal these parcels are zoned Downtown Commercial. As of the date of the appraisal, the zoning is Public/Quasi-Public for the Main Street parcel and split between Downtown Commercial and Agricultural for the Adams Street parcel.

Extraordinary Assumptions: No Preliminary Title Report was provided. The value opinions set forth in this appraisal report are subject to and conditioned upon the absence of any easements or encumbrances that would materially affect the subject's market value, and are subject to review and possible revision upon the receipt of any conflicting information.

Information Not Available: None

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is for no purpose other than property valuation, and the appraisers are neither qualified to nor attempting to go beyond that narrow scope. The reader should be aware that there are inherent limitations to the accuracy of the information and analyses contained in this appraisal. Before making any decision based on the information and analyses contained in this report, it is critically important to read this entire section to understand these limitations. Please note that all of the following assumptions and limiting conditions are considered to be effective *unless otherwise noted within this report.*

Appraisal is not a Survey: It is assumed that the utilization of the land and improvements is within the boundaries of the property lines of the property described and that there is no encroachment or trespass unless noted within the report.

No survey of the property has been made by the appraisers and no responsibility is assumed in connection with such matters. Any maps, plats or drawings reproduced and included in this report are intended only for the purpose of showing spatial relationships. The reliability of the information contained on any such map or drawing is assumed by the appraisers and cannot be guaranteed to be correct. A surveyor should be consulted if there is any concern on boundaries, setbacks, encroachments or other survey matters.

Appraisal is not a Legal Opinion: No responsibility is assumed for legal matters that affect title to the property nor is an opinion of title rendered. The title is assumed to be good and marketable. The value estimate is given without regard to any questions of title, boundaries, encumbrances or encroachments. We are not usually provided a complete title report of the property being appraised and, in any event, we neither made a detailed examination of it nor do we give any legal opinion concerning it.

It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws, unless non-compliance is stated, defined and considered in the appraisal report. A comprehensive examination of laws and regulations affecting the subject property was not performed for this appraisal.

It is assumed that all applicable zoning and land use regulations and restrictions have been complied with, unless a non-conformity has been stated, defined and considered in the appraisal report. Information and analyses shown in this report concerning these items are based only on a preliminary investigation. Any significant question should be addressed to local zoning or land use officials and/or an attorney.

It is assumed that all required licenses, consents or other legislative or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based. Appropriate government officials and/or an attorney should be consulted if an interested party has any questions or concerns on these items, inasmuch as we have not made a comprehensive examination of laws and regulations affecting the subject property.

Appraisal is not an Engineering or Property Inspection Report: This appraisal should not be considered a report on the physical items that are a part of this property. Although the appraisal may contain information about the physical items being appraised (including their adequacy and/or condition), it should be clearly understood that this information is only to be used as a general guide for property valuation and not as a complete or detailed physical report. The appraisers are not construction, engineering, environmental or legal experts, and any statement given on these matters in this report should be considered preliminary in nature.

If the subject property is improved with structures, the observed condition of the foundation, roof, exterior walls, interior walls, floors, heating system, plumbing, insulation, electrical service and all mechanical and construction are based on casual inspection only and no detailed inspection was made. The structures were not checked for building code violations, and it is assumed that all buildings meet applicable building codes unless so stated in the report.

It is assumed that there are no hidden or unapparent conditions of the property, sub-soil or structures that would render it more or less valuable. No responsibility is assumed for such conditions, nor for the engineering that may be required to discover such factors. Since no engineering or percolation tests were made, no liability is assumed for soil conditions. Sub-surface rights (mineral and oil) were not considered in making this appraisal.

We are not environmental experts, and we do not have the expertise necessary to determine the existence of environmental hazards such as the presence of urea-formaldehyde foam insulation, toxic waste, asbestos or hazardous building materials, or any other environmental hazards on the subject or surrounding properties. If we know of any problems of this nature which we believe would create a significant problem, they are disclosed in the report. Nondisclosure should not be taken as an indication that such a problem does not exist, however. An expert in the field should be consulted if any interested party has questions on environmental factors.

No chemical or scientific tests were performed by the appraisers on the subject property, and it is assumed that the air, water, ground and general environment associated with the property present no physical or health hazard of any kind unless otherwise noted in the report. It is further assumed that the property does not contain any type of dump site and that there are no underground tanks (or any underground source) leaking toxic or hazardous chemicals into the groundwater or the environment unless otherwise noted in the report.

Because no detailed inspection was made, and because such knowledge goes beyond the scope of this appraisal, any condition or other comments given in this appraisal report should not be taken as a guarantee that a problem does not exist. Specifically, no guarantee is made as to the adequacy or condition of the foundation, roof, exterior walls, interior walls, flooring, heating system, air conditioning system, plumbing, electrical service, insulation or any other components of buildings or structures that are located on the land. If any interested party is concerned about the existence, condition or adequacy of any particular item, we would strongly suggest that a construction expert be hired for a detailed investigation.

Appraisal is Made Under Conditions of Uncertainty with Limited Data: As can be seen from the limitations presented above, this appraisal has been performed with a limited amount of data. Data limitations result from a lack of certain areas of expertise by the appraisers (that go beyond the scope of the ordinary knowledge of an appraiser), the inability of the appraisers to view certain portions of the property and the inherent limitations of relying upon information provided by others. We have spent our time and effort in the investigative stage of this appraisal in those areas where we think it will do the most good, but inevitably there is a significant possibility that we do not possess all information relevant to the subject property.

Information provided by local sources, such as government agencies, financial institutions, accountants, attorneys and others is assumed to be true, correct and reliable. No responsibility for the accuracy of such information is assumed by the appraisers.

The comparable sales data relied upon in the appraisal is believed to be from reliable sources. Though all of the comparable sales were examined, it was not possible to inspect them all in detail. The value conclusions are subject to the accuracy of said data.

Engineering analyses of the subject property were neither provided for use nor made as a part of this appraisal contract. Any representation as to the suitability of the property for uses suggested in this analysis is therefore based only on a preliminary investigation by the appraisers and the value conclusions are subject to said limitations.

All values shown in the appraisal report are projections based on our analyses as of the date of the appraisal. These values may not be valid in other time periods or as conditions change. We take no responsibility for events, conditions or circumstances affecting the property's market value that take place subsequent to either the date of value contained in this report or the date of our field inspection, whichever occurs first.

Since projected mathematical models and other projections are based on estimates and assumptions which are inherently subject to uncertainty and variation depending upon evolving events, we do not represent them as results that will actually be achieved.

This appraisal is an estimate of value based on an analyses of information known to us at the time the appraisal was made. We do not assume any responsibility for incorrect analyses because of erroneous or incomplete information. If new information of significance comes to light, the value estimates are subject to change without notice.

Opinions and estimates expressed herein represent our best judgment, but should not be construed as advice or a recommendation to act. Any actions taken by you, the client, or any others should be based on your own judgment, and the decision process should consider many factors in addition to the value estimates and information given in this report.

Appraisal reports are technical documents addressed to the specific technical needs of clients. Casual readers should understand that this report does not contain all of the information we have concerning the subject property or the real estate market.

This appraisal was prepared at the request of and for the exclusive use of the client to whom the appraisal is addressed. No third party shall have any right to use or rely upon this appraisal for any purpose.

There are no requirements, by reason of this appraisal, to give testimony or appear in court or any pretrial conference or appearance required by subpoena with reference to the property in question, unless agreed to previously by the appraiser, sufficient notice is given to allow adequate preparation and additional fees are paid by the client at our regular rates for such appearances and the preparation necessitated thereby.

This report is made for the information and/or guidance of the client, and possession of this report, or a copy thereof, does not carry with it a right of publication. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales or other media without the written consent and approval of the appraisers. Nor shall the appraisers, firm or professional organization of which the appraisers are members be identified without the written consent of Ward Levy Appraisal Group, Inc.

It is suggested that those who possess this appraisal report should not give copies to others. Legal advice should be obtained on potential liability issues before this is done. Anyone who gives out an incomplete or altered copy of the appraisal report (including all attachments), does so at his/her own risk and assumes complete liability for any harm caused by giving out an incomplete or altered copy. Neither the appraisers nor Ward Levy Appraisal Group, Inc. assumes any liability for harm caused by reliance upon an incomplete or altered copy of the appraisal report given out by others.

Values and conclusions for various components of the subject property as contained within this report are valid only when making a summation; they are not to be used independently for any purpose and must be considered invalid if so used.

The Americans with Disabilities Act became effective January 26, 1992. Ward Levy Appraisal Group, Inc. has not made a specific compliance survey and analysis of the subject property to determine whether or not any improvements which are located on the land conform with the detailed requirements of the Act. It is possible that a compliance survey of the property could reveal that some or all of the improvements are not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible non-compliance with the requirements of the Act in estimating the value of the property.

DEFINITIONS

The following definitions have been taken from the Uniform Standards of Professional Appraisal Practice (USPAP), *The Appraisal of Real Estate*, Twelfth Edition (2001), *The Dictionary of Real Estate Appraisal*, Third Edition (1993), OCC, 12 CFR, Part 34, Subpart C-Appraisals 34.42 Definitions (g) and other sources considered relevant:

As Is Value: Market value as is as of the appraisal date is defined as an estimate of the market value of the subject property in the condition observed upon inspection, and as it physically and legally exists without hypothetical conditions, assumptions or qualifications as of the date the appraisal is prepared.

Cash Equivalent: A price expressed in terms of cash, as distinguished from a price expressed totally or partly in terms of the face amounts of notes or other securities that cannot be sold at their face amounts.

Contract Rent: The actual rental income specified in a lease.

Exposure Time: The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market.

Extraordinary Assumptions: An assumption, directly related to the specific assignment, which if found to be false, could alter the appraisers' opinions or conclusions.

Fee Simple Interest: Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.

Floor Area Ratio (FAR): The relationship between the rentable area of a building and the usable site area (also called the building-to-land ratio).

Full Service Lease: The lessor pays for all operating expenses. Generally, the lessee pays for increases in base year operating expenses only.

Going Concern: The market value of the going concern is the value of a proven property operation. It includes the incremental value associated with the business concern, which is distinct from the value of the real estate only. The going concern includes an intangible enhancement of the value of an operating business enterprise which is produced by the assemblage of the land, building, labor, equipment and marketing operation. This process creates an economically viable business that is expected to continue. The market value of the going concern refers to the total value of all the property assets, including real property, FF&E and intangible personal property attributed to business value.

Gross Lease: The lessor pays for real property taxes, insurance, common area maintenance and management. The lessee pays for utilities and janitorial. Generally, water, sewer and common area utilities are paid for by the lessor.

Highest and Best Use: The reasonably probable and legal use of vacant land or an improved property that is physically possible, legally permissible, appropriately supported, financially feasible and results in the highest value.

Hypothetical Condition: That which is contrary to what exists, but is supposed for the purpose of analysis. Hypothetical conditions assume as fact otherwise uncertain information about physical, legal or economic characteristics of the subject property or about conditions external to the property, such as market conditions or trends, or the integrity of data used in the analysis.

Hypothetical Value As Proposed or Complete: The market value of a real property interest as proposed or completed assuming its physical completion as of the effective date of value.

Leased Fee Interest: The right of a landlord to convey the use and occupancy rights of a fee simple estate to others through the use of a lease agreement. The leased fee estate retains the right to receive rental income during the term of occupancy or use by the tenant, and the right of repossession at the termination of the lease agreement. The leased fee estate is a partial or fractional interest of the fee simple estate.

Leasehold Interest: The interest held by the lessee (the tenant or renter) through a lease transferring the rights of use and occupancy for a stated term under certain conditions.

Market Value: The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.

Implicit in this definition is the consummation of a sale as of a specified date, and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and,
5. the price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

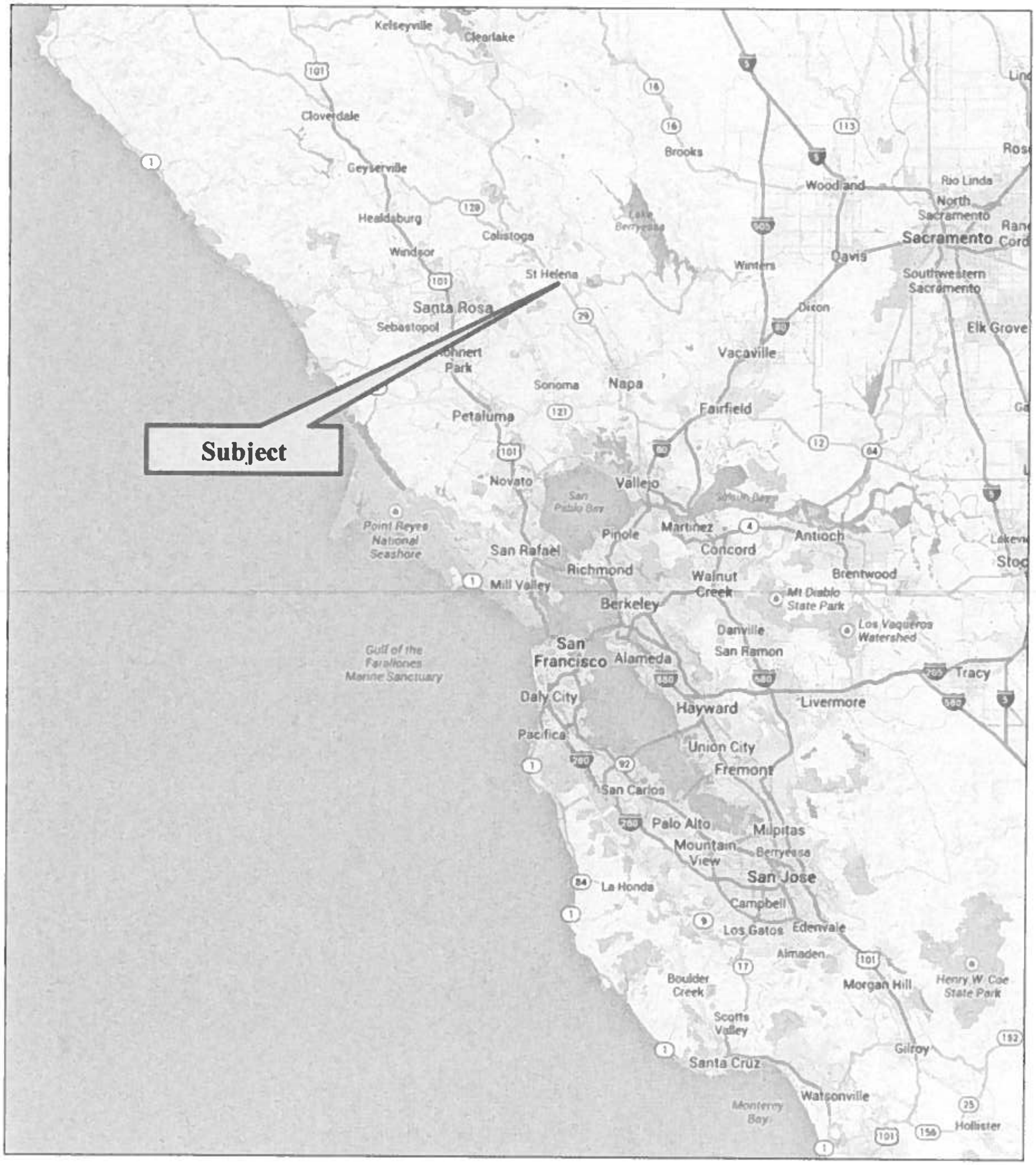
Market Rent: The rental income that a property would probably command in the open market, indicated by the current rents that are either paid or asked for comparable space as of the date of the appraisal.

Marketing Time: The time it might take to sell an interest in real property at its estimated market value during the period immediately after the effective date of the appraisal. It is the anticipated time required to expose the property to a pool of prospective purchasers and to allow appropriate time for negotiations, the exercise of due diligence and the consummation of a sale at a price supportable by current market conditions.

Prospective Value As Proposed or Complete: The market value of a real property interest as of the projected date of completion or stabilization.

Triple Net Lease: The lessor pays for management expenses only. The lessee pays for real property taxes, insurance, common area maintenance, utilities and janitorial. Some net leases require the lessee to pay for management expenses as well.

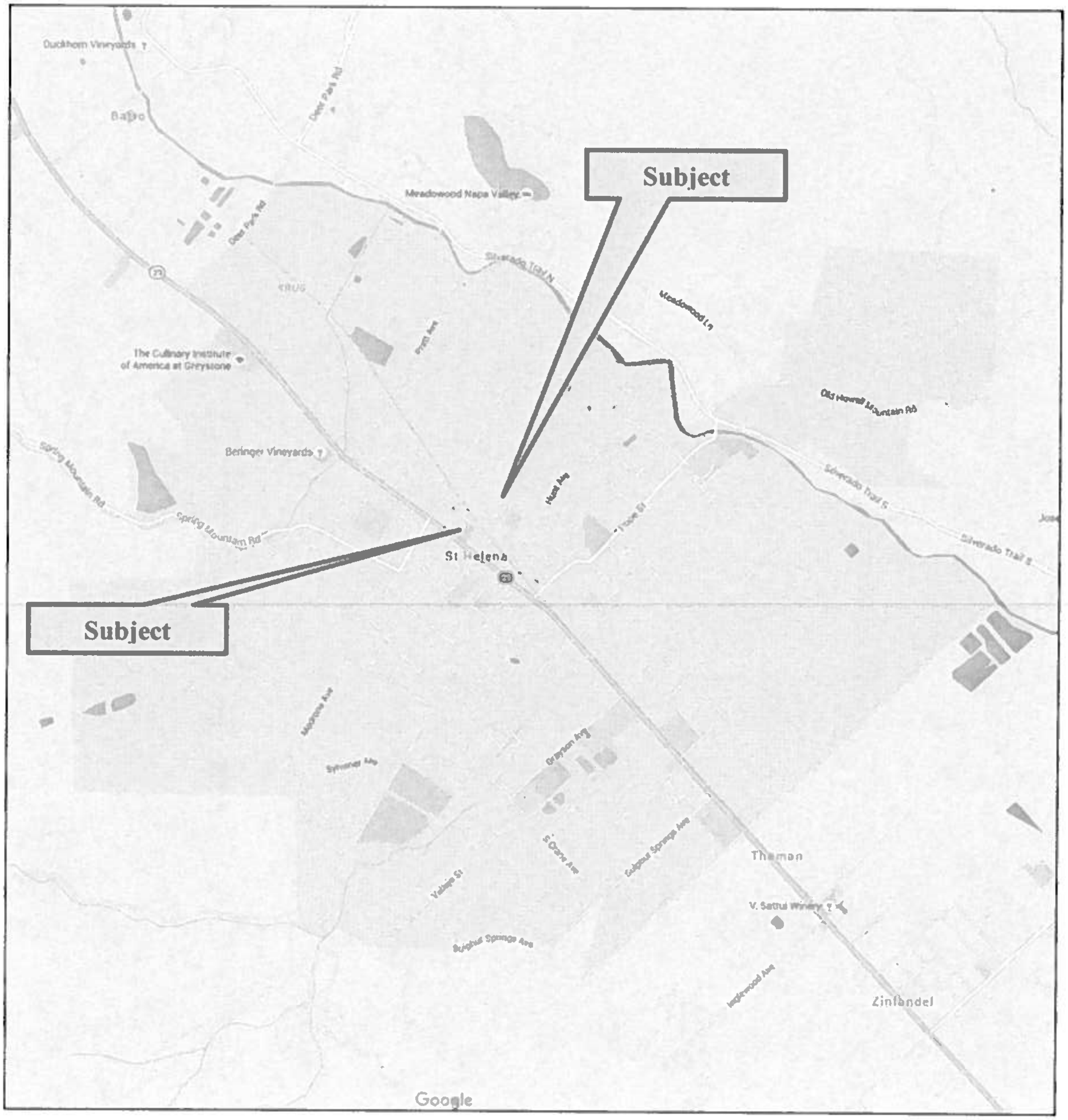
REGIONAL MAP



COUNTY MAP


Clearlake
Lower Lake
Dunnigan
Guinda
Knights Landing
Yolo
Esparto
Woodland
Healdsburg
Calistoga
Davis
Winters
St Helena
Santa Rosa
Sebastopol
Dixon
Yountville
Vacaville
Rohnert Pa
Sonoma
Napa
Fairfield
Subject
Rio Vista
Novato
Point Reyes
ational Seashore
Antioch
Concord
Brentwood
Walnut Creek
Berkeley
Mt Diablo

CITY MAP


Subject
Subject
Duckhorn Vineyards
Bale
Deer Park Rd
Meadowood Napa Valley
Silverado Trail N
Meadowood Ln
The Culinary Institute of America at Greystone
Beringer Vineyards
Spring Mountain Rd
Old Howell Mountain Rd
Silverado Trail S
St Helena
Hazel Ave
Pope St
Madrona Ave
Sylvaner Ave
Grayson Ave
S Crane Ave
Sulphur Springs Ave
Vallejo St
Theman
V. Sattui Winery
Inglewood Ave
Zinfandel
Google

AREA ANALYSIS

Napa County

Geography: The subject property is located within the incorporated area of the City of St. Helena, in northern Napa County, which is one of the nine greater San Francisco Bay Area counties, comprised of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano and Sonoma, all of which form a physical, social and economic entity.

Encompassing an area of 794 square miles, the topography of Napa County is dominated by northwest to southwest mountain ranges and valleys, with the main valley formed by the Napa River. The elongated Napa Valley reaches nearly ninety miles from Solano County to the south and to Lake County to the north. Napa County is also bordered by Sonoma and Marin Counties to the west, Yolo County to the east and San Francisco Bay to the south. The major population centers in the county include the cities of Calistoga, St. Helena and Yountville in the "Up Valley" region and the City of Napa in the lower, southern portion of the county. American Canyon, at the southern end of the county and with a 2015 population of approximately 20,149, was incorporated in January 1992. It is the largest sub-regional population area outside of the City of Napa. Between 2000 and 2010, an annual average of 198 acres was developed in Napa County.

Linkages: State Highway 12 is the major east/west arterial linking Napa with Sonoma County to the west and U.S. Highway 80 and Sacramento to the east. State Highway 29 is the principal north/south arterial servicing the valley from the City of Napa to the City of Calistoga. Public transit systems include the VINE in the City of Napa and Napa Valley Transit which operates along the State Highway 29 corridor between Vallejo in Solano County (south) to Calistoga in northern Napa County.

The City of Napa, located in the southern end of the Napa Valley, approximately 50 miles northeast of San Francisco and 60 miles west of Sacramento, is the County Seat and the major business, financial, trading, medical and services center in the Napa Valley. Comprising a total area of 18.34 square miles, the city lies on both sides of the Napa River between the Howell and Mayacamas mountain ranges. The majority of the city has a relatively flat topography with the eastern and western edges extending up into the foothills. Agricultural lands, primarily vineyards, lie adjacent to the northern boundary of the city, while agricultural uses, marshlands and the Napa County Airport lie to the south. Much of the level land north of the city limits is preserved for agricultural use in accordance with both the city's and the county's policies promulgating preservation of the area's agricultural character.

Distinctly separate from the City of Napa are the "Up Valley" cities of Yountville, St. Helena and Calistoga, which are known as the Napa "wine country," a major destination for more than two million tourists annually. Land uses in the "Up Valley" area are subject to both physical and legal constraints, with building moratoria in effect in various areas intermittently since 1978. The overriding factor in land use planning continues to be a desire to maintain the small town rural ambience of the individual communities while striking a balance between local and tourist-oriented uses.

Economy: Napa Valley's Mediterranean climate is characterized by moderate temperatures and precipitation. The unique combination of soil conditions and climate is conducive to the growth of varietal wines which have made the Napa Valley the center of the grape growing and wine processing industry in California; wineries are the dominant manufacturing employers in the county. According to the latest crop report published in 2015, the total gross value of the wine grape crop in 2014 was $714,810,900, a record setting total, and representing 99.2% of the total 2014 agricultural production of $720,831,700 in Napa County. The world-renowned appellations of the Napa Valley wine growing region have contributed to its tourism and related industries such as retail trade, services and lodging, which are key factors in the county's economic profile.

Napa County's economic base is anchored by the services, retail trade and manufacturing sectors. While retail trade and services have been on an increase, education and government remain the largest employers, dominated by the Napa State Hospital. Larger non-governmental employers are represented by Pacific Union College at Angwin, Queen of the Valley Medical Center and Silverado Resort, as well as the numerous wineries located throughout the valley.

The total impact of the August 2014 Napa earthquake on the wine industry is yet to be seen, but initial reports put the damage at more than $80 million. Included in that figure is damage to winery buildings, infrastructure such as wastewater ponds and private bridges, winemaking equipment, loss of wine that was aging in tanks or barrels, wine ready for bottling and tasting rooms and hospitality facilities.

In spite of the earthquake, tourism numbers were up in the Napa Valley. September 2014 saw some downturn, as could be expected one month following a major quake, but only by 2%. By October, the numbers were up by 4.4%, and they continued to climb into November and December. Part of the success can be attributed to an aggressive advertising campaign by Visit Napa Valley, which focused on food, wine, spa treatments and art.

The following table lists the major employers in Napa County.

Napa County Major Employers					
Employer	Location	Industry	Current Employees	Year-Ago Employees	Gain / Loss
Napa State Hospital	Napa	Mental Hospital	2,367	2,338	29
Napa Valley School District	Napa	Education	1,637	1,153	484
Queen of the Valley Medical Center	Napa	Hospital	1,365	1,365	0
County of Napa	Napa	County Government	1,356	1,330	26
St. Helena Hospital	St. Helena	Hospital	1,050	1,050	0
Veterans' Home of California	Yountville	Govt - Specialty Hospital	920	915	5
Trinchero Family Estates	St. Helena	Winery	675	677	-2
Treasury Wine Estates	Napa	Winery	600	600	0
Silverado Resort	Napa	Resort	500	500	0
Boral Stone Products	American Canyon	Manufactured Stone	325	348	-23
Pacific Union College	Angwin	College	300	300	0
Villagio Inn & Spa	Yountville	Hotel	300	300	0
Walmart	Napa	Department Store	250	275	-25
Meadowood Napa Valley	St. Helena	Resort	214	300	-86
G.L. Mezzetta	American Canyon	Food Manufacturer	200	200	0
Carneros Inn	Napa	Resort	200	210	-10
Auberge du Soleil	Rutherford	Resort	200	200	0
Kaiser Permanente	Napa	Health Care	180	180	0
The Hess Collection	Napa	Winery	150	175	-25

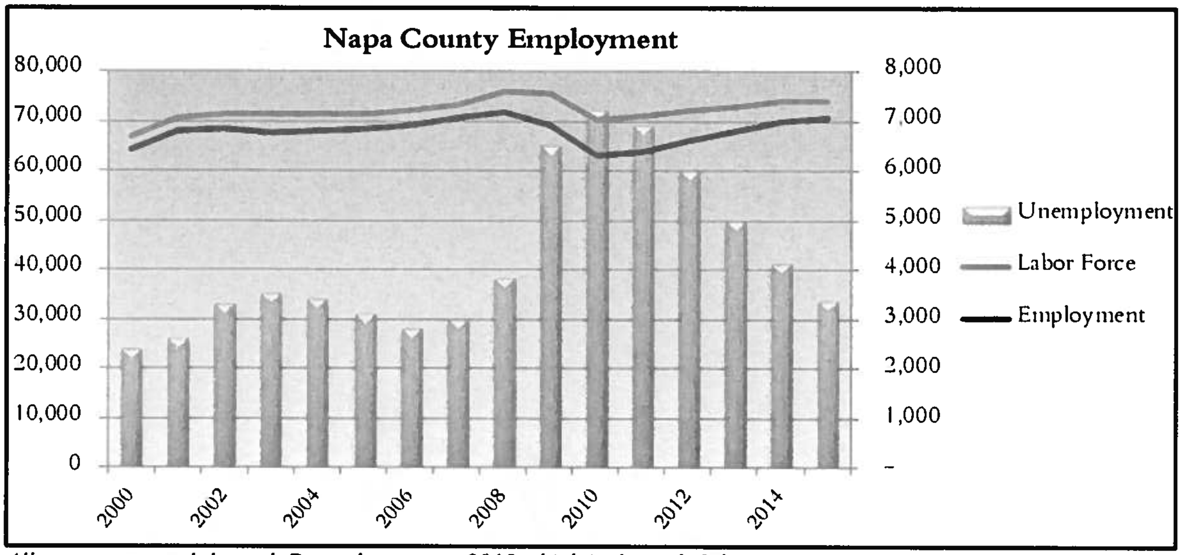
Sources: North Bay Business Journal, Comprehensive Annual Financial Reports (Napa County and City of American Canyon) and Ward Levy Appraisal Group, Inc.; September 2015

Napa County ranks lowest of the nine county Bay Area in total taxable sales and is projected to maintain that position. Although sales growth for the three North Bay counties (Sonoma, Napa and Marin) has been above the 1970-1990 regional average, the counties cumulatively account for a relatively small share of the total Bay Area sales volume.

Employment: Employment patterns in Napa County remained relatively stable in the mid 1990's to 2007, with unemployment rates typically lower than those of the region and the state. In February 2001, the unemployment rate for Napa County was at 2.8%. However, as unemployment began to rise across the country in 2008 because of the recession, it rose in Napa County as well. It reached a high of 11.4% in 2010, then began falling in 2011 and throughout 2012, reaching 8.3% by December. It dropped further to 6.7% by the end of 2013, and to 5.6% by year's end 2014. It rose slightly to 5.7% in January 2015 before falling to 4.1% in May, the lowest it's been since 2008, and a drop of 64% from the high of 11.4% in January 2011. The unemployment rate rose slightly to 4.4% in July. A rate of 5.6% was reported in July 2014.

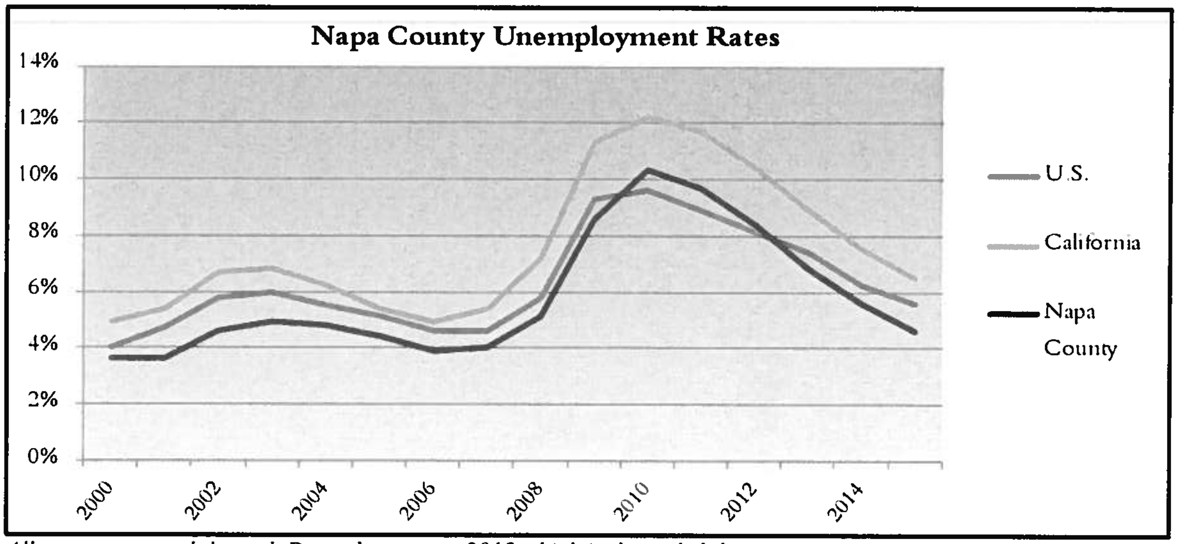
Napa County lost 200 jobs between June and July, and gained about 1,500 positions since the same time last year. Napa County ranked fifth in terms of unemployment rates among the nine Bay Area counties.

The chart below shows the available labor force and the numbers employed in Napa County with county unemployment statistics in green. Information in the chart has been averaged for each year through December except 2015 which is through July.



All years averaged through December except 2015 which is through July.
Sources: California Employment Development Department and Ward Levy Appraisal Group, Inc.; September 2015

The following chart shows the comparison in unemployment rates in Napa County, the State of California and the U.S. over the past 15 years.

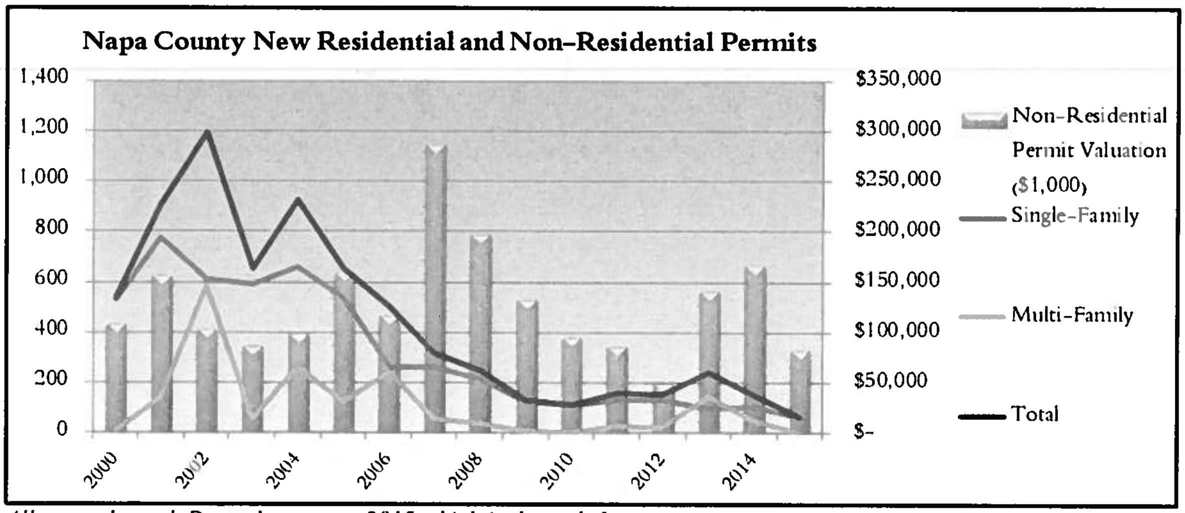


All years averaged through December except 2015 which is through July.
Sources: California Employment Development Department and Ward Levy Appraisal Group, Inc.; September 2015

Construction: Statistical data available from the Construction Industry Research Board indicate that the number of permits issued for new single-family housing units in Napa County declined from 533 in 2005 to 262 in 2007 and then to 106 in 2010, as compared to the peak production years of 1988 and 1989 when 974 and 966 total permits were issued. 128 single-family permits were issued in 2011, but declined to 103 permits in 2014. A total of 240 multi-family permits were issued in 2006, which represented an increase from the 120 multi-family permits issued in 2005. But the number dropped to 52 multi-family permits in 2007 and continued dropping to only 4 issued in 2009, and finally, no multi-family permits were issued in 2010. Issuance of construction permits through 2011 and 2012 shows that construction picked up slightly, but still remained low. In 2013, 140 multi-family permits were issued, but dropped to 49 issued in 2014. Nonresidential construction declined from a high of $287,852,000 in 2007 to only $48,879,000 in 2012. It has risen in the past two years, and 2014 had a nonresidential permit valuation of $167,717,000.

In light of the damage from the Napa earthquake that occurred in August 2014, construction is expected to increase over the next few years. Initial reports of damage to residences and commercial properties in the City of Napa alone was estimated at over $300 million. In a two week period in September 2014, the City of Napa issued 279 construction permits, more than double the usual number for an equivalent period of time. Through June 2015, 62 single-family permits have been issued which is 68% higher than this time in 2014, and the total non-residential permit valuation was $83,260,796, 11% lower than the same period in 2014, but approximately 70% higher than the total non-residential permit valuation in 2012.

The following table shows construction permit statistics from 2000 through 2013. Information through 2010 was provided by the Construction Industry Research Board (CIRB) which ceased operations in January 2012. California Homebuilding Foundation took over the compilation of permit data in early 2012; however, it appears that the methodology used to compile information is slightly different from that used by the CIRB.



All years through December except 2015 which is through June.
Sources: Construction Industry Research Board (through 2010), California Homebuilding Foundation (2011 and forward), North Bay Business Journal and Ward Levy Appraisal Group, Inc.; September 2015

Approximately 1,900 acres in the unincorporated areas of the county in the vicinity of the Napa County Airport have been designated for light industrial use.

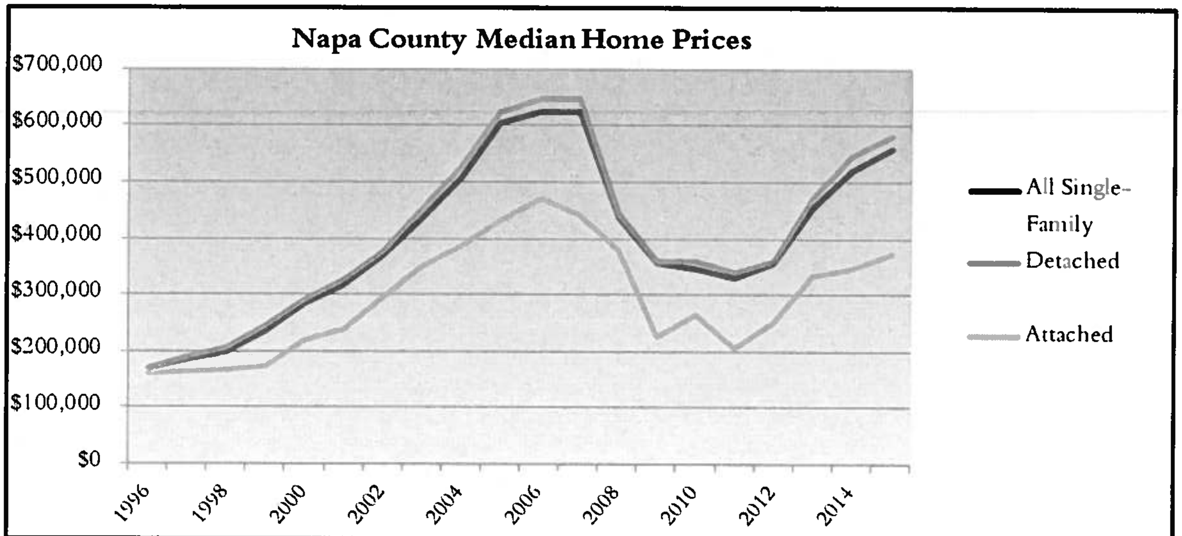
Residential Market: The overall annual median single-family home price in Napa County was at $169,950 in 1996. Four years later in 2000, it had risen over 67% to an annual median price of $285,000. It continued to rise over the next six years, and was at $658,500 in August 2006, for a ten year increase of 286%, and Napa County's highest median price in history.

The median price began to fall in late 2006 as a result of the market downturn, and by February 2009 it was at $310,150, a decline of 53% and mirroring the fall in real estate prices experienced nationwide. By the second half of 2012, prices had begun to rise and 2012 ended with an annual average of $355,000 for 1,632 homes sold, showing an increase of 14% over the 1,438 homes sold in 2011, leading analysts to believe that the fence-sitters were beginning to take advantage of the lower prices and low mortgage rates.

Prices continued a steady uptick through 2013 and 2014, and the 2014 overall median price was $520,000 for 1,275 homes, which is 16% fewer than the 1,511 homes sold in 2013, but is 15% higher than the median price of $454,000 in 2013. The 2014 figures are for 1,148 detached homes and 127 attached homes.

In 2015, 978 homes have sold through August for a median price of $557,475. This includes 879 detached homes which sold for a median of $582,500, and 99 attached homes which sold for a median of $370,750. The overall median price is 9% higher than the overall median price of $510,000 through August 2014, and the number of homes sold is 15% higher than the 852 homes sold by this time in 2014.

The following table provides a comparison of median Napa County home prices over the last 19 years.

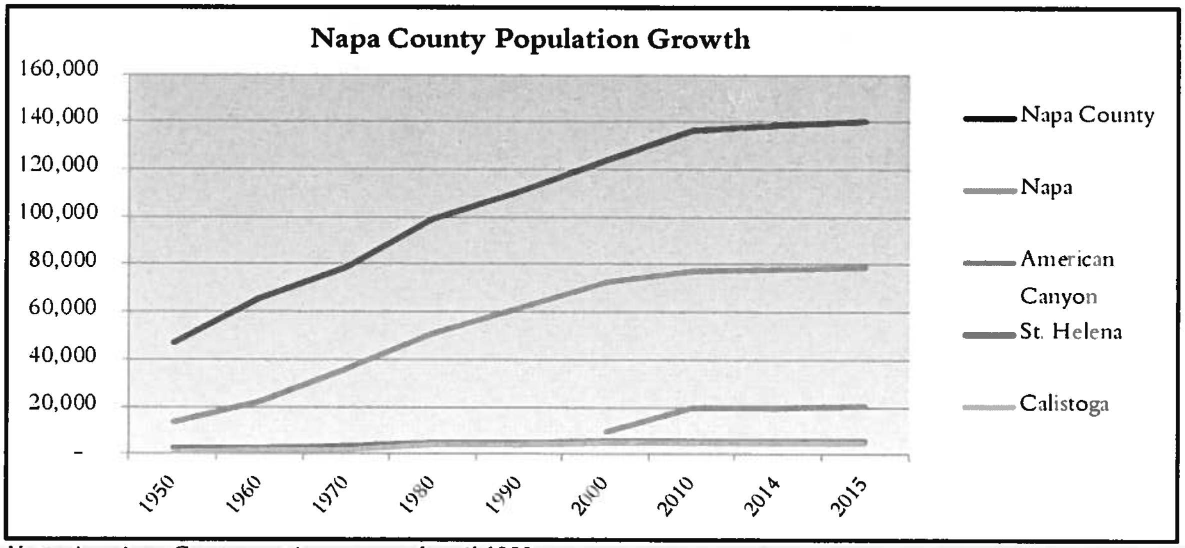


All years are annual except 2015 which is through August.
Sources: Sonoma County Multiple Listing Service and Ward Levy Appraisal Group, Inc.; September 2015

Demography: Napa County ranks as the least populous of the nine greater Bay Area counties and is the 34th most populous county in the state. The 2010 population of 136,484 represents a 9.8% increase over the 2000 population of 124,279 and a 23.2% increase over the 1990 population of 110,765. Between 1980 and 1990 the population grew by 11.7%, or an average of 1.2% per year. The historically slow growth is direct evidence of the county's commitment to limited, controlled growth. The estimated 2015 population of Napa County is 140,362.

There are 2.69 persons per household with a median household income of $70,443 and a median age of 39.8, according to the 2009-2013 American Community Survey five year estimates from the U.S. Census. Napa County has fewer people per household (relative to California's average of 2.94 persons) with an older median age (compared to the state average of 35.4 years) and a higher household income than the state as a whole ($61,094).

The following chart details the population growth since 1950 of Napa County and its four largest cities.



Note: American Canyon not incorporated until 1992
Sources: U.S. Dept. of Commerce, California Dept. of Finance and Ward Levy Appraisal Group, Inc.; September 2015

The following table details the population since 1980 of Napa County and its cities.

Napa County Population

	1980	1990	2000	2010	2014	2015	Percent Change 1990 - 2000	Percent Change 2000 - 2010	Percent Change 2014 - 2015
Napa County	99,199	110,765	124,279	136,484	139,074	140,362	12.2%	9.8%	0.9%
American Canyon	N/A	N/A	9,774	19,454	19,989	20,149	N/A	99.0%	0.8%
Calistoga	3,879	4,468	5,190	5,155	5,220	5,261	16.2%	-0.7%	0.8%
Napa	50,879	61,842	72,585	76,915	78,242	78,971	17.4%	6.0%	0.9%
St Helena	4,898	4,990	5,950	5,814	5,941	6,065	19.2%	-2.3%	2.1%
Yountville	2,893	3,259	3,297	2,933	3,017	3,017	1.2%	-11.0%	0.0%
Unincorporated	36,650	36,206	27,483	26,213	26,665	26,899	-24.1%	-4.6%	0.9%

Note: American Canyon not incorporated until 1992
Sources: California Dept. of Finance and Ward Levy Appraisal Group, Inc.; September 2015

Napa County policies restrict growth mainly to its urban centers and away from prime agricultural land. Therefore, most of the county's growth will occur within the county's five cities. Approximately 56% of the total Napa County population lives in the City of Napa.

Conclusion

The economies of Napa County and its cities have maintained slow, well-planned growth patterns throughout the past decade. Growth projections from both local and regional sources indicate that those patterns are not expected to change in the next two decades. The majority of the growth will occur in the southern end of the county, within the Cities of Napa and American Canyon. Implementation of existing growth management programs as well as further growth initiatives will be determinative of long term growth patterns. Napa County is expected to maintain its desirability as a residential location and tourist destination due to its moderate climate, aesthetic natural setting and close proximity to the Bay Area. If growth can be concentrated in existing communities, the rural nature of the county and its numerous recreational assets can be preserved.

The Great Recession reduced local employment, particularly in the manufacturing and construction sectors which was the impetus behind the growth in the residential, office and industrial sectors since 2000. Vacancies in the office and industrial sectors were relatively high, along with retail vacancy. Unemployment had reached an all-time high, but over the last few years, figures have been dropping and there has been positive job growth.

NEIGHBORHOOD MAP

NEIGHBORHOOD ANALYSIS

The subject properties are located in the central area of the City of St. Helena, in the neighborhood area bounded by:

- North: Pratt Avenue
- South: Zinfandel Lane
- East: Silverado Trail
- West: State Highway 29/Main Street

The City of St. Helena is situated in the heart of Napa Valley, one of the most famous wine growing regions in the world. St. Helena is on State Highway 29, which bisects the downtown and is the primary arterial through the valley. St. Helena is approximately 65 miles north of San Francisco, 15 miles east of Santa Rosa and between the Cities of Calistoga and Yountville and is a tourist destination.

Trends

St. Helena has been a rural agricultural region from its inception. The city has also become a center for wine industry business, banking and tourism. The location in the middle of the valley, excellent restaurants and beautiful scenery all contribute to making St. Helena a tourist friendly city.

The Sphere of Influence encompasses an area of 3,024 acres. The development pattern within this area includes an abundance of agricultural lands, business and industrial uses serving agricultural, single and multi-family residential neighborhoods, and a downtown that serves as the commercial center for the city and surrounding communities. The downtown area includes numerous boutiques, wine tasting rooms and renowned restaurants.

Major economic drivers in St. Helena include agriculture, wine-making, tourism and education. Several wineries are located within St. Helena, providing jobs and economic benefits associated with tourism. Educational institutions located in the city, such as the Culinary Institute of America and the Napa Valley College Upper Valley Campus, provide jobs and educational opportunities for the area.

In terms of commercial real estate, there is a very limited number of spaces available and land for new development is scarce. The appraisers surveyed the city and estimate that there is less than 5% vacancy for commercial space in St. Helena. This compares to significantly higher rates found in other parts of the Bay Area. Most new development in the city is focused on redevelopment of existing structures, many of which are historic buildings located in the downtown area. Rents for retail spaces generally range from $3.00 to $5.00 per square foot or more, NNN. New development has been limited in St. Helena. The most recent significant office development is located southeast of the subject on State Highway 29/Main Street and is known as Inglewood Village. This development consists of three buildings and 23,666 rentable square feet of office space. Rents range from $3.00 to $4.00 per square foot, NNN. A project is under construction in the downtown area at 1380 Main Street that comprises two stories, with ground floor retail and upper floor office and has asking rents of $3.65 to $5.15 per square foot, NNN. The other new development is the Los Alcabos hotel at 1915 Main Street. This formerly housed apartments, but these have been razed and are being replaced with a high-end 70-room hotel property with an on-site restaurant. There is a historic residence that is being renovated and incorporated into the development.

Overall, the most recent economic recession is well past and the improving economy, greatly increased tourism and tourist spending patterns indicate that the St. Helena market has more than recovered. Also the limited availability of commercial space in St. Helena has kept rents stable and climbing. The long term outlook for the subject neighborhood, especially given its proximity to Main Street and downtown, is positive.

Neighboring Properties

The subject's 1480 Main Street property immediate vicinity is as follows:

- North: Professional Office
- South: City park
- East: Fire Station / Office
- West: Office / Post Office / Bed & Breakfast

The subject's Adams Street property immediate vicinity is as follows:

- North: Vineyard
- South: Professional Office
- East: Vineyard
- West: Library / Professional Office

Public Utilities

All municipal services are available throughout the neighborhood including water, sewer, natural gas, electricity, cable television and telephone, in sufficient quantities to support future development.

Access/Transportation

Access to the subject neighborhood is available from State Highway 29 which is an arterial roadway of two lanes that runs from Vallejo in Solano County to Clearlake in Lake County. From Lake County, State Highway 29 turns west, running through central Calistoga and past the subject in St. Helena where it connects with State Highway 128 and continues to run south toward the City of Napa. Direct access to the subject neighborhood itself is via State Highway 29/Main Street, a two-lane, city-maintained, residential street which runs through the downtown of St. Helena. Access is generally considered good, roads are well-maintained and the location has relatively equal accessibility to the balance of the tourist facilities in St. Helena and the Napa Valley.

Napa County Transit operates on a limited schedule in the St. Helena area but the automobile remains the primary means of transportation.

Conclusion

Overall, the immediate surroundings are considered to be attractive, with retail uses predominant for the Main Street property and professional office and agricultural uses to the north and east. The subject neighborhood is considered a very desirable location and the subject benefits from its very good proximity to the downtown area of St. Helena. Access is good with direct linkages to State Highway 29 from the Central Business District (CBD) to surrounding areas. All public utilities are available to parcels within city limits. Overall, the neighborhood, local commercial real estate market and tourism industry have a positive long-term outlook.

LAND ANALYSIS

The subject consists of two separate components, a portion of a parcel located at 1480 Main Street that currently houses City Hall and the City of St. Helena Police Station and a vacant parcel located on Adams Street. The Main Street property shares the parcel with the newly constructed fire department. At the direction of the Planning and Community Improvement Director Mr. Noah Housh, the appraisers have estimated the land portion of the subject, including the improvements and associated parking areas, to measure 0.88 acres using Google Earth, as is shown in the exhibits shown later in this section. This parcel has frontage on Main Street, Railroad Avenue and Pine Street. It is zoned for Public/Quasi-Public, but the City of St. Helena is considering selling the property and have requested the value of the property subject to a Central Business zoning designation.

The other parcel is located to the east of Main Street with frontage on Adams Street and Library Lane. The parcel measures 5.60 acres according to the Assessor with an irregular shape. The property is split between the Central Business and the Agriculture (Urban Reserve – CBD) zoning designations, with approximately 3.14 acres within the Central Business zoning and 2.46 acres within the Agriculture zoning. The appraisers have estimated the site area within each zoning designation using Google Earth, since the zoning map or city officials do not have such detail.

Address: 1480 Main Street
St. Helena, CA 94574

The Adams Street parcel does not have a street address.

Location: The 1480 Main Street parcel is located on the east side of Main Street (Highways 29 and 128) in the downtown area of the City of St. Helena, Napa County, California.

The other subject property is located at the northwest corner of Adams Street and Library Lane in the City of St. Helena, Napa County, California.

Assessor's Parcel Numbers:

1480 Main Street:	009-211-016 (portion)
Adams Street:	009-150-006

Census Tract: 2016.02

Shape: Irregular; See Assessor's Map

Frontage:

<u>Main Street Parcel</u>

Main Street:	148 feet
Railroad Avenue:	75 feet
Pine Street:	156 feet

<u>Adams Street Parcel</u>

Adams Street:	880 feet

	Library Lane:	299 feet
Access:	Good	
Site Visibility:	Good	
Size:	Main Street: Adams Street:	0.88 acres 5.60 acres
Topography:	The subject has a level topography and is at street grade.	
General Plan Land Use Designation:	Main Street: Adams Street:	P/Q-P / Central Business Agriculture/Public/Quasi-Public/ Mixed Use
Zoning:	Main Street: Adams Street:	P/QP (Public/Quasi-Public) - Current Central Business - As Appraised Central Business & Urban Reserve - CB / 20-Acre Agriculture – A-20

Zoning Description:

Since the Main Street parcel is to be appraised based on the CB zoning, the appraisers have summarized the CB zoning below.

CB – Central Business

"The central business district (CB) designation provides for retail, personal service uses, offices, restaurants, hotels/motels, service stations, public and quasi-public uses, and similar and compatible uses that serve local residents and the surrounding area. Emphasis is on pedestrian-oriented retail and service uses on the ground floor level, with office and residential uses on the upper levels. The intent is for the CB district to remain primarily local resident-serving in character. New uses which serve both local residents and tourists will be allowed. Uses which are primarily tourist-serving are not permitted."

The overriding theme of the zoning is that businesses must serve residents and non-residents, but cannot specifically target the tourist segment. Hotels and lodging developments are not permitted, but are conditionally permitted by approval of the city council.

Development standards include a maximum of 10,000 square feet of building area per parcel, which would limit the subject's maximum building area to 10,000 square feet for a relatively large parcel of 0.88 acres and 5.60 acres. However, discussions with the planning director indicate that there is some flexibility in these guidelines and parcels can be subdivided to allow more intense development, though it is clear that any project on the subject parcels would come under scrutiny from not only city officials but the citizens as well.

Twenty-Acre Agriculture – A-20

The St. Helena Municipal Code states "The twenty-acre agriculture district (A-20) provides for agricultural and residential uses. With the exception of those hillside areas designated woodlands and watershed, and wineries designated winery, all lands outside the urban limit line are designated A-20 regardless of their size or use. The purpose of the A-20 district is to promote and implement the policies of the general plan to preserve agricultural land uses and provide for future orderly development as the urban limit line is adjusted to accommodate urban growth. This district restricts the density of residential use and stipulates the location and area of residential development to promote preservation of agricultural land use and reduce impacts to the provision of infrastructure as the urban area of the city expands."

Permitted uses are one single-family dwelling per parcel (plus a second unit), agriculture and other low-intensity uses. The exception is farmworker housing or group housing, which allow up to 36 beds or 12 units. Small wineries (without tasting rooms, events or public-oriented uses) are also permitted.

Urban Reserve Areas

The Adams Street subject property's northern portion is within an Urban Reserve area according to the General Plan and Zoning Maps. The General Plan describes Urban Reserve Areas as areas that can be considered for urban development after urban sections within the urban limit are developed and if additional land is needed for urban uses. These areas are adjacent to existing urban areas and the urban limit line and any change to include these properties in the urban limit requires an action of the city council. The proposed change requires that the proposed developments be compatible with the surrounding uses. Until such time, urban reserve areas are subject to the A-20 zoning.

Flood Hazard Area:

The subject properties are located in an area mapped by the Federal Emergency Management Agency (FEMA). The subject properties are located in FEMA flood zone X, which is not classified as a special flood hazard area.

FEMA Map Number:	06055C0263E & 06055C0264E
FEMA Map Date:	September 26, 2008

Earthquake Hazard Area:

The subject sites are not located in an Alquist Priolo Special Studies Zone.

Public Utilities:

Electricity:	PG&E
Natural Gas:	PG&E
Water:	City water
Sewer:	City sewer

Site Status:

There are no entitlements or approvals for any development on the subject properties.

Improvements:

The parcel at 1480 Main Street contains offices and is utilized as city hall and the police station for the City of St. Helena. The improvements are of concrete block construction with relatively low ceilings and relatively low appeal. The structure was built in the 1950's or 1960's based on its construction quality, though it is obvious that the property has been expanded over time as some of the interior walls were formerly exterior walls. Based on our measurements, the building is approximately 11,140 square feet with parking for approximately 24 vehicles on-site. On balance, the improvements are not considered to contribute value to the underlying land and the highest and best use is to redevelop the site with a mixed-use development, with retail and lodging.

Off-Site Improvements:

Curbs & Gutters:	Yes
Sidewalks:	Yes
Streetlights:	Yes

Soil Conditions:

The appraisers are not qualified as soil experts and do not possess the skills to determine if the sites are contaminated in any manner which might have a negative impact on the overall value of the properties. The reader of this report is advised to determine the development potential of the sites and ensure that no soil contamination exists prior to making any financial commitments on the subject property. This appraisal assumes that the sites can be improved to their highest and best use, and that no contamination exists which would negatively impact the subject property.

Biotic Resources: The appraisers are unaware of any identified biotic resources or wetlands on the subject sites, but are not qualified biologists and do not possess the skills necessary to determine if the sites are impacted in any manner which might have a negative effect on the overall value of the subject property. The reader of this report should satisfy himself/herself as to the accuracy of these assumptions before any loan commitments are made.

Scenic Resources: None

Aviation Constraints: None

Riparian Corridors: None

Environmental Issues: There are no known adverse environmental conditions on the subject sites. Please reference Limiting Conditions and Assumptions.

Easements Issues: No Preliminary Title Report was provided and the value opinions contained in this report are subject to and conditioned upon the absence of any easements or encumbrances materially impacting value which would have been revealed in such a title report, and are subject to review and possible revision upon the receipt of any such information.

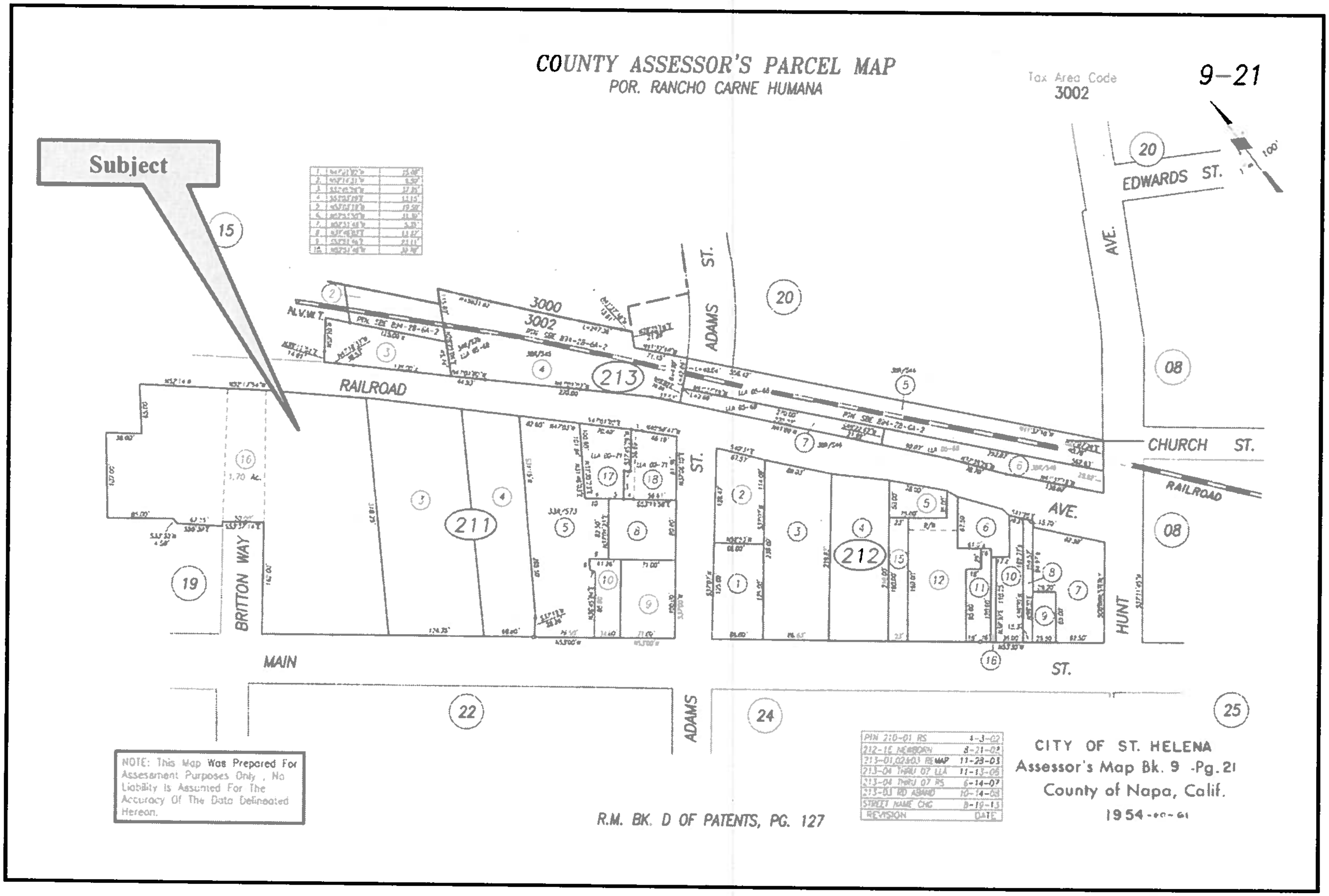
Encroachments: Physical inspection of the sites indicated no observable encroachments.

Covenants, Conditions and Restrictions: Unknown, but unlikely.

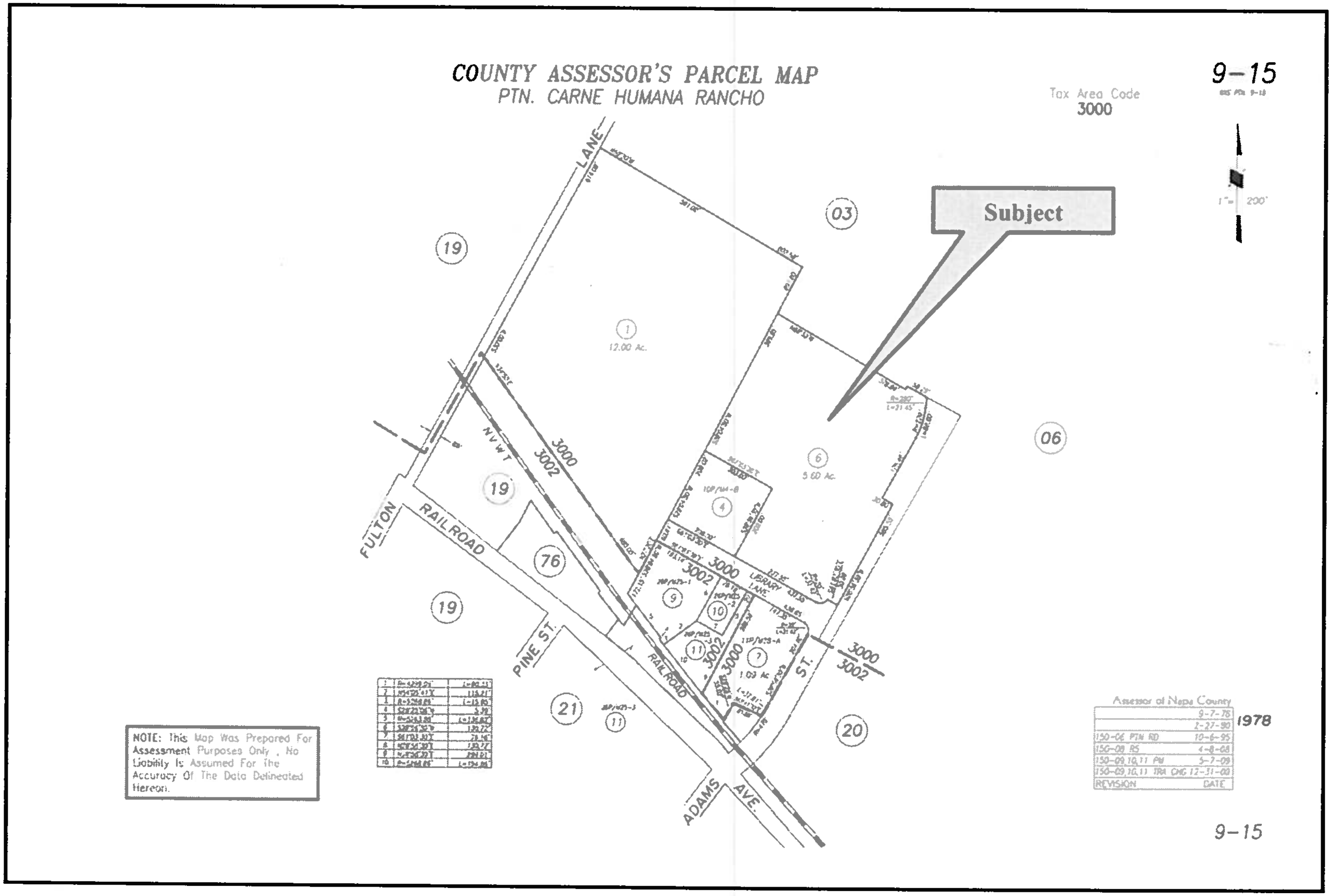
Conclusion

The subject properties consist of functional sites that are served by all public utilities and are level and at street grade. There are no known adverse conditions likely to negatively impact value and prevent the subject properties from being developed to their highest and best use.

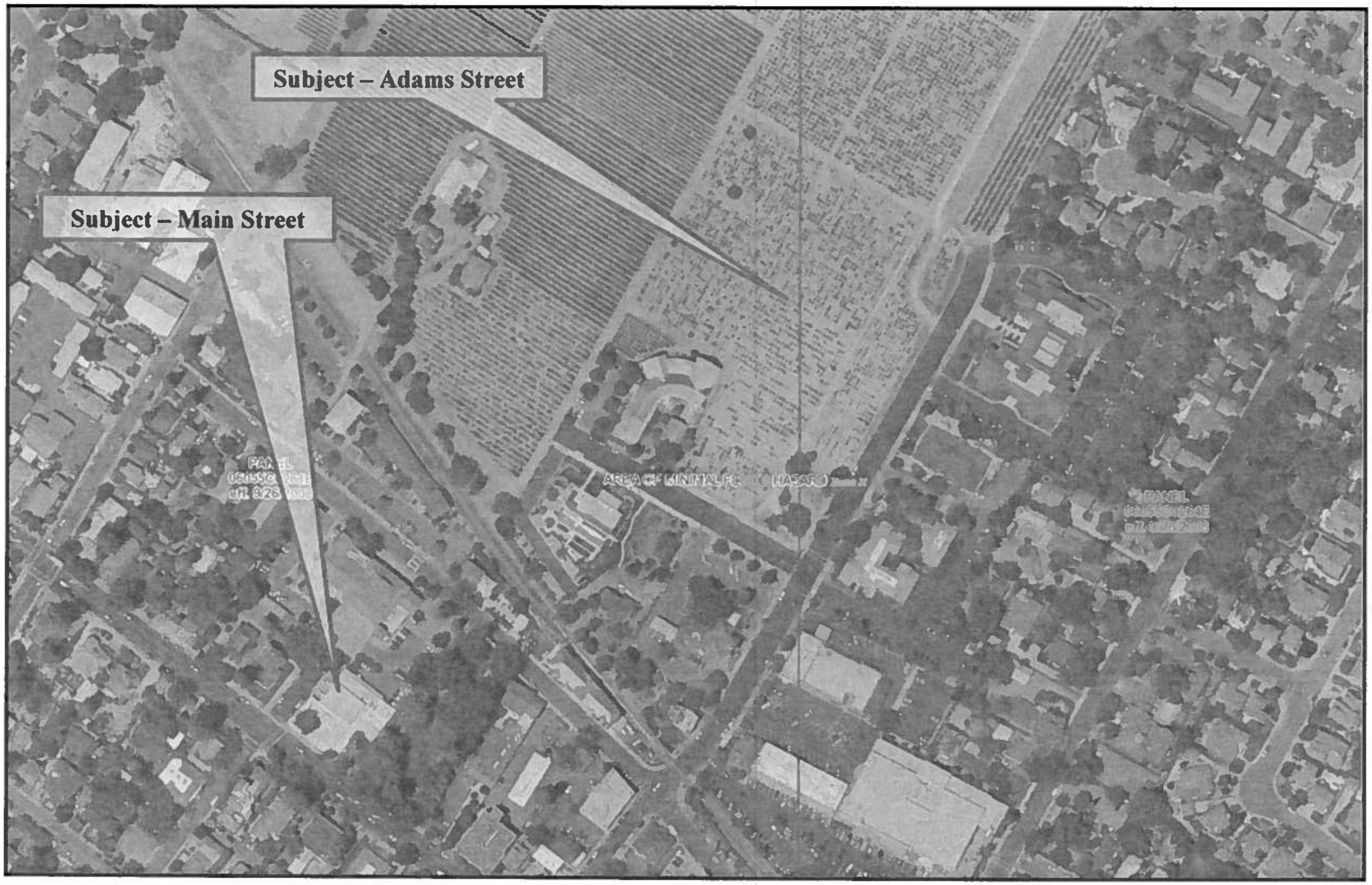
Assessor's Parcel Map – 1480 Main Street



Assessor's Parcel Map – Adams Street



Flood Map



Aerial View


Adams St
Railroad Ave
St Helena Hwy
Hunt Ave
Oak Ave
Pine St
Library Ln

HIGHEST AND BEST USE

Highest and best use of a property as improved pertains to the use that should be made of an improved property in light of its improvements. The existing improvement is compared with the ideal improvement. The use that maximizes an investment property's value, consistent with the rate of return and associated risk, is its highest and best use as improved. It is to be recognized that in cases where a site has an existing improvement, the highest and best use may very well be determined to be different from the existing use. The existing use will continue, however, unless and until land value in its highest and best use exceeds the total value of the property in its existing use. Thus, the highest and best use requires the estimate of the highest and best use of the land as if vacant.

Analysis of the highest and best use of land or a site as though vacant assumes that a parcel of land is vacant or can be made vacant by demolishing any improvements. The questions to be answered during the analysis of the highest and best use of the land as if vacant are 1) if the land is, or were, vacant, what use should be made of it, and 2) what type of building or other improvement, if any, should be constructed on the land and when?

Highest and best use is an analysis of those uses which are legally, physically and financially feasible. Once the potential uses are identified within these parameters, the most probable highest and best use can be identified.

Highest and Best Use As Vacant

Legally Permissible: Legal uses of a site are governed by land use policies and regulations of local governmental entities. As described previously, the subject parcels have different General Plan designations of Public/Quasi-Public for the Main Street property and a mix of Central Business/Mixed-Use/Agriculture for the Adams Street property. However, we are appraising the Main Street property subject to a Central Business General Plan and zoning designation. The zoning descriptions in the Land Analysis discussion detailed the types of uses that would generally be permitted on the subject sites, mostly this would consist of retail and office developments. Lodging is permitted only by approval of the city council, but as discussed below there is recent history for the approval of lodging in the project known as Los Alcobas. A total of 70 rooms were permitted on a site located north of the subject. Discussions with the Planning Director also indicate that it is possible to develop a property with more than 10,000 square feet of total building area, or to split parcels to create multiple development sites and thus the limitations described in the zoning are not as rigid as it may seem. It is deemed legally permissible to build some sort of mixed-use development on either parcel and it may be possible to have a lodging component to the development, though this is not assured.

The A-20 zoned portion of the Adams Street property would permit a single residence and other such agricultural or rural residential type uses.

Physically Possible: There are no physical features that would preclude any of the legally permissible uses on the subject sites. The subject sites are level and at street grade and are not located within a special flood zone or earthquake zone. The Main Street property has frontage on three streets which enhances its accessibility. The Adams Street property has frontage on two streets and is readily accessible and developable.

Financially Feasible: Development is considered to be feasible in the St. Helena market at the present time. The tourism market in general has improved greatly since the recession. There have been retail buildings constructed in the recent past including one that is currently under construction at 1380 Main Street. The asking rents for this new development are $5.15 per square foot for the first floor and $3.65 per square foot for the second floor space. These are triple-net rents, where the tenant reimburses the landlord for all expenses. These rents are some of the highest in Napa County. Lodging is also considered to be feasible, if it could be approved. There is a lodging facility now known as Los Alcobas (formerly known as the Grandview) that will consist of 70 hotel rooms on 3.49 acres and is also under construction. This is located further to the north of the subject, at 1915 Main Street, and is anticipated for completion in the spring of 2016. This is a high-end resort that is part of the Starwood Luxury Collection with an average room rate estimated to be $700 per night. There is ample demand for properties within the St. Helena market and vacant and buildable parcels would be in strong demand based on our discussion with many brokers in town. The lack of developable land could result in numerous bids for well-located properties, properties that could be considered flagship properties for owners or developers. Demand for the subject's Main Street property would be the strongest, though the Adams Street property would be in strong demand as well as it might be of sufficient size to attract a resort operator.

Maximally Productive: The test of maximum productivity is applied to the uses that have passed the first three tests. Of the financially feasible uses, the highest and best use is the use that produces the highest residual land value consistent with the market's acceptance of risk and reward. The market currently supports speculative construction of mixed-use properties. A lodging property would be particularly profitable, but it remains to be seen whether the subject properties would be allowed for such a use.

As Vacant - Conclusion: The highest and best use as vacant for each parcel is for the development of a mixed-use project comprising retail, office and even lodging. The Main Street property has frontage on a very busy street and would be a suitable site for first floor retail and office, residential or lodging on the upper floors. The Adams Street property has less retail appeal and would be a better site for a mixed-use property with a small retail component, office, apartment or a lodging facility/resort.

Highest and Best Use As Improved – 1480 Main Street

Legally Permissible: The subject is a legal, conforming use of the site.

Physically Possible: The subject property is considered to be in average condition. However, the improvements do represent an underutilization of the site. They are functional for their current use, but are rather dated improvements that are not particularly attractive and which have been expanded over the years which would make it difficult to reconfigure. Overall, the improvements would not be in demand in the marketplace

Financially Feasible: From a financial feasibility standpoint, the improvements do not contribute to the value of the underlying land. As discussed later in the land valuation section, the estimated land value for the subject parcel is $125 per square foot. Under the best case scenario, the subject's office building would have a value in the $300 per square foot range, which when applied to the 11,140 square feet of building area and divided by the estimated site size of 0.88 acres (38,333 square feet) would indicate a land value of $87 per square foot. Thus, the subject's existing improvements on the Main Street parcel do not contribute to the underlying land value. Demolition of the improvements and development of a new mixed-use development would be considered financially feasible.

As Improved - Conclusion: The highest and best use of the subject property as improved is for demolition and construction of a mixed-use development.

APPRAISAL PROCESS

There are three basic approaches that may be utilized by appraisers in the estimating of market value for the subject improvements. These three approaches provide data from the market from three different sources when all are available. These three approaches include the Cost Approach, the Sales Comparison Approach and the Income Approach.

The Cost Approach is based upon an assumption that an informed purchaser would pay no more for a property than the cost of producing a substitute property with the same utility as the subject. In the Cost Approach, value is estimated by comparing the current cost of replacing the subject improvements, and then subtracting depreciation for physical deterioration and functional or economic obsolescence. The cost of replacing a property is generally estimated on a per square foot basis using a construction cost manual published by a recognized cost reporting service, and through continued cost updating by the appraiser to account for local conditions. The value of land is added to the depreciated cost of the improvements for the final value indication by this approach.

The Sales Comparison Approach is based upon the assumption that an informed purchaser will pay no more for a property than the cost of acquiring an existing property of the same utility. This approach estimates market value by comparing the sales prices of recent similar transactions with the various attributes of the property under appraisement. Any dissimilarities are resolved by making appropriate adjustments. These differences may pertain to time, age, location, construction, condition, size or external economic factors.

Also analyzed within the Sales Comparison Approach is the relationship between the gross income and sales price. This ratio, called the Gross Income Multiplier (G.I.M.), when properly extracted from the market, may be used to indicate the value of the subject property. The Sales Comparison Approach often provides a highly supportable estimate of value for homogeneous properties. For larger and more complex properties, the required adjustments often become numerous and more difficult to estimate.

The Income Approach converts the anticipated future benefits of property ownership (dollar income) into an estimate of present value. The Income Approach is generally selected as the preferred technique for income-producing properties because it most closely reflects the investment rationale and strategies of typical buyers. To utilize the Income Approach, the appraiser must project net income, select an appropriate capitalization rate and then capitalize the net income into value, applying the proper discounting procedure.

Normally, these three approaches will each indicate a different value. After all of the factors in each of the approaches have been carefully weighed, the indications of value derived from each of the approaches are correlated to arrive at a final opinion of value.

Analyses Applied

A **Cost Approach** was considered and was not developed because there are no improvements to analyze with regard to the Adams Street parcel and the Main Street property is an older building that is at the end of its economic life and has a highest and best use to be demolished and developed with a mixed-use development.

A **Sales Comparison Approach** was considered and was developed because market participants consider similar type properties when determining the subject properties market value and thus the Sales Comparison Approach is utilized in the analysis.

An **Income Approach** was considered and was not developed because the subject is not a typical income producing property.

LAND VALUATION

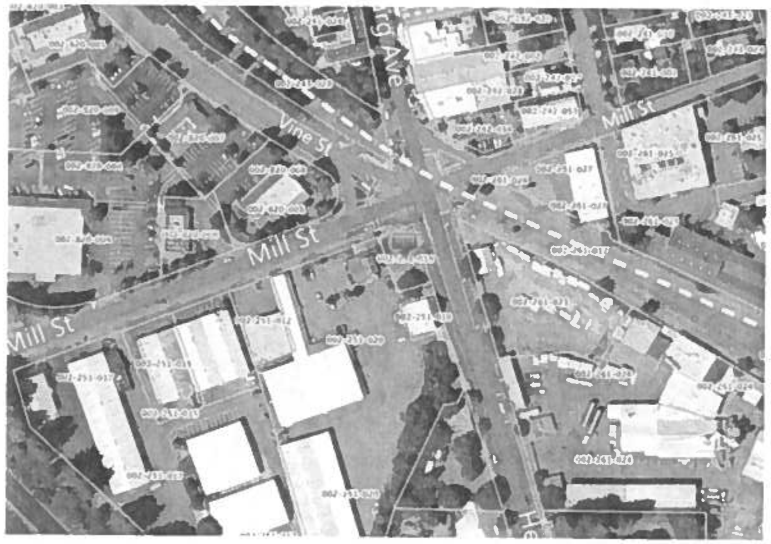
When appraising commercial property, it is customary to value the land as though vacant and able to be developed to its highest and best use. The preferable method of determining the market value of the fee simple interest of the subject site is by comparison to properties that have recently sold, are listed for sale or are under contract. Comparable properties are analyzed and compared with the subject property.

The comparative analysis performed in this approach focuses on similarities and differences among properties, and transactions that impact market value. These may include differences in the property rights appraised, the motivation of buyers and sellers, financing terms, market conditions at the time of sale, size, location, utility of the site, zoning and site conditions. The various attributes of comparison are tested against market evidence to determine their relative importance, if any.

The appraisers confirmed the sales with at least one party to the transaction and verified all characteristics discussed in the analysis with either public sources, such as site size from County Assessor's records, or from parties to the transaction, including buyers, sellers or agents.

Included below are the comparable land sales followed by a locational map, summary table and analysis and conclusion of land value.

Land Comparable 1



Transaction

Land Type	Commercial	**Date**	October 15, 2015
APN	002-251-018	**Transaction Type**	In Contract
Address	185 Healdsburg Avenue	**Price**	$640,000
City	Healdsburg	**Adjustments to Price**	$10,000
County	Sonoma	**Adjusted Price**	$650,000
Grantor	Chain	**Price Per Land SF**	$135.64
Grantee	City of Healdsburg	**Days on Market**	N/A
Doc#	N/A	**Verification Source**	Public Record
Financing	Cash To Seller	**Affiliation**	N/A

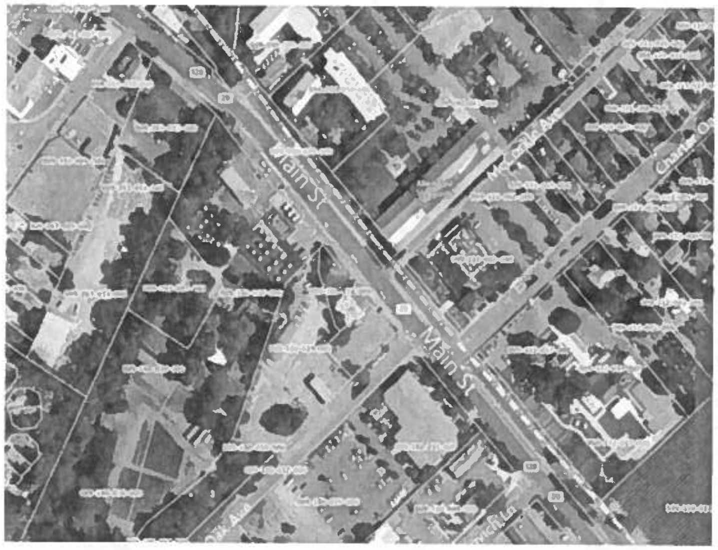
Site

Gross Land Area (AC)	0.11	**Site Status**	Semi-Finished
Gross Land Area (SF)	4,792	**Entitlements**	None
Usable Land Area (AC)	0.11	**Topography**	Level
Usable Land Area (SF)	4,792	**Utilities**	All Public Utilities
Zoning	MU	**Shape**	Rectangular
General Plan Designation	MU	**Improvements of Value**	None

Comments

This is a corner parcel being purchased by the City of Healdsburg to create a roundabout. The property is difficult to develop otherwise and had been used as a gas station in the past. Estimated demolition costs of $10,000 are added.

Land Comparable 2



Transaction			
Land Type	Commercial	**Date**	October 4, 2015
APN	009-212-001	**Transaction Type**	Listing
Address	929 Main Street	**Price**	$3,200,000
City	St. Helena	**Adjustments to Price**	($1,382,400)
County	Napa	**Adjusted Price**	$1,817,600
Grantor	Bello	**Price Per Land SF**	$198.69
Grantee	N/A	**Days on Market**	15
Doc#	N/A	**Verification Source**	Steve Ericson
Financing	Cash To Seller	**Affiliation**	Listing Agent
Site			
Gross Land Area (AC)	0.21	**Site Status**	Semi-Finished
Gross Land Area (SF)	9,148	**Entitlements**	Unentitled
Usable Land Area (AC)	0.21	**Topography**	Level
Usable Land Area (SF)	9,148	**Utilities**	All Public Utilities
Zoning	SC	**Shape**	Rectangular
General Plan Designation	Service Commercial	**Improvements of Value**	None

Comments

This is a downtown St. Helena parcel that is improved with a tasting room that was constructed in 2012. The improvements are very high end and based on Marshall Valuation Service would cost $362 psf for excellent quality tasting rooms. The building department reported a total cost of $218 psf in 2012, or approximately $240 psf adjusted to reflect increasing costs. The property is of excellent quality and has high-end design and finishes and it is likely that the owner's stated value was lower than actual costs. I have estimated a total of $400 psf (including permits and profit) which is multiplied by 3,456 SF. This is deducted from the asking price and the rest would correspond to the value of the land. The listing agent has received several offers in the short period of time the property was on the market but would not disclose the price.

Land Comparable 3

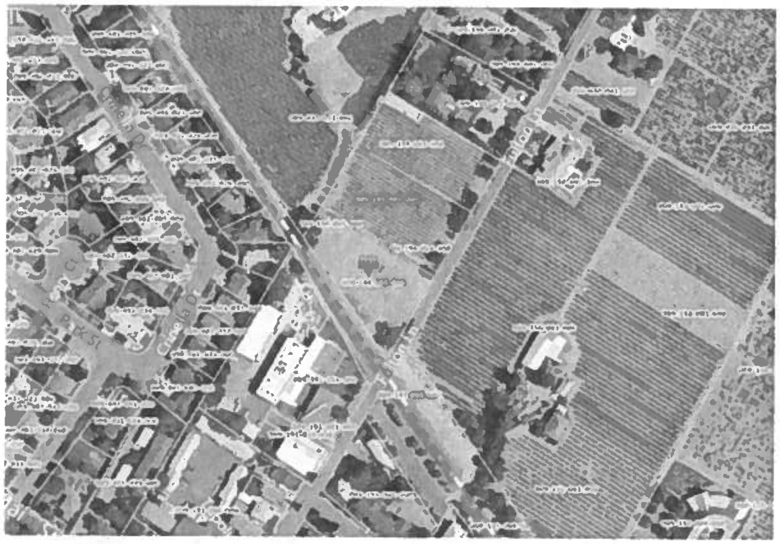
Transaction			
Land Type	Commercial	**Date**	September 1, 2015
APN	003-251-007, -008 & -009	**Transaction Type**	Closed
Address	1615 Second Street	**Price**	$5,400,000
City	Napa	**Adjustments to Price**	$100,000
County	Napa	**Adjusted Price**	$5,500,000
Grantor	Napa Valley Publishing Co.	**Price Per Land SF**	$95.65
Grantee	Third Street Napa Development	**Days on Market**	365
Doc#	22503	**Verification Source**	Michael Holcomb
Financing	Cash To Seller	**Affiliation**	Selling Agent

Site			
Gross Land Area (AC)	1.32	**Site Status**	Finished
Gross Land Area (SF)	57,499	**Entitlements**	Unentitled
Usable Land Area (AC)	1.32	**Topography**	Level
Usable Land Area (SF)	57,499	**Utilities**	All Public Utilities
Zoning	DN	**Shape**	Rectangular
General Plan Designation	Downtown Neighborhood	**Improvements of Value**	None

Comments

This is a downtown Napa site with a 20,796 SF building used for publishing the local paper. The buyer bought this site unentitled for redevelopment with a mixed-use property comprising retail and apartments. Density is up to 20 to 40 units/acre and 4.0 FAR on north half and 10 to 15 units/acre 3.0 FAR on the south half. The demolition costs were not known, but are estimated at $100,000.

Land Comparable 4



Transaction

Land Type	Commercial	**Date**	September 11, 2013
APN	009-194-005	**Transaction Type**	Closed
Address	1030 Fulton Lane	**Price**	$1,000,000
City	St. Helena	**Adjustments to Price**	$0
County	Napa	**Adjusted Price**	$1,000,000
Grantor	Trigeminus LLC	**Price Per Land SF**	$25.51
Grantee	1030 Fulton Lane Partners LLC	**Days on Market**	993
Financing	Cash To Seller	**Verification Source**	Jeff Feeney
Doc#	25890	**Affiliation**	Listing Agent

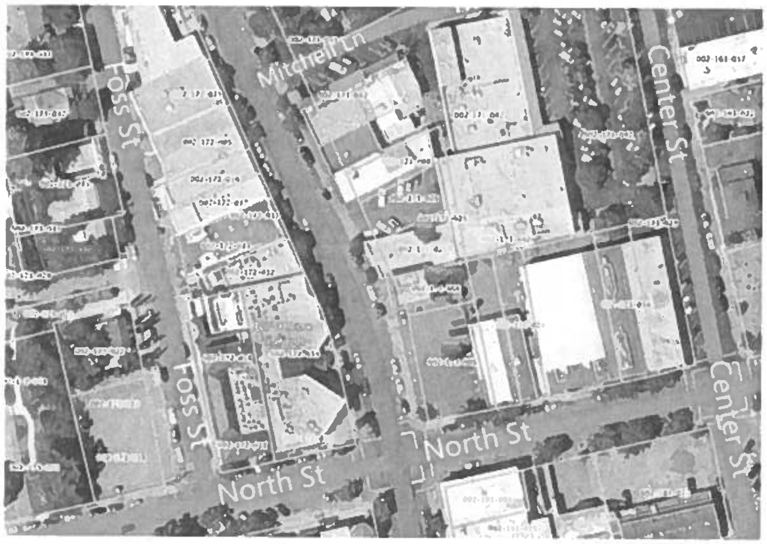
Site

Gross Land Area (AC)	0.90	**Site Status**	Raw
Gross Land Area (SF)	39,204	**Entitlements**	Unentitled
Usable Land Area (AC)	0.90	**Topography**	Level
Usable Land Area (SF)	39,204	**Utilities**	All Public Utilities
Zoning	SC	**Shape**	Trapezoid
General Plan Designation	Service Commercial	**Improvements of Value**	None

Comments

This is a property just east of the railroad tracks and at the edge of the commercial district, with vineyards/ag land to the east. Agent thought price today would be 50% higher due to improving market conditions and demand.

Land Comparable 5



Transaction			
Land Type	Commercial	**Date**	May 28, 2013
APN	002-171-005, -006 & -025	**Transaction Type**	Closed
Address	400 - 418 Healdsburg Avenue	**Price**	$2,200,000
City	Healdsburg	**Adjustments to Price**	$0
County	Sonoma	**Adjusted Price**	$2,200,000
Grantor	Pas Trust	**Price Per Land SF**	$162.91
Grantee	Metrovation	**Days on Market**	288
Doc#	56654	**Verification Source**	Rick Cooper
Financing	Cash To Seller	**Affiliation**	Listing Agent

Site			
Gross Land Area (AC)	0.31	**Site Status**	Semi-Finished
Gross Land Area (SF)	13,504	**Entitlements**	None
Usable Land Area (AC)	0.31	**Topography**	Level
Usable Land Area (SF)	13,504	**Utilities**	All Public Utilities
Zoning	CD	**Shape**	Irregular
General Plan Designation	DC	**Improvements of Value**	None

Comments

This is a corner site at the edge of the downtown Healdsburg area. The buyer operates two other high-end hotels in town and bought this for future lodging use. The existing improvements are 3,172 SF and consist of office and retail space, but the agent indicated these to be of value only during the entitlement period.

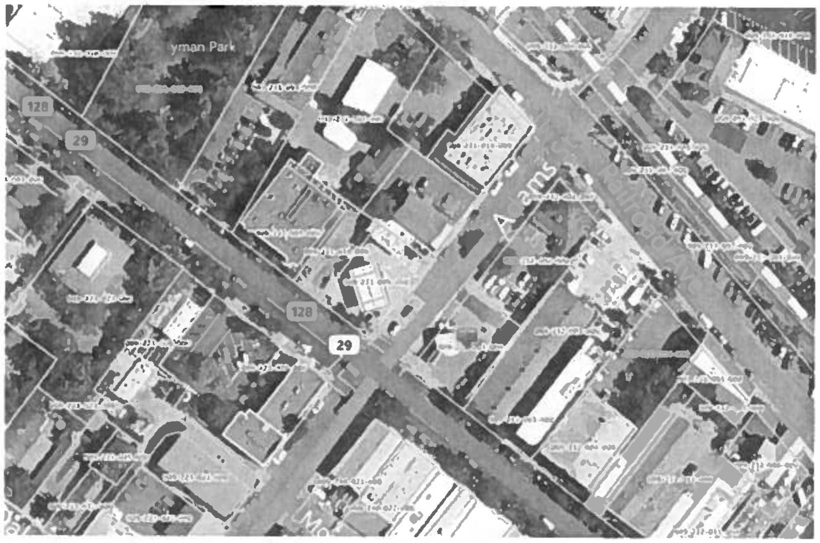
Land Comparable 6

Transaction			
Land Type	Commercial	**Date**	May 21, 2013
APN	002-243-036	**Transaction Type**	Closed
Address	227 Healdsburg Avenue	**Price**	$1,500,000
City	Healdsburg	**Adjustments to Price**	$0
County	Sonoma	**Adjusted Price**	$1,500,000
Grantor	Brandt	**Price Per Land SF**	$73.27
Grantee	227 Healdsburg Ave LLC	**Days on Market**	N/A
Doc#	52564	**Verification Source**	Jack Brandt
Financing	Cash Plus SF	**Affiliation**	Listing Agent
Site			
Gross Land Area (AC)	0.47	**Site Status**	Semi-Finished
Gross Land Area (SF)	20,473	**Entitlements**	None
Usable Land Area (AC)	0.47	**Topography**	Level
Usable Land Area (SF)	20,473	**Utilities**	All Public Utilities
Zoning	CD	**Shape**	Irregular
General Plan Designation	DC	**Improvements of Value**	None

Comments

This is a mid-block site purchased for development of a hotel. The buyer owns land to the south and by purchasing this parcel will have adjoining parcels which will aid in access and shared operations among the two properties. The property abuts Foss Creek, which prohibits access from the Vine Street frontage. The price was based on an appraisal of $1.585 million but buyer balked and agreement was made at $1.5 million. Seller financing was 5 years interest-only and was reported to be market oriented.

Land Comparable 7



Transaction

Land Type	Commercial	**Date**	December 24, 2012
APN	009-212-001	**Transaction Type**	Closed
Address	1380 Main Street	**Price**	$1,600,000
City	St. Helena	**Adjustments to Price**	$40,000
County	Napa	**Adjusted Price**	$1,640,000
Grantor	Scott	**Price Per Land SF**	$198.16
Grantee	Menegon	**Days on Market**	2826
Doc#	35934	**Verification Source**	Roberta Oswald
Financing	Cash To Seller	**Affiliation**	Listing Agent

Site

Gross Land Area (AC)	0.19	**Site Status**	Semi-Finished
Gross Land Area (SF)	8,276	**Entitlements**	Unentitled
Usable Land Area (AC)	0.19	**Topography**	Level
Usable Land Area (SF)	8,276	**Utilities**	All Public Utilities
Zoning	CB	**Shape**	Rectangular
General Plan Designation	Central Business	**Improvements of Value**	None

Comments

This is a prime corner parcel at Main and Adam Streets. The property was improved with a gas station that at close of escrow was cleared of tanks and any contamination. Buyer required to move the structure at estimated cost of $40,000. The site was subsequently approved for a retail and office development of approximately 6,000 square feet with parking at the rear of the parcel. Listing agent indicated price would be close to $2 million as of today.

Land Comparable 8

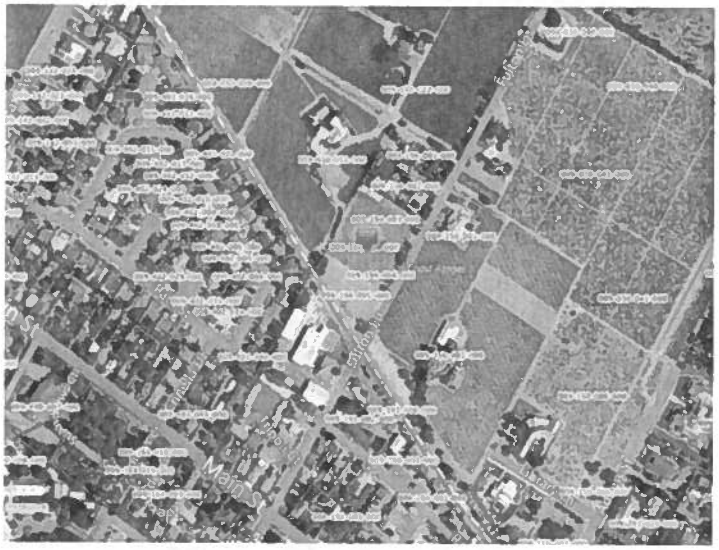
Transaction			
Land Type	Agricultural	**Date**	June 10, 2014
APN	009-050-001	**Transaction Type**	Closed
Address	Fulton Lane	**Price**	$4,500,000
City	St. Helena	**Adjustments to Price**	$0
County	Napa	**Adjusted Price**	$4,500,000
Grantor	Cooke	**Price Per Land SF**	$7.31
Grantee	Fulton Lane Estates LLC	**Days on Market**	51
Doc#	11475	**Verification Source**	Tom Dixon
Financing	Cash To Seller	**Affiliation**	Listing Agent

Site			
Gross Land Area (AC)	14.14	**Site Status**	Raw
Gross Land Area (SF)	615,938	**Entitlements**	Unentitled
Usable Land Area (AC)	14.14	**Topography**	Level
Usable Land Area (SF)	615,938	**Utilities**	Perc Only
Zoning	A-20	**Shape**	Rectangular
General Plan Designation	Agriculture	**Improvements of Value**	None

Comments

This property has the potential to be subdivided into two parcels. An easement for waterlines runs throught the middle, but property is developable. The property is in a flood zone as well. The buyer plans to develop the site with a luxury home.

Land Comparable 9



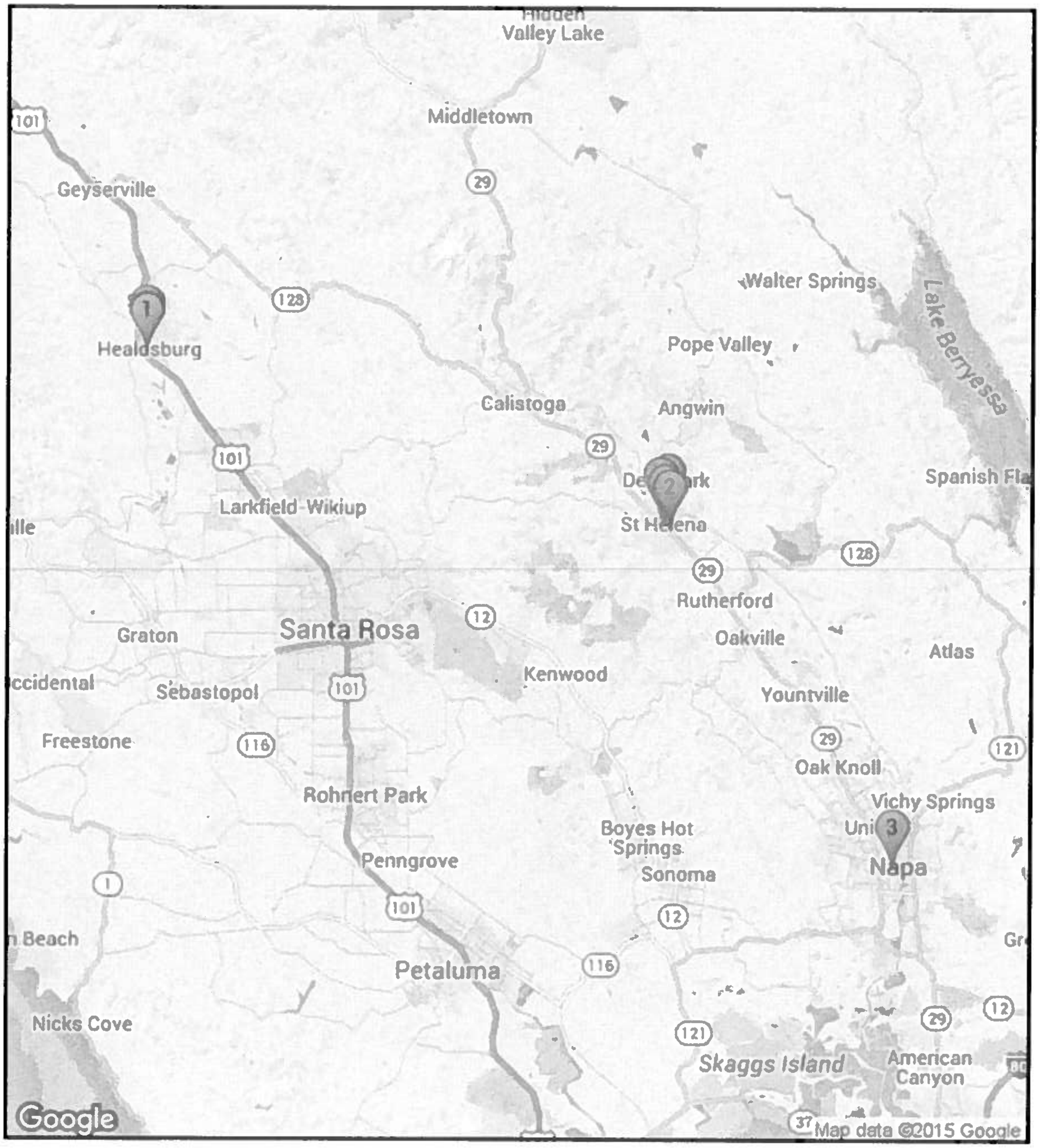
Transaction			
Land Type	Agricultural	**Date**	November 20, 2013
APN	009-194-004	**Transaction Type**	Closed
Address	1000 Fulton Lane	**Price**	$965,000
City	St. Helena	**Adjustments to Price**	$0
County	Napa	**Adjusted Price**	$965,000
Grantor	Freed Living Trust	**Price Per Land SF**	$21.72
Grantee	1000 Fulton Lane	**Days on Market**	239
Doc#	32376	**Verification Source**	Jim Perry
Financing	Cash To Seller	**Affiliation**	Listing Agent

Site			
Gross Land Area (AC)	1.02	**Site Status**	Raw
Gross Land Area (SF)	44,431	**Entitlements**	Unentitled
Usable Land Area (AC)	1.02	**Topography**	Level
Usable Land Area (SF)	44,431	**Utilities**	Well & Perc
Zoning	A-20	**Shape**	Rectangular
General Plan Designation	Agriculture	**Improvements of Value**	None

Comments

This property is just beyond the urban limit and is permitted for agriculture use only, which permits one SFR. The buyer has subsequently built a 5,600 SF luxury home that was listed for $5.3 million before recently being reduced to $4.995 million.

Land Comparable Map



Land Comparable Summary

Comp	Address City	Date	Adjusted Price	Usable Land Area (AC) Usable Land Area (SF)	Price Per Land SF	Time Adjusted Price Per Land SF	General Plan Designation	Zoning
1	185 Healdsburg Avenue Healdsburg	Pending	$650,000	0.11 4,792	$135.64	$135.64	MU	MU
2	929 Main Street St. Helena	Listing	$1,817,600	0.21 9,148	$198.69	$198.69	Service Commercial	SC
3	1615 Second Street Napa	9/1/2015	$5,500,000	1.32 57,499	$95.65	$95.65	Downtown Neighborhood	DN
4	1030 Fulton Lane St. Helena	09/11/13	$1,000,000	0.90 39,204	$25.51	$30.92	Service Commercial	SC
5	400 - 418 Healdsburg Avenue Healdsburg	5/28/2013	$2,200,000	0.31 13,504	$162.91	$203.03	DC	CD
6	227 Healdsburg Avenue Healdsburg	05/21/13	$1,500,000	0.47 20,473	$73.27	$91.48	DC	CD
7	1380 Main Street St. Helena	12/24/2012	$1,640,000	0.19 8,276	$198.16	$257.16	Central Business	CB
8	Fulton Lane St. Helena	06/10/14	$4,500,000	14.14 615,938	$7.31	$8.25	Agriculture	A-20
9	1000 Fulton Lane St. Helena	11/20/2013	$965,000	1.02 44,431	$21.72	$25.85	Agriculture	A-20

Analysis and Conclusions – 1480 Main Street

The nine land sales shown above represent the most meaningful land sales in the Napa County area, as well as several sales from the City of Healdsburg in Sonoma County. Healdsburg is a high-end wine country destination with hotel rates and retail rental rates in and around its central area that are very similar to the rental rates in the main section of St. Helena. Thus, Healdsburg was judged to be a good analog relative to St. Helena and comparables from here are considered to be good indicators.

Economic adjustments are made as follows:

Adjustments To Price: Several of the comparables required adjustments for the value (positive or negative) as they relate to the land sale. Comparable 1 included a gas station that was to be demolished by the buyer and is estimated to cost $10,000. Comparable 2 is an improved property that was built in 2012 and is currently for sale at a price of $3,200,000 as an improved property. Because these are relatively recently built improvements and there are few land sales in the St. Helena area, the appraisers have deducted the estimated value of the improvements as discussed in the comparable sale sheet. Comparables 3 and 7 include structures that required demolition or relocation. This is an additional cost to the buyer and needs to be added to arrive at the purchase price for the land only. In the case of Comparable 3, the cost is estimated by the appraisers to be $5.00 per square foot. The agent involved in the sale of Comparable 7 indicated costs of $40,000.

Real Property Rights Conveyed: A transaction price is always predicated on the real property interest conveyed. In the case of the comparable sales all represent the fee simple interest.

While Comparable 3 actually involved a leaseback and would technically be a leased fee interest, this was for a short term during the new buyer's entitlement period and this is of no impact.

Financing Terms: All of the sales utilized were sold either with all cash to the seller or with seller financing at market rates, and thus required no cash equivalency adjustments.

Conditions of Sale: Adjustments for conditions of sale usually reflect the motivations of the buyer and the seller. When non-market conditions of sale are detected in a transaction, an adjustment may be required. The market for the subject property is sufficiently active so that there were no unusual market conditions or atypical motivations during the period in which the sales occurred that would require an adjustment. Comparable 2 is a listing and the broker would not indicate what the offer prices have been, only that there have been multiple offers. It is unclear whether this sale should be adjusted up or down for market conditions, because it is not uncommon for properties that are listed to go for above asking, particularly for prime spots such as this. Typically, a listing would be adjusted downward and in this case we have not adjusted it.

Market Conditions: Comparable sales that occurred under different market conditions than those applicable to the subject on the date of value require adjustment for any differences that affect their values. The comparables are listings, escrows or sold from one to 33 months from the date of value. The appraisers were unable to find paired-sale data in order to derive a market extracted adjustment for improving market conditions. The appraisers did discuss the market conditions adjustment with many brokers in the market and a wide range of opinions were offered from 10% to 50% increase in the past two years. The majority of the comments were in the 20% range. The high-end estimate was the broker for Comparable 4, a service commercial zoned parcel that he felt he could sell for approximately $40.00 per square foot in the current market. This roughly 50% increase seems too high in light of the other market participants' comments and improvement in the broader market. I have applied a 10% per annum adjustment to Comparables 4 through 9.

The valuation of the 1480 Main Street property will be analyzed first. Further adjustments for material differences between the subject and comparable sales are described as follows:

Land Comparable 1: This is a small parcel at one of the prime entrances to the City of Healdsburg at a price of $135.64 per square foot. This is a former gas station site that has good street frontages and was bought by the City of Healdsburg to facilitate a new roundabout at this intersection. The comparable's location is somewhat similar to the subject, both not in the prime area of their respective cities, but within close proximity. The subject site is larger than this property, which would typically result in a downward adjustment. However, the comparable had some issues with being redeveloped, in part because the station is such a small site and in fact there is a channelized creek that runs beneath the property, which impacted its development potential from other buyers. Thus, no adjustment for size is made. In other respects this is a reasonable indicator for the subject.

Land Comparable 2: This is a tasting room that is being offered for sale and has reportedly received a lot of interest and offers in its short listing period. Deducting the value of the improvements as described previously results in an estimated land value of $198.69 per square foot. The subject, like the comparable, is not on the prime section of the downtown St. Helena area, with this comparable being located a few blocks south. This comparable does have slightly superior appeal, because it is at the entrance to town rather than past the prime retail area. A slight downward adjustment would be warranted for the subject. This comparable is also smaller than the subject property and larger properties would sell at a discount to smaller properties. This property would on balance indicate a lower unit value for the subject.

Land Comparable 3: This is a very recent sale of a relatively large site encompassing an entire block in the downtown Napa area at a price of $95.65 per square foot. While the downtown Napa area has historically lagged the prime commercial areas of St. Helena or Yountville, there has been a renaissance in the downtown Napa area that has brought much activity and interest. Rents in the prime areas of Napa, along the Riverfront and other prime areas along First Street are only slightly lower than the subject's market now. This particular comparable warrants additional upward adjustment for its specific location, as it is in a transitional area of the downtown between the residential areas to the south and the commercial areas to the north and the site's zoning is more focused on apartment units, rather than commercial. The subject's location and development potential would be seen as superior and would support a higher land value. The subject's slightly smaller size would support some modest upward adjustment as well. A higher land value is indicated.

Land Comparable 4: This is a service commercial property located at the east end of the commercial district and within 0.25 miles of the subject. The comparable sold for a price of $30.92 per square foot after adjustment for market conditions. The comparable is similar in size to the subject, but has a far inferior location on the east side of the railroad tracks and in an area that is more industrial in character, bordered on the east by agricultural zoned land. The subject's value is estimated to be much higher than this comparable.

Land Comparable 5: This is the sale of a site in the downtown area of Healdsburg at a price of $203.03 per square foot. The comparable is superior in the sense that this is a corner parcel, whereas the subject is mid-block on Main Street (though technically Pine Street which does not extend past the subject would make the subject a corner parcel, it is not as attractive as a true corner parcel). The comparable, while being slightly north of the Plaza, is deemed slightly superior to the subject as it is across the street from new development with excellent site visibility. The comparable is also a smaller parcel than the subject, which argues for a downward adjustment as well. Based on these factors, a downward adjustment is warranted.

Land Comparable 6: This property is a site bought for a hotel located at the entrance to Healdsburg. The time adjusted price is $91.48 per square foot. This is a mid-block site like the subject. However, the subject has superior development potential than this comparable. The subject has frontage on three streets, which allows for a superior accessibility and access. This comparable had access from Healdsburg Avenue, but not the rear of the site due to the presence of Foss Creek and the railroad tracks. The buyer was able to more fully use the site because they own an adjacent property, but since they were the only one they did not need to pay for this feature. The comparable would warrant a higher unit value than this comparable.

Land Comparable 7: This is the sale of a former gas station within close proximity to the subject just to the south. This is certainly the high indicator for the market and the highest of any of the comparables, reflecting a price of $257.16 per square foot after adjusting for market conditions. This is a superior parcel, with a location at a superior corner in the prime retail block in St. Helena. While the subject has good street frontages on Main Street, Pine Street and Railroad

Avenue, the comparable is considered superior. Further, the comparable is a much smaller property of only 0.19 acres and smaller properties tend to sell at a premium when compared to larger properties. A lower value is warranted for the subject based on this comparable.

These seven sales show an admittedly wide range of values from $30.92 to $257.16 per square foot. Disregarding the low-end indicator, which is more industrial in character, a value of $91.48 to $257.16 per square foot is indicated. The comparables were discussed above and a value in this range is appropriate. Given the subject's location in St. Helena, with good frontage and development potential, but location slightly north of the prime retail area and its relatively large size, an appropriate value of $125.00 per square foot is estimated. This indicates the following value for the subject site. Demolition costs of $5.00 per square foot are subtracted to reflect the value of the bare land.

Hypothetical Market Value – 1480 Main Street	
Indicated Value per square foot:	$125.00
Subject Size:	38,333
Indicated Value:	$4,791,625
Less Demolition Costs/Other Adjustments:	($55,700)
Total Market Value As Is:	$4,735,925
Rounded:	$4,740,000

Analysis and Conclusions – Adams Street Hypothetical Zoned CB

The same comparables are used for the valuation of the subject's Adams Street parcel. As discussed previously, this comparable consists of 5.60 acres that is partially zoned Central Business and partially zoned A-20. In the following analysis, we will provide the market value of the entire parcel under the hypothetical condition that it is zoned for CB. This will be followed by an analysis of the property as it is currently zoned.

The subject's Adam Street property location is considered inferior to the Main Street parcel, which is along the major road that leads through St. Helena and which garners the bulk of the traffic and tourist activity. However, streets to the east of Main Street are still attractive retail locations and there are a number of restaurants on Railroad Avenue and other side streets. However, uses become more office oriented further east and in the immediate vicinity of the subject's Adams Street property are several professional office buildings, often serving as headquarters for local wineries or their corporate owners. Nonetheless, the city has long envisioned extending Adams Street from the downtown area all the way to Silverado Trail, though there are no current plans or funds for such an extension, in the long run it may be a more central street than it currently is.

The subject property would warrant a value of less than Comparables 1, 2, 5 and 7, all of which are smaller sites in prime downtown locations.

The subject would still warrant a higher value than Comparable 4 ($30.92 psf), which has inferior neighborhood appeal and is more industrial in character than the subject. The subject's much larger size would require some offsetting adjustment, but for location a higher value would nonetheless be indicated.

Comparable 3 ($95.65 psf) in Napa would be considered a reasonable indication, since it is just outside of the downtown core of Napa, albeit in an area that is somewhat more vibrant than the subject's. It is also much smaller than the subject. It would be possible to split the subject into smaller lots, but developers would typically require some profit for the effort and risk of accomplishing this task and a downward adjustment is warranted. However, the subject's St. Helena location, due to the lack of developable land in general, would be in higher demand than Napa. The subject site would provide a potential developer a large parcel for a mixed-use development of which there are few. While a hotel or resort would require city council action and approval, the site could prove to be an excellent resort oriented property similar to Solage in Calistoga, which was built in 2007 on over 20 acres at the east end of town and which has been very successful. Potential buyers of the subject site would be exploring these options with city officials, though our value is not premised on approvals of such a project, only that there is potential. Given the overall size of the site, a lower value is indicated than this comparable.

Comparable 6 ($91.48 psf) is also a reasonable indicator for the subject. This site was bought without any entitlements and is not a prime downtown site, but is on the main street into the town and is considered superior. However, the site was somewhat impaired by its shape, which was long and narrow, but could ultimately be fully developed in part because it was bought by the adjacent property owner. Mostly for size, a lower unit value is indicated for the subject.

Based on these sales, as well as the sales of the more prime located land, the appraisers have estimated that the subject's Adams Street property warrants a land value of $50.00 per square foot. This reflects the overall size of the subject property as well as its location away from the prime commercial area, but still within walking distance. This value also reflects the difficulty in obtaining entitlements for such a large project, which will most likely take multiple years and numerous public meetings.

Hypothetical Market Value Zoned CB – Adams Street	
Indicated Value per square foot:	$50.00
Subject Size:	243,936
Indicated Value:	$12,196,800
Rounded:	$12,200,000

Analysis and Conclusions – Adams Street As Is

In this scenario, we will analyze the subject based on a 3.14 acre part that is zoned Central Business and a 2.46 acre part zoned A-20. The analysis of the CB zoned land would be roughly the same, though its smaller size would warrant a modest upward adjustment and is estimated to have a value of $55.00 per square foot. The subject's A-20 zoned portion would most likely be a homesite and the zoning would allow for one single-family residence on this 2.46 acre portion. Also, the A-20 land is within the Urban Reserve, which makes it more valuable than land without this designation as it does allow for inclusion of this land within the urban limit as necessary and might someday permit a greater density development. Comparables 8 and 9 are rural residential or agriculture properties.

Comparable 8 is a 14.14 acre property within the same zoning as the subject, but without the Urban Reserve designation. It sold for a market conditions adjusted price of $8.25 per square foot ($5,085,000). The property was purchased for subdivision into two separate home sites and for vineyard. There is a flood zone through a portion of the property which made this area less than ideal for vineyards and the agent estimated approximately two to three acres were impacted. The price for a one acre home site (if Comparable 10 is used as an indication) is approximately $1.1 million. Thus, the value of the marginal value of the remaining 12.14 acres would be $2,785,000, or $229,407 per acre. Thus if the subject's A-20 land would support a 1.00 acre homesite at $1.15 million with the remaining 1.46 acres valued at $334,934 (1.46 acres times $229,407 per acre), this would indicate a value of $1,484,934, or $1,490,000 based on this comparable.

Comparable 9 is a sale of a 1.02 acre site purchased and subsequently developed with a speculative single-family home. The adjusted price is $1,148,350 for the home site when applying a market conditions adjustment. This property is located adjacent to Comparable 4 and is just beyond the urban limit line. This makes a good comparison to the subject's A-20 piece, which is also at the periphery of the urban limit (but within the Urban Reserve). Nonetheless, this is a good indicator for the subject's value as a homesite (as was used above). Using the value of the excess acres at $229,407 per acre, this comparable indicates a value of $1,480,346 ($1,150,000 homesite plus 1.44 acres x $229,407 per acre). This is rounded to $1,480,000.

One last comparable is considered, though it is somewhat different than the subject. A property at 1405 Adams Street is in contract near the asking price of $865,000 for a 0.24 acre corner parcel suitable for a single-family home only. The property is in an attractive neighborhood of other single-family homes, though approximately four blocks west of the downtown. The subject is slightly closer to the downtown, though for residential the comparable is deemed to be slightly superior in location. Adding the marginal value of $229,407 per acre to this sale (2.22 acres x $229,407 per acre) would result in a value for the subject of $1,374,284, or $1,370,000.

These three indicators support a value in the $1,370,000 to $1,490,000 range for the subject's 2.46 acre A-20 zoned portion. We have added the value of this portion at $1,450,000.

Market Value As Is	
Indicated Value per square foot:	$55.00
Subject Size:	136,778
Indicated Value:	$7,522,790
Plus A-20 Zoned Portion:	$1,450,000
Total Market Value As Is:	$8,972,790
Rounded:	$8,970,000

The hypothetical market value of the fee simple estate of the property at 1480 Main Street as of September 18, 2015, is estimated to be $4,740,000.

The hypothetical market value of the fee simple estate of the property at the NWC of Adams Street and Library Lane, as of September 18, 2015, is estimated to be $12,200,000.

The market value of the fee simple estate of the property at the NWC of Adams Street and Library Lane, as is, as of September 18, 2015, is estimated to be $8,970,000.

CERTIFICATION OF RYAN C. WARD, MAI

I certify, to the best of my knowledge and belief, that

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial unbiased professional analyses, opinions and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, a requested minimum valuation, a specific valuation, the attainment of a stipulated result or the occurrence of a subsequent event directly related to the intended use of this appraisal.
6. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute.
7. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
8. My engagement in this appraisal assignment was not contingent upon developing or reporting predetermined results.
9. I have made a personal inspection of the property that is the subject of this report.
10. No one provided significant professional assistance to the person signing this report.
11. This appraisal report conforms to the current Uniform Standards of Professional Appraisal Practice (USPAP).
12. I meet all of the requirements of the Competency Provision of the current Uniform Standards of Professional Appraisal Practice (USPAP).
13. As of the date of this report, I have completed the Standards and Ethics Education Requirement of the Appraisal Institute for Associate Members.
14. I have not performed or provided any services regarding this property in the three years prior to accepting this assignment.

Ryan C. Ward

Ryan C. Ward, MAI
State of California Certified
General Real Estate Appraiser
OREA License Number AG026338
Expiration: December 22, 2016

CERTIFICATION OF HOWARD R. LEVY, MAI, AI-GRS

I certify, to the best of my knowledge and belief, that

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial unbiased professional analyses, opinions and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, a requested minimum valuation, a specific valuation, the attainment of a stipulated result or the occurrence of a subsequent event directly related to the intended use of this appraisal.
6. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute.
7. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
8. My engagement in this appraisal assignment was not contingent upon developing or reporting predetermined results.
9. I have made a personal inspection of the property that is the subject of this report.
10. No one provided significant professional assistance to the person signing this report.
11. This appraisal report conforms to the current Uniform Standards of Professional Appraisal Practice (USPAP).
12. I meet all of the requirements of the Competency Provision of the current Uniform Standards of Professional Appraisal Practice (USPAP).
13. As of the date of this report I have completed the requirements under the continuing education program of the Appraisal Institute.
14. I have not performed or provided any services regarding this property in the three years prior to accepting this assignment.

Howard Levy

Howard R. Levy, MAI, AI-GRS
State of California Certified
General Real Estate Appraiser
OREA License Number AG003852
Expiration: August 30, 2016

WARD LEVY APPRAISAL GROUP, INC
Real Property Valuation

533 Fifth Street, Suite 300
Santa Rosa, CA 95401
(707) 921-5050
info@wardlevy.com

QUALIFICATIONS OF RYAN C. WARD, MAI

Education

University of California – San Diego, California

- Bachelor of Arts, Economics
- Bachelor of Arts, Urban Studies and Planning

Real Estate Course Work

- Capitalization Theory
- Real Estate Valuation Theory
- Uniform Standards of Professional Appraisal Practice (USPAP)
- Legal Aspects of Real Estate
- Vineyard Valuation
- Highest and Best Use and Market Analysis
- Advanced Income Capitalization
- Advanced Cost and Sales Comparison Approach
- Advanced Applications
- Business Practice & Ethics
- Report Writing and Valuation Analysis

Appraisal Experience

Partner, Ward Levy Appraisal Group, Inc., an independent real property valuation services firm (2014 – Present)

Senior Appraisal Associate with the independent real property valuation and right of way acquisition services firm of Howard Levy Appraisal Group, Inc., formerly Hornsby Levy Appraisal Group, Inc. (2004 – 2014)

Project Manager with the independent real property valuation firm of Carneghi-Blum & Partners, Inc. (Formerly Carneghi-Bautovich & Partners, Inc.), San Francisco, California (1996 – 2004)

Nineteen years of experience that includes preparation of narrative appraisals for a variety of property types including single-family residential subdivisions, multi-family housing, office buildings, industrial properties, shopping centers, marinas, retail centers, hotels, lodging facilities, auto service stations and special uses.

Professional Affiliations

Appraisal Institute (MAI) - Continuing Education Requirements Completed

Licensure

California Certified General Real Estate Appraiser, License AG026338, Expires December 22, 2016

WARD LEVY APPRAISAL GROUP, INC
Real Property Valuation

533 Fifth Street, Suite 300
Santa Rosa, CA 95401
(707) 921-5050
info@wardlevy.com

QUALIFICATIONS OF HOWARD R. LEVY, MAI, AI-GRS

Education

University of Wisconsin - Madison

- Master of Science, Real Estate Appraisal and Investment Analysis
- Bachelor of Business Administration, Finance

Appraisal Experience

President of Ward Levy Appraisal Group, Inc., an independent real property valuation services firm (2014 – Present)

President of Howard Levy Appraisal Group, Inc., formerly Hornsby Levy Appraisal Group, Inc., an independent real property valuation and right of way acquisition services firm (2002 – 2014)

Senior Appraisal Associate with the independent real property valuation and right of way acquisition services firm of G.F. Hornsby and Associates in Santa Rosa, California (1995 – 2002)

Associate Appraiser with the independent real property valuation firm of Crocker Hornsby in Santa Rosa, California (1988 – 1995)

Associate Appraiser with the independent real property valuation firm of William L. Hafner, MAI, in Santa Rosa, California (1987 – 1988)

Twenty-eight years of experience that includes preparation of appraisal reviews, narrative, form and oral appraisal reports on unimproved lands, conservation easements, single and multi-family residential developments, affordable housing, PUD subdivisions, professional and medical office buildings, retail buildings, shopping centers, light and heavy industrial buildings, restaurants, senior care facilities, funeral homes, resorts, lodging, movie theaters, feasibility and marketability analysis for lending, sale, estate, legal and eminent domain purposes.

Qualified as an expert witness before the Superior Court of California and the United States Bankruptcy Court.

Professional Membership

Designated Member of the Appraisal Institute (MAI)
Appraisal Institute General Review Specialist (AI-GRS)
Continuing Education Requirements Completed

Licensure

California Certified General Real Estate Appraiser, License AG003852, Expires August 30, 2016

Attachment C

PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT, made and entered into on SEPT. 15, 2015 by and between the City of St. Helena, located in the County of Napa, State of California (City), and Ward Levy Appraisal Group (Consultant).

RECITALS:

A. City desires to employ Consultant to furnish professional services in connection with the project described as Adams Street Property and 1480 Main Street/City Hall appraisals.

B. Consultant has represented that Consultant has the necessary expertise, experience, and qualifications to perform the required duties.

NOW, THEREFORE, in consideration of the mutual premises, covenants, and conditions herein contained, the parties agree as follows:

SECTION 1 – BASIC SERVICES

Consultant agrees to perform the services and work (together, "services") set forth in **Exhibit A, "Scope of Services"** and made part of this Agreement.

SECTION 2 – ADDITIONAL SERVICES

Consultant shall not be compensated for any services rendered in connection with its performance of this Agreement which are in addition to or outside of those set forth in this Agreement or **Exhibit A, "Scope of Services"**, unless such additional services and compensation are authorized in advance and in writing by the City Council or City Manager of the City.

SECTION 3 – TIME FOR COMPLETION

The time for completion of services shall be as identified in **Exhibit A, "Scope of Services"**.

SECTION 4 – COMPENSATION AND METHOD OF PAYMENT

A. Subject to any limitations set forth in this Agreement, City agrees to pay consultant the amount specified in **Exhibit B, "Compensation"**, attached hereto and made a part hereof. Total compensation shall not exceed $ 7,500, unless additional compensation is approved in accordance with Section 2.

B. Consultant shall furnish to City an original invoice for all services performed and expenses incurred during the preceding month. The invoice shall detail charges by the following categories if applicable: labor (by sub-category), travel, materials, equipment, supplies, subconsultant contracts, and miscellaneous expenses. City shall independently review each invoice submitted to determine whether the services performed and expenses incurred are in compliance with the provisions of this Agreement. If no charges or expenses are disputed, the invoice shall be approved and City will use its best efforts to cause Consultant to be paid within 30 days of receipt of invoice. If any charges or expenses are disputed by City, the original invoice shall be returned by City to Consultant for correction and resubmission. If the City reasonably determines, in its sole judgment, that the invoiced charges and expenses exceed the value of the services performed to date and that it is probable that the Agreement will not be completed satisfactorily within the Agreement price, City may retain all or a portion of the invoiced charges and expenses. Within thirty (30) days of satisfactory completion of the project, City shall pay the retained amount, if any, to Consultant. In no event shall City be obligated to pay late fees or interest, whether or not such requirements are contained in Consultant's invoice.

C. Payment to the Consultant for services performed pursuant to this Agreement shall not be deemed to waive any defects in services performed by Consultant.

SECTION 5 – STANDARD OF PERFORMANCE

Consultant represents and warrants that it has the qualifications, experience and facilities necessary to properly perform the services required under this Agreement in a thorough, competent and professional manner. Consultant shall at all times faithfully, competently and to the best of its ability, experience and talent, perform all services described herein. In meeting its obligations under this Agreement, Consultant shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing services similar to those required of Consultant under this Agreement.

SECTION 6 – INSPECTION AND FINAL ACCEPTANCE

City may inspect and accept or reject any of Consultant's services under this Agreement, either during performance or when completed. City shall reject or finally accept Consultant's services within sixty (60) days after submitted to City, unless the parties mutually agree to extend such deadline. City shall reject services by a timely written explanation, otherwise Consultant's services shall be deemed to have been accepted. City's acceptance shall be conclusive as to such services except with respect to latent defects and fraud. Acceptance of any of Consultant's services by City shall not constitute a waiver of any of the provisions of this Agreement including, but not limited to, the sections pertaining to indemnification and insurance.

SECTION 7 – INSURANCE REQUIRED

Consultant shall procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the services hereunder by the Consultant, its agents, representatives, or employees, as indicated:

A. Minimum Scope of Insurance. Coverage shall be at least as broad as:
  1. Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).
  2. Insurance Services Office form number CA 0001 (Ed. 1/87) covering Automobile Liability, code 1 (any auto).

3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

B. Minimum Limits of Insurance. Consultant shall maintain limits no less than:

1. General Liability: $1,000,000 per occurrence for bodily injury, personal injury and property damage including operations, products and completed operations, as applicable. If Commercial General Liability Insurance or other form with a General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability: $1,000,000 per accident for bodily injury and property damage.
3. Employer's Liability: $1,000,000 per accident for bodily injury or disease.

C. Professional Liability Insurance. When Consultant under this Agreement is duly licensed under California Business and Professions Code as an architect, landscape architect, professional engineer, or land surveyor ("design professional"), Consultant shall maintain at least $1,000,000 of professional liability insurance.

D. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions of $25,000 or greater must be declared to and approved by the City.

E. Other Insurance Provisions. The commercial general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. The City, its agent, officers, officials, employees, and volunteers are to be covered as additional insured as respects: liability arising out of services or operations performed by the Consultant or Consultant's subconsultants; or automobile owned, leased, hired or borrowed by the Consultant.
2. For any claims related to Consultant's conduct while performing the services of this project, the Consultant's insurance coverage shall be primary insurance as respects the City, its agents, officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the City, its agents, officers, officials, employees or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.
3. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be cancelled by either party, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City.
4. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subsection (b) of Section 2782 of the Civil Code.

F. Waiver of Subrogation. The workers compensation policy is to be endorsed with a waiver of subrogation. The insurance company, in its endorsement, agrees to waive all rights of subrogation against the City, its agents, officers, officials, employees and volunteers for losses paid under the terms of this policy which arises from the services performed by the named insured for the City.

G. The Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A: VII, unless otherwise acceptable to the City.

H. Verification of Coverage. Consultant shall furnish the City with original certificates and amendatory endorsements effecting coverage required by this clause. The endorsements should be on forms provided by the City or on forms that conform to City requirements. All certificates and endorsements are to be received and approved by the City before services commence. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications at any time.

SECTION 8 – INDEMNIFICATION

A. Consultant shall indemnify and hold harmless City, its agents, officers, officials, employees, and volunteers from any and all claims, demands, suits, loss, damages, injury, and/or liability (including any and all costs and expenses in connection therewith), incurred by reason of any negligent or otherwise wrongful act or omission of Consultant, its officers, agents, employees and subcontractors, or any of them, under or in connection with this Agreement; and Consultant agrees at its own cost, expense and risk to defend any and all claims, actions, suits, or other legal proceedings brought or instituted against City, its agents, officers, officials, employees and volunteers, or any of them, arising out of such negligent or otherwise wrongful act or omission, and to pay and satisfy any resulting judgments.

B. When Consultant under this Agreement is a design professional, the provisions of this section regarding Consultant's duty to defend and indemnify apply only to claims that arise out of or relate to the negligence, recklessness, or willful misconduct of the design professional.

C. If any action or proceeding is brought against Indemnitees by reason of any of the matters against which Consultant has agreed to indemnify Indemnitees as provided above, Consultant, upon notice from City, shall defend Indemnitees at Consultant's expense by counsel acceptable to City, such acceptance not to be unreasonably withheld. Indemnitees need not have first paid for any of the matters to which Indemnitees are entitled to Indemnification in order to be so indemnified. The insurance required to be maintained by Consultant shall ensure Consultant's obligations under this section, but the limits of such insurance shall not limit the liability of Consultant hereunder. The provisions of this section shall survive the expiration or earlier termination of this Agreement.

D. The provisions of this section do not apply to claims to the extent occurring as a result of the City's sole negligence or willful acts or misconduct.

SECTION 9 – INDEPENDENT CONTRACTOR STATUS

A. Consultant is and shall at all times remain a wholly independent contractor and not an officer, employee or agent of City. Consultant shall have no authority to bind City in any manner, nor to incur an obligation, debt or liability of any kind on behalf of or against City, whether by contract or otherwise, unless such authority is expressly conferred under this Agreement or is otherwise expressly conferred in writing by City.

B. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Neither City, nor any elected or appointed boards, officers, officials, employees or agents of City, shall have control over the conduct of Consultant or any of Consultant's officers, employees or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that Consultant or any of Consultant's officers, employees or agents are in any manner officials, officers, employees or agents of City.

C. Neither Consultant, nor any of Consultant's officers, employees or agents, shall obtain any rights to retirement, health care or any other benefits which may otherwise accrue to City's employees. Consultant expressly waives any claim Consultant may have to any such rights.

SECTION 10 – CONFLICTS OF INTEREST

A. Consultant covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of City or which would in any way hinder Consultant's performance of services under this Agreement. Consultant further covenants that in the performance of this Agreement, no person having any such interest shall be employed by it as an officer, employee, agent, or subcontractor without the express written consent of the City Manager. Consultant agrees to at all times avoid conflicts with the interests of City in the performance of this Agreement.

B. City understands and acknowledges that Consultant is, as of the date of execution of this Agreement, independently involved in the performance of non-related services for other governmental agencies and private parties. Consultant is aware of any stated position of City relative to such projects. Any future position of City on such projects shall not be considered a conflict of interest for purposes of this section.

SECTION 11 – OWNERSHIP OF DOCUMENTS

A. All original maps, models, designs, drawings, photographs, studies, surveys, reports, data, notes, computer files, files and other documents prepared, developed or discovered by Consultant in the course of providing any services pursuant to this Agreement shall become the sole property of City and may be used, reused or otherwise disposed of by City without the permission of the Consultant. When requested by City, but no later than three years after project completion, Consultant shall deliver to City all such original maps, models, designs, drawings, photographs, studies, surveys, reports, data, notes, computer files, files and other documents.

B. All copyrights, patents, trade secrets, or other intellectual property rights associated with any ideas, concepts, techniques, inventions, processes, improvements, developments, works of authorship, or other products developed or created by Consultant during the course of providing services (collectively the "Work Product") shall belong exclusively to City. The Work Product shall be considered a "work made for hire" within the meaning of Title 17 of the United States Code. Without reservation, limitation, or condition, Consultant hereby assigns, at the time of creation of the Work Products, without any requirement of further consideration, exclusively and perpetually, any and all right, title, and interest Consultant may have in the Work Product throughout the world, including without limitation any copyrights, patents, trade secrets, or other intellectual property rights, all rights of reproduction, all rights to create derivative works, and the right to secure registrations, renewals, reissues, and extensions thereof.

SECTION 12 – CONFIDENTIAL INFORMATION; RELEASE OF INFORMATION

A. All information gained or Work Product produced by Consultant in performance of this Agreement shall be considered confidential, unless such information is in the public domain or already known to Consultant. Consultant shall not release or disclose any such information or Work Product to persons or entities other than City without prior written authorization from the City Manager, except as may be required by law.

B. Consultant, its officers, employees, agents or subcontractors, shall not, without prior written authorization from the City Manager or unless requested by the City Attorney of City, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the services performed under this Agreement. Response to a subpoena or court order shall not be considered "voluntary" provided consultant gives City notice of such court order or subpoena.

C. If Consultant, or any officer, employee, agent or subcontractor of Consultant, provides any information or Work Product in violation of this Agreement, then City shall have the right to reimbursement and indemnity from Consultant for any damages, costs and fees, including attorneys fees, caused by or incurred as a result of Consultant's conduct.

D. Consultant shall promptly notify City should Consultant, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the services performed thereunder. City retains the right, but has no obligation, to represent Consultant or be present at any deposition, hearing or similar proceeding. Consultant agrees to cooperate fully with City and to provide City with the opportunity to review any response to discovery requests provided by Consultant. However, this right to review any such response does not imply or mean the right by City to control, direct, or rewrite such response.

SECTION 13 – SUSPENSION OF SERVICES

City may, at any time, by ten (10) days written notice suspend further performance by Consultant. All suspensions shall extend the time schedule for performance in a mutually satisfactory manner and Consultant shall be paid for services performed and reimbursable expenses incurred prior to the suspension date.

SECTION 14 – COMPLIANCE WITH LAW

Consultant shall keep itself informed of and comply with all applicable federal, state and local laws, statutes, codes, ordinances, regulations and rules in effect during the term of this Agreement. Consultant shall obtain any and all licenses, permits and authorizations necessary to perform the services set forth in this Agreement. Neither City, nor any elected or appointed boards, officers, officials, employees or agents of City, shall be liable, at law or in equity, as a result of any failure of Consultant to comply with this section.

SECTION 15 – COMPLIANCE WITH CIVIL RIGHTS

During the performance of this Agreement, Consultant agrees as follows:

A. Equal Employment Opportunity. In connection with the execution of this Agreement, Consultant shall not discriminate against any employee or applicant for employment because of race, religion, color, ancestry, age, sexual orientation, physical handicap, medical condition, marital status, sex, or national origin. Such actions shall include, but not be limited to, the following: employment, promotion, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rate of pay or other forms of compensation; and selection for training including apprenticeship.

B. Nondiscrimination Civil Rights Act of 1964. Consultant will comply with all federal regulations relative to nondiscrimination to federally-assisted programs.

C. Solicitations for Subcontractors including Procurement of Materials and Equipment. In all solicitations, either by competitive bidding or negotiations, made by Consultant for services to be performed under a subcontract, including procurement of materials or leases of equipment, each potential subcontractor, supplier, or lessor shall be notified by Consultant of Consultant's obligations under this Agreement and the regulations relative to nondiscrimination.

SECTION 16 – RECORDS

A. Records of Consultant's direct labor costs, payroll costs, and reimbursable expenses pertaining to this project covered by this Agreement will be kept on a generally recognized accounting basis and made available to City if and when required for a period of up to 3 years from the date of Consultant's final invoice.

B. Consultant's records and design calculations will be available for examination and audit if and as required. The cost of any reproductions shall be paid by City.

SECTION 17 – COOPERATION BY CITY

All public information, data, reports, records, and maps as are existing and available to City as public records, and which are necessary for carrying out the services as outlined in the Exhibit A, "Scope of Services", shall be furnished to Consultant in every reasonable way to facilitate, without undue delay, the services to be performed under this Agreement.

SECTION 18 – NOTICES

All notices required or permitted to be given under this Agreement shall be in writing and shall be personally delivered, or sent by facsimile or first class mail, addressed as follows:

To City: City Manager
1480 Main Street
St. Helena, California 94574

To Consultant:
Ward Levy Appraisal Group, Inc
533 Fifth Street, Suite 300
Santa Rosa, CA 95401

Notice shall be deemed effective on the date personally delivered or transmitted by facsimile or, if mailed, three (3) days after deposit in the custody of the U.S. Postal Service.

SECTION 19 – TERMINATION

A. City may terminate this Agreement, with or without cause, at any time by giving ten (10) days written notice of termination to Consultant. If such notice is given, Consultant shall cease immediately all services in progress.

B. If either Consultant or City fail to perform any material obligation under this Agreement, then, in addition to any other remedies, either Consultant, or City may terminate this Agreement immediately upon written notice.

C. Upon termination of this Agreement by either Consultant or City, all property belonging to City which is in Consultant's possession shall be delivered to City. Consultant shall furnish to City a final invoice for services performed and expenses incurred by Consultant, prepared as set forth in this Agreement.

SECTION 20 – ATTORNEY FEES

If litigation or other proceeding is required to enforce or interpret any provision of this Agreement, the prevailing party in such litigation or other proceeding shall be entitled to an award of reasonable attorneys' fees, costs and expenses, in addition to any other relief to which it may be entitled. In addition, any legal fees, costs and expenses incurred to enforce the provisions of this Agreement shall be reimbursed to the prevailing party.

SECTION 21 – ENTIRE AGREEMENT

This Agreement, including the attached Exhibits, is the entire, complete, final and exclusive expression of the parties with respect to the matters addressed therein and supersedes all other agreements or understandings, whether oral or written, or entered into between Consultant and City prior to the execution of this Agreement. No statements, representations or other agreements, whether oral or written, made by any party which are not embodied herein shall be valid and binding unless in writing duly executed by the parties or their authorized representatives.

SECTION 22 – SUCCESSORS AND ASSIGNS

This Agreement shall be binding on the heirs, executors, administrators, successors and assigns of the parties. However, this Agreement shall not be assigned by Consultant without written consent of the City.

SECTION 23 – CONTINUITY OF PERSONNEL

Consultant shall make every reasonable effort to maintain the stability and continuity of Consultant's staff assigned to perform the services required under this Agreement. Consultant shall notify City of any changes in Consultant's staff assigned to perform the services required under this Agreement, prior to any such performance.

SECTION 24 – DEFAULT

In the event that Consultant is in default under the terms of this Agreement, the City shall not have any obligation or duty to continue compensating Consultant for any services performed after the date of default and may terminate this Agreement immediately by written notice to Consultant.

SECTION 25 – WAIVER

Waiver by any party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision, nor a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by City of any work or services by Consultant shall not constitute a waiver of any of the provisions of this Agreement.

SECTION 26 – LAW TO GOVERN; VENUE

This Agreement shall be interpreted, construed and governed according to the laws of the State of California. In the event of litigation between the parties, venue in state trial courts shall lie exclusively in the County of Napa. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the Northern District of California, in San Francisco.

SECTION 27 – SEVERABILITY

If any term, condition or covenant of this Agreement is declared or determined by any court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this Agreement shall not be affected thereby and the Agreement shall be read and construed without the invalid, void or unenforceable provision(s).

SECTION 28 – SPECIAL PROVISIONS

This Agreement is subject to the following special provisions: none.

IN WITNESS WHEREOF, the parties hereto have accepted, made, and executed this Agreement upon the terms, conditions, and provisions above stated, the day and year first above written.

Consultant:

By: Howard Levy

Name: Howard Levy

Title: CEO, Ward Levy Appraisal Group, Inc.

City:

By: ______________________________

Name: Jennifer Phillips

Title: City Manager

Approved as to Form:

By: ______________________________

Name: Thomas B. Brown

Title: City Attorney