



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

St. Helena City Council
Meeting
May 24, 2016

5:00 PM Special Study Session Meeting
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 do so, but please observe the time limit of three minutes.

- 1. CALL TO ORDER**
- 2. PLEDGE OF ALLEGIANCE**
- 3. ROLL CALL**
- 4. Public comments pertaining to the Study Session.**
(Please observe the time limit of three minutes.)
- 5. Study Session:** Presentation from Antonio Castellucci seeking general input on a conceptual project which proposes to subdivide a 10-acre parcel located at 567 Pope Street into 19 single family lots for single family residential development; construct a 5,000 square foot private winery on an adjacent parcel and also construct 12 farmworker housing units on this adjacent property (APN 009-070-040) which fronts onto Pope Street and College Avenue.
- 6. 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.

- 7. 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.

PRESENTATIONS AND PUBLIC RECOGNITIONS

8. Presentation – Visit Napa Valley Mid-Year Update Presentation by Cass Walker

STAFF BRIEFING

9. Monthly water wise update presented by Jennifer Tuell, Water Conservation Coordinator

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)

10. Consideration and proposed approval of Regular Meeting Minutes of May 10, 2016

CEQA Status: Not a CEQA Project
Prepared By: Cindy Black, City Clerk
Recommendation: Adopt

11. Consideration and proposed approval of a resolution authorizing the use of Asset Forfeiture funds (279) to purchase twelve new ballistic body armor vests for the Police Department in an amount not exceed \$12,000

CEQA Status: Not a CEQA Project
Prepared By: William Imboden, Chief of Police
Recommendation: Adopt

12. Consideration and proposed approval of a Resolution Setting a Hearing to Approve the Annexation of Territory into the St. Helena Municipal Sewer District No. 1, MSD Annexation No. 128 (90 Dahlia Street St Helena, CA. APN. 009-431-001)

CEQA Status: Categorically Exempt, CEQA Guidelines Section 15319, Annexations of Existing Facilities and Lots for Exempt Facilities, and Section 15061, No Possibility of Significant Effect on the Environment
Prepared By: Steven Palmer, PE, Director of Public Works/City Engineer
Recommendation: Adopt

13. Consideration and proposed approval of a resolution approving a Professional Services Agreement with GHD International in the amount of \$292,108 for engineering services for the Wastewater Treatment and Reclamation Plant Improvement Feasibility Study to be funded from Capital Improvement Project S-52

CEQA Status: Categorically Exempt, Section 15301 Existing Facilities, and 15302 Replacement or Reconstruction
Prepared By: Steven Palmer, PE, Director of Public Works/City Engineer

Recommendation: Adopt

14. Consideration and proposed approval of a resolution approving a Raw Water Use Agreement between the City of St. Helena and Spring Mountain Vineyard, Inc. for raw (non-potable) water from Lower Reservoir

CEQA Status: Categorically Exempt, Section 15301 Existing Facilities

Prepared By: Steven Palmer, PE, Director of Public Works/City Engineer

Recommendation: Adopt

15. Consideration and proposed approval of a resolution approving the Willmarth Family to have two mobile food vendors at Crane Park on June 4, 2016 between the hours of 5:00pm – 8:30pm for a pre-wedding event.

CEQA Status: Not a CEQA Project

Prepared By: Haidi Arias, Recreation Director

Recommendation: Adopt

16. Consideration, re-appointment and proposed approval of a resolution to reform the Ad Hoc Revenue Source Task Force to evaluate and provide feedback for the water and waste water rate study

CEQA Status: Not a CEQA Project

Prepared By: Jennifer Tuell, Water Conservation Coordinator

Steven Palmer, PE, Director of Public Works/City Engineer

Recommendation: Provide direction

17. Authorization to submit a grant application under the 2016 Department of Justice Community Oriented Policing Services (COPS) Hiring Program

CEQA Status: Not a CEQA Project

Prepared By: William Imboden, Chief of Police

Recommendation: Approve

NEW BUSINESS:

18. Consideration and proposed adoption of a Resolution Rescinding Resolution 2012-38; Authorizing the following water use efficiency programs and pilot programs: High-Efficiency Toilet Rebate, Weather-Based Irrigation Controller Rebate, Water Efficient Landscape Rebate, Greywater Rebate, Rainwater Harvesting Rebate, and Recirculating Hot Water Pump Rebate programs; and authorizing the City Manager to develop, implement, and update program guidelines to align with current best practices, funding availability, program participation, and geographical norms

CEQA Status: Categorically Exempt, Section 15301 Existing Facilities, and 15302 Replacement or Reconstruction

Prepared By: Jennifer Tuell, Water Conservation Coordinator

Steven Palmer, PE, Director of Public Works/City Engineer

Recommendation: Adopt

19. Consideration of proposed approval of a Resolution Approving and Finding an Exemption from CEQA, Approving and Adopting Project Plans and Manual, and Authorizing the Bid Request for the Pope Street Bike Lane Project, Capital Improvement Project R-30; and Adopt a Resolution Designating No Parking Zones along Pope Street

CEQA Status: Categorically Exempt, Section 15304, Minor Alterations to Land
Prepared By: Tobias Barr, Public Works Project Manager
Steven Palmer, PE, Director of Public Works/City Engineer
Recommendation: Adopt

20. Direction on Conservation Easement for Flood Control Project Parcels (APN 009-030-058 and a portion of APN 009-030-056) and Potential Impact on Proposed Adams Street Extension from Starr Avenue to Silverado Trail

CEQA Status: Environmental Impact Report (SCH. No. 2002012078)
Prepared By: Tracey Perkosky, Grants Manager
Steven Palmer, PE, Director of Public Works/City Engineer
Recommendation: Provide direction

21. Consideration of, and Direction to Staff on Steps for a Sales Tax Measure for the November 2016 Ballot and Issuance of the Request for Proposals for Adams Street.

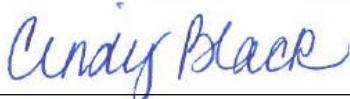
CEQA Status: Categorically exempt from the requirements of CEQA under Section 15306 as an effort to gather information on development interest for specific City owned properties within St. Helena. Any future development of a specific project will be subject to separate CEQA review and compliance.
Prepared By: Jennifer Phillips, City Manager
Recommendation: Provide direction

22. Presentation of the Fiscal Year 2015 Comprehensive Annual Financial Report (CAFR)

CEQA Status: Not a CEQA Project
Prepared By: April Mitts, Finance Director
Mandy Kellogg, Senior Management Analyst
Recommendation: Receive and file

ADJOURNMENT The next Regular City Council meeting is scheduled for June 14, 2016, 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 May 20, 2016.



Cindy Black, City Clerk

In Compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please call the City Clerk's Office (707) 967-2792. Notification 72 hours prior to the meeting as required by Section 202 of the Americans with Disabilities Act will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

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://cityofsthenana.org> and will be available for public review at the respective meeting.

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**Report to the City Council
Council Meeting of May 24, 2016**

Agenda Section: Study Session

Subject: Presentation from Antonio Castellucci seeking general input on a conceptual project which proposes to subdivide a 10-acre parcel located at 567 Pope Street into 19 single family lots for single family residential development; construct a 5,000 square foot private winery on an adjacent parcel and also construct 12 farmworker housing units on this adjacent property (APN 009-070-040) which fronts onto Pope Street and College Avenue.

CEQA Status: Not a CEQA Project

Prepared By: Noah Housh, Planning and Community Improvement Director

Approved By: Jennifer Phillips, City Manager

BACKGROUND

Antonio Castellucci has expressed an interest in developing property at 576 Pope Street, a 10-acre parcel which is zoned Medium Density Residential (MDR). The MDR density range is 5.1 to 16 units per acre. Mr. Castellucci has indicated he has heard significant concerns from neighboring residents regarding the potential impacts associated with developing the property at a range that implements the 5.1-16 units per acre standards identified in the zoning code. Meeting these requirements onsite would require a minimum of 51-units to be built.

In response, Mr. Castellucci has proposed a conceptual plan that would develop 19-single family units each with a second dwelling unit on-site, for a total of 38 units on the 10-acre property at 576 Pope Street. To meet the density requirements of the zoning, this project further proposes to construct 12 farmworker housing units and one additional single family home on the adjacent property (APN 009-070-040), which is zoned Agriculture. Under this proposal the total 51 residential units required to meet the density requirement of the MDR zoning district on 576 Pope Street would be accommodated through a density transfer to the adjacent property. The final element of the project is to construct a private winery on the adjacent property (APN 009-070-040) as well.

DISCUSSION

This plan is purely conceptual and no applications have been filed in pursuit of the proposal. Given this, staff has only reviewed the proposed conceptual plan at a conceptual level, and no analysis of the project or specific direction on the discretionary process to implement this plan has been provided.

The zoning Code identifies that second dwelling units do qualify toward the residential density requirements in the MDR Zoning District.

The 576 Pope Street conceptual plan site is designated as a Medium Density Housing Opportunity site, making multi-family housing a permitted land use.

FISCAL IMPACT

Implementation of the plan as proposed has the potential for both direct and indirect fiscal impacts to the City revenues. Additional impact fees would be triggered by the development of the site and expanded property tax revenue would be realized as the property's assessed value would undoubtedly increase. However, given the conceptual level of the conceptual plan and the lack of staff analysis, no specific numbers can be provided at this time.

RECOMMENDED ACTION

It is recommended by the Planning and Community Improvement Department that the City Council:

1. Receive the presentation from the Mr. Castellucci regarding the conceptual development plan to construct 19 single family homes with 19 second dwelling units at 576 Pope Street and further construct a 5,000 square foot private winery, a single family home and 12 farm worker housing units on the adjacent property (APN 009-070-040).
2. Ask any questions to clarify the conceptual proposal and identify any council concerns raised by the conceptual plan.

ATTACHMENTS

1. Applicant provided Conceptual Plan Description
2. Conceptual Site Plan

12Antonio Castellucci
1115 Victoria Lane
Saint Helena, Ca. 94574
415.948.4595

May 11, 2016

Saint Helena City Planning
Planning Director: Noah Housh
Re: 567 Pope Street Project

Dear Noah,

The following is the proposed project for 567 Pope Street, a 10 acre parcel zoned Medium Density Residential (MDR) and APN# 009-070-040, a 14.3 acre vineyard parcel adjacent to the east, zoned A20.

The 10 acre parcel will be subdivided into 19 single family lots, ranging in size from 10,500 to 20,500 feet of land area.

There will be only one entrance on Pope Street, in addition the development will include approximately 1 ½ acre of new vineyard. All landscaped common areas will be irrigated by an existing well onsite.

The homes will all be one level and will range in size between 3,200 to 4,200 square feet. They will also include a 400 to 600 square feet second unit on each parcel, primarily located above garages.

A bike/pedestrian path will be created on the west of the 10 acre parcel to connect Pope Street to McCorkle Avenue.

There has been an extensive tree study completed on the property in 2009; important and healthy trees will be preserved.

The 6 proposed lots fronting Pope Street will be developed with structures set back from the street and nestled into the trees, screening the homes from street view, as well as preserving open space fronting Pope Street.

The adjacent vineyard parcel, APN# 009-070-040 will be developed with a members only 5,000 square foot private winery (not open to the public). The winery is to produce a maximum of 10,000 gallons of wine. The entrance to the winery will be from Pope Street. A single -family residence will be constructed on the property to satisfy the code requirement. This home will be occupied by either the project owner or one of his children. A pedestrian pathway will be constructed

from the subdivided 10 acre parcel to the private winery for the residents to enjoy.

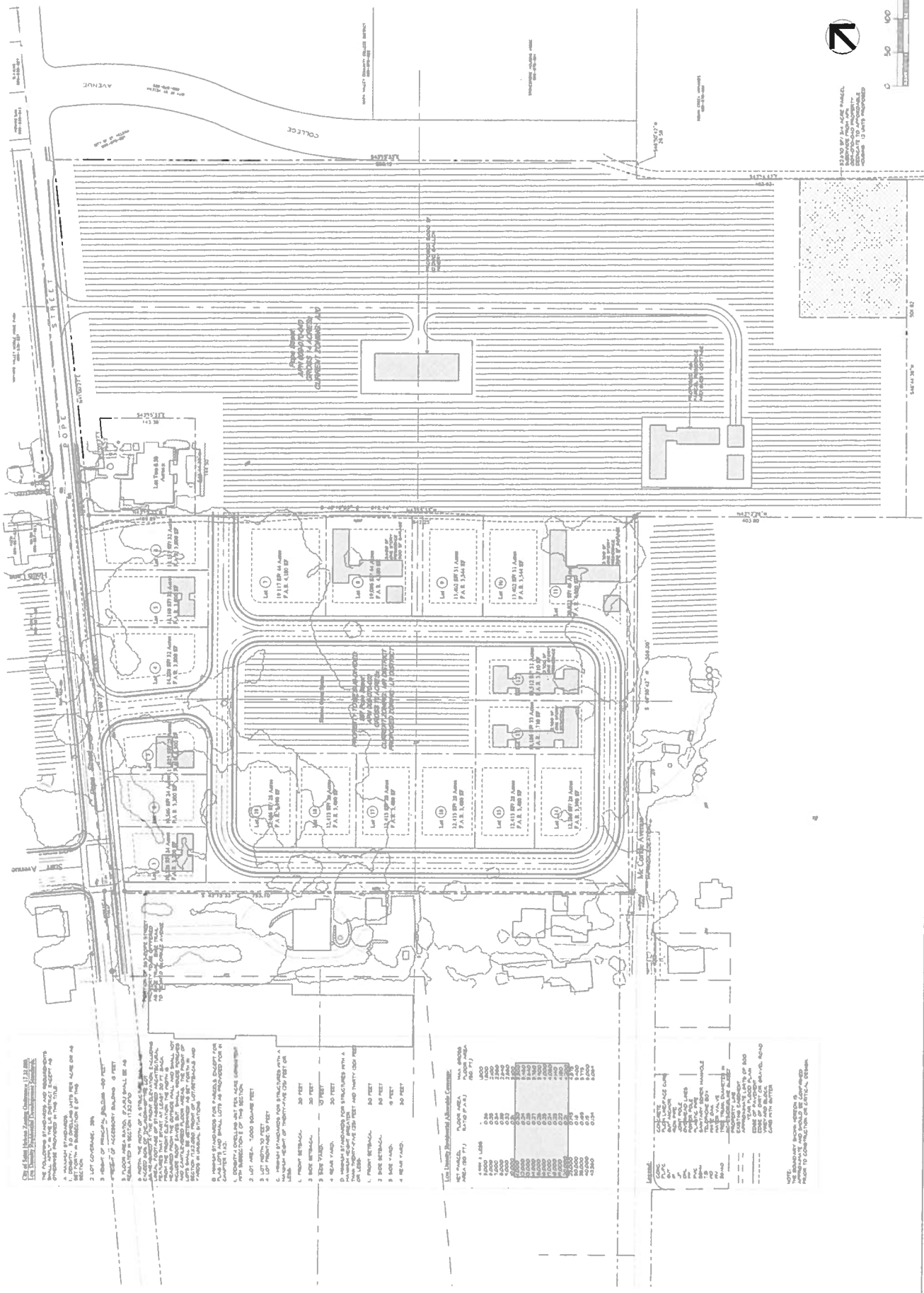
The developer is also proposing a long-term lease for \$1.00 per year of approximately $\frac{3}{4}$ acre of land fronting College Avenue to "Our Town St Helena Organization" in order to develop 12, two and three bedroom farm working housing units; allowed by the A20 zoning code. These 12 units will greatly benefit the community.

567 Pope Street has been identified by the City of St Helena and the state of California to be a "Housing opportunity site." The property zoned MDR must be developed with the minimum of 51 units. Taking this into consideration and speaking with neighbors and respected residents of the community, the proposed site plan is not only low-impact, but also satisfies both the community concerns as well as the zoning.

Thank you for your consideration and look forward to the May 24th study session.

Sincerely,

Antonio Castellucci



Saint Helena Estates and Winery Site Plan

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AGENDA

- Visit Napa Valley Overview
- Recent Results
- Napa Valley Pillars
- Sales and Marketing Programs
- Visitor Profile Study
- Government and Community Relations





The official tourism marketing organization for The Napa Valley

Our mission is to promote, protect, and enhance the Napa Valley's position as America's premier wine, food, arts, and wellness destination.

VNV BOARD OF DIRECTORS FY 2016

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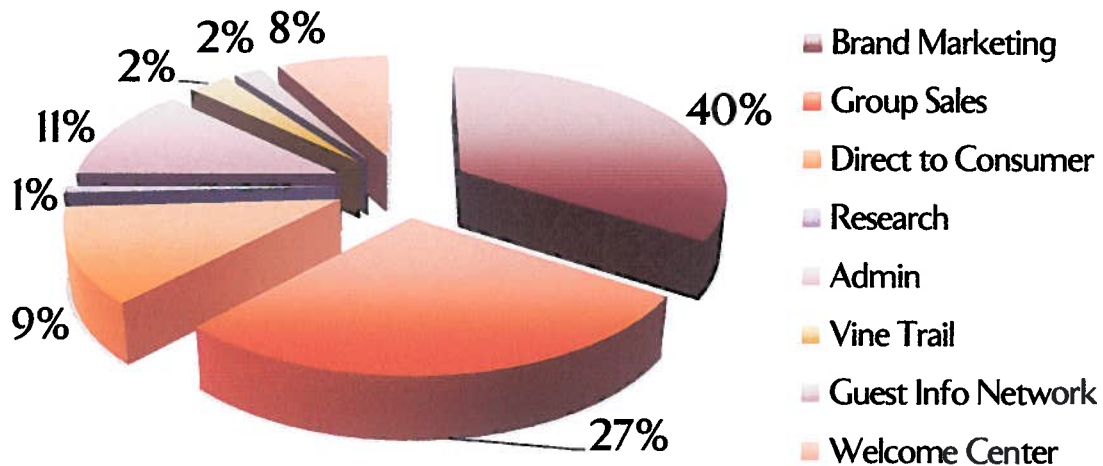
Marcelle Adderley
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The Westin Verasa
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St. Helena Chamber
 Dylan Feik
City of Calistoga
 Jill Techel
City of Napa
 Michael Woods
Mount View Hotel & Spa

FY 2016 BUDGET

Total Expenses = \$6,419,300



LODGING METRICS – STR DATA

	12-Months Ending March 2016*	% Change
Occupancy	72.8%	+5.1%
ADR	\$291.43	+5.0%
RevPAR	\$212.07	+10.3%
Revenue	\$363.8 m	+12.6%

*Reporting: 80.8% of total rooms

Napa had a stellar performance in occupancy, average daily rate (ADR), RevPar and Revenue, due in part to VNV marketing and sales efforts leading to increased midweek occupancy

2005 vs. 2014 TOURISM DATA*

	2005 Results	2014 Results
Visitor Days	4.7 million	5.5 million
Average overnight guest stay	1.91 days	3.0 days
Average daily visitor spending in Napa Valley	\$2.5 Million	\$4.48 Million
Total visitor spending in Napa Valley	<\$1Billion	\$1.6 Billion
TOT collected	<\$20 Million	\$38.6 Million
ADR	\$150.38	\$275.58
Occupancy	67.4%	68.2%
Room Supply	3334 rooms**	4692 rooms**
Average Daily spend per overnight guest per day	\$233.47	\$389.00

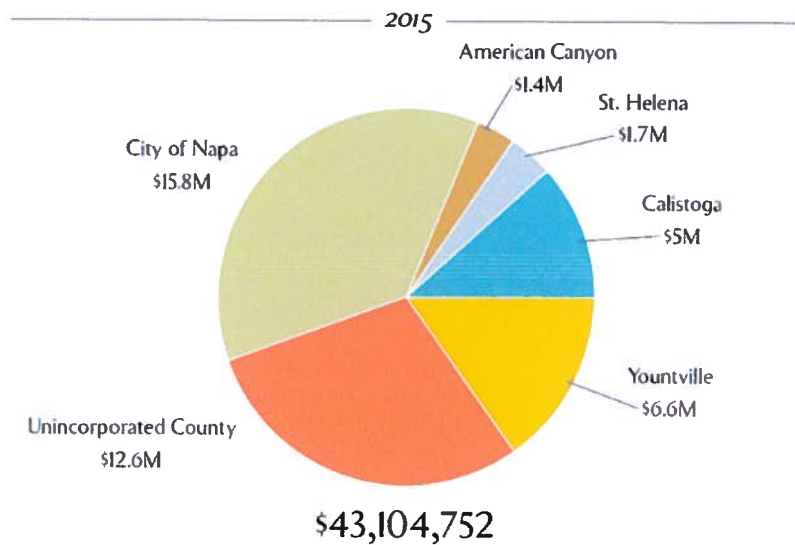
*2005 study by Purdue University, 2014 study by Destination Analysts

**Data sourced from STR Data

NAPA COUNTY LODGING REVENUE+89%

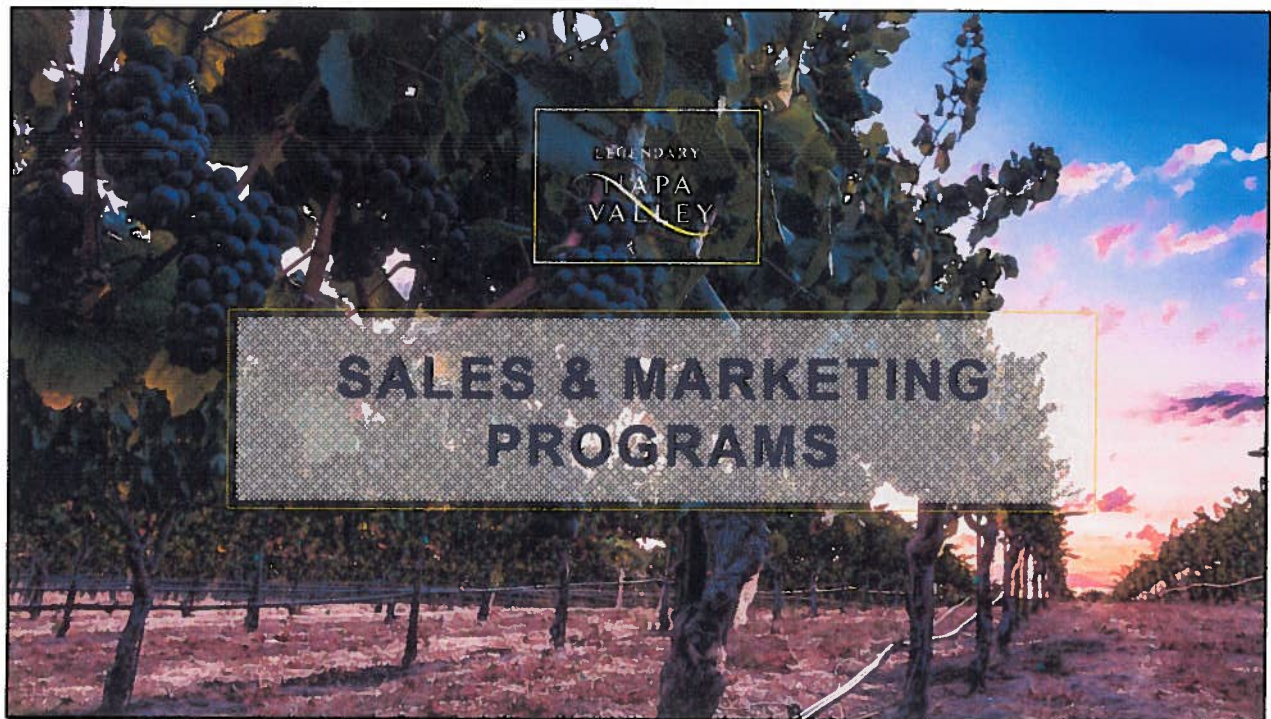
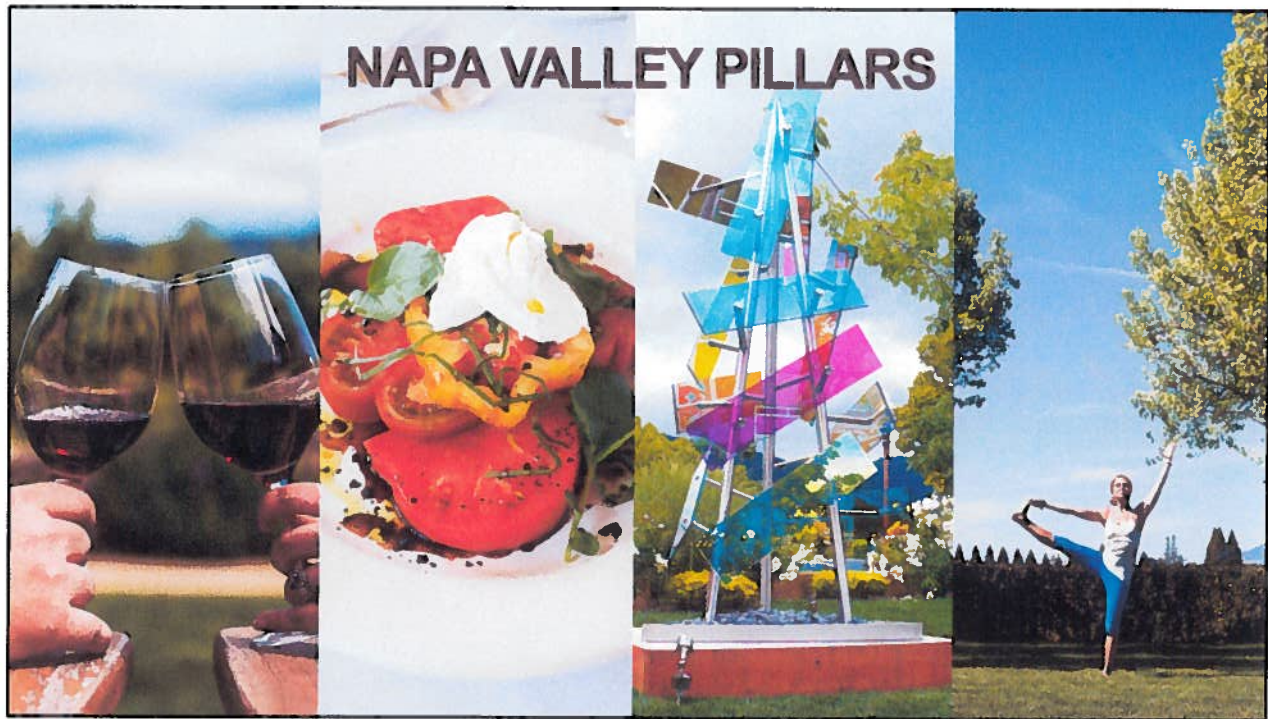
Year	Total Revenue	% Change
2015	\$359,126,189	+7.3%
2014	\$334,600,000	+7.9%
2013	\$309,122,518	+5.6%
2012	\$292,687,633	+16.9%
2011	\$250,472,805	+15.7%
2010	\$216,565,148	+13.4
2009	\$190,905,262	-17%
2008	\$229,904,699	+7.6%

Transient Occupancy Tax Collections



*Data from the 2015 fiscal year

**TOURISM
MATTERS**



FY16 SALES STRATEGIES

- Maintain partnerships and nurture relationships to drive qualified leads
- Maintain current level of attendance at trade events to maintain exposure
- Increase focus on international markets to gain a larger audience
- New partnership with luxury travel network to gain market awareness
- Marketing plan with Cvent, eMarketing and wedding segment to maintain and add exposure



FY16 MARKETING INITIATIVES

1. Build on our brand campaign & assets
2. Refine Cabernet Season support & VNV signature programs
3. Expand Media Relations & Social Media
4. Redesign VisitNapaValley.com



The image displays three magazine covers side-by-side. The first cover on the left is for 'TRAVEL+LEISURE' and features a tropical beach scene with palm trees and a blue ocean. The middle cover is for 'DEPARTURES' and shows a woman in a long, black, sequined gown. The third cover on the right is for 'FOOD & WINE' and depicts several bowls of food, likely pasta or salad, on a wooden surface.

- Continuing to run & build more assets
 - Luxury magazines, digital, trade events
 - Year 2 optimized program
 - New agency support with Mering Carson

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CABERNET SEASON REFINED BRANDING

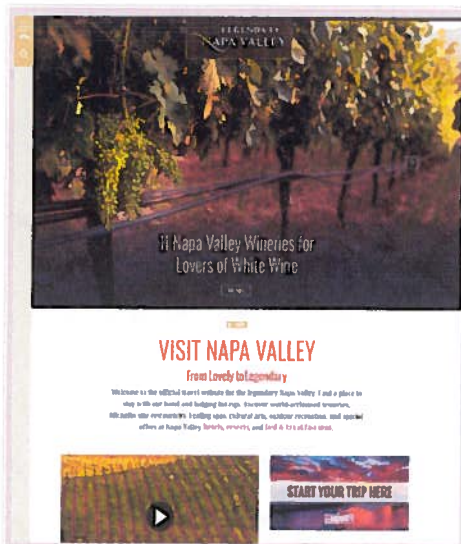


mid Fall to
early Spring

January

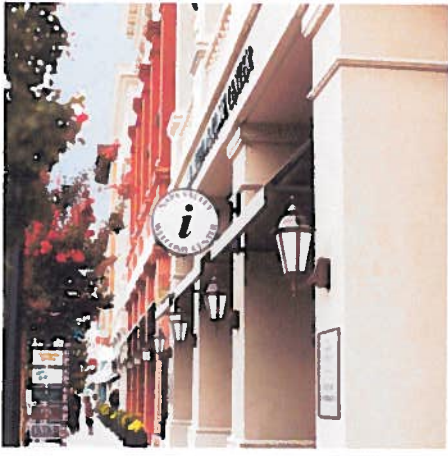
March

April



VISITNAPAVALLEY.COM

- Website Stats (July 2015 – February 2016):
 - 780K unique visitors
 - +10% previous year
 - New inspiration video series featured
- B2C E-Newsletter:
 - From 56K to 62K subscribers
- Spring 2016: Launch redesigned site
 - Immersive, visually compelling, experiential
 - New Welcome Video debut



WELCOME CENTER

The Starting Point for Visitors

- Created True Tour (virtual tour) of Welcome Center
- Continue to increase promotion for the Centers across the Valley

	2015 Total	2014 Total	% Change
Visitors Assisted	144,160	137,714	+4.6%
Guest Data Collected	15,309	11,788	+30%
Guidebooks Mailed	586	421	+39%
Phone Itineraries	7,814	7,622	+2.5%
Activity Revenue	\$100,000	\$79,800	+25%
Room Revenue	\$316,500	\$363,000	-13%



Quick Facts

The profile below shows a summary of key economic statistics emerging from this research.

	2012	2014
Total visitors to Napa Valley in 2014:	2.94 million	3.3 million
Total visitor spending in Napa Valley in 2014:	\$1.39 billion	\$1.63 billion
Spending by visitors staying in Napa Valley hotels, motels or inns:	\$1.03 billion	\$1.17 billion
Direct spending on group meetings & events:	\$187.7 million	\$194.0 million
Spending in Napa Valley by visitors for food and restaurants:	\$301 million	\$375 million
Jobs supported by Napa Valley visitor industry:	10,498	11,776
Napa Valley visitor industry payroll:	\$300 million	\$332 million
Taxes generated by the visitor industry for governmental entities in Napa County:	\$51.7 million	\$64.2 million
Tax revenues generated per Napa Valley household:	\$1,041	\$1,304
Visitors in Napa Valley on an average day:	13,409	15,019
Visitor spending in Napa Valley on an average day:	\$3.82 million	\$4.48 million
Annual visitor spending per Napa Valley resident:	\$10,027	\$11,741

Napa Visitor Industry - 2014 Economic Impact

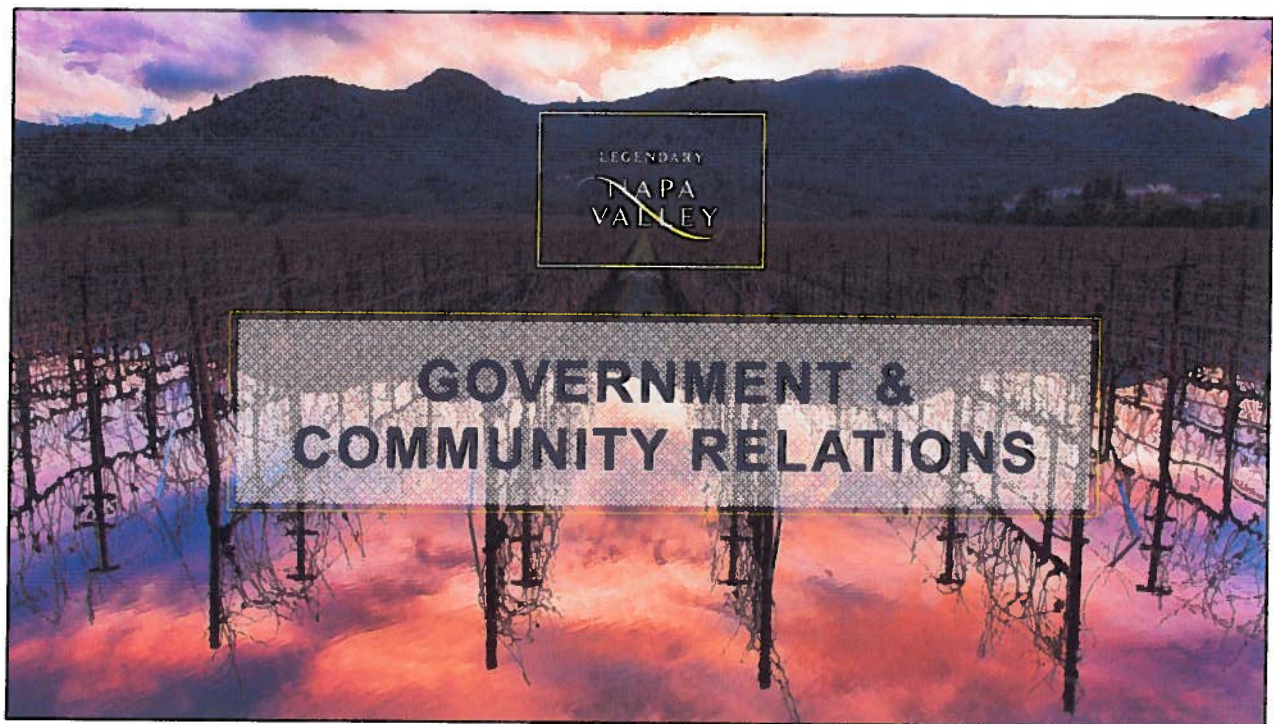
Destination Analysis

Visitor Profile Comparison Point of Origin of All Visitors

	2012	2014
USA	91.9%	87.7%
Canada	2.8%	3.0%
UK	1.2%	1.4%
Australia	1.0%	1.0%
Japan	0.7%	1.2%
China	.03%	1.7%

Enhancing the Napa Valley Experience For All Visitors

	2012	2014
Great as is	15.8%	30.2%
Affordable Transportation	4.3%	4.6%
Traffic Reduction	4.2%	4.8%
Free Wine Tasting	3.2%	2.7%
More Affordable	3.1%	3.4%
More Wineries	1.6%	4.9%



INDUSTRY & GOVERNMENT RELATIONS

Advocacy Efforts:

- ✓ Affordable Housing
- ✓ Minimum Wage
- ✓ Traffic
- ✓ Vacation Rentals
- ✓ Vision 2050
- ✓ City Council Outreach

Lodging Survey

- Employers: # of rooms and employees, pay ranges and benefits
- Employees: Zip code of residency, time, method and duration of commute, reasons for living outside Napa County

COMMUNITY RELATIONS

Community Outreach:

- ✓ Adopt a School
- ✓ Clear Air Coalition
- ✓ Napa Valley Car Free
- ✓ Vine Trail
- ✓ Arts in April

Partner Outreach:

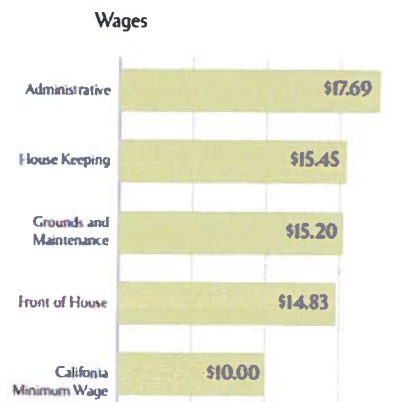
- ✓ Bike Workshop
- ✓ Leadership Napa Valley
Tourism Day
- ✓ TID Support

TOURISM MATTERS CAMPAIGN



Lodging Employees

2015

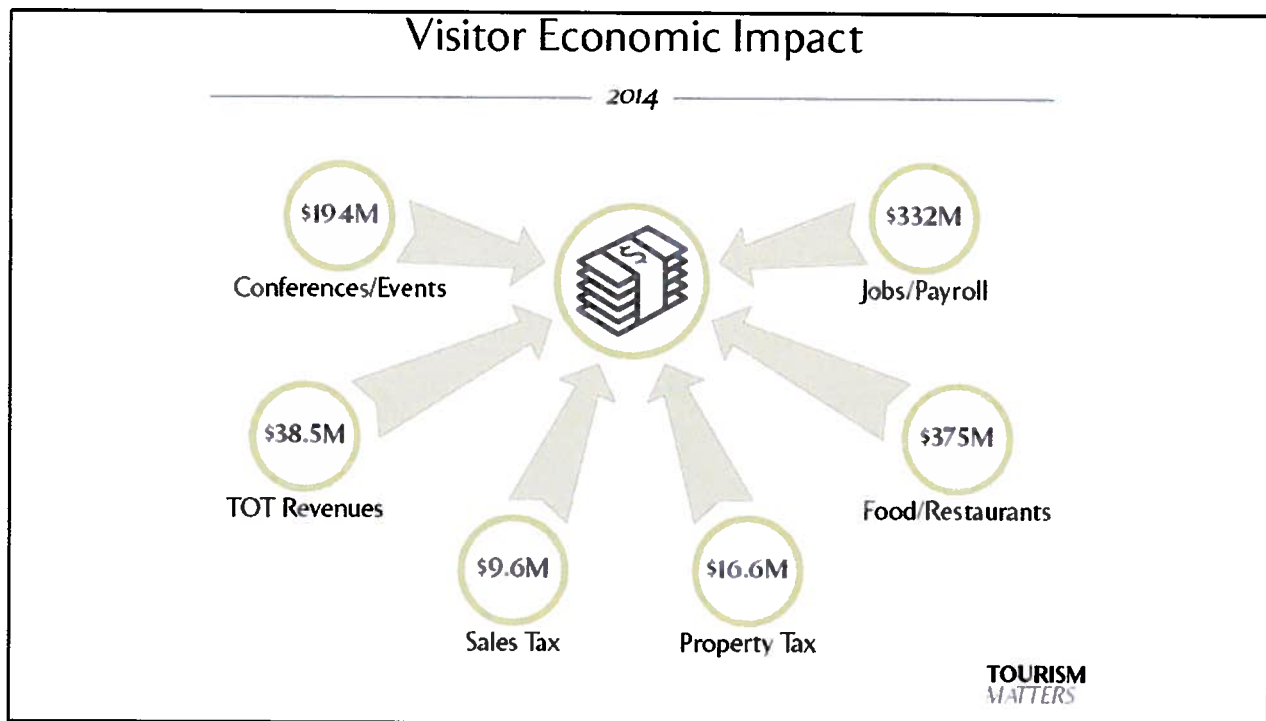


774% Live in Napa County



76% - 90% of employees receive Health, Vacation, and 401K benefits

TOURISM
MATTERS



NAPA COUNTY FY15 TOT REVENUE

Jurisdiction	FY15 TOT Revenue	% of Adopted FY15/16 Budget
Yountville	\$ 6.6 M	66.6%
Calistoga	\$ 5.0 M	50.0%
City of Napa	\$15.0 M	23.2%
Unincorporated County	\$ 12.6 M	17.0%
St. Helena	\$1.7 M	18%
American Canyon	\$ 1.4 M	4.0%





WATER CONSERVATION

May 24, 2016

Council Update

1

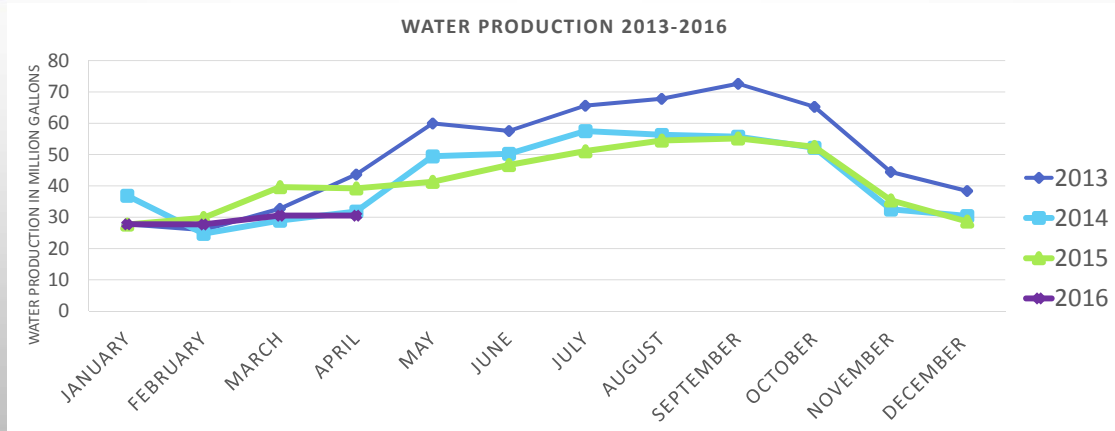
HISTORICAL WATER PRODUCTION

Average reduction
June-December 2015:
-21.32%

	2013 to 2015	2013 to 2016
January	-0.17%	0.07%
February	15.29%	7.18%
March	21.17%	-6.67%
April	-10.11%	-30.05%
May	-31.06%	
June	-18.91%	
July	-22.11%	
August	-19.66%	
September	-24.05%	
October	-19.59%	
November	-20.37%	
December	-25.37%	

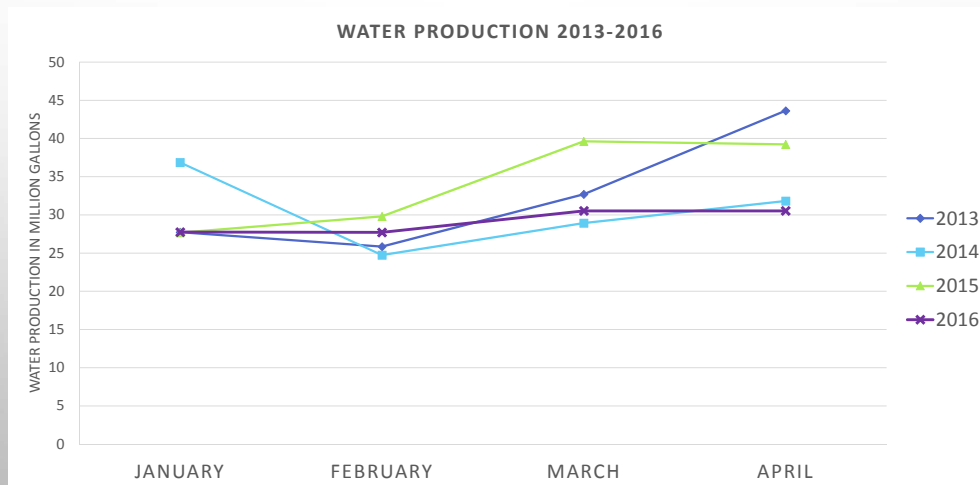
Drought
Reporting
Regulations
Began

WATER PRODUCTION

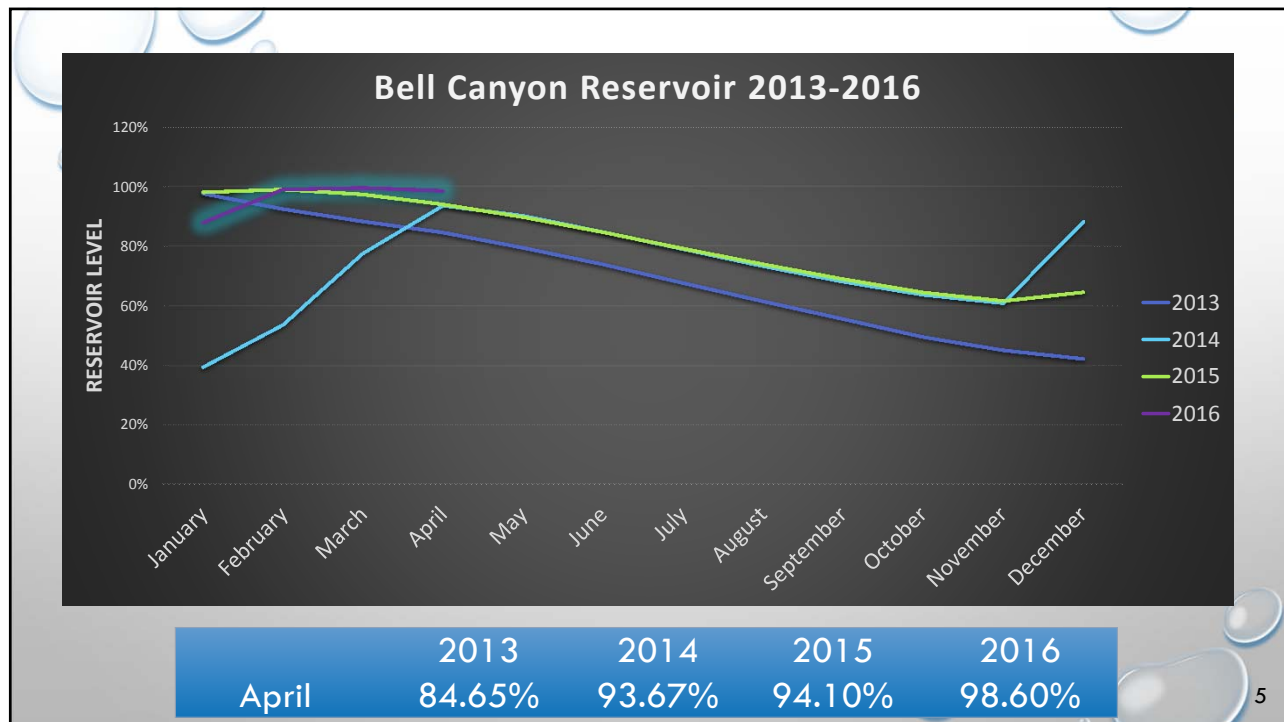


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WATER PRODUCTION



4



EXECUTIVE ORDER B-37-16

- Ongoing drought conditions and changing climate require California to move beyond temporary emergency drought measures
- California Water Action Plan:
 - “Make Conservation a California Way of Life”
 - “Manage and Prepare for Dry Periods”

MAY 18 –‘STRESS TEST’ APPROACH TO WATER CONSERVATION ADOPTED

- New standards begin June 2016 and extends until January 2017
- Mandates Urban Water Suppliers act now to ensure at least a three year supply of water to their customers under 2013-2015 rainfall conditions
- City of St Helena is not an Urban Water Supplier (>3,000 connections or >3,000 acre-feet)
- Requires reporting on production and conservation measures

WATER CONSERVATION

- Water and Waste Water Rate Study
- Existing Water Agreements
- Continue outreach
 - Fix a leak and Notifications
 - Water Neutrality – New tracking and outreach
 - Conservation
- Outreach
 - May-October: Farmer's Market
 - Monthly Outreach

**Minutes
St. Helena City Council
May 10, 2016**

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

A complete video recording of this meeting, except for closed session, can be found at www.cityofsthelena.org or by calling the City Clerk at (707) 967-2792. The City Council video is the official record of the Council meeting.

1. CALL TO ORDER and PLEDGE OF ALLEGIANCE

2. ROLL CALL

Present: Councilmembers Crull, Dohring, Pitts, White, Mayor Galbraith
Absent: None

3. PUBLIC FORUM:

Ron Bello from Computer Engineering Service addressed the City Council.

4. REPORTS BY STAFF AND CITY COUNCIL, FUTURE AGENDA ITEMS, and AB 1234 REPORTS:

City Manager Jennifer Phillips reported on the recent budget workshop.

Finance Director April Mitts also reported on the recent budget workshop and noted the financial audit is complete.

Planning Director Noah Housh reported that Senior Planner Aaron Hecock is out on leave and to be patient with the department.

Public Works Director Steve Palmer reported on the upcoming Public Works Week festivities.

Councilmember Dohring reported on attending the recent ABAG meeting.

Mayor Galbraith provided an update on the Caltrans channelization project.

PRESENTATIONS AND PUBLIC RECOGNITIONS

- 5. Presentation – St. Helena Chamber of Commerce 2015-2016 Annual Marketing Report presented by Chamber President Pam Simpson**

6. Proclamation – Mental Health Month 2016 presented to Napa County Health & Human Services Agency, Mental Health Manager Doug Hawker and Upvalley Family Centers Community Representative Indira Lopez
7. Proclamation – National Public Works Week May 15-21, 2016, presented to the Public Works Department Maintenance Manager Carlos Uribe
8. Proclamation – Municipal City Clerks Week May 1-7, 2016 presented to City Clerk Cindy Black

STAFF BRIEFING

9. Water Revenue Update presented by Finance Director April Mitts

Finance Director April Mitts provided a water revenue update.

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)

10. Consideration and proposed approval of Regular and Special Meeting Minutes of:

- a. Regular Meeting Minutes of January 12, 2016
- b. Regular Meeting Minutes of January 26, 2016
- c. Special Meeting Minutes of January 27, 2016
- d. Regular Meeting Minutes of February 9, 2016
- e. Special Meeting Minutes of February 11, 2016
- f. Regular Meeting Minutes of February 23, 2016
- g. Regular Meeting Minutes of March 8, 2016
- h. Regular Meeting Minutes of March 22, 2016
- i. Special Meeting Minutes of March 23, 2016
- j. Regular Meeting Minutes of April 12, 2016
- k. Regular Meeting Minutes of April 26, 2016
- l. Special Meeting Minutes of May 4, 2016

CEQA Status: Not a CEQA Project
Prepared By: Cindy Black, City Clerk
Recommendation: Adopt

11. Consideration and proposed approval of a Resolution 2016-56 Approving an Employment Agreement with Cindy Black to serve as an Executive At-Will City Clerk

CEQA Status: Not a CEQA project
Prepared By: Jennifer Phillips, City Manager
Recommendation: Adopt

Councilmember Dohring removed Item 12 from Consent.

- ~~12. Consideration and proposed approval of a resolution 2016-57 approving the first amendment to the professional services agreement in the amount of \$3,500 with Green Valley Consulting Engineering for the design of Holmes Tank Upgrade, Capital Improvement Project W-86~~

CEQA Status: ~~Categorically Exempt, Article 19 Section 15302 Replacement or Reconstruction, and Article 19 Section 15303 New Construction or Conversion of Small Structures~~

Prepared By: ~~Tobias Barr, Public Works Project Manager~~

~~Steven Palmer, PE, Public Works Director/City Engineer~~

Recommendation: Adopt

13. Consideration and proposed approval of a resolution 2016-58 approving the St. Helena Community Band to host musical entertainment, mobile food truck, and vendors at Lyman Park on Sunday July 3, 216 from 4:00 pm to 7:00 pm; and waive the encroachment permit fee of \$200.00 and the noise permit fee of \$25.00

CEQA Status: Not a CEQA project

Prepared By: Christina Cook, Public Works Administrative Assistant

Steven Palmer, PE, Director of Public Works/City Engineer

Recommendation: Adopt

14. Consideration and proposed approval of a resolution 2016-59 accepting the work and directing the filing of the Notice of Completion for the Stonebridge Filter Rehabilitation Project, CIP W-102

CEQA Status: Categorically Exempt, Section 15301, Existing Facilities

Prepared By: Tobias Barr, Public Works Project Manager

Steven Palmer, PE, Public Works Director/City Engineer

Recommendation: Adopt

15. Second reading and proposed adoption of Ordinance 2016-8 Amendments to Title 17 "Zoning" of the Municipal Code (Attachment A) initiated by the City of St Helena to implement provisions of the City's adopted 2015-2023 Housing Element that require the City to 1) eliminate the requirement for a Use Permit for multiple family residential projects proposed in the "High Density" (HD) Residential District, and 2) eliminate the requirement for a Use Permit for multiple family housing projects proposed on "Key Housing Sites", as designated in the 2015-2023 Housing Element, that are located in the City's "Medium Density (MD) Residential District"

CEQA Status: Negative Declaration

Prepared By: Victor Carniglia, Planning Consultant

Recommendation: Adopt

16. Second reading and proposed adoption of Ordinance 2016-9 amendments to City of St. Helena Municipal Code Section(s) 17.134 Short Term Rentals creating a permit renewal process, modifying the review and operations criteria and improving enforcement mechanisms for short-term rental uses in the Residential and Agricultural Zoning Districts, Citywide

CEQA Status: Ordinance is determined to be exempt from the requirements of CEQA as a Class 1 Categorical Exemption pursuant to CEQA Guidelines Section 15301 given that the regulations affect existing structures and under the "General Rule", Section 15061(b)(3)

Prepared By: Noah Housh, Planning and Community Improvement Director

Recommendation: Adopt

Councilmember Crull moved to approve Consent items 10 – 11 and 13 - 16. The

motion was seconded by Councilmember Dohring and on roll call carried by the following vote:

AYES: Councilmembers Crull, Dohring, Pitts, White and Mayor Galbraith

NOES: None

ABSENT: None

Public Works Director/City Engineer Steve Palmer reported on this item and it was noted the item was amended to include the appropriate contract.

No public comment was received.

12. Consideration and proposed approval of a resolution 2016-57 approving the first amendment to the professional services agreement in the amount of \$3,500 with Green Valley Consulting Engineering for the design of Holmes Tank Upgrade, Capital Improvement Project W-86

CEQA Status: Categorically Exempt, Article 19 Section 15302 Replacement or Reconstruction, and Article 19 Section 15303 New Construction or Conversion of Small Structures

Prepared By: Tobias Barr, Public Works Project Manager
Steven Palmer, PE, Public Works Director/City Engineer

Recommendation: Adopt

Councilmember Dohring moved to approve Consent item 12 as amended. The motion was seconded by Councilmember Pitts and on roll call carried by the following vote:

AYES: Councilmembers Dohring, Pitts, Crull, White and Mayor Galbraith

NOES: None

ABSENT: None

NEW BUSINESS:

It was the consensus of the City Council to allow Council and public deliberation for items 17 and 18 concurrently.

City Manager Jennifer Phillips reported on these items.

Pat Dell, Geoff Ellsworth, Mike Thomas, Andy Bartlett and a citizen addressed the City Council.

Councilmember Pitts presented an alternative to the options presented in Item 17.

It was the consensus of the City Council to hold off on the RFP until further discussions have taken place regarding a proposed sales tax measure. Council also directed staff to agendize a sales tax ballot measure and Councilmember Pitts' alternative option for the Adams Street property.

17. Options for the Development of City Owned Properties at Adams Street, 1480 Main Street (City Hall/Police Station) and 1572/1574 Railroad Avenue

CEQA Status: Categorically exempt from the requirements of CEQA under Section 15306 as an effort to gather information on development interest for specific City owned properties within St. Helena. Any future development of a specific project will be subject to separate CEQA review and compliance.

Prepared By: Jennifer Phillips, City Manager

Recommendation: Provide direction

18. Consideration of a Sales Tax Measure for the November 2016 Ballot

CEQA Status: Not a CEQA project

Prepared By: Jennifer Phillips, City Manager

Recommendation: Provide direction

ADJOURNMENT

Mayor Galbraith adjourned the meeting at 8:24 p.m.

APPROVED:

ATTEST:

Alan Galbraith, Mayor

Cindy Black, City Clerk

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**Report to the City Council
Council Meeting of May 24th, 2016**

Agenda Section: Consent

Subject: Consideration and proposed approval of a resolution authorizing the use of Asset Forfeiture funds (279) to purchase twelve new ballistic body armor vests for the Police Department in an amount not exceed \$12,000

CEQA Status: Not a CEQA project

Prepared By: William Imboden, Chief of Police

Approved By: Jennifer Phillips, City Manager

BACKGROUND

A recent inventory of the Police Department's ballistic body armor showed that the entire department was in need replacement vests due to personnel changes and expiration dates of current vests. The Asset Forfeiture Fund is a special revenue fund for monies from adjudicated criminal cases restricted for Public Safety purposes. In the recent past the fund has been used sparingly and currently has a balance of \$49,335.

DISCUSSION

Ballistic body armor is an essential piece of protective equipment supplied by the Department to each officer. The Department has a policy making it mandatory to wear a ballistic vest while on duty in uniform. The Kevlar® panels that provide the ballistic protection have an expected life of five (5) years. Major manufacturers of ballistic vests only warranty them for a maximum of five years for this reason.

Ballistic vests are tailored and cut to fit each individual because they have to conform to the body precisely to ensure they work as intended. There can be no gaps, or significant overlap. Because of this, left over vests from Officers departing do not properly fit the new Officers hired to fill the vacancy.

In the past two years the Department has had three Officers leave for retirement or to work elsewhere. Within that same time frame we have hired three more officers to fill vacancies. These three officers have been given hand-me-down vests that were intended to be a stop gap until we ordered them new vests; they do not fit properly and are out of warranty. We are also in the process of hiring one more Officer to fill our final

vacancy. We will have to provide that person with another used vest until we can order a new one.

Additionally, the last vest procurement was in 2010, which means our “newest” vest(s) are six (6) years old (one year past their expiration date). Several of our vests are even older.

The U.S. Department of Justice Ballistic Vest Program (BVP) is a federally funded body armor grant program that refunds up to 50% of the cost of a ballistic vest for local law enforcement agencies, with a cap based on agency size. Saint Helena has used this program in the past, and we are currently applying for it again. The City has applied for the maximum amount eligible, which is \$3,666.25. In order to receive this amount back, the Department would need to spend \$7,332.50 on vests. This equates to eight (8) vests at \$900.00 each. The actual cost may be closer to \$1,000.00 each, and the Department will need a total of twelve (12). Any unexpended monies allocated for this purchase will be returned to the Asset Forfeiture fund.

FISCAL IMPACT

The Asset Forfeiture fund will pay for 100% of the purchase of this ballistic body armor. Currently the Asset Forfeiture fund has a balance of \$49,335.00. The U.S. Department of Justice, through its Ballistic Vest Program, will determine an award amount, up to \$3,666.25. If the City receives the maximum allowable award, the total cost for all twelve vests will be approximately \$8,334.00, leaving approximately \$41,000 in the Asset Forfeiture fund.

RECOMMENDED ACTION

- Authorize the Saint Helena Police Department to purchase twelve (12) new ballistic body armor vests for a total cost not to exceed \$12,000.
- Authorize budget adjustment from Asset Forfeiture (279) to Capital Equipment (101-4900-2630)

**CITY OF ST. HELENA
RESOLUTION NO. 2016-_____**

Resolution authorizing purchase of twelve (12) new ballistic body armor vests using Asset Forfeiture funds, not to exceed \$12,000

RECITALS

- A. The City of St. Helena desires to purchase twelve (12) new ballistic body armor vests; and
- B. This is an unexpected, unbudgeted expense not covered in the FY 2015/16 budget; and
- C. The Asset Forfeiture fund is restricted to public safety purchases; and
- D. The Asset Forfeiture fund has unexpended excess monies in it from previous fiscal years in the amount of \$49,000; and
- E. The purchase will be entirely funded through a budget transfer to the Capital Equipment fund (101-4900-2630); and
- F. No additional funds will be required from the General Fund for this purchase.

RESOLUTION

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

- 1. The purchase of twelve (12) ballistic body armor vests is approved.
- 2. The adjustment to the Capital Equipment fund (101-4900-2630) in the amount of \$12,000 is approved

Approved at a Regular Meeting of the St. Helena City Council on May 24th, 2016, by the following vote:

Mayor Galbraith: _____

Vice Mayor White: _____

Councilmember Crull: _____

Councilmember Dohring: _____

Councilmember Pitts: _____

APPROVED:

ATTEST:

Alan Galbraith, Mayor

Cindy Black, City Clerk

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**Report to the City Council
Council Meeting May 24, 2016**

Agenda Section: Consent

Subject: Consideration and proposed approval of a resolution setting a hearing to approve the annexation of territory into the St. Helena Municipal Sewer District No. 1, MSD Annexation No. 128 (90 Dahlia Street St Helena, CA. APN. 009-431-001).

CEQA Status

or Action: **Categorically Exempt, CEQA Guidelines Section 15319, Annexations of Existing Facilities and Lots for Exempt Facilities, and Section 15061, No Possibility of Significant Effect on the Environment**

Prepared By: **Steven Palmer, PE, Director of Public Works/City Engineer**

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

BACKGROUND

Tye R. Taylor and Tara D. Hensley, owners of 90 Dahlia Street, Napa County Assessor Parcel Number (APN) 009-431-001, has applied to be annexed into the St. Helena Municipal Sewer District No. 1. A location map for the property is shown in Attachment 1. City Council approval of the connection is the formal administrative process to change the property's tax rate area code from septic to sanitary sewer for tax purposes.

DISCUSSION

The property is currently on a septic system. The Magnolia Oaks Subdivision recently completed construction of a public sewer main in El Bonita Avenue, which now provides this property with access to the City sewer system. The Property owner is responsible for: (1) constructing a sewer lateral from their residence to the City sewer, and (2) paying fees for annexation, connection, and sewer impact. The sewer impact fee will be paid prior to the physical hook-up and is calculated on the livable area currently on file with the Napa County Assessor's office. At the time of connection to the City sewer, the existing septic system will be destroyed in accordance with Napa County Department of Environmental Management guidelines.

This resolution is the first step of the process to annex the property. The resolution requires a vote of at least two-thirds of all the members of the City Council (at least four affirmative votes). (Health & Saf. Code § 4643.)

The next step will be to notice and hold a public hearing for objections, if any, from persons interested in the proposed annexation during a regularly scheduled City Council meeting (June 7, 2016) and to consider a second resolution for annexation (which will also require at least four affirmative votes). (Health & Saf. Code §§ 4645-47.)

If the City Council approves the second resolution, City staff will then process the annexation with Napa County and the State Board of Equalization to change the tax rate area code for the property. Staff will work with the applicant to obtain required encroachment and sewer connection permits.

FISCAL IMPACT

The Applicant is responsible to construct a sewer lateral from their residence to the sewer lateral in the street and connect to the City sewer; and pay annexation, connection, and impact fees.

RECOMMENDED ACTION

Adopt Resolution Setting a Hearing to Approve the Annexation of Territory to the St. Helena Municipal Sewer District No. 1, MSD Annexation No. 128 (90 Dahlia Street St Helena, CA. APN. 009-431-001).

ATTACHMENTS

1. Location Map
2. Resolution

NEW ALBION SURVEYS, Inc

CONSULTING LAND SURVEYORS

1113 Hunt Avenue St. Helena, CA 95474

(707) 963-1217 ♦ FAX (707) 963-1829

E-Mail: jwebb@albionsurveys.com

Property Description

APN 009-431-001

All that real property situate in the City of Saint Helena, County of Napa, State of California and being Lot 6 in Block 1 as shown on the Map entitled, "Map of El Bonita Park Unit No. 1, St Helena, California", filed September 7, 1956 in Book of maps at Pages 52 and 53 in Official Records of Napa County.

6 F.M. 63

COMMAS WELLS

COMING SOON

ALL 4938

THE UNDERSIGNED HEREBY CERTIFY THAT THEY ARE THE OWNERS OF SAID MAPS AND HAVE THEREON SET FORTH IN PLAIN ENGLISH ALL THE INFORMATION KNOWN TO THEM AS TO THE LOCATION OF THE LANDS BELONGING TO THE UNITED STATES AND ALSO SUCH OTHER MATTER AS MAY BE NECESSARY FOR A CORRECT UNDERSTANDING OF THE SAME.

IN WITNESS WHEREOF I HAVE HEREUNTO SIGNED MY HAND AND SEAL THIS 16TH DAY OF JULY 1890.

JAMES H. BECK

DEPUTY ASSISTANT SECRETARY OF THE INTERIOR

DATE OF DEPARTURE

E. A. Carothers
Father-in-Law

[illegible]

NOTARY PUBLIC IN AND FOR THE COUNTY OF MAPA,
STATE OF CALIFORNIA
L. Hubbard

I CONSIDER WELL IN THE CITY, MEMBER OF THE CITY OF
ST. LOUIS, MISSOURI, TO BE A PERSON WHOSE CERTIFICATE
I HAVE EXAMINED THE FINAL AND ENTIRE RECORDS OF THE
I WANT TO STATE THE SUBDIVISION AS SHOWN THEREIN IS
SUBSTANTIALLY AS IT APPEARED ON THE TENTATIVE MAP
AND ANY APPROPRIATE ALTERATIONS THEREIN THAT ALL
MEMBERS OF THE ACT KNOWN AS THE SUBDIVISION MAP ACT,
DRAUGHTSMAN APPROVING THE FIRST AND ONLY LOCAL OP-
TENTATIVE MAP HAVE BEEN CONSULTED WITH AND THAT I AM
SATISFIED SAID FINAL MAP IS TECHNICALLY CORRECT.

ONVA AN LES OLIVIEREN 2000 I 400000 ESTIMIA NIT

June 1940
James H. H. H.
 CITY ENGINEER CITY OF ST. NELONA
 STATE OF CALIFORNIA

[illegible]

IN WITNESS WHEREOF, HERETO SET MY HAND THIS
17th DAY OF February 1968

REGISTERED CIVIL ENGINEER NO. 4884

[illegible]

IN WITNESS WHEREOF I HEREBY SET MY HAND
AND OFFICIAL SEAL THIS 15TH DAY OF

THIS DAY OF MAY 1968.
Marie Helen
 CITY CLERK OF THE CITY OF ST HELENA
 STATE OF CALIFORNIA

1. MARIE VOLPER, CITY CLERK OF THE CITY OF ST. HELENA, STATE OF CALIFORNIA, DO HEREBY CERTIFY THAT I AM THE OFFICER CHARGED WITH THE DUTY OF COMPOSING AND SIGNING THE RECORDS OF THE CITY AND THAT ACCORDING TO THE RECORDS OF SAID CITY, THERE ARE NO LIES AGAINST THE CITY OF ST. HELENA, THERE ARE NO LIES AGAINST THE REAL PROPERTY SITUATED UPON THE FORECLOSURE OF THE CITY OF ST. HELENA, THERE ARE NO UNPAID FINES OR COURT FINES OF ANY KIND, AND THERE ARE NO UNPAID TAXES OR COURT TAXES OF ANY KIND. THE ASSESSMENTS CALLED AS TAXES EXCEPT BASED ON SPECIAL AGREEMENTS NOT YET PAID.

Maris Vacker
CITY CLERK OF THE CITY OF ST. HELENA
STATE OF CALIFORNIA

[illegible]

[Signature]
COUNTY AUDITOR OF THE COUNTY OF MARA
STATE OF CALIFORNIA

WHEREAS, CENTRAL AUXILIARY COMPANY, A CALIFORNIA CORPORATION, HEREIN, THE CORPORATION OF AMERICA, A CALIFORNIA CORPORATION, IS THE TRUSTEE OF THE CERTAIN TRUST OF TRUST MADE BY THE WILL OF JACOB H. BLOOM, DECEASED, AND THE NATIONAL TRUST COMPANY, INC., BY AND THROUGH THE NATIONAL TRUST COMPANY, INC., IS THE ASSOCIATION, A NATIONAL BANKING ASSOCIATION, AS TRUSTEES, AND LAUGHLIN AND KATHLEEN COUGHLIN, HIS WIFE, AS EXECUTORS, AND RECORDED THE SIGHT DAY OF AUGUST 1943, IN BOOK 421 OF OFFICIAL RECORDS AT PAGE 588 MAPA COUNTY RECORDS.

NOW, THEREFORE, SAID CONTINENTAL AUXILIARY COMPANY, AS TRUSTEE, DOES HEREBY CONSENT TO THE MAKING AND RECORDING OF THE ABOVE MAP ENTITLED "EL BONITA MAP," AND THAT SAID CONTINENTAL AUXILIARY COMPANY, AS SAID TRUSTEE, DOES HEREBY CONSENT TO THE DECLARATION FOR PUBLIC USE, THOSE PARCELS DESIGNATED ON SAID MAP AS EL BONITA AVE.

I HEREBY CERTIFY THAT THE ST. HELENA CITY PLANNING COMMISSION OF CALIFORNIA HAS APPROVED THE TENTATIVE MAP OF THE SUBDIVISION UPON WHICH THIS MAP IS BASED.

Charles M. Tilling
CITYMAN, BY NIELSEN CITY PLANNING
CONSULTING, STATE OF CALIFORNIA

03879

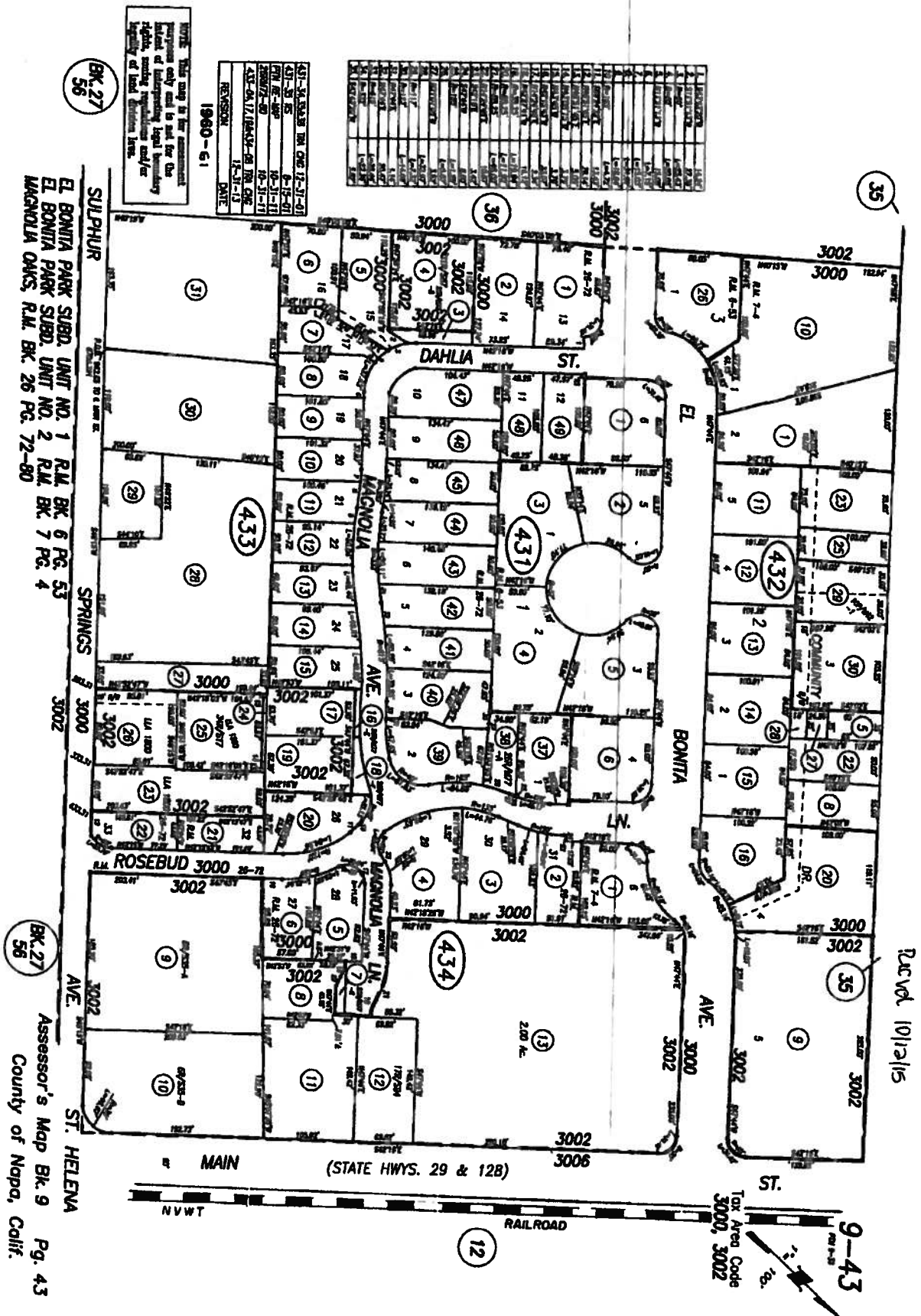
ACCEPTED FOR RECORD AND FILED AT THE REQUEST
OF Central Bank

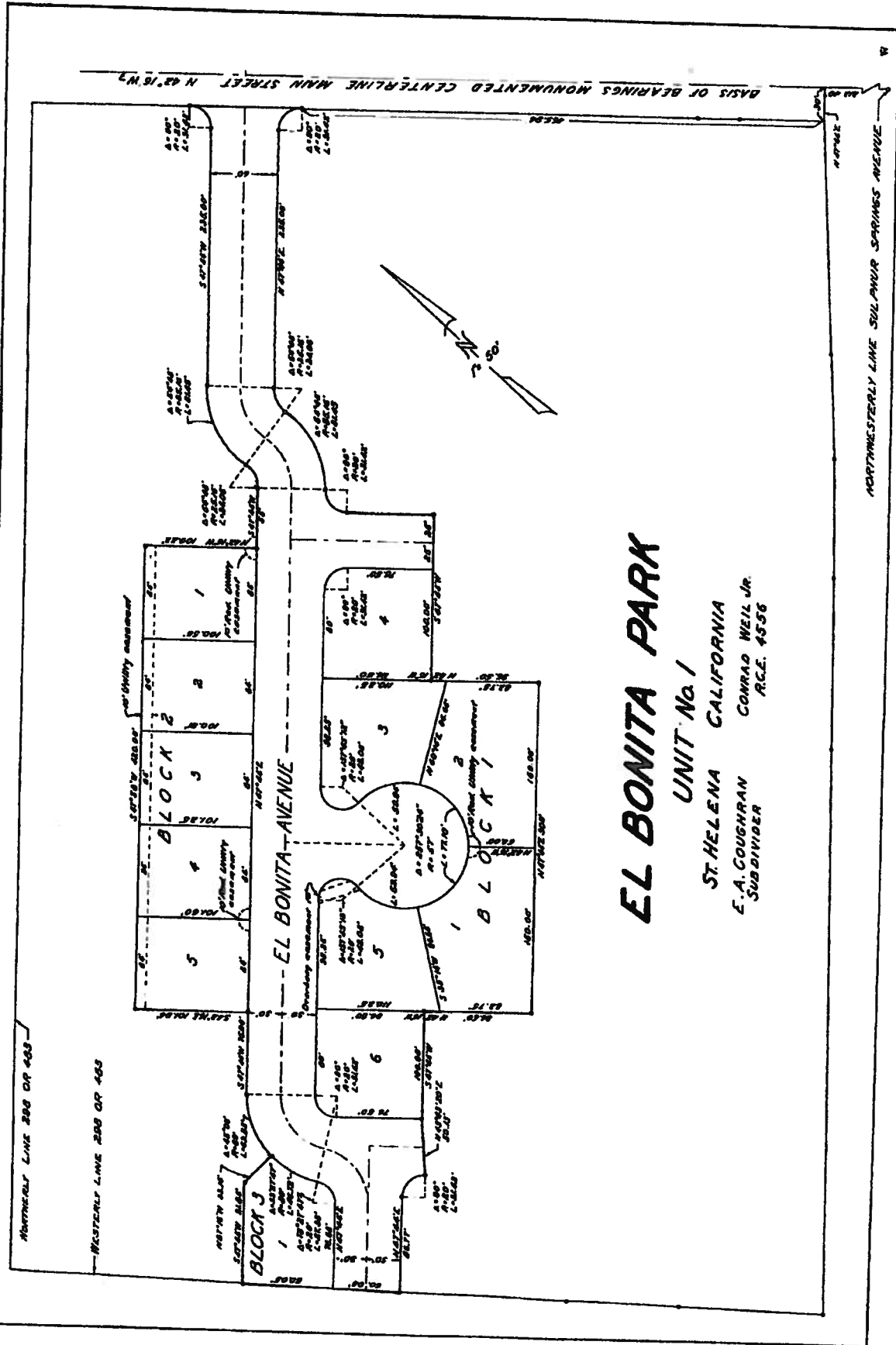
ON THE 7TH DAY OF Feb. 1953. AT 7 MINUTES PAST
4 O'CLOCK P. M. IN THE OFFICE OF THE COUNTY RE-
CORDER OF THE COUNTY OF NAPA, STATE OF CALIFORNIA
Vol. 6 p. 233 52-53

Earl R. Johnson
COUNTY RECORDER OF WABA COUNTY

St. Louis

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EL BONITA PARK

UNIT No. 1

ST. HELENA CALIFORNIA
E.A. COUGHRAN CONRAD WEIL JR.
SUBDIVIDER R.C.E. 4556

CITY OF ST. HELENA RESOLUTION NO. 2016-

APPROVE THE ANNEXATION OF TERRITORY INTO THE
ST. HELENA MUNICIPAL SEWER DISTRICT NO. 1

MSD ANNEXATION NO. 128

90 Dahlia Street, St. Helena, CA. APN. 009-431-001

RECITALS

- A. The property at 90 Dahlia Street, St Helena, California, APN. 009-431-001 will benefit from annexation into the St. Helena Municipal Sewer District No. 1; and
- B. The owners of 90 Dahlia Street have requested annexation into the St. Helena Municipal Sewer District No. 1; and
- C. The legal description and boundary for the territory to be annexed is described in the attached Exhibit A-Annexation Description; and
- E. All annexation fees have been paid.

RESOLUTION

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

- 1. The territory described in the attached Exhibit A-Annexation Description, commonly known as 90 Dahlia Street, St. Helena, CA, APN. 009-431-001, is hereby ordered annexed; and
- 2. A hearing for objections, if any, by any person interested in the proposed annexation shall be held during the regular meeting of the City Council at 6:00 pm on June 14, 2016.

Approved at a Regular Meeting of the St. Helena City Council on May 24, 2016
by the following vote (at least four affirmative votes required):

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

APPROVED:

Alan Galbraith, Mayor

ATTEST:

Cindy Black, City Clerk



Report to the City Council
Council Meeting of May 24, 2016

Agenda Section: Consent

Subject: Consideration and proposed approval of a resolution approving a Professional Services Agreement with GHD International in the amount of \$292,108 for engineering services for the Wastewater Treatment and Reclamation Plant Improvement Feasibility Study to be funded from Capital Improvement Project S-52

CEQA Status: **Categorically Exempt, Section 15301 Existing Facilities, and 15302 Replacement or Reconstruction**

Prepared By: **Steven Palmer, PE, Director of Public Works/City Engineer**

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

BACKGROUND

The Regional Water Quality Control Board (RWQCB) recently reissued the National Pollution Discharge Elimination Service (NPDES) Permit for the City's Wastewater Treatment and Reclamation Plant (WWTRP). The re-issued NPDES Permit imposes more stringent effluent discharge limits for biochemical oxygen demand (BOD) and total suspended solids (TSS) than those in the previous permit.

Because the City's WWTRP cannot consistently meet these more stringent BOD and TSS limits, the RWQCB simultaneously issued a Cease and Desist Order (CDO) containing interim effluent limits and a time schedule for the City to modify the WWTRP to meet the new requirements. The first task in the time schedule is for the City to:

"Submit a Draft Feasibility Study that analyzes various options to meet the NPDES permit effluent limits in Table 1. The study shall analyze all of the options described in the March 2015 Wastewater Facilities Evaluation Update and include other options that would achieve compliance. For each option considered, evaluate (i) the anticipated effectiveness and reliability of the treatment, (ii) the amount of time it will take to implement, (iii) the ability to produce recycled water (recycled water uses to be considered shall include those that offset local potable water use or provide environmental enhancement, including but not limited to turf and vineyard irrigation) or the additional efforts required to produce such recycled water, and (iv) the costs."

This task needs to be completed and submitted to the RWQCB by September 1, 2016. The RWQCB will review and comment on the Draft Feasibility Study, and the City must submit a Final Feasibility Study by December 1, 2016.

The next two tasks required by the CDO are the Draft and Final Workplans to implement the improvements recommended by the Feasibility Study and approved by the Regional Board. The Final Workplan must be completed and submitted to the Regional Board by September 1, 2017.

DISCUSSION

The Director of Public Works released a Request for Proposal for Wastewater Treatment Plant Improvement Feasibility Study on February 12, 2016. The RFP was advertised on the City's website, regional and state bidding clearing houses, and was also emailed to an extensive list of consultants by Staff. Two proposals were received prior to the deadline of March 15, 2016 by 3:00 PM. A committee of four City Staff persons reviewed the proposals from GHD International and Bennet Engineering and scored them based on the predetermined criteria outlined in the RFP. Based on the written proposals, City Staff found GHD International to be the best qualified consultant to perform the work.

The total cost of the agreement with GHD International is \$292,108. The scope of work includes a Draft Feasibility Study, Final Feasibility Study, Draft Workplan, and Final Workplan.

FISCAL IMPACT

The estimated Project expenditure summary is provided in the table below. The cost for this agreement for engineering services is within the total project budget.

Description	FY 15/16 Budget	FY 16/17 Budget
Preliminary engineering and environmental	\$ 60,000	
Construction management/inspection		\$ 54,000
Construction Contract		\$ 486,000
Total	\$ 60,000	\$ 540,000

The Project budget is currently \$600,000 over the next two fiscal years. The cost of the agreement of \$292,108 is within the current Project budget. Staff is currently updating the 5-year CIP to reflect work performed this year, and to reflect changes required by the new NPDES Permit and CDO. Staff anticipates presenting an updated 5-year CIP at a City Council meeting in June.

RECOMMENDED ACTION

Adopt attached resolution authorizing the City Manager to execute a Professional Services Agreement with GHD International in the amount of \$292,108 for the Wastewater Treatment and Reclamation Plant Improvement Feasibility Study.

ATTACHMENTS

1. Resolution
2. Professional Services Agreement

CITY OF ST. HELENA

RESOLUTION NO. _____

**APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH GHD
INTERNATIONAL IN THE AMOUNT OF \$292,108 FOR ENGINEERING
SERVICES FOR THE WASTEWATER TREATMENT AND RECLAMATION
PLANT IMPROVEMENT FEASIBILITY STUDY, AS PART OF CAPITAL
IMPROVEMENT PROJECT S-52**

RECITALS

- A. The City has been issued a new wastewater discharge permit (Permit) and Cease and Desist Order (CDO) that requires a Final Wastewater Treatment Plant Improvement Feasibility Study by submitted to the Regional Board by December 1, 2016; and
- B. City Staff conducted a competitive solicitation to attract highly qualified engineering consultants; and
- C. Of the two proposals reviewed, GHD International demonstrated the level of experience, competence, staffing, and other qualifications necessary for exceptional performance of the services required and described in the scope of work; and
- E. This work is funded by Capital Improvement Project S-52.

RESOLUTION

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

1. The City Manager is authorized to execute the Professional Services Agreement with GHD International in the amount of \$292,108 for the Wastewater Treatment Plant Improvement Feasibility Study.

Approved at a Regular Meeting of the St. Helena City Council on May 24, 2016 by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

ATTEST:

Alan Galbraith
Mayor

Cindy Black
City Clerk

PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT, made and entered into on May 9, 2016 by and between the City of St. Helena, located in the County of Napa, State of California (City), and GHD, Inc. (Consultant).

RECITALS:

A. City desires to employ Consultant to furnish professional services in connection with the project described as Wastewater Treatment and Reclamation Plant Improvement Feasibility 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 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 \$292,108.00 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.

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. Excess Limits. If Consultant maintains higher limits than the minimums shown above, City requires and shall be entitled to coverage for the higher limits maintained by Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

E. Primary Coverage. For any claims related to this contract the Consultants 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 Consultants 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.

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, 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.

H. 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.

I. 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.

J. 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: Alex Culick, Principal
GHD, Inc.
2235 Mercury Way, Suite 150
Santa Rosa, CA 95404
(707) 523-1010

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

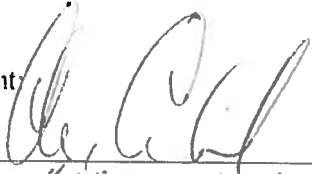
If any term, condition or covenant of this Agreement is declared or determined by any court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this Agreement shall not be affected thereby and the Agreement shall be read and construed without the invalid, void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

Title: PRINCIPAL

City: _____

By: _____

Name: Jennifer Phillips

Title: City Manager

Approved as to Form:

By: _____

Name: Thomas B. Brown

Title: City Attorney

EXHIBIT A SCOPE OF SERVICES

Task 1.0 – Project Initiation

GHD will prepare a Work Plan for the project team that includes a project overview, goals and milestones, contact information, and a Quality Assurance/Quality Control (QA/QC) Plan. The project team will meet with City staff for a kickoff meeting to identify key project issues (regulatory, community, operational, and schedule) and discuss measurements for success.

Deliverables:

- Work Plan for project team
- Kickoff meeting agenda
- Kickoff meeting minutes

GHD will provide the City with regular progress reports with invoices and convene progress meetings with the project team as a part of the overall project management of the project. Project Management and continuing quality assurance and quality control for the project is included in the tasks listed below and not listed as a separate task.

Deliverables:

Monthly Project Status Reports
Progress Meeting Minutes

Task 2.0 – Investigation and Research

In order to verify our project understanding and assumptions, GHD will review the existing information and materials provided by the City, including, but not limited to, the following:

- Existing permits, studies and reports including:
 - May 2005 WWTRP Upgrades and Water Recycling Project Design Memorandum
 - March 2015 Wastewater Facilities Evaluation Update
 - City General Plan
 - NPDES Permit, RWQCB Order No.R2-2016-0003
 - Cease and Desist Order No. R2-2016-0004
 - Waste Reclamation Requirements RWQCB Order No.R2-1987-090
 - Annual reports and effluent data from the WWTP
 - Existing and future influent and effluent discharge characteristics and requirements
 - Available As-built drawings and specifications for the existing Wastewater Treatment Plant

In addition and after a review of the existing information GHD will make a site visit to the Wastewater Treatment Plant to meet with and discuss the project and plant operations with the Plant Operators. Following the meeting at the WWTRP GHD will develop a brief Technical Memorandum summarizing the review and providing a list of the feasible options that will be reviewed and considered in the Draft Feasibility Study.

Task 3.0 – Draft Feasibility Study

Based on the results of Task 2 and previously presented options considered in the March 2015 Wastewater Facilities Evaluation Update GHD will evaluate potential alternatives as to the feasibility of meeting project requirements and satisfying the Cease and Desist Order No. R2-2016-0004 and meeting the NPDES Requirements. It is assumed that denitrification of effluent will not be required. The intent is to identify the most feasible low cost options and present the options with an evaluation as described below. Based on the previous work completed the

RWQCB requires evaluation of all options presented in the March 2015 Wastewater Facilities Evaluation Update. Not all of the options meet the requirements of the CDO and will be dismissed without further evaluation or costs are clearly higher than that required to meet compliance and will be dismissed without further evaluation. At a minimum and based on the TM developed in Task 2 alternatives that will be evaluated for feasibility will include:

- Modification of the existing pond system to incorporate a gravel filter.
- Addition of constructed wetlands to provide additional secondary treatment.

The evaluation will consider additional requirements including:

- Pond sizing requirements for existing and future flows.
- Gravel Filter analysis and required recirculation rates and loads.
- Aeration requirements based on pond configuration and loading.
- Alternate configurations of pond systems and wetland combinations.
- Pros/Cons of the proposed systems including fatal flaws that will make the proposed alternative infeasible. Alternatives with fatal flaws will be dismissed.

The Draft Feasibility Study will include and address the following for the potentially feasible alternatives:

- Anticipated effectiveness and reliability
- Amount of time to implement
- Ability to produce recycled water for those uses that offset local potable water use or provide environmental enhancement (i.e turf and vineyards)
- Evaluation of construction, capital and operating costs including a preliminary engineering cost estimate for construction. New construction cost estimates will not be developed for options previously evaluated that do not meet the performance requirements or that are clearly more costly than is required to meet the effluent requirements.

As part of the analysis, GHD will employ its in-house Natural Systems Model to simulate the performance of pond-based alternatives. In addition, GHD will complete a draft analysis of the gravel filter for sizing, configuration and estimate of performance for reduction of BOD and TSS. GHD will include a review and discussion of funding options to consider for the project with a discussion of additional items including CEQA, NEPA and additional permitting requirements that will need to be addressed and provided for project funding. The Draft Feasibility Study will be formatted so that it can be used along with additional required information as the basis for an engineer's report to meet funding requirements.

Upon completion of the draft analysis GHD's Project Manager and Engineer will hold a Review Meeting with the City and other appropriate staff to review the alternatives and findings. After concluding the review meeting, GHD will summarize the findings and recommendations for the preferred project in a Draft Feasibility Study for review by the City. Following review and comment by the City, the Draft Feasibility Study will be finalized and delivered to the City with final recommendations for the most feasible project. The City will deliver the Draft Feasibility Study to the RWQCB.

Deliverables:

- Agenda and presentation materials for the Review Meeting
- Five (5) copies of the Draft Feasibility Study summarizing the evaluation and recommended project

Task 4.0 – Final Feasibility Study

After receipt of RWQCB comments GHD will convene a review a meeting with City Staff at the RWQCB to go over the Draft Feasibility Study and to discuss the project. Based on the meeting and formal comments received from the RWQCB's review of the Draft Feasibility Study GHD will finalize and submit the Feasibility Study to the City for submittal to the RWQCB.

Deliverables:

- Five (5) copies of the Final Feasibility Study

Task 5.0 – Draft Facility Master Plan/Work Plan

A Draft Facility Master Plan will be developed and ready to submit to the RWQCB prior to June 1, 2017 and based on the project schedule and included with the proposal. The plan will be a comprehensive Facility Master Plan and will include a work plan for implementing the recommended improvements developed in the Feasibility Study as a first phase in the Master Plan implementation. The Work Plan will include a detailed plan for implementation of the recommended improvements from the Feasibility Study including a schedule and recommendations for funding the recommended improvements. In addition the Master Plan will include a qualitative assessment of the current conditions at the WWTRP including:

1. Mechanical Equipment
2. Electrical Equipment
3. Chemical Storage and Handling
4. Buildings including the Office/Lab, Influent Pump Room, Shop, Chlorine Storage
5. Chlorine Contact Chamber and associated building
6. Spray field and irrigation system
7. Evaluation of future needs including treatment capacity and tertiary treatment and storage at a conceptual level
8. Recommendations based on the facility assessment
9. Recommendations for funding and requirements to meet funding options

The Facility Master Plan will include recommendations and a work plan including a schedule for implementation of the recommendations from the Feasibility Study, an assessment and recommendations for additional improvements to the WWTRP based on the qualitative condition assessment completed of the WWTRP facilities described above, an evaluation of future requirements including treatment capacity and conceptual tertiary treatment and storage requirements based on disposal areas previously developed in prior studies and funding options with recommendations for implementation. Upon completion of the Draft Facility Master Plan/Work Plan GHD's Project Manager, Engineer and Electrical/Controls Engineer will hold a Review Meeting with the City and other appropriate staff to review the Master/Work Plan and findings.

After concluding the review meeting, GHD will summarize the findings and recommendations in a Draft Master Plan/Work Plan for review by the City. Following review and comment by the City, the Draft Master Plan/Work Plan will be finalized and delivered to the City to deliver to the RWQCB.

Deliverables:

- Five (5) copies of the Draft Facility Master Plan/Work Plan

Task 6.0 – Final Facility Master Plan/Work Plan

After receipt of RWQCB comments GHD will convene a review a meeting with City Staff to go over the Draft Facility Master Plan/Work Plan and to discuss the project. Based on the meeting and formal comments received from the RWQCB's review GHD will finalize and submit the Facility Master Plan/Work Plan to the City for submittal to the RWQCB.

Deliverables:

- Five (5) copies of the Final Feasibility Study

Optional Services

1. Submittal of a Pre-application to USDA's Rural Development concurrent with the submittal of a FFAST application for the SRF
2. Submittal of a full USDA application concurrent with a SRF application.
3. Preparation of environmental documents under CEQA/CEQA+/NEPA for the City's use for support of funding applications.
4. Completion of an Engineer's report to support the funding application.

Assumptions

1. The following assumptions have been made and are incorporated into our proposed scope of work:
2. The City will provide as-built information for the WWTRP
3. The City will provide influent and effluent quality data from the WWTRP
4. Future wastewater flows will be based on the City of St. Helena Wastewater Treatment & Reclamation Plant/Collection System Facilities Status and Planning, Department of Public Works, 10/20/2014

**EXHIBIT B
COMPENSATION**

Compensation will be on a Time and Materials basis with the following not to exceed amounts:

Task	Total
Task 1 – Project Initiation	\$ 19,018
Task 2 – Investigation & Research	\$ 30,646
Task 3 – Draft Feasibility Study	\$ 87,720
Task 4 – Final Feasibility Study	\$ 22,154
Task 5 – Draft Facility Work Plan	\$ 103,304
Task 6 – Final Facility Work Plan	\$ 24,522
Total	\$ 292,108

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Report to the City Council
Council Meeting of May 24, 2016

Agenda Section: Consent

Subject: Consideration and proposed approval of a resolution approving a Raw Water Use Agreement between the City of St. Helena and Spring Mountain Vineyard, Inc. for raw (non-potable) water from Lower Reservoir

CEQA Status: **Categorically Exempt, Section 15301 Existing Facilities**

Prepared By: **Steven Palmer, PE, Director of Public Works/City Engineer**

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

BACKGROUND

The City of St. Helena Water Enterprise owns and operates a water storage facility known as Lower Reservoir located on Spring Mountain Road at the westerly City Limits. It remains an operational piece of St. Helena's history dating back to 1877 when a group of local wine growers with lands along York Creek organized and filed articles of incorporation as the St. Helena Water Company with the purpose of supplying the town of St. Helena with water. Various improvements have been made to meet demand through its service life. In 1922 the St. Helena Water company conveyed the water system, its properties and all water rights of the water company to the Town of St. Helena. The town, which became a City, continued to operate Lower Reservoir as part of its potable water supply until 1980 when Louis Stralla Water Treatment Plant fed by Bell Canyon Reservoir became operational. Lower Reservoir currently serves as a raw water source to Robert Louis Stevenson Middle School, the construction raw water station, Spring Mountain Vineyard, and fire-fighting emergencies by aircraft.

Spring Mountain Vineyard is a winery estate located on slopes of Spring Mountain in the northwesterly quadrant of unincorporated St. Helena. It is across Spring Mountain Road in close proximity to the Lower Reservoir. Spring Mountain Vineyard's current operation is dependent upon the supply of raw water from the City of St. Helena via Lower Reservoir and the existing infrastructure that exists to deliver that water.

On August 28, 1990, the City approved a Water Use Agreement with Michael Robbins, Spring Mountain Vineyard, Inc.'s predecessor in interest. That agreement was amended in 1996, and then expired on June 30, 2006. Since that time, the City has continued to voluntarily provide raw water from Lower Reservoir to Spring Mountain Vineyard, even

though the City has no ongoing obligation. The current rate being paid by Spring Mountain Vineyard for raw water is \$378.97 per acre-foot, with an annual limit of 25 acre-feet.

There are two other users of the raw water at Lower Reservoir. One is the St Helena Unified School District. The City has an agreement to supply raw water to the District for use on the athletic fields at Robert Louis Stevenson Middle School. That agreement was executed on September 15, 1995, and the current rate paid is \$666.47 per acre-foot. The term of the agreement is open ended with automatic annual renewal. The annual limit of raw water delivery is 10 acre-feet.

The other user is the raw water station that is used for construction purposes. A permit is required to use the raw water station. The City charges \$50 per quarter plus \$2.67 per 1,000 gallons of water used from this source.

DISCUSSION

Over the last year, City staff and staff from Spring Mountain Vineyard have been negotiating terms for a new agreement. Spring Mountain Vineyard desires more certainty from this water source, and their primary demands are:

- Longer term
- Higher water supply limit

The City's primary concerns are to ensure that the water supply demands can be met, and that the rate paid covers the cost to deliver raw water. The State of California Division of Dam Safety has ordered the City to perform some repairs and to evaluate the stability of the dam. While the cost to perform these repairs and stability evaluation is known, the stability evaluation may reveal structural problems with the dam that will require significant amounts of money to repair. The full cost of these structural repairs will not be known for approximately one year, after the evaluation is completed and reviewed by the Division of Dam Safety. Consequently, City staff cannot accurately estimate the cost to continue supplying raw water, and could not meet Spring Mountain Vineyard's demand for a longer term or higher water supply limit.

To continue supplying raw water to Spring Mountain Vineyard, City staff and the Vineyard reached a compromise with the following terms:

- Two-year term
- Annual limit of 25 acre-feet
- Rate of \$750 per acre-foot
- Increased rate of \$1,500 per acre-foot of water delivered in excess of the 25 acre-foot annual limit.

The intent of these terms is to allow the City and Spring Mountain Vineyard the ability to continue the current relationship; and provide time for the City to properly evaluate the

true cost of delivering raw water to Spring Mountain Vineyard, and provide time for Spring Mountain Vineyard to evaluate all their water supply needs and sources.

Other terms include:

- Release and indemnity from Spring Mountain Vineyard
- City has the ability to shut-off water in emergencies
- The City can require conservation measures by Spring Mountain Vineyard in order to stay under the annual limit
- The City may declare a water emergency and reduce the annual limit

FISCAL IMPACT

This Agreement increases the raw water rate from \$378.97 per acre-foot to \$750 per acre-foot. This will increase revenue to the City's water utility.

RECOMMENDED ACTION

Adopt attached resolution authorizing the City Manager to execute a Raw Water Use Agreement with Spring Mountain Vineyard, Incorporated.

ATTACHMENTS

1. Resolution
2. Raw Water Use Agreement

CITY OF ST. HELENA

RESOLUTION NO. _____

**APPROVING A RAW WATER USE AGREEMENT BETWEEN THE CITY OF ST
HELENA AND SPRING MOUNTAIN VINEYARD, INCORPORATED**

RECITALS

- A. The City is the owner of Lower Reservoir located on the northerly side of Spring Mountain Road; and
- B. Spring Mountain Vineyard, Incorporated has a raw water service connection to Lower Reservoir, and has been using raw water from this source since 1990; and
- C. A Raw Water Use Agreement between the City and the Vineyard was first executed in 1990, amended in 1996, and expired in 2006; and
- D. The City has continued and desires to continuing supplying water to the Vineyard from this source; and
- E. Spring Mountain Vineyard desires to continue receiving raw water from the City's Lower Reservoir.

RESOLUTION

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

1. The City Manager is authorized to execute the Raw Water Use Agreement with Spring Mountain Vineyard, Incorporated.

Approved at a Regular Meeting of the St. Helena City Council on May 24, 2016 by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

ATTEST:

Alan Galbraith
Mayor

Cindy Black
City Clerk

EXEMPT FROM RECORDING FEES PURSUANT
TO GOVERNMENT CODE SECTION 27383

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

City Clerk
City of St. Helena
1480 Main Street
St. Helena, California 94574

Assessor's Parcel No(s). 022-180-020, 022-180-021 and 009-450-001

RAW WATER USE AGREEMENT

SPRING MOUNTAIN VINEYARDS, INC.

THIS AGREEMENT is entered into this ____ day of _____, 2016 ("Effective Date"), by and between the City of St. Helena, a California municipal corporation ("City"), on the one hand, and Spring Mountain Vineyards, Inc., a Delaware corporation, and Good Wine Company, a Delaware corporation (collectively "Buyer"), on the other. City and Buyer are sometimes referred to herein individually as a "party" and collectively as the "parties."

RECITALS

A. Buyer is the owner of that certain real property (the "Property") generally located on the southerly side of Spring Mountain Road at 2805 Spring Mountain Road, in the City of St. Helena, County of Napa, State of California, identified by Napa County Assessor's Parcel Nos. 022-180-020, 022-180-021 and 009-450-001, and more commonly referred to as "Spring Mountain Vineyards."

B. City is the owner of that certain reservoir (the "Lower Reservoir") located on the northerly side of Spring Mountain Road and identified by Napa County Assessor's Parcel No. 009-131-013.

C. On August 28, 1990, City adopted City Council Resolution No. 90-91 approving a Water Use Agreement between City and Buyer's predecessor in interest, Michael Robbins (the "1990 Water Use Agreement").

D. The 1990 Water Use Agreement was amended in 1996 by the "Amended Agreement." That Amended Agreement terminated on June 30, 2006. Since that time the City has had no obligation to provide raw water from the Lower Reservoir to Buyer. The City has continued to voluntarily provide raw water to Buyer, even though the City has no ongoing obligation to do so.

E. Since the Amended Agreement expired on June 30, 2006, Buyer has continued to purchase water from the City substantially under the terms of that expired agreement, although the volume of water used by Buyer has exceeded the 25-acre feet authorized by the 1990 Water Use Agreement and the Amended Agreement.

F. Buyer desires to continue to use raw water from the Lower Reservoir to irrigate its vineyard, and City is willing to continue to sell said water to Buyer upon the terms and conditions set forth hereinafter.

G. The parties mutually desire to enter into a new raw water use agreement to: (i) replace the expired Amended Agreement; (ii) strictly limit Buyer's actual annual water usage; and (iii) set forth the respective obligations of the parties and the terms under which City will continue to sell and Buyer will continue to purchase raw water from the City from Lower Reservoir.

H. This Agreement confirms the City's intent to continue to use the raw water for beneficial purposes pursuant to pre-1914 water rights claimed by the City associated with water in Lower Reservoir.

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

AGREEMENT

1. Supply. City shall provide water from the Lower Reservoir to the Property up to a maximum of twenty-five (25) acre-feet per Water Year ("Annual Limitation") upon the terms and conditions set forth herein. As used herein, the term "Water Year" shall mean the twelve-month period between July 1st and June 30th each year. Buyer shall in no event use more water than the Annual Limitation.

2. Term. This Agreement shall commence on the Effective Date and shall continue in full force and effect for a period not to exceed two (2) years.

3. Price.

A. Within thirty (30) days of the receipt of an invoice from City, Buyer shall pay City for water delivered pursuant to this Agreement at a rate of Seven Hundred Fifty Dollars (\$750.00) per acre foot of water delivered. The amount of water furnished shall be measured by the existing meter located directly across Spring Mountain Road from the dam at Lower Reservoir. Any and all maintenance expenses and costs of the meter shall be the sole responsibility of Buyer, payable within thirty (30) days of the receipt of an invoice from City.

B. Without limitation on the provisions of Paragraph 1, and without in any manner excusing Buyer from strict compliance with the Annual Limitation, should Buyer for any reason exceed the Annual Limitation, Buyer shall pay City the price of Fifteen Hundred Dollars (\$1,500.00) per acre foot of water delivered in excess of the Annual Limitation.

4. Quality. City does not warrant or guarantee the quality of water coming from the Lower Reservoir or provided to Buyer, or its suitability for any purpose or use by Buyer. Buyer expressly acknowledges, agrees and understands that the water being delivered from the Lower Reservoir pursuant to this Agreement is raw water. Buyer expressly acknowledges and agrees that said water is not treated and is not suitable or intended for human consumption.

5. Use. Buyer shall use the water delivered under this Agreement solely for vineyard irrigation purposes.

6. Release and Indemnity.

A. Buyer shall defend (with counsel approved by City, which approval shall not be unreasonably withheld), indemnify, and hold harmless City, its elected and appointed officials, employees, volunteers and agents from and against any and all loss, liability, expenses, claims, costs (including reasonable attorney's fees), suits and damages of every kind, nature, and description, directly or indirectly arising from the performance of this Agreement or any third party legal or administrative challenge to City's approval of this Agreement.

B. To the full extent authorized by law, Buyer hereby waives, releases and covenants not to sue the City, and its Council members, officials, officers, agents, representatives, insurers and employees, from any and all claims, causes of action and damages, including without limitation damages to Buyer's road and/or Property, arising from or in any manner connected with Buyer's (and its predecessors') acceptance of soil from the City in 2006 or at any other time.

7. Connection Location. Buyer shall receive raw water via their current water meter and existing three and one-half inch (3.5") diameter pipe located in Spring Mountain Road. Buyer expressly acknowledges and agrees that Spring Mountain Road was resurfaced in October 2013 and is subject to a 5-year moratorium on non-emergency utility construction.

8. Emergencies. City shall have the unlimited right to shut off or reduce the supply of water to Buyer in the event of an emergency. As used in this Agreement, an "emergency" shall be defined as (1) a fire, act of god, or other natural disaster, (2) malfunction of the water system that prevents distribution to Buyer, or (3) an event declared by resolution of the city council to threaten the public health, safety or welfare.

9. Compliance with Laws. At all times during the term of this Agreement, Buyer shall be bound by and subject to all lawful resolutions, rules, regulations, directives, ordinances and orders of the City applicable to Buyer.

10. Conservation; Declaration of Water Shortage Emergency; Avoidance of City Liability.

10.1 Conservation. In the event City's Director of Public Works, in his or her sole discretion, determines that the Annual Limitation inevitably will be exceeded or that the

Annual Limitation has been exceeded, City will require Buyer to undertake additional conservation measures and will shut off raw water delivery, upon ten (10) days prior written notice.

10.2 Water Shortage Emergency. The Lower Reservoir holds approximately 161 acre feet of water at full capacity. Buyer acknowledges and understands that City desires to retain not less than twenty-five percent (25%), or 40.25 acre feet, of this capacity in the reservoir at all times. In addition, Robert Louis Stevenson Middle School ("RLS") uses 10 acre feet per year for irrigation of athletic fields and landscaped areas. At any time City determines that delivery of the Annual Limitation specified in Paragraph 1 of this Agreement will reduce the water level in the Lower Reservoir below 40.25 acre feet ("Minimum Water Reserves"), City may declare a water shortage emergency and, upon written notice to Buyer, reduce the Annual Limitation delivered to Buyer as necessary to ensure that the water capacity in the Lower Reservoir does not dip below the Minimum Water Reserves.

10.3 State Ordered Reductions, or Potential Liability Associated with Diversion and Use. Buyer acknowledges and agrees if, at any time during the term of this Agreement, the State of California instructs City to reduce the storage volume behind the dam at the Lower Reservoir, the Annual Limitation pursuant to Paragraph 1 of this Agreement shall be reduced or raw water delivery may be turned off in order to maintain Minimum Water Reserves and comply with the State of California instruction. Further, if a federal, state, or local agency or third party asserts that the diversion, storage or use of water associated with Lower Reservoir is unlawful, or that the delivery of water to Buyer is unlawful, City may shut off water delivery.

11. Modification of Use Permit with County. Buyer agrees that if any future request or application for approval of amendments or modifications to any of the use permits for the Property are filed with the County of Napa, Buyer shall concurrently submit copies of such application(s) or request(s) to City. In addition, Buyer agrees to provide City with copies of all supporting documents or other information submitted in connection with such requests or applications.

12. Remedies; Prohibition on Damages.

A. As part of the bargained for consideration for this Agreement, the parties agree that any action or proceeding to cure, correct, or remedy any default or to enforce any covenant or promise herein shall be limited solely and exclusively to those remedies expressly provided herein. Either party may institute legal or equitable proceedings to cure, correct or remedy any default of this Agreement; or to enforce any covenants or promises herein, enjoin any threatened or attempted violation, or to enforce by specific performance, injunction, declaratory relief, writ of mandate, and/or other similar non-monetary relief, the obligations and rights of the parties under this Agreement.

B. Without limitation and in addition to its other rights under this Agreement, the City shall have the right to enter Buyer's Property, to read, shut off, or turn on the water meter on Buyer's Property.

C. In no event shall the City, or any of its officers, agents, representatives, officials, Council, employees, or insurers, be liable to Buyer for damages for any breach or violation of this Agreement. In the event Buyer requests damages in any action or proceeding brought for breach or violation of this Agreement or to enforce any provision hereof, then such request shall destroy the consideration supporting the City's agreement to enter into this Agreement, and shall, in turn, entitle the City to immediately terminate and end all obligations under this Agreement, irrespective of any provision to the contrary contained herein. The enforceability and validity of the above limitations on the remedies available to the parties, including, without limitation, the specific provision prohibiting the recovery of damages, is part of the bargained for, negotiated consideration for the City's agreement to enter into this Agreement, and it is acknowledged that the City would not have entered this Agreement if it were to be liable in damages under this Agreement

13. Notices. All notices and other communications provided for herein shall be in writing and shall be sent to the address set forth below (or such other address as a party may hereafter designate for itself by notice to the other parties as required hereby) of the party for whom such notice or communication is intended:

If to City:

City of St. Helena
Attn: City Manager
1480 Main Street
St. Helena, CA 94574
Facsimile No.: 707-963-7748

If to Buyer:

Spring Mountain Vineyard
Attn: Susan Doyle, General Manager
2805 Spring Mountain Rd.
St. Helena, CA 94574
Facsimile No.: 707-963-2753

Any such notice or communication shall be sufficient if sent by registered or certified mail, return receipt requested, postage prepaid; by hand delivery; by overnight courier service; or by facsimile transmission or by email. Any notice given by facsimile transmission or by email shall be deemed given on the day sent, provided it is sent on a business day during normal business hours, otherwise it will be deemed sent on the next business day. Any notice given by registered or certified mail, return receipt requested, shall be deemed to have been given on the date receipt was acknowledged to the postal authorities. Any notice given by overnight courier service shall be deemed to have been given on the business day following deposit with the courier service. Buyer and City agree that any notice provided by their respective legal counsel shall be deemed to be notice given by Buyer or City, respectively. Either party may, by written notice to the other in the manner aforesaid, change the address to which notices addressed to it shall thereafter be mailed.

14. Force Majeure.

A. "Force Majeure Event" means a cause of non-performance or delay that is not the fault of the party who is required to perform under this Agreement and is beyond that party's reasonable control, including the elements (including floods, earthquakes, windstorms, drought or water shortage and unusually severe weather), fire, energy shortages or rationing, riots, acts of terrorism, war or war-defense conditions, acts of any public enemy, epidemics, the actions or inactions of any governmental entity (excluding City) or that entity's agents, litigation, labor shortages (including shortages caused by strikes or walkouts), and materials shortages.

B. If the performance of any act required by this Agreement to be performed by either City or Buyer is prevented or delayed because of a Force Majeure Event, then the time for performance will be extended for a period equivalent to the period of delay, and performance of the act during the period of delay will be excused. An extension of time for any such Force Majeure Event shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the party claiming such extension is sent to the other party within thirty (30) days of the commencement of the cause. Times of performance under this Lease may also be extended in writing by the mutual agreement of City and Buyer.

C. This Section does not excuse (1) Buyer's obligation to pay for water provided under this Agreement when due and payable; or (2) either party's obligation to perform an act when performance is rendered difficult or impossible solely because of the party's financial condition. Buyer expressly agrees that adverse changes in economic conditions, either of Buyer specifically or the economy generally, or changes in market conditions or demand, shall not constitute grounds of enforced delay pursuant to this Section. Buyer expressly assumes the risk of such adverse economic or market changes and/or financial inability, whether or not foreseeable as of the effective date of this Agreement.

15. Governing Law; Venue. This Agreement shall be construed and enforced in accordance with the laws of the State of California. Should any legal action be brought by either party because of breach of this Agreement or to enforce any provision of this Agreement, the venue for such action shall be in the Superior Court of California, County of Napa.

16. Attorneys' Fees. If any legal action is brought by either party to interpret or enforce any terms or provisions of this Agreement, the prevailing party shall be entitled to its reasonable attorneys' fees and costs.

17. Severability. The parties hereto agree that the provisions of this Agreement are severable. If any provision of this Agreement is held invalid, the remainder of this Agreement shall not be affected and shall remain in full force and effect unless amended or modified by mutual consent of the parties in writing.

18. Binding Effect. The provisions of this Agreement shall be binding upon and inure to the benefit of all tenants, heirs, assigns and successors in interest to the parties hereto and shall be a covenant that runs with the land.

19. Integration. This Agreement, together with any documents expressly incorporated herein, constitutes the entire agreement between the parties and supersedes all prior or contemporaneous agreements, representations, warranties and understandings of the parties concerning the subject matter contained herein, written or oral. No change, modification, addendum or amendment to any provision of this Agreement shall be valid unless executed in writing by each party hereto.

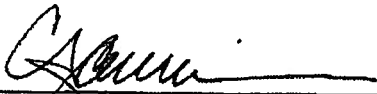
20. Counterparts. This Agreement may be executed in counterparts, and all counterparts shall constitute but one and the same document.

Executed the day and year first above written.

BUYER:

SPRING MOUNTAIN VINEYARD, INC.

Dated: 4-9-16

By: 
Constantine S. Yannias, President

Dated: 5-11-16

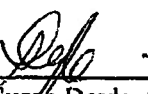
By: 
Susan Doyle, General Manager

GOOD WINE COMPANY

Dated: 4-9-16

By: 
Constantine S. Yannias, President

Dated: 5-11-16

By: 
Susan Doyle, General Manager

CITY:

CITY OF ST. HELENA,
A municipal corporation,

Dated: _____

By: _____
Jennifer Phillips
Its: City Manager

Dated: _____

By: _____
Alan Galbraith
Its: Mayor

APPROVED AS TO FORM:

Thomas B. Brown, City Attorney

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, before me, _____, a
Notary Public in and for the State of California, personally appeared _____
_____ personally known to me (or proved to me on the basis of satisfactory evidence) to be
the person whose name is subscribed to the within instrument and acknowledged to me that he
executed the same in his authorized capacity, and that by his signature on the instrument the person,
or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Notary's Signature

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, before me, _____, a
Notary Public in and for the State of California, personally appeared _____
_____ personally known to me (or proved to me on the basis of satisfactory evidence) to be
the person whose name is subscribed to the within instrument and acknowledged to me that he
executed the same in his authorized capacity, and that by his signature on the instrument the person,
or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Notary's Signature

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Report to the City Council
Council Meeting May, 24 2016

Agenda Section: Consent

Subject: Consideration and proposed approval of a resolution approving the Willmarth Family to have two mobile food vendors at Crane Park on June 4, 2016 between the hours of 5:00pm – 8:30pm for a pre-wedding event.

CEQA Status: Categorically exempt from CEQA, Sections 15232,15061

Prepared By: Haidi Arias, Recreation Director

Approved By: Jennifer Phillips, City Manager

BACKGROUND

The Willmarth family has requested permission to host a pre-wedding event at Crane Park Shelter area 4 on June 4, 2016 between the hours of 5:00pm – 8:30pm. This event will include two mobile food vendors as caterers. The Willmarth family has reserved Crane Park Area 4 and Bocce Courts for this event.

DISCUSSION

Current City municipal code does not include provisions for hosting mobile food vendors at Crane Park. Staff is requesting City Council approve this item.

FISCAL IMPACT

There will be no fiscal impact.

RECOMMENDED ACTION

Adopt the attached resolution allowing two mobile food vender at Crane Park.

ATTACHMENTS

Attachment 1 - Resolution

**CITY OF ST. HELENA
RESOLUTION NO. 2016 -**

**APPROVING THE WILLMARTH FAMILY TO HAVE A MOBILE FOOD VENDOR AT
CRANE PARK ON JUNE 4, 2016 BETWEEN THE HOURS OF 5:00 PM AND 8:30PM**

RECITALS

- A. The Municipal Code for the City of St. Helena does not allow or disallow mobile food vendors in areas designated as "Park District", and
- B. The Willmarth Family has requested permission to host two mobile food vendor as caterers at Crane Park on June 4, 2016 between the hours 5:00pm – 8:30pm.
- C. The City Council desires to regulate the use of public property at Crane Park to include a mobile food vendor.

RESOLUTION

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

- 1. The Willmarth Family can coordinate two mobile food vendor at their pre-wedding event at Crane Park Area 4.
- 2. Mobile food vendor must:
 - a. Possess a valid City of St. Helena Business License; and
 - b. Only operate business between 5:00pm to 8:30pm; and
 - c. Possess a valid Napa County Health Permit.

I HEREBY CERTIFY that this Resolution was adopted at a regular meeting of the City Council held on May 24, 2016 by the following roll call vote:

Mayor Galbraith: _____

Vice Mayor White: _____

Councilmember Crull: _____

Councilmember Dohring: _____

Councilmember Pitts: _____

APPROVED:

ATTEST:

Alan Galbraith
Mayor

Cindy Black
City Clerk



**Report to the City Council
Council Meeting of May 24, 2016**

Agenda Section: Consent

Subject: Consideration, re-appointment and proposed approval of a resolution to reform the Ad Hoc Revenue Source Task Force to evaluate and provide feedback for the water and waste water rate study.

CEQA Status: Not a Project

Prepared By: Jennifer Tuell, Water Conservation Coordinator
Steven Palmer, PE, Director of Public Works/City Engineer

Approved By: Jennifer Phillips, City Manager

BACKGROUND

The City conducted its most recent utility rate study in 2011 and as a result, water and wastewater rates were increase 2.8% in 2013, 2.5% in 2014, and 2.6% in January 2015.

During the 2015 Council Goal Setting Session, the Council included reviewing rates and fees as a strategic objective for the coming year. The Fiscal Year 2015-16 Adopted Budget included \$50,000 for this study.

Staff issued a Request for Proposals for the Utility Rate Study for the Water and Wastewater Rates, and on November 10, 2015 the City Council approved an agreement with Hansford Economic Consulting for a not to exceed amount of \$48,350 to complete this work.

DISCUSSION

Staff and Hansford Economic Consulting have been working on compiling the data required in order to update the rates. Once that data is compiled and analyzed, the next step will be to obtain citizen review from an advisory committee. Staff envisions that this committee will review the structure, methodology, and equitability of the proposed rates; provide feedback to Staff; and ultimately advice and comments to City Council. It is envisioned that the committee will meet two times, anticipated in August or September 2016. The committee will be dissolved after the two meetings have been completed.

Staff is recommending that the members of Ad Hoc Revenue Task Force serve as the advisory committee for the utility rate study. The City Council established the Ad Hoc

Revenue Task Force at their September 8, 2015 meeting (Resolution 2015-120). The Task Force was established with the general purpose to study and discuss the City's current financial challenges including projected revenues and expenditures; and based on this information evaluate possible additional revenue sources for the City that can gain general consensus in the community and provide adequate revenue to help the City achieve a solid financial future. The Task Force completed their final report to City Council in early 2016.

The Task Force was originally comprised of seven (7) members, then expanded to nine (9) members: two (2) Council Members, one (1) Planning Commissioner, and six (6) community members who would represent a variety of interests. All members were required to be residents of St. Helena. All Task Force meetings are agendaized and open to involvement and participation by the public.

Resolution No. 2015-129 appointed the following seven members:

1. Mayor Alan Galbraith and Vice Mayor Peter White
2. Planning Commission Chairperson Sarah Parker
3. St. Helena Community Members Donna Hinds, Chuck Vondra, Katie Leonardini, and Wayne Armstrong

Resolution No. 2015-134 appointed two additional members:

1. St. Helena Community Members Cameron Crebs and Jack Stuart

Each member of the Task Force was contacted and asked to serve for an additional two meetings to discuss the utility rate study. Seven of the nine members are interested in participating in the two meetings to provide feedback on the water and wastewater rate study. These members are:

1. Mayor Alan Galbraith and Vice Mayor Peter White
2. St. Helena Community Members Donna Hinds, Chuck Vondra, Katie Leonardini, Wayne Armstrong, and Jack Stuart

FISCAL IMPACT

No direct costs, but formation and support of an ad hoc task force will require staff resources.

RECOMMENDED ACTION

The City Council of the City of St. Helena approve the re-formation of an Ad Hoc Revenue Source Task Force, with seven members, adopt the attached resolution and re-appoint the following member to the committee:

- Mayor Alan Galbraith and Vice Mayor Peter White
- St. Helena Community Members Donna Hinds, Chuck Vondra, Katie Leonardini, Wayne Armstrong, and Jack Stuart

ATTACHMENT

1. Resolution

CITY OF ST. HELENA

RESOLUTION NO.

**AUTHORIZING THE RE-ESTABLISHMENT
OF AN AD HOC REVENUE SOURCE TASK
FORCE AND RE-APPOINTING MEMBERS
TO THE TASK FORCE**

RECITALS

- A. The City Council created an ad hoc committee to function in an advisory capacity to the City Council to evaluate possible additional revenue sources for the City of St. Helena. The general purpose of this ad hoc task force was to study and discuss the City's current financial challenges including projected revenues and expenditures.
- B. Resolution No. 2015-129 appointed seven members to the Task Force and Resolution No. 2015-134 The Task Force was comprised of nine (9) members: two (2) Council members, one (1) Planning Commissioner, and six (6) community members who represent a variety of interests. All members were required to be residents of St. Helena.
- C. The Task Force provided a final report to the City Council in February 2016 and the Task Force was dissolved upon submitting its final report to the City Council.
- D. The City Council desires to re-establish the Ad Hoc Revenue Task Force to function in an advisory capacity to the City Council to review the structure, methodology, and equitability of the proposed water and wastewater rates; and provide feedback to Staff.
- E. The Task Force will be comprised of seven (7) members: two (2) Council members, and five (5) community members who represent a variety of interests. All members are required to be residents of St. Helena. All meetings will be subject to the requirements of the Brown Act, Government Code section 54950 et seq., and as such will be agendized and open to involvement and participation by the public.

RESOLUTION

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

- 1. To re-establish the Ad Hoc Revenue Source Task Force consisting of seven members as appointed by the City Council. The Task Force will be comprised of seven (7) members as follows: two (2) Council members, and five (5) community

members who shall represent a variety of interests as determined in the discretion of the City Council. All members shall be residents of St. Helena.

2. All meetings of the Task Force will be subject to the requirements of the Brown Act, Government Code section 54950 et seq., and as such will be agendaized and open to involvement and participation by the public.
3. The Task Force will meet two times to provide feedback to staff and the consultant on the potential restructuring of rates, the methodology of the rate study and equitability of current and proposed rates. The Task Force will be dissolved upon completion of two meetings.

Approved at a Regular Meeting of the St. Helena City Council on May 24, 2016, by the following vote:

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

APPROVED:

ATTEST:

Alan Galbraith, Mayor

Cindy Black, City Clerk

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**Report to the City Council
Council Meeting of May 24th, 2016**

Agenda Section: Consent

Subject: Authorization to submit a grant application under the 2016 Department of Justice Community Oriented Policing Services (COPS) Hiring Program.

CEQA Status: Not a CEQA project

Prepared By: William Imboden, Chief of Police

Approved By: Jennifer Phillips, City Manager

BACKGROUND

In April 2016, the U.S. Department of Justice began accepting grant applications for the Community Oriented Policing Services (COPS) Hiring Program (CHP). Grant funds under this program will fund 75% of the approved salaries and benefits for entry level Officers, up to \$125,000, for a period of thirty-six (36) months. Additionally, the grant requires a commitment from the City to keep the position(s) in place for an additional twelve (12) months after the initial 36 months has concluded. This grant is intended to bring additional officers to a department or reopen frozen positions due to economic difficulties. It is not permitted to supplant existing budgeted funds.

DISCUSSION

On April 26th, 2016 the U.S. Department of Justice, Office of Community Oriented Policing Services, announced the availability of funding under this CHP program. The grant program is intended to address the personnel needs of state, local, and tribal law enforcement agencies. This application is very competitive and an application does not guarantee an award. Additionally, being selected to receive the grant does not require the City to accept the award should the City decide it cannot meet the obligations of the funding.

As stated in the initial grant announcement, CHP grants will fund up to 75% of entry level salaries and benefits for a three year (36 months) period for newly hired, full-time, sworn officer positions.

The CHP funds the number of officer positions equal to 5% of an agency's actual sworn force strength (up to a maximum of 15 officers for agencies with a service population of less than 1 million).

COPS CHP funds may be used in three different ways:

- To hire entry-level full time sworn officers
- To re-hire sworn officers who have already been laid off, and/or
- To re-hire sworn officers who have already been scheduled to be laid off on a future date.

The grant requires the City to commit to keeping the positions in place for an additional twelve months passed the initial three year period.

Currently the Saint Helena Police Department has twelve (12) authorized sworn budgeted positions. Based on the "5% of sworn force" formula, the City is only allowed to apply for one grant funded sworn officer position. However, adding that position to a force of eight (8) Officers and two (2) Sergeants significantly increases our ability to maintain patrol staffing levels, which directly impacts our ability to provide the high level of community oriented policing the City deserves. This grant would bring the sworn force to 13 positions, and those 13 sworn positions will have to remain funded and filled during the entire four year project period.

Additionally, adding another sworn officer provides the Department the flexibility to create a School Resource position, as well as potentially a part-time Investigator.

FISCAL IMPACT

The COPS CHP grant funds will pay for 75% of the entry level salary and benefits, up to \$125,000, for the first three years. The City would be required to pay for the remaining 25% of salary and benefits for the first three years, and the entire salary and benefits for the fourth year. All overtime is the responsibility of the Department and is not included in the grant funding.

For FY16/17 the salary and benefits package of an entry level officer is \$108,000. Under the grant funding, the city would be responsible for approximately \$27,000 from the General Fund (based on date of hire), for the first three years and full salary and benefits thereafter, for a minimum period of 12 months.

The MOU between the City and the St. Helena POA expires in June, 2017. In years two and three of the grant award, the city would be responsible for 25% of the newly negotiated salary and benefits for an entry level sworn officer. In year four, the City would be responsible for 100% of the salary and benefits. After year four, the City could reduce the sworn force from 13 to 12, if desired.

RECOMMENDED ACTION

- Authorize the Saint Helena Police Department to submit a 2016 CHP Grant application to the U.S. Department of Justice.

ATTACHMENTS

1. CHP Solicitation Letter from the COPS Director



U.S. DEPARTMENT OF JUSTICE
OFFICE OF COMMUNITY ORIENTED POLICING SERVICES
145 N Street NE, Washington, DC 20530

COPS

April 25, 2016

RE: COPS Office FY 2016 COPS Hiring Program (CHP) Solicitation - *Now Open!*

Dear Colleague:

The Office of Community Oriented Policing Services (COPS) is pleased to announce that **the application period for the FY 2016 COPS Hiring Program (CHP) is now open.** Applications for this year's CHP solicitation must be completed and submitted by **7:59 PM, EDT on June 23, 2016.** This year's COPS Hiring Program has an overarching emphasis on implementing the recommendations of the President's Task Force on 21st Century Policing.

Program Details

The FY2016 COPS Hiring Program is open to all state, local, and tribal law enforcement agencies that have primary law enforcement authority. This nationwide program is designed to advance public safety through community policing by addressing specific problems through the hiring of full time sworn officer positions. Funding is provided directly to law enforcement agencies to hire new and/or rehire career law enforcement officers and to increase their community policing capacity and crime prevention efforts. Up to \$137 million is available in federal funding for this program in FY 2016 and all awards are subject to the availability of federal funds.

Applicants will be able to select from one of seven broad areas of policing which would be the focus of any officers awarded. Priority consideration will be given to applicants who select "Building Trust," "Homeland Security" or "School Based Policing" as their problem/focus area. Other priority problem/focus areas will be identified in the solicitation documents and listed in the application.

All applicants should refer to the Final Report of the President's Task Force on 21st Century Policing for suggested actions to incorporate into their proposed community policing strategy. The Final Report examines how to strengthen public trust and foster strong relationships between local law enforcement and the communities that they serve, while also promoting effective crime reduction.

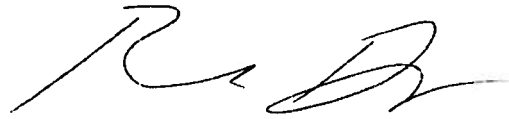
For detailed information on the COPS Hiring Program requirements, application instructions, FAQs, and more, please visit the CHP Program page on the COPS website. We also encourage you to read the "Preparing Your Application" document on our website. This document provides helpful information about preparations your agency can make at this

time to ensure a smooth application process and minimize the chance of problems or delays.

Please note that all CHP applications will be accepted electronically via a **two-step process through Grants.gov and the COPS Office Agency Portal**. Detailed instructions about how to apply for this program can be found on the COPS Office website, along with information about the submission deadline and other important information.

Thank you for your interest in the FY 2016 CHP solicitation. If you have questions about this or any other COPS Office grant program, please contact the COPS Office Response Center at 800-421-6770.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Davis', with a stylized, flowing script.

Ronald L. Davis,
Director

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**Report to the City Council
Council Meeting of May 24, 2015**

Agenda Section: New Business

Subject: Consideration and proposed adoption of a Resolution Rescinding Resolution 2012-38; Authorizing the following water use efficiency programs and pilot programs: High-Efficiency Toilet Rebate, Weather-Based Irrigation Controller Rebate, Water Efficient Landscape Rebate, Greywater Rebate, Rainwater Harvesting Rebate, and Recirculating Hot Water Pump Rebate programs; and authorizing the City Manager to develop, implement, and update program guidelines to align with current best practices, funding availability, program participation, and geographical norms

CEQA Status: Categorically Exempt, Section 15301 Existing Facilities, and 15302 Replacement or Reconstruction

Prepared By: Jennifer Tuell, Water Conservation Coordinator
Steven Palmer, PE, Director of Public Works/City Engineer

Approved By: Jennifer Phillips, City Manager

BACKGROUND

Since 1994, the City of St. Helena has required new development to offset its water demand by retrofitting existing residential units (St. Helena Municipal Code §13.12.050 New Development) and has offered a toilet rebate program to encourage water conservation and toilet retrofits. Water conservation and water use efficiency continue to be priorities of the City due to limited resources now and in the future. Additionally, the State of California Executive Order B-37-16 has mandated that local water providers continue to conserve water. Consequently, the City wishes to update, streamline, clarify and expand the rebate programs offered in order to increase water conservation by City water customers.

The three programs currently offered by the City are:

1. **Toilet Retrofit Program:** Resolution No. 94-130 established a toilet retrofit program and has been updated several times, most recently by Resolution No. 2012-38, and the City continues to offer water customers a rebate to retrofit toilets on their property. The City is currently offering a rebate of \$300 per qualifying toilet. For a toilet to qualify, it must use 3.5 gallons per flush (gpf) or

more and be installed prior to 1992.

2. **Smart Irrigation Controller Program:** On May 24, 2011 the St. Helena City Council authorize an agreement with Hydropoint to provide 45 residential "Smart" irrigation controllers. Approximately 12 residents have participated in this program since 2011 and the company is now focusing on commercial controllers. The City is currently offering an installment plan for participating customers. Customers pay a monthly fee on the water bill until the controllers are paid off, typically five years. Monthly payments are based on the number of stations and are \$14.95/mo for small systems and \$24.95/mo for large systems.
3. **Clothes Washer Rebate Program:** On January 12, 2016 the St. Helena City Council authorized an agreement with PG&E for the administration of a Clothes Washer Rebate program establishing guidelines for a clothes washer rebate program. The City is not seeking any changes to this program in this staff report and resolution. Currently St. Helena customers are eligible for a \$150 clothes washer rebate, \$100 paid by the City and \$50 paid by PG&E.

DISCUSSION

Staff has developed general program guidelines for all water use efficiency programs. Attachment 1 - Updated Water Use Efficiency Program Guidelines details the proposed rules and regulations for each rebate programs. Staff has discussed proposed changes with the Sustainability Committee and included feedback from the Committee in the proposed program rules. Draft sample application forms are included in Attachments 2 and 3.

Several of the programs listed below are identified as Pilot Programs. This approach will allow staff flexibility to adjust programs based on community need and participation, and allow closure of programs that do not have adequate participation to support the administrative costs of the program.

Water Neutrality Policy

The St. Helena Municipal Code § 13.12.050 New Development, is commonly referred to as the Water Neutrality Policy. This ordinance states that *"new development must completely offset its water requirements by installing city approved ULF toilets and associated water efficient hardware in a sufficient number of existing homes or nonresidential properties"*.

Beginning in April 2016, City staff established a new tracking system for the Water Neutrality program. The goal of this new system is to make it easier for developers to connect with residents that would benefit from water efficient hardware upgrades. There is a limited number of homes and businesses that are still in need of toilet and hardware upgrades, and many residents are unaware of this program. There may be a benefit to expand this program to include all water use efficiency rebate programs.

The Water Neutrality Policy is a separate program from the Water Use Efficiency Programs, but both have similar goals. Residents participating in either of the programs will now be tracked together to ensure there is no overlap or double participation.

Water Use Efficiency Rebate Programs

Staff is recommending expansion of the water use efficiency programs, including several pilot programs. It is unknown how much interest there will be in the programs and changes may be needed as the programs develop and grow. Program success will be based on the number of participants and projected water savings. Commercial properties include Home Owner Associations (HOA), Multi-family residential, and Institutional locations.

1. **Toilet Retrofit Program:** The City is currently offering a rebate of \$300 per qualifying toilet. In order for a toilet to qualify, it must use 3.5 gallons per flush (gpf) or more and be installed prior to 1992. Both installation and the cost of the toilet are eligible for rebates.

Updated Toilet Retrofit Program: This program will be offered to both residential and commercial customers. The rebate amount will remain at \$300 per toilet, which can be used for purchase of the toilet and toward applicable permits. The table below illustrates the current rebate amounts for all the agencies in Napa County offering toilet rebates. Existing toilets must use more than 3.5 gpf or be a poor-performing ultra-low flush toilets (1.6 gpf) to be eligible for replacement. Replacement toilets must use 1.28 gpf or less. Participants replacing a poor-performing 1.6 gpf toilet will be encouraged to replace with 0.8 gpf toilet(s). The updated program will include a rebate cap of three (3) toilets for each residential property and 10 toilets/urinals for each commercial property. To be eligible for rebate, all applicants will be required to pull a building/plumbing permit for toilet replacement. Permit fee is currently \$83.00 per residential unit.

City	Current Rebate Amount
American Canyon	\$100 per toilet
Calistoga	\$100 per toilet
City of Napa	\$100 per toilet
County of Napa	\$100 per toilet
Napa Sanitation District	\$100 per toilet
St. Helena	\$300 per toilet
Yountville	\$100 per toilet
State of California Rebate	\$100 per toilet

2. **Clothes Washer Rebate Program:** Staff is not recommending any changes to this program and it will continue to be administered by PG&E per the terms of the agreement.
3. **Smart Irrigation Controller Program:** This program will be closed, and

replaced by a Pilot program. Current participants will not be eligible for the new program.

Pilot Program: Weather-Based Irrigation Controller: This Program will replace the Smart Irrigation Controller Program. Weather-Based Irrigation Controllers promote environmental sustainability by providing rebates incentivizing residential and commercial sites to replace standard irrigation controllers with self-adjusting automatic irrigation controllers that utilize current or historical weather data and other relevant factors to meet the actual water needs of plants. These devices are also sometimes referred to as weather-based "Smart Controllers."

Partial funding is available through the Proposition 84 Grant approved by City Council on January 12, 2016 by Resolution 2016-7. The Proposition 84 Grant reimbursement to the City for single-family residential rebates is 75 percent of the rebate per irrigation station, with a maximum reimbursement of \$15 per station rebated. The Proposition 84 Grant reimbursement to the City for multi-family and commercial rebates is 75 percent of the rebate per irrigation station, with a maximum reimbursement of \$22.50 per station rebated.

Staff is proposing a \$20 per station residential rebate and a \$30 per station commercial rebate. That would allow for the maximum reimbursement from the State. The Proposed Weather-Based Irrigation Controller program includes a rebate cap of \$500 per residential property and \$1500 per commercial property.

4. **Pilot Program: Water Efficient Landscape:** For many households the biggest water savings is outdoors. The program will benefit residents who wish to remove high water use plants such as turf and replace landscaping with low water use plants. It would encourage residents to replace lawns with hardscape and water-wise plants. The proposed program would pay rebates for every square foot of turf grass that is replaced with drip-irrigated, low water use plants, or permeable hardscape. This program is sometimes referred to as Cash for Grass. Artificial turf is not eligible for rebate.

Partial funding is available through the Proposition 84 Grant that was approved by City Council on January 12, 2016 by Resolution 2016-7. The Proposition 84 Grant requires a minimum rebate of \$0.75 per square foot and the Grant reimbursement to the City is \$0.5625 per square foot rebated. The City's proposed program includes a rebate of \$1.50 per square foot with a maximum rebate of \$750 for residential properties and \$2,500 for commercial properties.

City	Current Rebate Amount	Residential Max Rebate	Commercial* Max Rebate
American Canyon	\$1.00 per sq/ft	\$750	\$2,500
Calistoga	\$1.00 per sq/ft	\$750	\$750
City of Napa	\$1.00 per sq/ft	\$750	\$2,500
St. Helena: Proposed	\$1.50 per sq/ft	\$750	\$2,500
Yountville	\$1.00 per sq/ft	\$750	\$2,500

State of California Rebate	Up to \$2 per sq/ft	\$2,000	\$2,000
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5. **Pilot Program: Laundry to Landscape: (Greywater)** Greywater is wastewater collected from showers, bathtubs, bathroom sinks, and clothes washing machines. Greywater does not include water from toilets, kitchen sinks or dishwashers. Greywater can be rerouted to landscape to help meet irrigation needs. All greywater systems require a building/plumbing permit, except for the clothes washer system. The City Building Permit fee for greywater systems is currently \$965.00. The City is proposing up to a \$100 rebate for any greywater system and will encourage simple laundry systems.

Calistoga is currently offering up to \$100 rebate for greywater systems.

6. **Pilot Program: Rainwater Harvesting:** Rainwater harvesting is the collection and storage of untreated rainwater for reuse. Rainwater harvesting ranges from simple catchment devices, such as rain barrels, to more complex systems such as cisterns and storage tanks. Rainwater harvesting helps conserve water and reduce the amount of storm water runoff. The proposed program provides up to \$100 rebate per system, with a minimum requirement of 100 gallons of storage.

The State of California has not adopted standards for Potable Rainwater Catchment Systems. Approval and a City building/plumbing permit shall be required for all non-potable rainwater catchment systems for use in a building intended to supply uses such as water closets (toilets), urinals, trap primers for floor drains and floor sinks, irrigation, industrial processes, water features (fountains), cooling tower makeup. The City building/plumbing permit fee for rainwater catchment systems is currently \$948.00.

There are two exceptions to the permit requirement: (1) A permit is not required for exterior rainwater catchment systems used for outdoor non-spray irrigation with a maximum storage capacity of 5000 gallons where the tank is supported directly upon grade and the ratio of height to diameter or width does not exceed 2 to 1 and it does not require electrical power or makeup water supply connection. (2) A permit is not required for exterior rainwater catchment systems used for spray irrigation with a maximum storage of 360 gallons.

Calistoga is currently offering up to \$100 rebate for rainwater systems.

7. **Pilot Program: Recirculating Hot Water Pump Rebate Program:** Recirculating hot water pumps are easy to install and work with a simple on/off switch. In a typical household it takes between 30 second and two minutes for hot water to come from the tap or shower. A recirculating hot water system uses a by-pass valve that connects the cold and hot water supply lines at the fixture that is farthest away from the water heater. The by-pass valve uses the cold water line as the return loop back to the water heater, continuously recirculating warm water. The

proposed program provides up to \$100 rebate per system, with a maximum of one per household. The City Building Permit fee for installation of a recirculating hot water pump is currently \$83.00 per residential unit.

These programs are intended to offset water use. Staff intends to evaluate all programs six months after implementation and reduce or eliminate programs that are underperforming and prioritize the ones that are most popular and provide the most water conservation. Rebates are available on a first come, first served basis. These programs will be administered as long as funding is available, and may be suspended or eliminated if funds are expended.

All properties may be subject to pre/post inspections by staff, but the majority of properties will not be inspected, due to limited staffing. Staff will rely on photographic proof and receipts for most rebate applications and evaluate all pilot programs after six months.

In order to implement these changes, the City Council will also need to rescind Resolution 2012-38 that established the current toilet rebate program.

FISCAL IMPACT

This program will be funded by a variety of sources. Sufficient funds are available in 561-2330-0000 Water Use Efficiency project account to allow for numerous small projects. The utilization of Proposition 84 funds (Resolution No. 2016-7) will allow issuance of additional rebates within budgeted funds, improving the overall cost-effectiveness of the City's water conservation program.

- A. Water Conservation Annual Budget (Water Use Efficiency: 561-5000-2150)
\$15,000 annual budget for all outreach, printed materials, advertising and other water use efficiency programs.
- B. Rebate Program Funding (Water Use Retrofit Deposit: 561-2330-0000)
This account has a balance of \$33,089.01 on April 12, 2016 and will be the primary source for rebate funds.
- C. Water Conservation Fines: 561-3385-000
At this time no fines have been issued. To date compliance has been gained by education. If Water Conservation Fines are given, funding will be allocated to the Water Conservation Program per Resolution No. 2015-6.

RECOMMENDED ACTION

It is recommended that the Council 1) rescind Resolution No. 2012-38, 2) adopt the attached resolution authorizing the following programs and pilot programs: High-Efficiency Toilet Rebate, Weather-Based Irrigation Controller Rebate, Water Efficient Landscape Rebate, Greywater Rebate, Rainwater Harvesting Rebate, and Recirculating

Hot Water Pump Rebate, 3) authorizes the City Manager or designee to develop, implement, and update **Water Use Efficiency Program Guidelines** to align with current best practices, funding availability, program participation, and geographical norms, and 4) authorizes the City Manager or designee to evaluate all programs six months after implementation to re-focus priorities on the programs that are most popular and provide the most water conservation.

ATTACHMENTS

1. Updated Water Use Efficiency Program Guidelines
2. Sample Rebate Application Packets
3. Permission Form Property Owner or Account Holder
4. Resolution

**City of St. Helena
Water Use Efficiency Program Guidelines
May 2016**

1. The City Manager or designee is authorized to approve water use efficiency rebates as long as there is adequate funding in water conservation accounts.
2. Water Use Efficiency rebates will be provided on a first come, first service basis. Rebates are not guaranteed. Any Water Use Efficiency program may be canceled at any time. No rebate shall be paid under this program unless there are sufficient funds in the designated account(s).
3. All rebates must meet the specific program criteria.
4. Funding must be regularly monitored by staff. Program funding may be offset by grant or other outside funding.
5. The City Manager or designee is directed to update water use efficiency program guidelines aligning with current best practices, funding availability, program participation and geographical norms for each water conservation rebate program.
6. Rebates will not exceed the cost of the materials and building permits. Labor is not included in the rebate amount.
7. Only current St. Helena municipal water customers in good standing with no delinquent charges are eligible for water use efficiency rebates. The approved water use efficiency rebate must be installed at the City of St. Helena service address and must be installed prior to rebate request. A separate application must be submitted for each metered address and each rebate program.
8. Account holders with service addresses outside the City of St. Helena may be eligible for rebates and should contact the Water Conservation division before submitting an application.
9. Fixtures, hardware or landscaping installed as part of new construction are not eligible for rebate.
10. Retrofits required to meet the City's Water Neutral Policy, or by developers as mitigation measures are not eligible.
11. An IRS W-9 form must be completed by all applicants to receive a rebate. The Social Security or Tax ID number requested in the Rebate application process is in compliance with exemptions to the Federal Privacy Act of 1974, 42 UCS 405 (c) (2)(c). The Internal Revenue Service requires rebate program participants receiving \$600 or more in rebates to be issued an IRS Form 1099 unless exemptions apply. Social Security numbers provided as part of the application process are held in confidence under terms of the Privacy Act and are not divulged or otherwise conveyed to individuals or organizations outside the Rebate Program.

12. To receive a rebate applicants must submit 1) the appropriate rebate application, 2) original proof of purchase, 3) photos of pre and post installation, 4) W-9 form as well as 5) proof of anticipated water savings. Rebate application must be complete and is subject to verification, including all necessary documentation, specific to the rebate program. Originals will not be returned.
13. The proof of payment submitted must indicate the itemized cost. Receipts and/or invoices that do not include the itemized cost will be rejected.
14. Participants' information may become public information, in accordance to applicable local, state and federal laws.
15. Applicant must own the property or obtain authorization for participation in the Program from the property owner. Applicant must be the account holder or obtain authorization for participation in the Program from the account holder.
16. In cases where the person applying for the rebate pays the water bill at the address of the retrofit, the rebate shall be issued as credit applied to the water service account. In cases where the person applying for the rebate does not pay the water bill at the address (mobile home, HOA, etc.) of the retrofit, the rebate may be issued as a cash payment with account holder's written consent.
17. Properties may be subject to a pre-purchase and/or post-purchase inspection by City Staff. The City of St. Helena reserves the right to verify the installation. Failure to allow an inspection within 30 days of request will result in refusal of rebate. The City has, with prior written notification, the option to inspect the work performed in this program for a period of twelve months from the date of the rebate was issued. If property is selected for inspection and the property owner refuses that inspection, the property owner will be billed for the total amount of the rebate.
18. City Staff does not remove or install any fixtures, hardware or landscaping under the water use efficiency rebate program.
19. Fixtures, hardware or landscaping that are rebated through another water agency program are not eligible to receive a City of St. Helena rebate.
20. Once a fixtures, hardware or landscaping is replaced under the St. Helena Rebate Program or the St. Helena Water Neutrality Policy it is ineligible for future rebates.
21. Rebate application and W-9 must be completed and returned with the original proof of payment within 60 days of purchase.

Specific Program Criteria

A. Toilet Rebate Program:

Residential & Commercial

- The City will provide up to \$300 for each applicable UHET (Ultra High-Efficiency Toilet) or HET (High-Efficiency Toilet) toilet or urinal installed (installation, toilet and qualifying hardware). For more information on qualified toilets visit <https://www3.epa.gov/watersense/products/toilets>
- All toilets must have a WaterSense or equivalent certification and can no use more than 1.28 gpf (gallons per flush).
- Existing toilets must use more 3.5 or more gallons per flush (gpf) or be a poor-performing ultra-low flush toilets (1.6 gpf) to be eligible for replacement.
- Once a toilet or urinal is replaced under this Program, it is ineligible for future rebates.
- Applicants are encouraged to install 0.8 gpf toilets.
- A maximum of three toilets for each residential property and 10 toilets/urinals for each commercial property is allowed.
- To be eligible for rebate, all applicants will be required to pull a building permit, which is an eligible cost for the rebate.

B. Pilot Program: Weather-Based Irrigation Controller (WBIC):

- The City will provide up to \$20 per station residential rebate and a \$30 per station commercial rebate for each weather based irrigation controller installed (installation, controller and qualifying hardware).
- The maximum rebate for each residential property is \$500 and \$1500 for each commercial property.
- WBIC must replace a non-WBIC.
- All controllers must have a WaterSense or equivalent certification.
https://www3.epa.gov/watersense/product_search.html?Category=5

C. Pilot Program: Water Efficient Landscape:

- The City will provide up to \$1.50 per square foot of turf grass that is replaced with drip-irrigated, low water use plants, or permeable hardscape.
- Artificial turf is not eligible for rebate.
- The maximum rebate for each residential property is \$750 and \$2500 for each commercial property.

D. Pilot Program: Laundry to Landscape: (Greywater)

- The City will provide up to \$100 for any greywater system.
- Greywater is wastewater collected from showers, bathtubs, bathroom sinks, and clothes washing machines.
- All greywater systems require a building permit, except for the clothes washer system.

E. Pilot Program: Rainwater Harvesting:

- The City will provide up to \$100 for any Rainwater Harvesting System.
- Each Rainwater Harvesting System must have a minimum of 100 gallons of storage.
- Any rainwater harvesting system connecting to the potable supply line will require the applicable building permits and a backflow device(s).

F. Pilot Program: Recirculating Hot Water Pump Rebate Program:

- The City will provide up to \$100 for any Recirculating Hot Water Pump System.
- There is a maximum of one Recirculating Hot Water Pump rebate per household.



City of St. Helena Rebate Permission Form Property Owner or Account Holder

Property Owner Name: _____
 Account Holder Name: _____
 Account Number: _____
 Site Address: _____
 Rebate Applicant Name: _____

Rebate Type:

- | | |
|---|--|
| ☐ Toilet Rebate
☐ Cash for Grass Rebate
☐ Smart Irrigation Controller Rebate | ☐ Laundry to Landscape Rebate
☐ Rainwater Harvesting Rebate
☐ Recirculating Hot Water Pump Rebate |
|---|--|

The purpose of this form is for the PROPERTY OWNER or ACCOUNT HOLDER to grant permission to the APPLICANT to participate in the City's Water Use Efficiency Rebate Program.

I, _____ (**Property Owner**), give permission to the APPLICANT listed above to participate in the City's Water Use Efficiency Rebate Program designated above:

I, _____ (**Account Holder**), give permission to APPLICANT listed above to participate in the City's Water Use Efficiency Rebate Program designated above:

I authorize the City of St. Helena to pay the rebate to the APPLICANT listed above. I agree to retain the new fixtures at this site or replace them in the future with fixtures conforming to equal or better standards. I agree that the City has, with prior written notification, the option to inspect the work performed in this program for a period of twelve months from the date of this certification. I further understand that if my property is selected for inspection and I refuse that inspection, the property owner will be billed for the total amount of the rebate. I agree that by virtue of these inspections, the City of St. Helena makes no determination with respect to whether materials and equipment are free of defects, the quality of the workmanship, the suitability of the premises or the materials or equipment for the installation. I agree to defend, indemnify and hold harmless the City of St. Helena, its directors, officers, agents and employees against any and all loss, liability, expense, claims, suits and damages, including attorney's fees, arising out of or resulting from the purchase and installation of the graywater system described above. The City of St. Helena cannot pay this applicant without the Property Owner's or Account Holder's authorization.

Please contact water@cityofstheleena.org or 707-968-2635 or if you have any questions.

Acknowledged by:

 Name
 Property Owner or Account Holder

 Signature
 Property Owner or Account Holder

 Date

CITY OF ST. HELENA

RESOLUTION NO. 2016-

RESCINDING RESOLUTION NO. 2012-38; AUTHORIZING THE FOLLOWING WATER USE EFFICIENCY PROGRAMS AND PILOT PROGRAMS: HIGH-EFFICIENCY TOILET REBATE, WEATHER-BASED IRRIGATION CONTROLLER REBATE, WATER EFFICIENT LANDSCAPE REBATE, GREYWATER REBATE, RAINWATER HARVESTING REBATE, AND RECIRCULATING HOT WATER PUMP REBATE PROGRAMS; AND AUTHORIZING THE CITY MANAGER TO DEVELOP, IMPLEMENT, AND UPDATE PROGRAM GUIDELINES TO ALIGN WITH CURRENT BEST PRACTICES, FUNDING AVAILABILITY, PROGRAM PARTICIPATION, AND GEOGRAPHICAL NORMS

RECITALS

- A. Since 1994, the City of St. Helena has required new development to offset its water demand by retrofitting existing residential units (St. Helena Municipal Code §13.12.050 New development) and has offered a toilet rebate program to encourage water conservation and toilet retrofits; and
- B. Resolution No. 94-130 *Establishing a Toilet Retrofit Program within the St. Helena Water Enterprise District*, established a toilet retrofit program and has been updated by the following resolutions:
- 1994-138 – *Approving Budget Adjustment 95-5 for Toilet Retrofit Reimbursement Program*
 - 1994-143 – *Amending the Toilet Retrofit Program within the St. Helena Water Enterprise District Established By Resolution 94-130*
 - 1996-138 – *Amending the Toilet Retrofit Program with the St. Helena Water Enterprise District and Rescinding Resolution Nos. 94-143 and 94-130*
 - 1997-06 – *Amending the Toilet Retrofit Program with the St. Helena Water Enterprise District and Rescinding Resolution 96-138*
 - 2004-32A – *Rescinding Resolution 97-6 and Re-establishing Guidelines for the Indoor Plumbing Retrofit & Rebate Program (Part of the Water Use Efficiency Program)*
 - 2012-38 – *Rescinding Resolution 2004-32A and Re-establishing Guidelines for the Indoor Plumbing Retrofit & Rebate Program*
- C. The City continues to offer St. Helena water customers a rebate to retrofit toilets on their property; and water conservation and water use efficiency continue to be priorities of the City due to limited resources now and in the future; and

- D. The City wishes to continue to offer existing water use efficiency programs and integrate new programs; and
- E. On January 12, 2015 the St. Helena City Council authorized an agreement with PG&E for the administration of a Clothes Washer Rebate program establishing guidelines for a clothes washer rebate program, which remains unchanged by this agreement; and
- F. St. Helena Municipal Code §13.12.050 New development established guidelines for water use efficiency measures for new development and is unchanged by this Resolution; and
- G. The City wishes to expand and update the water use efficiency rebate programs.

RESOLUTION

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

1. Resolution No. 2012-38 *"Rescinding Resolution 2004-32A and Re-establishing Guidelines for the Indoor Plumbing Retrofit & Rebate Program"* is hereby rescinded. This resolution supersedes any existing resolutions related to water conservation rebate programs including but not limited to Resolution Nos: 94-130, 94-138, 94-143, 96-138, 97-6, 2004-32A and 2012-38.
2. The City Manager or designee is authorized to implement the following programs and pilot programs: High-Efficiency Toilet Rebate, Weather-Based Irrigation Controller Rebate, Water Efficient Landscape Rebate, Greywater Rebate, Rainwater Harvesting Rebate and Recirculating Hot Water Pump Rebate.
3. The City Manager or designee is authorized to develop, implement, and update the **Water Use Efficiency Program Guidelines** and **Application Forms** to align with current best practices, funding availability, program participation, and geographical norms as long as funding is available to provide rebates.
4. The City Manager or designee is authorized to evaluate all programs six months after implementation in order to re-focus priorities on the programs that are most popular and provide the most water conservation. Pilot programs may be canceled any time after the six month period if the program has limited participation or it is determined that the program does not provide actual water conservation.
5. Account No. 561-2330-0000 *Water Use Retrofit* exists for the purpose of providing both indoor and outdoor water efficiency rebate programs to both residential and commercial customers. Funding in this account is allocated through the annual budget process and may include in-lieu retrofit fees as established by *St. Helena Municipal Code § 13.12.050 New development*. This

account has a balance of \$33,089.01 on April 12, 2016 and will be the primary source for rebate funds.

Approved at a Regular Meeting of the St. Helena City Council on May 24, 2016 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

ATTEST:

Alan Galbraith
Mayor

Cindy Black
City Clerk



High-Efficiency Toilet Rebate Application

DATE SUBMITTED: _____
APPROVED ☐ REJECTED ☐
APPROVED BY: _____
DATE: _____

The City of St. Helena is offering rebates up to \$300 for the replacement of any existing toilets using 3.5 or more gallons per flush (gpf) or poor-performing ultra-low flush toilets (1.6 gpf). Applicants are encouraged to replace toilets that will save at least .5 gallons per flush (gpf). Replacement toilets must be qualifying high efficiency toilets that use 1.28 (gpf) or less. All toilets must be WaterSense or MaP certified to receive a rebate.



IMPORTANT: PLEASE READ THE PROGRAM RULES AND REBATE GUIDELINES BEFORE SUBMITTING YOUR APPLICATION

ACCOUNT INFORMATION				
Name on Water Account		Daytime Phone Number		Account Number
Property/Installation Address		City	Email	
Type of Property (E.G. Single-Family House, Multi-Family, Commercial etc.)			Toilet Type Installed ☐ Tank Type ☐ Flushometer	
Total # of Toilets in Property	Total # of Toilet Rebates Requested	Year Property Built		Year Property was Purchased
What is the total estimated water savings for one year?				
APPLICANT INFORMATION: * Must match the name and address on required W-9 form. ** Rebate check will be sent only to the W-9 contact. If W-9 name and address is the same as account name and address, note "same as above" under applicant information.				
First Name*		Last Name*		
** Address (as noted on applicant's W-9)		City	State	Zip Code
If Applicant Information is different from Account Information please indicate why:				
TOILET INFORMATION				
Quantity	Make & Model REMOVED (age if known)	GPF	Make & Model INSTALLED	GPF
HOW DID YOU HEAR ABOUT THE REBATE PROGRAM?				
☐ Website	☐ Retail Store	☐ Bill Insert	☐ Newspaper	
☐ Contractor	☐ Referral	☐ Building Department	☐ Other:	
WHY DID YOU REPLACE YOUR TOILET(S)?				
☐ Rebate Incentive	☐ Property Remodel	☐ Water Conservation Ordinance	☐ Other:	
☐ To Conserve Water	☐ Property Sale	☐ Replace Broken Fixtures		
WOULD YOU LIKE ADDITIONAL INFORMATION?				
☐ Clothes Washer Rebate	☐ Cash for Grass Rebate	☐ Weather Based Irrigation Controller Rebate		
☐ Rainwater Harvesting Rebate	☐ Graywater Rebate	☐ FREE Water Conservation Tool Kit		
PLEASE SUBMIT APPLICATIONS TO:		QUESTIONS?		
City of St. Helena Attn: Water Conservation Rebate Programs 1480 Main Street		Email: water@cityofsthenela.org Website: www.cityofsthenela.org/water Phone: 707-968-2635		

St. Helena, CA 95404	
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High-Efficiency Toilet Rebate

PROGRAM RULES

1. Rebates will be provided on a first come, first service basis and funding is limited. Rebates are not guaranteed. Water Use Efficiency programs may change or be canceled at any time. Check the website for current programs and rebate amounts.
2. Rebates will not exceed the cost of the materials and required permits. Labor is not included in the rebate amount.
3. Only current St. Helena municipal water customers in good standing with no delinquent charges are eligible for rebates. The approved water use efficiency rebate must be installed at the City of St. Helena service address and must be installed prior to rebate request. A separate application must be submitted for each metered address and each rebate program.
4. Account holders with service addresses outside the City of St. Helena may be eligible for rebates and should contact the Water Conservation division before submitting an application.
5. Fixtures, hardware or landscaping installed as part of new construction are not eligible for rebate. Retrofits required by developers as mitigation measures are not eligible.
6. An **IRS W-9 form** must be completed by all applicants to receive a rebate. The Social Security or Tax ID number requested in the Rebate application process is in compliance with exemptions to the Federal Privacy Act of 1974, 42 UCS 405 (c) (2)(c). The Internal Revenue Service requires rebate program participants receiving \$600 or more in rebates to be issued an IRS Form 1099 unless exemptions apply. Social Security numbers provided as part of the application process are held in confidence under terms of the Privacy Act and are not divulged or otherwise conveyed to individuals or organizations outside the Rebate Program.
7. To receive a rebate applicants must submit the appropriate rebate application, original proof of purchase and photos of pre and post installation as well as **proof of anticipated water savings**. Rebate application must be complete and is subject to verification, including all necessary documentation, specific to the rebate program. Originals will not be returned.
8. The proof of payment submitted must indicate the itemized cost. Receipts and/or invoices that do not include the itemized cost will be rejected.
9. Participants' information may become public information, in accordance to applicable local, state and federal laws.
10. Applicant must own the property or obtain authorization for participation in the Program from the property owner. Applicant must be the account holder or obtain authorization for participation in the Program from the account holder.
11. In cases where the person applying for the rebate pays the water bill at the address of the retrofit, the rebate shall be issued as credit applied to the water service account. In cases where the person applying for the rebate does not pay the water bill at the address (mobile home, HOA, etc.) of the retrofit, the rebate may be issued as a cash payment with account holder's written consent.
12. Properties may be subject to a pre-purchase and/or post-purchase inspection by City Staff. The City reserves the right to verify the installation. Failure to allow an inspection within 30 days of request will result in refusal of rebate. The City has, with prior written notification, the option to inspect the work performed in this program for a period of twelve months from the date of the rebate was issued. If property is selected for inspection and the property owner refuses that inspection, the property owner will be billed for the total amount of the rebate.
13. City Staff does not remove or install any fixtures, hardware or landscaping under the water use efficiency rebate program.
14. Fixtures, hardware or landscaping that are rebated through another water agency program are not eligible to receive a City of St. Helena rebate.
15. Once a fixtures, hardware or landscaping is replaced under the St. Helena Rebate Program or the St. Helena Water Neutrality Policy it is ineligible for future rebates.
16. Rebate application and W-9 must be completed and returned with the original **proof of payment** within 60 days of purchase.
17. **Rebates are only for 1.28 gpf toilets (or lower) purchased to replace existing high-volume toilets (1.6 gpf or higher).**
18. A maximum rebate of three toilets for each residential property and 10 toilets/urinals for each commercial property is allowed.
19. Tank style toilets must be new and on the current EPA's WaterSense Certified Toilet List. Only the exact model numbers listed will qualify for a rebate. List of qualifying models are subject to change. http://www.epa.gov/watersense/product_search.html?Category=2
20. Flushometer style toilets must be new and on the current MaP tested list. Only the exact model numbers listed will qualify for a rebate. List of qualifying models are subject to change. <http://www.map-testing.com/downloads.html>
21. Please make copies for your records. Original receipts will not be returned.

SIGNATURE

I certify that I have read, understand and agree to the terms and conditions of this rebate program. The undersigned expressly agrees that the City of St. Helena may inspect all qualifying toilet installations; that installation of qualifying toilet models may not result in lower water bills; and that the City of St. Helena does not warrant any toilet or installation to be free of defects, the quality of workmanship, or the suitability of the premises for toilet installation. The undersigned further agrees to defend, indemnify and hold harmless the City of St. Helena, their directors, officers, and employees, against all loss, damage, expense, claims, suits and liability, including attorneys' fees resulting from the loss, destruction or damage to property arising out of or in any way connected with the toilet or installation. Furthermore, I certify that I have permission and/or authority to make toilet upgrades to the above mentioned property.

Signature

Print Name

Date

High-Efficiency Toilet Rebate

CHECKLIST

Please read before submitting your application. Applications with missing or incomplete information will be rejected.

Checklist	☐ Completed, signed and dated rebate application form ☐ Completed, signed and dated IRS W-9 form ☐ Building Permit ☐ Photograph(s) of existing toilet(s) including verification that existing toilet is 1.6 gpf or higher ☐ Original proof of payment indicating itemized cost of toilet(s) ☐ Photograph(s) of new toilet(s) after installation ☐ Rebate Permission Form from Property Owner or Account Holder
Who can qualify for a rebate?	Rebates are available to any property that receives potable water from the City of St. Helena.
What toilets qualify for a rebate?	All toilets must be at 1.28 gpf or less <u>and</u> be identified by the EPA or MaP for most efficient fixtures. Tank style toilets must be new and on the current EPA's WaterSense Certified Toilet List. http://www.epa.gov/watersense/product_search.html?Category=2 Flushometer style toilets must be new and on the current MaP tested list. http://www.map-testing.com/downloads.html
What proof of payment is accepted?	For toilets purchased directly from a store or retailer: • Original itemized cash register receipt or sales invoice with original credit card receipt indicating the make and model purchased ○ The receipt shows the business name and total amount purchased. ○ The receipt indicates if it is cash, check or credit card payment. For toilets purchased through a plumber or contractor: • Original invoice from the contractor, indicating make, model, and cost of each toilet • Payment has been made in full and zero (\$0) balance remains; invoice should be stamped or noted "Paid in Full" • Type of payment made (cash, check or credit card) • If issued by the contractor, the original cash register or credit card receipt is to be submitted along with invoice. If available, you may also provide a bank or credit card statement, copy of the front and back of your cancelled check, or the contractor's original store receipt for purchase of the toilets.
Questions?	water@cityofsthenela.org or 707-968-2635

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City Council

WATER USE EFFICIENCY PROGRAMS

Background

- Currently have three programs:
 - Toilet
 - Smart Irrigation Controllers
 - Clothes Washer



SAVE WATER

SAVE WATER



Proposed Programs/Updates

- Toilets
- Weather-Based Irrigation Controller
- Water Efficient Landscape
- Greywater
- Rainwater Harvesting
- Recirculating Hot Water Pump

Rebates

- Toilets
- Clothes Washer
- Weather-Based Irrigation Controller
- Water Efficient Landscape
- Greywater
- Rainwater Harvesting
- Recirculating Hot Water Pump



Standard Program Rules

- The City Manager may update water use efficiency program guidelines.
- Rebates will not exceed the cost of the materials and building permits. Labor is not included in the rebate amount.
- Only current St. Helena municipal water customers in good standing with no delinquent charges are eligible for water use efficiency rebates.

Standard Program Rules

- Fixtures, hardware or landscaping installed as part of new construction are not eligible for rebate.
- Retrofits required to meet the City's Water Neutral Policy, or by developers as mitigation measures are not eligible.
- Applicant must own the property and be the account holder or obtain authorization.

Standard Program Rules

- To receive a rebate applicants must submit
 1. the appropriate rebate application
 2. original proof of purchase
 3. photos of pre and post installation
 4. W-9 form and
 5. proof of anticipated water savings

Toilets

- Up to \$300 per toilet
- WaterSense certification
- Old Toilet - use more 3.5 gpf or be a poor-performing ultra-low flush toilets (1.6 gpf)
- New Toilet 1.28 gpf or less
- Max of three toilet per residential property and 10 toilets/urinals per commercial property
- Building permit required



Presentation

WBIC

- Up to \$20 per station residential rebate and a \$30 per station commercial rebate
- Max rebate is \$500 for residential and \$1500 for commercial
- WBIC must replace a non-WBIC
- All controllers must have a WaterSense or equivalent certification.

Pilot Program



Water Efficient Landscape

- Up to \$1.50 per square foot of turf grass replaced
- Artificial turf is not eligible
- Maximum rebate is \$750 for residential and \$2500 for commercial
- "Cash for Grass"

Pilot Program

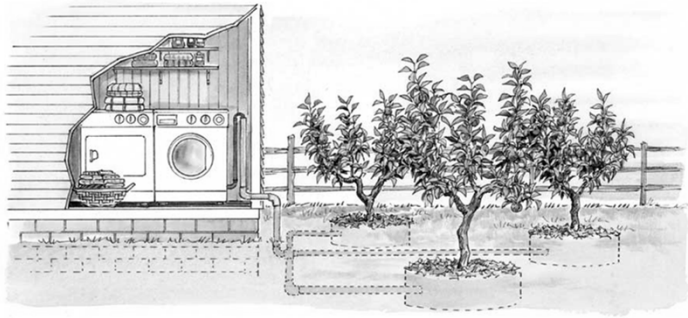


Greywater

- Up to \$100 for any greywater system
- Greywater is wastewater collected from showers, bathtubs, bathroom sinks, and clothes washing machines
- All greywater systems require a building permit, except for the clothes washer system

Pilot Program

“Laundry to Landscape”



Rainwater

- Up to \$100 for any Rainwater Harvesting System
- Min of 100 gallons of storage
- Any rainwater harvesting system connecting to the potable supply line will require the applicable building permits and a backflow device(s).

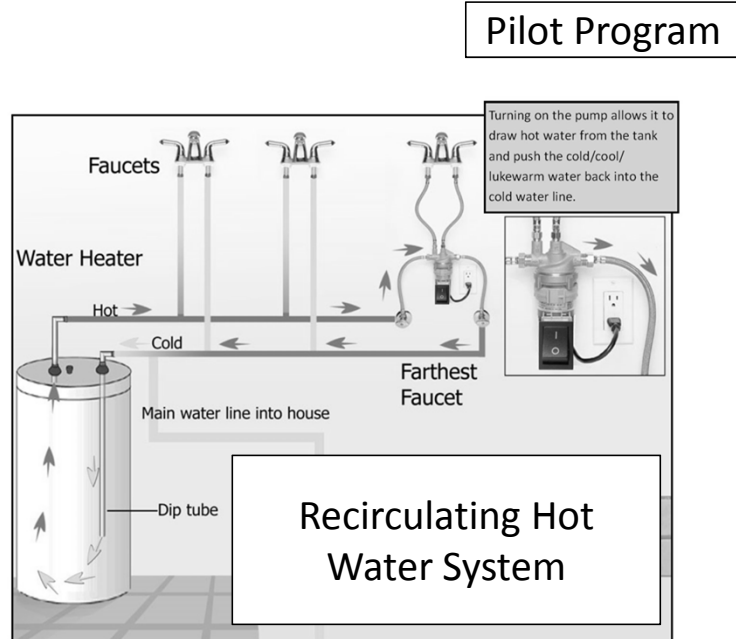
Pilot Program



Presentation

Recirculating Hot Water Pump

- Up to \$100 for any Recirculating Hot Water Pump System
- Max of one Recirculating Hot Water Pump rebate per household



RECOMMENDED ACTION

It is recommended that the Council:

1. Rescind Resolution No. 2012-38
2. Adopt a resolution authorizing program updates and pilot programs
3. Authorize the City Manager or designee to develop, implement, and update **Water Use Efficiency Program Guidelines** to align with current best practices, funding availability, program participation, and geographical norms, and
4. Authorize the City Manager or designee to evaluate all programs six months after implementation to re-focus priorities on the programs that are most popular and provide the most water conservation.

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**Report to the City Council
Council Meeting of May 24th, 2016**

Agenda Section: New Business

Subject: Consideration of proposed approval of a Resolution Approving and Finding an Exemption from CEQA, Approving and Adopting Project Plans and Manual, and Authorizing the Bid Request for the Pope Street Bike Lane Project, Capital Improvement Project R-30; and Adopt a Resolution Designating No Parking Zones along Pope Street.

CEQA Status: **Categorically Exempt, Section 15304, Minor Alterations to Land**

Prepared By: **Tobias Barr, Public Works Project Manager**
Steven Palmer, PE, Director of Public Works/City Engineer

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

BACKGROUND

Following the direction of the City's adopted Bicycle Master Plan, City Staff applied and received a Transportation for Clean Air Fund's Grant in the amount of \$40,000 to design and install Class II Bike Lanes along Pope Street connecting Main Street and Silverado Trail. The grant was received in March 2014 and City Staff have subsequently worked with design engineers and the public to finalize the plans and construct the project.

DISCUSSION

Taking over the project in August 2015, the Public Works Project Manager discovered inconsistencies in the original proposed design and subsequently worked with a new consulting engineer, Green Valley Consulting Engineers to provide plans and specifications and determine the impacts to parking along Pope Street. One issue that was identified is that due to street width constraints, Class II Bike Lanes on Pope Street would result in the removal of sections of on-street parking. After obtaining a clear understanding of the impacted areas, Public Works, working with the City's Active Transportation Committee (ATC), held two public meetings to discuss the project design. The Public Works Project Manager went door-to-door to speak with residents and left door hangers informing them of the proposed design and invited residents to the public meeting. The first meeting on October 7, 2015 was held to discuss the segment between Main Street and Chiles Avenue.

A second meeting on February 3, 2016 focused on the segment between Allison Avenue and Starr Avenue

Public Meetings

The first meeting held on October 7, 2015 at Carnegie Hall and was held to discuss the bike lanes between Main Street and Chiles Avenue. The goal of the Project was to install Class II bike lanes from Main Street to Silverado Trail. Based on engineering data that was collected in 2014, Staff identified that the segment between Main Street to Allison Avenue was too narrow to install bikes lanes and maintain the existing parking on both sides of Pope Street. Staff observed that on-street parking in this segment was highly utilized, and that off-street parking was generally not available. Consequently, Staff developed the following recommendation that was presented at this ATC meeting:

Main Street to Church Street	Both directions, Class III Bike Route
Church Street to Chiles Avenue	Eastbound, Class II Bike Lane
	Westbound, Class III Bike Route
Chiles Avenue to Allison Avenue	Both directions, Class III Bike Route

The meeting had approximately 20 attendees who lived along that section of Pope Street. Public comment indicated that parking on the south side of Pope Street was valuable and needed to be preserved. The ATC supported Staff's recommendations listed in the table above, which preserved parking on the south side of Pope Street in the area from Main Street to Chiles Avenue. Following the direction of the ATC, Staff worked with the design engineer to replace the eastbound Class II Bike Lane between Main Street and Chiles Avenue with a Class III bikeway or share the road design using "sharrows" which designate a bicyclist can use the full traffic lane. The Class III sharrows are a departure from what was adopted in the Bicycle Master Plan and they are not considered to be as favorable for bicycle safety and convenience as Class II bike lanes. However, the Class III bikeway on the eastbound lane of Pope from Main Street to Chiles Avenue does preserve the on-street parking along that portion of Pope Street.

As Staff continued working with Green Valley Consulting Engineers to complete the design with Class II bike lanes in both directions, another discrepancy was identified in the previous design. The original design showed that Pope Street was wide enough to accommodate Class II bike lanes and parking on both sides of the street between Paulson Court and Starr Avenue. As Green Valley evaluated the previous design, it was determined that this segment of Pope Street is not wide enough to accommodate Class II bike lanes and parking on both sides of the street. To accommodate the Class II bike lanes, parking on one side of Pope Street between Paulson Court and Starr Avenue would need to be removed. Staff noted that there were five single family

residences on the north side (westbound) and one assisted living facility on the south side (eastbound). Staff began to evaluate the parking impacts and the area was observed multiple times a day by Staff. Staff observed that the assisted living facility appeared to have adequate off-street parking facilities. The parking facilities exceed the City's Municipal Code requirements for on-site parking. The use of street parking was observed during a three week period and checked in the morning and afternoon. Typically the proposed parking removal area had two to five vehicles utilizing on-street parking. During these observations the on-site parking at Silverado Orchards was observed to be full one time. During all other observations, there were parking spaces available in the Silverado Orchards parking lot. Based on these observations, Staff determined that removing parking on the south side of Pope Street would have less impact than removing parking from the north side of the street, and proceeded with the Project design preserving parking on the north side of the street. Residents were notified in person and with door hangers which described the Project and asked them to participate in the ATC meeting held on February 3, 2016 to discuss the design. Contact was made with residents in the single family homes, who supported the project, however the issue of removing parking in front of their homes was not discussed. Silverado Orchards was also notified and requested to discuss the project with Staff prior to the ATC meeting. Silverado Orchards did not return calls or emails to City staff until the day prior to the ATC meeting. Their email response indicated that they would not discuss the Project with Staff, but would attend the ATC Meeting. The February 3, 2016 ATC Meeting included a detailed presentation on the proposed design that eliminated parking on the south side of Pope Street in front of Silverado Orchards. The Meeting was well attended, with approximately 35 residents from Silverado Orchards in attendance. The public comment period lasted about 45 minutes. Comments were wide ranging and not all comments were specifically related to the proposed project's removal of parking in front of Silverado Orchards. Several comments questioned the need for bike lanes on Pope Street. The comments which were related to the project included concerns about walking across the street, capacity for visitor parking, and senior safety. The consensus from the public input was that the parking should be eliminated on the north side of the street, in front of the single family residences, instead of the south side in front of Silverado Orchards. Staff could not support this change because it had not been discussed with those residents or evaluated by the design engineer. The discussion from ATC members resulted in recommending the proposed design from City Staff, which removed parking on the south side of Pope Street from Paulson Court to Starr Avenue. On-street parking on the north side of Pope Street would remain in place. The minutes from that meeting are included as Attachment 3.

ANALYSIS

Subsequent to the ATC Meeting, City Staff evaluated the potential to move the no parking zone to the north side of Pope Street. Staff met individually with Silverado Orchards and residents on the north side of the street to understand their parking needs. Silverado Orchards stated that the on-street parking is used by residents,

visitors, and delivery vehicles; and is not used by employees. Of special concern was parking during special events. Silverado Orchards expressed that eliminating the on-street parking in front of their property would result in an unsafe condition where their residents would need to cross Pope Street to get to and from their vehicles. The residents on the north side of Pope Street expressed that they support bike lanes and won't be adversely affected by the removal of parking. They expressed a willingness to park across the street when on-street parking was needed.

After finding the potential alternative would be acceptable to Silverado Orchards and other residents along Pope Street, City Staff directed the design engineer to evaluate this option. The design engineer found that the alternative design is feasible and meets engineering standards, however, it results in a lane shift west of Silverado Orchards that is less than favorable for bicyclists. This information was provided to Silverado Orchards while the City Staff continued evaluating the alternative design. The City Engineer determined that the alternative design could be acceptable, if the eastbound lane shift length was lengthened and additional striping was provided through the intersection just west of Silverado Orchards. The existing and proposed no parking zones are shown in Attachment 1. The revised design is included as Attachment 2.

Based on this revised alternative design and public input received to date, Staff is recommending approval of the alternative design that preserves parking on the south side of Pope Street. Alternatively, City Council may direct staff to preserve parking on the north side of Pope Street between Paulson Court and Starr Avenue; as was recommended by the City's ATC.

No Parking Resolution Update

Staff also performed a thorough review of the no parking zones along Pope Street including examining the existing no parking zones and the existing Council resolutions authorizing no parking zones. Staff discovered discrepancies between the existing no parking zones currently marked on Pope Street, and the adopted resolution. An update to that resolution is included with this action. The proposed resolution resolves the discrepancies, and establishes the no parking zones required in order to install the bike lanes shown on the Project plans.

This Project involves painting bicycle lanes on existing City streets with no expansion of capacity. It is therefore, categorically exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Section 15304, Minor Alterations to Land.

FISCAL IMPACT

The City has acquired a \$40,000 grant to fund for the project. The current design and engineering costs are \$10,000. It is anticipated the construction cost of the revised design will be accommodated by the remaining \$30,000 of grant funds.

RECOMMENDED ACTION

Staff recommends that the City Council approve the revised design that preserves parking on the south side of Pope Street between Paulson Court and Starr Avenue, and adopts a resolution approving and finding an exemption from CEQA, approving and adopting project plans and manual, and authorizing the bid request for the Pope Street Bike Lane Project, Capital Improvement Project R-30; and adopt a resolution designating no parking zones along Pope Street.

ALTERNATIVES

Alternatively, the City Council may direct Staff to revise the design and proceed with the design that preserves parking on the north side of Pope Street between Chiles Avenue and Starr Avenue.

ATTACHMENTS

1. No Parking Exhibit;
2. Project Plans and Manual;
3. February 3, 2016 ATC Meeting Minutes;
4. Resolution Finding Project Exempt from CEQA; Approving and Adopting Project Plans and Manual; and Authorizing the Bid Request
5. Resolution Approving No Parking Zone



Design Alternative moves No-Parking Zone to the north side of Pope from Starr to Paulson



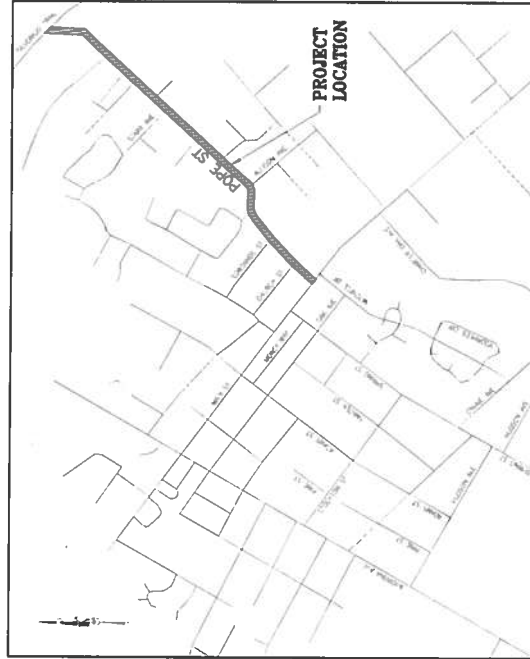


Original Design Approved by ATC Preserves Parking on North Side of Pope between Allison Ave and Starr Ave

- Existing No-Parking Zones
- Proposed No-Parking Zones

CITY OF SAINT HELENA
IMPROVEMENT PLANS FOR
POPE STREET BIKE LANES

ABBREVIATIONS

[illegible][illegible]

VICINITY MAP

INDEX TO SHEETS

SHEET NO	TITLE
1	COVER SHEET
2	STRIPPING PLAN - 1
3	STRIPPING PLAN - 2
4	STRIPPING PLAN - 3
5	STRIPPING PLAN - 4
6	SIGN LEGEND

GENERAL NOTES

1. ALL NECESSARY MATERIALS AND CONSTRUCTION SHALL CONFORM TO THE CITY OF ST. HELIX STANDARD PLANS, THE CONSTRUCTION SPECIFICATIONS FOR PUBLIC UTILITIES, AND THE CITY OF ST. HELIX STANDARD SPECIFICATIONS FOR THE STATE STANDARD SPECIFICATIONS AND STANDARD FOR THE CONSTRUCTION OF THE PROJECT. THE CONTRACTOR SHALL BE RESPONSIBLE FOR UNDERSTANDING ALL STANDARDS PERTAINING TO THE PROJECT.
2. THE CONTRACTOR SHALL CALL UNDERGROUND SERVICE ALERT (USA) AT 800-4-A-SAFE TO REPORT ANY UTILITIES PRIOR TO ANY EXCAVATION FOR THE MAINTENANCE OF EXISTING UNDERGROUND FACILITIES.
3. THE LOCATIONS OF UNDERGROUND UTILITIES AND OTHER OBSTACLES SHOWN ON THE PLANS ARE BASED ON THE BEST AVAILABLE INFORMATION. THE CONTRACTOR SHALL BE RESPONSIBLE FOR VERIFYING THE LOCATION OF ALL UTILITIES PRIOR TO EXCAVATION. ACCORDANCE WITH U.S. LAWS AND THESE SPECIAL PROVISIONS, THE CONTRACTOR IS CAUTIONED THAT THE PLANS MAY NOT INCLUDE ALL EXISTING UTILITIES.
4. OVERHEAD UTILITY SERVICE DROPS ARE NOT SHOWN ON THE PLANS. THE CONTRACTOR SHALL PREPARE THE SITE AND BE AWARE OF LIMITED OVERHEAD CLEARANCES.
5. CONTRACTOR SHALL MAINTAIN THROUGH TRAFFIC DURING THE ENTIRE PROJECT. ANY LANE CLOSURES SHALL BE APPROVED BY THE ENGINEER AND CITY OF ST.

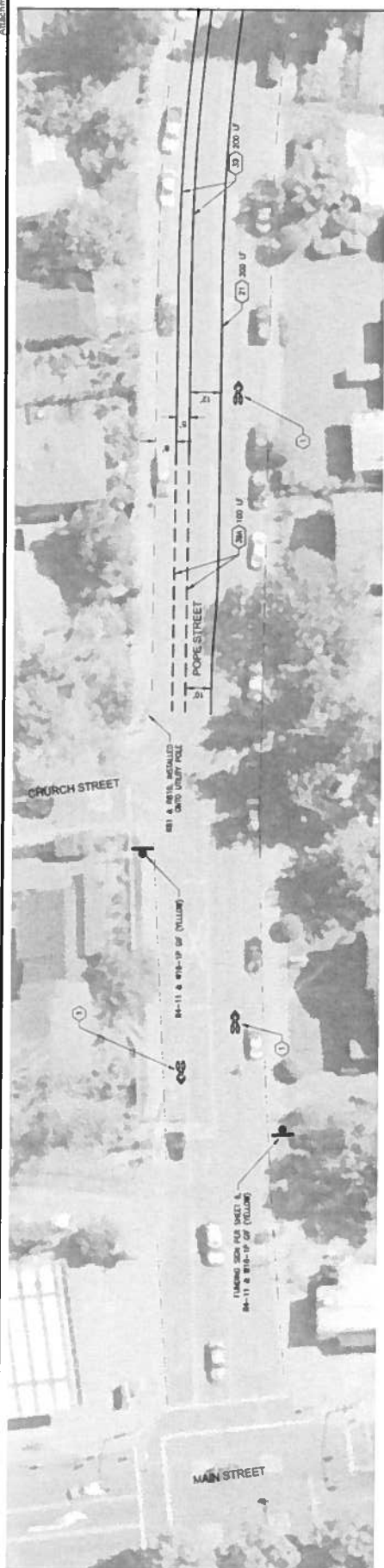
STRIPING – SIGNING NOTES

1. ALL STOPPING PAVEMENT MARKINGS, TRAFFIC AND SYMBOLS SHALL BE PAINTED MATERIAL FOR CATALANIS STANDARD PLANS.
2. ALL STOPPING AND MARKINGS SHALL BE LAID OUT BY THE CONTRACTOR AND FIELD INSPECTED BY THE CITY PRIOR TO FINAL PLACEMENT OF THE PAINT MATERIAL. OR REPAVED BY THE CITY PRIOR TO FINAL PLACEMENT OF THE PAINT MATERIAL. THE BASIS FOR REJECTION OF WORK BY THE CITY, ANY WORK REJECTED SHALL BE THE RESPONSIBILITY OF THE CONTRACTOR. THE PAINT WHEN RESTORED TO THE SATISFACTION OF THE CITY SHALL BE AT THE CONTRACTOR'S EXPENSE AND AT NO ADDITIONAL COST TO THE CITY.
3. THE INSTALLATION AND REMOVAL OF TRAFFIC SIGNS SHALL CONFORM TO THE SPECIFICATIONS OF SECTION 104.01 OF THE STATE STANDARD SPECIFICATIONS FOR HIGHWAYS AND BRIDGES, LATEST EDITION, AND THE CALIFORNIA MANUAL ON UNIFORM TRAFFIC CONTROL DEVICES (CA MUTCD) FOR THIS PROJECT.
4. TRAFFIC SIGNS, BASED PAVEMENT MARKERS AND PAVEMENT MARKINGS DAMAGED BY THE CONTRACTOR SHALL BE REPLACED BY THE CONTRACTOR. THE CITY OF HELIXDA TRAFFIC STANDARDS AND CATALANIS STANDARD PLANS. PLACEMENT OF DAMAGED MARKINGS WILL NOT BE ALLOWED WITHOUT PRIOR APPROVAL FROM THE CITY.

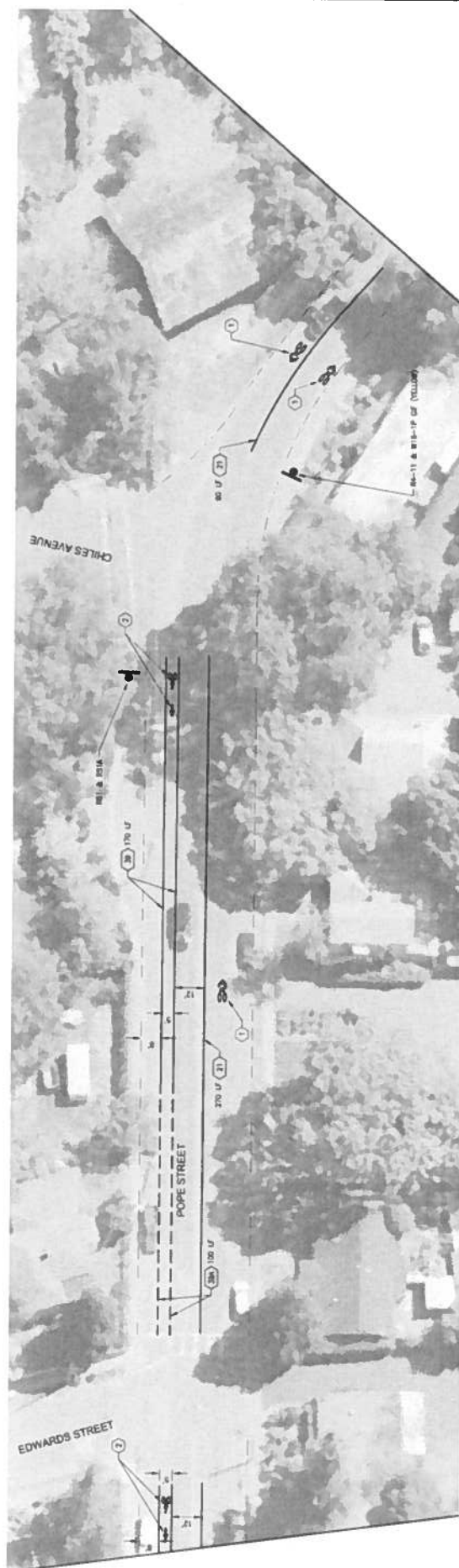


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PLAN
SCALE: 1"=20'



PLAN
SCALE: 1"=20'

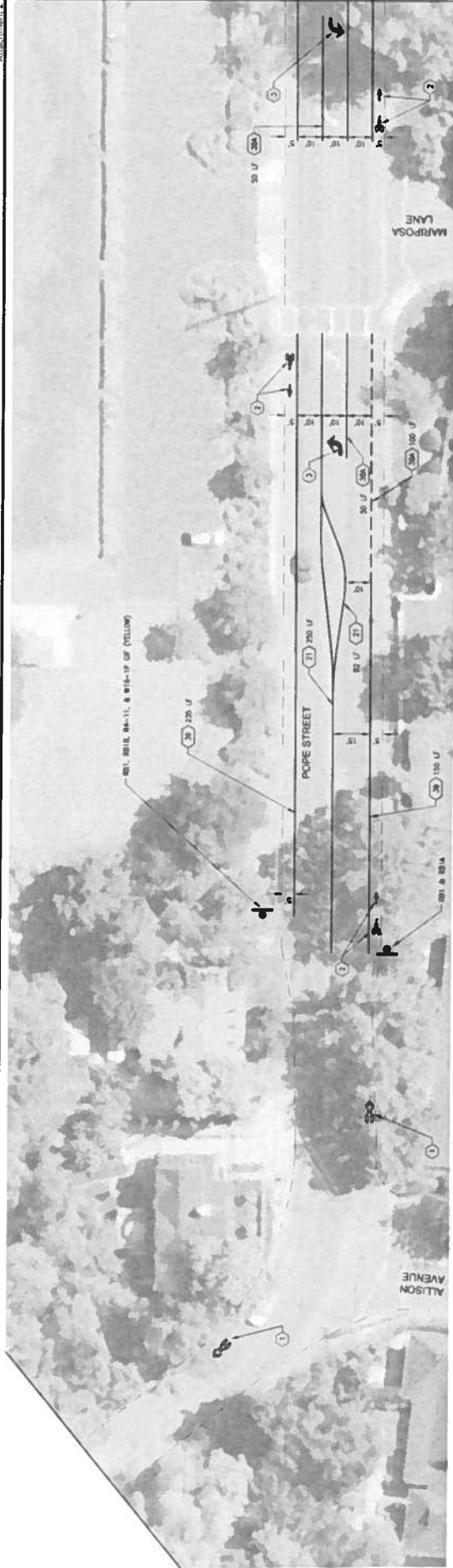
CONSTRUCTION NOTES:

- ① PLACE PAINTED SHIELD ROCKET BOTTLE, PAYMENT MARKING FROM CENTER OF LINE TO CENTER OF MARKING FROM FACE OF LUMBER TO CENTER OF MARKING.
- ② MAKE ON STREET PAINTING IS ALLOWED AND A MINIMUM SPACE BETWEEN MARKINGS SHALL BE MAINTAINED. MINIMUM SPACE FROM CURB, 7% GRADE APPLICABLE.
- ③ PLACE PAINTED BLUE LINE SYMBOL WITH PITCHER AND JARROW REP ASK WITH 8' GAP BETWEEN MARKINGS
- ④ PLACE TYPE "C" JAWHAT PROHIBIT MARKING PER CALTRANS STD PLAN SP-61
- ⑤ REMOVE EXISTING BLUE LINE PAYMENT MARKING ON PAVED TRAIL/STREETWAY

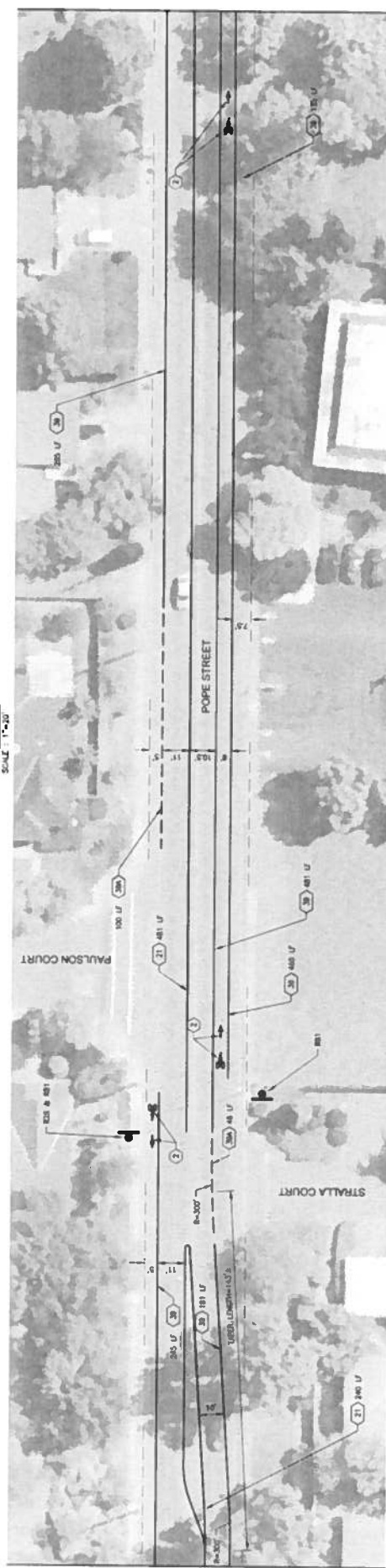


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	No.	Date	Description	\$ _f	CITY OF SAINT HELENA POPE STREET BIKE LANES STRIPING PLAN - 1	Dates MAY 2016 Scale 1"=70'	Sheet Number: Sheets 29 6 XXIX-XXXXX
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PLAN
SCALE: 1"=20'



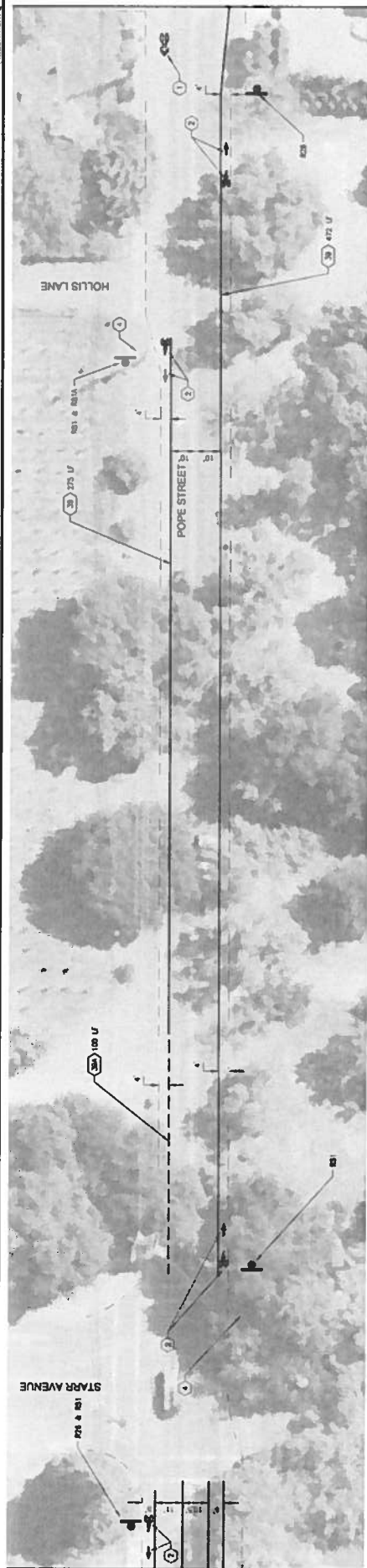
CONSTRUCTION NOTES:

1. PLACE PAINTED SHOWN BICYCLE PARKING MARKING PER CALTRANS STD PLAN FOR BICYCLE PARKING. PLACE 11" MINIMUM FROM CURB OR SIDEWALK. MARKING SHALL BE PAINTED IN WHITE. WHERE ON-STREET PARKING IS ALLOWED AND A MINIMUM 4' SPACE FROM CURB OR SIDEWALK IS NOT ALLOWED, MARKING SHALL BE PAINTED IN WHITE. MARKING SHALL BE PAINTED IN WHITE.
2. PLACE PAINTED BICYCLE PARKING MARKING PER CALTRANS STD PLAN FOR BICYCLE PARKING. PLACE 11" MINIMUM FROM CURB OR SIDEWALK. MARKING SHALL BE PAINTED IN WHITE. WHERE ON-STREET PARKING IS ALLOWED AND A MINIMUM 4' SPACE FROM CURB OR SIDEWALK IS NOT ALLOWED, MARKING SHALL BE PAINTED IN WHITE. MARKING SHALL BE PAINTED IN WHITE.
3. PLACE TYPE A BICYCLE PARKING MARKING PER CALTRANS STD PLAN FOR BICYCLE PARKING. PLACE 11" MINIMUM FROM CURB OR SIDEWALK. MARKING SHALL BE PAINTED IN WHITE. WHERE ON-STREET PARKING IS ALLOWED AND A MINIMUM 4' SPACE FROM CURB OR SIDEWALK IS NOT ALLOWED, MARKING SHALL BE PAINTED IN WHITE. MARKING SHALL BE PAINTED IN WHITE.
4. REMOVE EXISTING BICYCLE LANE PARKING MARKING ON PAVED TRAIL/BIKEWAY.

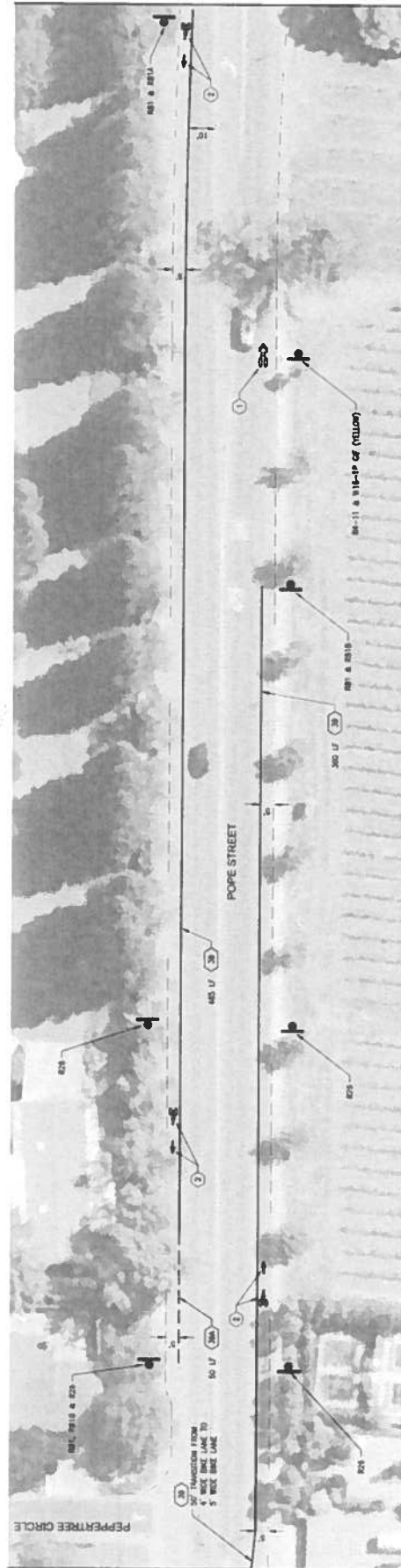
PLAN
SCALE: 1"=20'



City of Saint Helena	Date: MAY 2016	Scale: 1"=20'
Pope Street Bike Lanes		
STRIPING PLAN - 2		
Sheet: 3 of 6	Drawn: LW	File Number: 2016-0001
	Check: MD	



PLAN
SCALE 1"=20'



PLAN
SCALE: 1"=20'

CONSTRUCTION NOTES:

1. PLACE AN ARROW POINTING FORWARD AND AN ARROW POINTING UP PER CALIBER. PRESENT MARSHES PER CALIBER. (SEE PLATE 27B FOR EXAMPLE)
2. PLACED AN ARROW POINTING FORWARD AND AN ARROW POINTING UP PER CALIBER. PRESENT MARSHES PER CALIBER. (SEE PLATE 27B FOR EXAMPLE)
3. PLACE TYPE IN (3) ARROW POINTING FORWARD PER CALIBER. TYPE TYPE IN (3) ARROW POINTING FORWARD PER CALIBER. TYPE TYPE IN (3) ARROW POINTING FORWARD PER CALIBER.
4. REMOVE TOWERS AND LANE PRESENT MARSHES ON PAVED TRAIL. (SEE PLATE 27C FOR EXAMPLE)



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City	State	Scale	1"=20'
CITY OF SAINT HELENA		Date	MAY 2016
POPE STREET BIKE LANES			
STRIPING PLAN - 4		Drawn	LW
		Check	WD
		Sheet	5
		of	6
		Draw Number	20XX-0003

REGULATORY SIGNS



R26 (CA)



R4-11



R81 (CA)



R81A(CA)



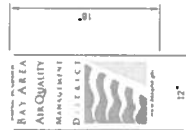
R81B (CA)

WARNING SIGNS



W16-1P

FUNDING SIGN



No.	Date	# Installation	#,
CITY OF SAINT HELENA	2016 MAY 2016	Social ANAME	
POPE STREET BIKE LANES			
ROAD SIGN LEGEND	DRAW JUN CLOCK WED	Sheet 6 File Number 20X1-00XX Sheets 6	

APPENDIX A

SCOPE OF WORK AND TECHNICAL SPECIFICATIONS

SECTION 1 DEFINITIONS

The following terms as used in any agreement of which these General Provisions are a part are defined as follows:

- 1-1.01 Agreement:** The Agreement between the City and Contractor concerning the Project, as evidenced by and comprised of the Contract Documents, sometimes referred to as the Project Agreement or the Contract.
- 1-1.02 Base:** A layer of specified material of planned thickness placed immediately below the pavement or surfacing.
- 1-1.03 Base Material:** The material in excavation or embankments underlying the lowest layer of subbase, base, pavement, surfacing or other specified layer which is to be placed.
- 1-1.04 Bid Package:** All of the documents listed as comprising the entire Bid Package as specified in the Instructions to Bidders and representing the full set of documents made available to bidders on the Project.
- 1-1.05 Bridge:** Any structure, with a bridge number, which carries a utility facility, or railroad, highway, pedestrian or other traffic, over a water course or over or under or around any obstruction.
- 1-1.06 Caltrans:** The Department of Transportation of the State of California, as created by law.
- 1-1.07 Change Order:** An Amendment to the Agreement, the Project Plans, Technical Specifications or other Contract Documents made in accordance with Section 3, Control of Work and Material and Changes in Work, of the General Provisions hereof.
- 1-1.08 City:** City of St. Helena.
- 1-1.09 Conduit:** A pipe or tube in which smaller pipes, tubes or electrical conductors are inserted or are to be inserted.
- 1-1.10 Contract Documents:** All those documents listed in the Project Agreement as comprising the entire agreement between the City and the Contractor.
- 1-1.11 Contractor:** The successful bidder for the Project and party to the Project Agreement with the City as specified in the Project Agreement.

Attachment 2

- 1-1.12 Culvert:** Any structure, other than a bridge, which provides an opening under a roadway for drainage or other purposes.
- 1-1.13 Days:** Unless otherwise specified in the Contract Documents, days mean working days.
- 1-1.14 Designer:** The person or persons so specified on the Technical Specifications and/or Project Plans.
- 1-1.15 Detour:** A temporary route for traffic around a closed portion of a road.
- 1-1.16 Divided Highway:** A highway with separated traveled ways for traffic, generally in opposite directions.
- 1-1.17 Engineer:** The City's authorized representative for administration and overall management of the Project Agreement and Work. The Engineer is the official point of contact between the City and the Contractor, and is also known as the "City Engineer".
- 1-1.18 Frontage Road:** A local street or road auxiliary to and located generally on the side of an arterial highway for service to abutting property and adjacent areas and for control of access.
- 1-1.19 Grading Plane:** The surface of the basement material upon which the lowest layer of subbase, base, pavement, surfacing or other specified layer is placed.
- 1-1.20 Highway:** The whole right of way or area which is reserved for and secured for use in constructing the roadway and its appurtenances.
- 1-1.21 Laboratory:** The established laboratory of the Materials and Research Department of the Department of Transportation of the State of California or laboratories authorized by the Engineer to test materials involved in the contract.
- 1-1.22 Manual on Uniform Traffic Control Devices:** The California Manual on Uniform Traffic Control Devices, latest edition, Caltrans.
- 1-1.23 Median:** That portion of a divided highway separating the traveled ways for traffic in opposite directions including inside shoulders.
- 1-1.24 Office of Structure Design:** The Office of Structure Design as part of the California Department of Transportation. When the specifications require working drawings to be submitted to the Offices of Structure Design, the drawings shall be submitted to: Office of Structure Design, Documents Unit, Mail Station 9-4/4I, 1801 30th Street, Sacramento, CA 95816, Telephone (916) 227-8252.
- 1-1.25 Pavement:** The uppermost layer of material placed on the traveled way or shoulders. This term is used interchangeably with surfacing.
- 1-1.26 Processing:** Any operation or operations of whatever nature and extent required to produce a specified material.
- 1-1.27 Project:** The Pope Street Bike Lane Installation Project as described in the Technical Specifications and Project Plans.

- 1-1.28 Project Inspector:** The party or parties charged by the City with inspecting the Work for compliance with the requirements of the Contract Documents and applicable laws and regulations. The Project Inspector acts under the direction of the City and shall coordinate with the Public Works Department as directed by the City in accordance with the Contract Documents.
- 1-1.29 Project Plans:** The primarily graphic detailed requirements concerning the Project contained in the Bid Package and any addenda to the Project Plans signed by authorized City representatives and issued prior to bid opening, Equal Product Proposals accepted by the City and signed by authorized City representatives prior to bid opening, and change orders and other amendments to the Project Plans signed by authorized representatives of the City and the Contractor in accordance with the requirements of the Contract Documents.
- 1-1.30 Roadbed:** The roadbed is that area between the intersection of the upper surface of the roadway and the side slopes or curb lines. The roadbed rises in elevation as each increment or layer of subbase, base, surfacing or pavement is placed thereon. Where the medians are so wide as to include areas of undisturbed land, a divided highway is considered as including 2 separate roadbeds.
- 1-1.31 Roadway:** That portion of the highway included between the outside lines of sidewalks, or curbs, slopes, ditches, channels, waterways, and including all the appertaining structures, and other features necessary to proper drainage and protection.
- 1-1.32 Shoulders:** The portion of the roadway contiguous with the traveled way for accommodation of stopped vehicles, for emergency use, and for lateral support of base and surface courses.
- 1-1.33 Special Provisions:** The special provisions set forth conditions or requirements peculiar to the Work and supplementary to the General Provisions.
- 1-1.34 Standard Specifications:** The directions, provisions and requirements contained in the 2010 Caltrans Standard Specifications.
- 1-1.35 Subbase:** A layer of specified material of planned thickness between a base and the basement material.
- 1-1.36 Subcontractor:** A person, firm or corporation that is obligated as a party to a contract with the Contractor to perform part of the Project work. For purposes of these General Provisions Subcontractors include, but are not limited to, those that are obligated as parties to a contract with the Contractor to specially fabricate and install a portion of the Project Work according to the Technical Specifications and/or Project Plans.
- 1-1.37 Subgrade:** That portion of the roadbed on which pavement, surfacing, base, subbase, or a layer of any other material is placed.
- 1-1.38 Substructure:** All that part of the bridge below the bridge seats, tops of piers, haunches of rigid frames, or below the spring lines of arches. Backwalls and parapets of abutments and wingwalls of bridges shall be considered as parts of the substructure.
- 1-1.39 Superstructure:** All that part of the bridge except the bridge substructure.

- 1-1.40** Surfacing: The uppermost layer of material placed on the traveled way, or shoulders. This term is used interchangeably with pavement.
- 1-1.41** Technical Specifications: The detailed Project requirements contained in the Bid Package and any addenda to the Technical Specifications signed by authorized City representatives and issued prior to bid opening, Equal Product Proposals accepted by the City and signed by authorized City representatives prior to bid opening, and change orders and other amendments to the Technical Specifications signed by authorized representatives of the City and the Contractor in accordance with the requirements of the Contract Documents.
- 1-1.42** Traffic Lane: That portion of a traveled way for the movement of a single line of vehicles.
- 1-1.43** Traveled Way: That portion of the roadway for the movement of vehicles, exclusive of the shoulders.
- 1-1.44** Work: The furnishing of all equipment, tools, apparatus, facilities, material, labor and skill necessary to perform and complete in a good and workmanlike manner the Project as shown in the Technical Specifications and Project Plans in accordance with the Contract Documents and applicable law.
- 1-1.45** Written Notice: Will be deemed to have been duly served for purposes of these General Provisions and any agreement of which they are a part if delivered in person to the individual or to a member of the firm or to any office of the corporation for whom the notice is intended, or if sent by mail or by email to the last known business address or email address known to the party giving notice. Unless otherwise specified in the Contract Documents, the last known address of the Contractor shall be that listed in the Contractor's completed Proposal and Schedule of Bid Prices.

SECTION 2 SCOPE OF WORK

- 2-1.01 Documents Furnished by City.** The City will furnish to the Contractor, free of charge five (5) sets of prints of the Project Plans and Technical Specifications for execution of the Work. Throughout the performance of the Work the Contractor must keep one copy of the Project Plans and Technical Specifications in good order and available for review by the Engineer, the Designer, and any other City contractors or representatives.
- 2-1.02 Ownership of Documents Furnished by City.** All documents furnished by the City, including, but not limited to, the Technical Specifications, Project Plans, and any copies, are the property of the City. Documents furnished by the City may not to be used on any other work. All documents furnished by the City must be returned to City upon completion of the Work.
- 2-1.03 Technical Specifications and Project Plans.**
- a. The Technical Specifications and Project Plans are complementary and intended to mutually describe the Work necessary to complete the Project in accordance with the Contract Documents.
 - b. In general, the Project Plans indicate dimensions, position and kind of construction, and the Technical Specifications indicate qualities and methods. Any Work indicated on the Project Plans and not mentioned in the Technical Specifications or vice versa must be furnished as though fully set forth in both. Work that is not particularly detailed, marked or specified shall be the same as similar Work that is detailed, marked or specified. The Contractor must furnish items necessary for the operation of equipment depicted in the Project Plans or specified in the Technical Specifications that are suitable to allow such equipment to function properly at no extra charge.
 - c. The Contractor must notify the Engineer as soon as possible of any apparent errors or inconsistencies, including, but not limited to, typographical or notational errors in the Project Plans, Technical Specifications, and/or in work done by others affecting the Work. The Engineer will issue instructions concerning any such apparent errors or inconsistencies. If the Contractor proceeds with Work impacted by apparent errors or inconsistencies without instructions from the Engineer, the Contractor shall do so at its sole risk and shall have all of the obligations and the City shall have all of the rights and remedies specified in Section 9 concerning any resulting damage or defect.
 - d. The General Provisions apply with equal force to all of the Work, including extra work authorized by the Engineer in accordance with the Contract Documents. The Contractor must submit any required shop diagrams and/or drawings by the times and in the quantities indicated in the Technical Specifications. Any such shop diagrams and/or drawings must show completely the Work to be done, expanding on the Project Plans concerning details not previously shown, field conditions and the condition of the Work. Engineer review of such shop diagrams and/or drawings will concern conformance with the requirements of the Contract Documents only. The Engineer assumes no responsibility for the correctness or accuracy of the dimensions or any other contents of any shop diagrams and/or drawings submitted by the Contractor. The Contractor must check all dimensions at the Work site. Shop diagrams and/or drawings must be clearly marked with the name of the Project and the name of the Contractor, subcontractor or supplier making the submittal, and must be stamped and signed by the Contractor and submitted under a signed transmittal letter from the Contractor certifying that all dimensions have been checked at the Work site. These

requirements are mandatory. The Engineer will not review shop diagrams and/or drawings that do not satisfy these requirements. The Contractor will be responsible for any and all discrepancies between dimensions of the actual Project site and/or Work and those shown on shop diagram and/or drawings submitted by the Contractor, and for any other errors contained in or resulting from such shop diagrams and/or drawings, including, but not limited to, errors in material and/or equipment quantities and any resulting errors, delays or additional cost in the performance of the Work. The Contractor will have all of the obligations and the City will have all of the rights and remedies that are specified in Section 9, Remedies and Disputes, concerning any discrepancies or errors in shop diagrams and/or drawings submitted by the Contractor, and concerning any resulting errors, delays or additional costs in the performance of the Work.

- 2-1.04 Pre-Construction Conference.** Prior to the issuance of the Notice to Proceed, a pre-construction conference will be held at the Office of the Public Works Department for the purpose of discussing with the Contractor the scope of work, Contract drawings, specifications, existing conditions, materials to be ordered, equipment to be used, and all essential matters pertaining to the prosecution of and the satisfactory completion of the project as required. The Contractor's representative at this conference shall include all major superintendents for the work and may include major subcontractors.

SECTION 3 CONTROL OF WORK AND MATERIAL AND CHANGES IN THE WORK

- 3-1.01 Engineer's Status.** The Engineer will administer the Project in accordance with the Contract Documents. After execution of the agreement and issuance of the Notice to Proceed, all correspondence and/or instructions concerning the Project between the Contractor and/or City shall be forwarded through the Engineer. Except as otherwise provided in the Contract Documents, the Engineer will not be responsible for and will not have control or charge of construction means, methods, techniques, or procedures or for safety precautions in connection with the Work. The Engineer, however, will have authority to reject materials and/or workmanship that do not conform to the requirements of the Contract Documents. The Engineer will also have the authority to require inspection or testing of the Work.
- 3-1.02 Designer's Status.** The Designer will advise the Engineer concerning decisions on all claims of the Contractor and all other matters relating to the execution and progress of the Work or the interpretation of the Contract Documents. The Designer will also advise the Engineer concerning Work that does not conform to the Contract Documents. Whenever, in the Designer's opinion, it is necessary or advisable in accordance with the Contract Documents, the Designer may recommend to the Engineer inspection or testing of the Work, whether or not such Work is then fabricated, installed or completed.
- 3-1.03 Inspection and Testing of Work and Material.**
- a. The City, the Engineer, the Designer and their representatives will have access to the Work at all times wherever it is in preparation or progress. The Contractor must provide proper facilities for such access and for inspection. The Contractor shall furnish the Engineer a list of the Contractor's sources of materials and the locations at which those materials will be available for inspection. The list shall be furnished to the Engineer in sufficient time to permit inspecting and testing of materials to be furnished from the listed sources in advance of their use. Within three (3) business days of receipt of the list, the Engineer may inspect, sample or test materials at the source of supply or other locations, but the inspection, sampling or testing will not be undertaken until the Engineer is assured by the Contractor of the cooperation and assistance of both the Contractor and the supplier of the material. The Contractor shall assure that the Engineer or the Engineer's authorized representative has free access at all times to the material to be inspected, sampled or tested. Adequate facilities shall be furnished free of charge to the Engineer to make the necessary inspection. The City assumes no obligation to inspect materials at the source of supply. It is understood that the inspections and tests if made at any point other than the point of incorporation in the Work in no way shall be considered as a guaranty of acceptance of the material nor of continued acceptance of material presumed to be similar to that upon which inspections and tests have been made, and that inspection and testing performed by the City shall not relieve the Contractor or the Contractor's suppliers of responsibility for quality control.
 - b. The Contractor must inspect all materials as delivered and promptly return all defective materials without waiting for their rejection by the Designer or Engineer. The Contractor shall be responsible for controlling the quality of the material entering the Work and of the Work performed, and shall perform testing as necessary to ensure control. The test methods used for quality control testing shall be as determined by the Contractor and this Agreement. The results of the testing shall be made available to the Engineer upon request. These tests are for the Contractor's use in controlling the Work and will not be accepted for use as acceptance tests. Full compensation for performing quality control tests and making the results available to the Engineer shall

be considered as included in the Contract Prices and no additional compensation will be allowed therefor.

- c. If the Engineer, the Technical Specifications, or any laws, ordinances, or any public authority require any Work to be tested or approved, the Contractor must give the Engineer timely notice of the Contractor's readiness for inspection. Inspections will be promptly made, and where practicable, at the source of supply. Any work subject to such testing that is covered up without timely notice to the Engineer or without the approval or consent of the Engineer must, if required by the Engineer, be uncovered for examination at the Contractor's expense. The Contractor will have all of the obligations and the City will have all of the rights and remedies that are specified in Section 9 of these General Provisions concerning any work subject to testing that is covered up without timely notice to the Engineer and that is not uncovered for examination at the Contractor's expense if required by the Engineer.
- d. Tests of materials or qualification tests required by the Contract Documents must be made in accordance with the Technical Specifications and the requirements of the California Building Standards Code, where applicable, as adopted by the City, and other applicable law. Copies of all testing reports shall be distributed as required in the Technical Specifications. The laboratory or inspection agency shall be selected by the City. The City will pay for all laboratory inspection service direct, and not as a part of the Contract. Materials of construction, particularly those upon which the strength and durability of the structure may depend, shall be subject to inspection and testing to establish conformance with specifications and suitability for uses intended.
- e. The City or its representatives may order re-examination of questioned Work. If ordered to do so, the Contractor must uncover such Work. If such Work is found to be according to the Contract Documents, the City shall pay the cost of uncovering and restoring the Work, unless such Work was subject to testing and covered up without timely notice to or approval of the Engineer. If re-examined Work is found not in accordance with the Contract Documents, the Contractor must pay the cost of uncovering and restoring the Work. The Contractor will have all of the obligations and the City will have all of the rights and remedies that are specified in Section 9 of these General Provisions concerning any re-examined Work not in accordance with the Contract Documents that the Contractor fails to uncover and restore at the Contractor's expense.
- f. The Contractor must replace or correct without charge any material or workmanship found not to conform to the requirements of the Contract Documents, unless the City consents to accept such material or workmanship with an appropriate adjustment in the Contract Price. The Contractor must promptly segregate and remove non-conforming material from the Work site. The Contractor will have all of the obligations and the City will have all of the rights and remedies that are specified in Section 9 of these General Provisions concerning any failure by the Contractor to replace or correct without charge any material or workmanship that does not conform to the requirements of the Contract Documents and that the City has not consented to accept.
- g. Any work done beyond the lines and grades shown on the Project Plans or established by the Engineer, or any extra work done without written authority will be considered as unauthorized work and will not be paid for. Upon order of the Engineer unauthorized work shall be remedied, removed or replaced at the Contractor's expense.
- h. The inspection of the Work or materials shall not relieve the Contractor of any of the Contractor's obligations to fulfill the Agreement. Work and materials not meeting Agreement requirements shall be made good, and unsuitable Work or materials may be rejected, notwithstanding that the Work or materials have been previously inspected by the Engineer or that payment therefore has been given.

Attachment 2

- i. Unless otherwise specified, all tests shall be performed in accordance with the methods used by Caltrans and shall be made by the Engineer or the Engineer's designated representative.
- j. The City has developed methods for testing the quality of materials and work. These methods are identified by number and are referred to in the Technical Specifications as California Tests. Copies of individual California Tests are available at the Transportation Laboratory, Sacramento, California, and will be furnished to interested persons upon request.
- k. Whenever the specifications require compliance with specified values for the following properties, tests will be made by the California Test indicated unless otherwise specified:

Properties	California Test
Relative Compaction	216 or 231
Sand Equivalent	217
Resistance (R-value)	301
Grading (Sieve Analysis)	202
Durability Index	229

- l. Whenever a reference is made in the Technical Specifications to a California Test by number, it shall mean the California Test in effect on the day the Agreement is signed on behalf of the City.
- m. Whenever the Technical Specifications provide an option between 2 or more tests, the Engineer will determine the test to be used.
- n. Whenever a reference is made in the Technical Specifications to a specification, manual or test designation either of the American Society for Testing and Materials, the American Association of State Highway and Transportation Officials, Federal Specifications or any other recognized national organization, and the number or other identification representing the year of adoption or latest revision is omitted, it shall mean the specification, manual or test designation in effect on the day the Agreement is signed on behalf of the City. Whenever the specification, manual or test designation provides for test reports (such as certified mill test reports) from the manufacturer, copies of those reports, identified as to the lot of material, shall be furnished to the Engineer. The manufacturer's test reports shall supplement the inspection, sampling and testing provisions in this Section, and shall not constitute a waiver of the City's right to inspect. When material which cannot be identified with specific test reports is proposed for use, the Engineer may, at the Engineer's discretion, select random samples from the lot for testing. Test specimens from the random samples, including those required for retest, shall be prepared in accordance with the referenced specification and furnished by the Contractor at the Contractor's expense. The number of the samples and test specimens shall be entirely at the discretion of the Engineer. Unidentified metal products, such as sheet, plate and hardware shall be subject to the requirements of Section 55-1.02A(6), "Unidentified Stock Material" of the Standard Specifications.
- o. When requested by the Engineer, the Contractor shall furnish, without charge, samples of all materials entering into the Work, and no material shall be used prior to approval by the Engineer, except as provided in Section 3-1.04, "Certificates of Compliance." Samples of

material from local sources shall be taken by or in the presence of the Engineer; otherwise, such samples will not be considered for testing.

3-1.04 Certificates of Compliance.

- a. Certificates of Compliance shall be furnished prior to the use of any materials for which the Technical Specifications require that a certificate be furnished. In addition, when so authorized in the Technical Specifications, the Engineer may permit the use of certain materials or assemblies prior to sampling and testing if accompanied by a Certificate of Compliance. The certificate shall be signed by the manufacturer of the material or the manufacturer of assembled materials and shall state that the materials involved comply in all respects with the requirements of the Technical Specifications. A Certificate of Compliance shall be furnished with each lot of material delivered to the work and the lot so certified shall be clearly identified in the certificate.
- b. Materials used on the basis of a Certificate of Compliance may be sampled and tested at any time. The fact that material is used on the basis of a Certificate of Compliance shall not relieve the Contractor of responsibility for incorporating material in the Work which conforms to the requirements of the Project Plans and Technical Specifications, and any material not conforming to the requirements will be subject to rejection whether in place or not.
- c. The City reserves the right to refuse to permit the use of material on the basis of a Certificate of Compliance.
- d. The form of the Certificate of Compliance and its disposition shall be as directed by the Engineer.

3-1.05 Samples Furnished by the Contractor. The Contractor must furnish all samples for approval as directed in sufficient time to permit the Designer or Engineer to examine, approve and select samples before they are required by the progress of the Work. Portions of the Work for which samples are required and for which the Designer or Engineer has selected samples must be in accordance with such approved samples. Samples must be sent prepaid to the office of the Engineer or to such place as the Engineer may direct.

3-1.06 Materials and Substitutions.

- a. Materials used for the Work must be new and of the quality specified. When not particularly specified, materials must be the best of their class or kind. The Contractor must, if required, submit satisfactory evidence as to the kind and quality of materials.
- b. If the Contractor submitted complete information to the Public Works Department for products proposed as equals in accordance with the bid package, and the City approved such products proposed as equals in writing, the Contractor may either furnish such products approved as equals, or furnish the products listed by manufacturer name, brand or model number in the Technical Specifications or Project Plans. The City retains the right, in its sole discretion, to accept or reject any other proposed substitution. To be considered, proposals concerning products proposed as equals must include sufficient information to permit the City to determine whether the products proposed as equals will satisfy the same performance requirements as products listed by manufacturer's name, brand or model number. Such performance requirements may include, but are not limited to, size, strength, function, appearance, ease of maintenance and repair, and useful life requirements. If the City does not accept a proposed substitution, the Contractor must furnish the product specified in the

Technical Specifications or Project Plans for the Contract Price, regardless of whether the product is specified by manufacturer's name, brand or model number, or otherwise.

3-1.07 Contractors Responsibility For The Work And Materials.

- a. Until the acceptance of the Work, the Contractor shall have the charge and care of the Work and of the materials to be used and shall bear the risk of injury, loss or damage to any part thereof by the action of the elements or from any other cause, whether arising from the execution or from the non-execution of the Work, except as provided in Sections 6-1.16, "Public Convenience," and 5-1.11, "Relief From Maintenance and Responsibility." The Contractor shall rebuild, repair, restore, and make good all injuries, losses or damages to any portion of the Work or the materials occasioned by any cause before its completion and acceptance and shall bear the expense thereof, except for those injuries, losses, or damages that are directly and proximately caused by acts of the Federal Government or the public enemy. Where necessary to protect the Work or materials from damage, the Contractor shall, at the Contractor's expense, provide suitable drainage of the roadway and erect those temporary structures that are necessary to protect the Work or materials from damage. The suspension of the Work from any cause whatever shall not relieve the Contractor of the responsibility for the Work and materials as herein specified. If ordered by the Engineer, the Contractor shall, at the Contractor's expense, properly store materials which have been partially paid for by the City or which have been furnished by the City. Storage by the Contractor shall be on behalf of the City and the City shall at all times be entitled to the possession of the materials, and the Contractor shall promptly return the materials to the site of the Work when requested. The Contractor shall not dispose of any of the materials so stored except on written authorization from the Engineer.
- b. During the performance of the Work, all materials must be neatly stacked, properly protected from the weather and other adverse impacts, and placed so as to avoid interference with efficient progress of the Work, with other activities of the City, or with the use of existing City facilities by the public. All materials must be delivered so as to ensure efficient and uninterrupted progress of the Work. Materials must be stored so as to cause no obstruction and so as to prevent overloading of any portion of the Work. The Contractor will be responsible for damage or loss of materials delivered to and/or stored at the Work site due to weather or other causes. The Contractor must promptly remove from the Work site all materials rejected by the City or its representatives as failing to conform to the requirements of the Contract Documents, whether such non-conforming materials have been incorporated in the Work or not. If the City or its representatives so direct, the Contractor must promptly replace and re-execute Work performed by the Contractor and order the replacement and re-execution of Work performed by subcontractors using non-conforming materials with materials that satisfy the requirements of the Contract Documents without expense to the City. The Contractor will bear the expense of making good all Work destroyed or damaged by such removal. The Contractor will have all of the obligations and the City will have all of the rights and remedies that are specified in Section 9 of these General Provisions concerning any failure by the Contractor to replace or re-execute Work using non-conforming materials, and/or to make good all work destroyed or damaged by such removal and/or execution.

- 3-1.08 Audit and Examination of Records.** The City may examine and audit at no additional cost to the City all books, estimates, records, contracts, documents, bid documents, bid cost data, subcontract job cost reports and other Project related data of the Contractor, subcontractors engaged in performance of the Work, and suppliers providing supplies, equipment and other materials required for the Work, including computations and projections related to bidding, negotiating, pricing or performing the Work or contract modifications and other materials concerning the Work, including, but not limited to, Contractor daily logs, in order to evaluate the accuracy, completeness, and currency of cost, pricing, scheduling and any other project related

data. The Contractor will make available all such Project related data at all reasonable times for examination, audit, or reproduction at the Contractor's business office at or near the Work site, and at any other location where such Project related data may be kept until three years after final payment under the Agreement. Pursuant to California Government Code Section 8546.7, if the amount of public funds to be expended is in excess of \$10,000, this Agreement shall be subject to the examination and audit of the State Auditor, at the request of the City, or as part of any audit of the City, for a period of three (3) years after final payment under the Agreement.

3-1.09 Advertising. No advertising signs of any kind may be displayed on the Work site, or on fences, offices or elsewhere adjacent to the Work site.

3-1.10 Project Schedule. Within 7 days of issuance of the Notice to Proceed, the Contractor must submit a schedule showing each task of Work, the sequence of each task, the number of days required to complete each task, and the critical path controlling the completion of the entire Work. The schedule must allow for the completion of the entire Work within the Time for Completion.

- a. City Review of Schedule. The City may review the Contractor's submitted schedule and may note any exceptions. The Contractor must correct any exceptions noted by the City within five (5) working days of being notified of the exceptions.
- b. Update of Schedule. After submission of a schedule to which the City has taken no exceptions, the Contractor must submit an updated schedule on a biweekly basis or as otherwise specified by the City until completion of the Work. The updated schedule must show the progress of Work as of the date specified in the updated schedule.
- c. Float. The schedule shall show early and late completion dates for each task. The number of days between these dates will be designated as "float". The Float will be designated to the Project and will be available to both the City and the Contractor as needed.
- d. Failure to Submit Schedule. If the Contractor fails to submit schedules within the time periods specified in this Section, or submit a schedule to which the City has taken uncorrected exceptions, the City may withhold payments to the Contractor until such schedules are submitted and/or corrected in accordance with the Contract Documents.
- e. Responsibility for Schedule. The Contractor will be solely and exclusively responsible for creating the schedule and properly updating it. The City may note exceptions to any schedule submitted by the Contractor. However, the Contractor will be solely responsible for determining the proper method for addressing such exceptions and the City's review of the schedule will not place scheduling obligation on the City.

3-1.11 Construction Staking. Where the Contract Documents require, the Contractor shall employ a licensed Land Surveyor to perform construction staking. Stakes and marks will be set by the Surveyor as the Engineer determines to be necessary to establish the lines and grades required for the completion of the Work.

- a. The Contractor will be responsible for coordinating performance of the Work with the Surveyor and for all costs associated with construction staking and layout.
- b. Contractor shall provide "cutsheets" for the Engineer to review and use in checking grades. Finished grades shall be within 0.01 feet in elevation and 0.03 feet horizontal layout of the grades as shown on the plans.

- c. Full compensation for Construction Staking shall be considered as included in the prices paid for the various items of Work involved, and no additional payment will be made therefore by the City.

3-1.12 Detours.

- a. The Contractor shall construct and remove detours and detour bridges for the use of public traffic as provided in the Special Provisions, or as shown on the Project plans or as directed by the Engineer. Payment for this Work will be made as set forth in the Special Provisions or at the contract prices for the items of Work involved
- b. The cost of repairing damage to detours caused by public traffic will be paid for as provided in this Section 3 of these General Provisions.
- c. When public traffic is routed through the Work, provision for a passageway through construction operations will not be considered as detour construction or detour maintenance, and this Work shall conform to and be paid for as provided in Section 6-1.16, "Public Convenience" of these General Provisions unless otherwise specified in the Special Provisions.
- d. Detours used exclusively by the Contractor for hauling materials and equipment shall be constructed and maintained by the Contractor at the Contractor's expense.
- e. The failure or refusal of the Contractor to construct and maintain detours at the proper time shall be sufficient cause for suspending the Work until the detours are in satisfactory condition for use by public traffic.
- f. Where the Contractor's hauling is causing such damage to the detour that its maintenance in a condition satisfactory for public traffic is made difficult and unusually expensive, the Engineer shall have authority to regulate the Contractor's hauling over the detour.

3-1.13 City Directed Change Orders. The City may at any time during the progress of the Work direct the Contractor by Change Orders, being any amendments to the Work or any of the Contract Documents, including, but not limited to the Technical Specifications, or Project Plans. Such amendments will in no way void the Agreement, but will be applied to amend the Contract Price, if such amendments affect the Contract Price or the Project schedule, or if such amendments affect the Project schedule, or any other provision of the Contract Documents based on a fair and reasonable valuation of the Change Order in accordance with this Section 3 of these General Provisions.

3-1.14 Writing Requirement. Change Orders and other related amendments to the Technical Specifications, the Project Plans, or other Contract Documents may be made only by a writing executed by authorized representatives of the City and the Contractor.

3-1.15 Contractor Proposed Change Orders. Unless the Engineer otherwise authorizes or the City and the Contractor otherwise agree, Change Order proposals submitted by the Contractor must be submitted to the Engineer no later than the time of the proposed change. The Engineer shall review the proposed Change Order and respond by acknowledging the contract change, or by supplying information and not acknowledging a Change Order, or by recommending other action. If the Engineer acknowledges the contract change, the Contractor shall submit a Change Order to the Engineer as set forth in this Section 3-1.15. Each Change Order submitted by the Contractor shall be accompanied by the following certification executed by an officer of Contractor:

I, _____, being the _____ of _____ (Contractor), declare under penalty of perjury under the laws of the State of California, and do personally certify and attest that: I have thoroughly reviewed the attached request for Change Order and know its contents, and said request for Change Order is made in good faith; that it is supported by truthful and accurate data; that the amount requested and the additional time requested accurately reflects the allowable expenses that would be incurred, and the time necessary, to perform the Change Order; and further, that I am familiar with California Penal Code section 72 and California Government Code Section 12650, et seq., pertaining to false claims, and further know and understand that submission or certification of a false claim may lead to fines, imprisonment, or other severe legal consequences.

3-1.16 All Change Orders. All proposed Change Orders must be submitted on completed Change Order forms provided in the Contract Documents. All such proposed Change Orders must itemize all cost impacts of the proposed Change Order and include a total price for that change order and the amended Contract Price that would become effective upon execution of the Change Order. All proposed Change Orders must specify any change in the Project schedule, or in any project milestone including, but not limited to, the Time for Completion, under the Change Order. It is understood that Change Orders that do not specify a change in any milestone, including, but not limited to, the Time for Completion, must be accomplished by the Time for Completion then in effect.

3-1.17 Change Order Pricing. Change Order pricing for all Change Orders, whether, additive, deductive, or both, will be governed by the following:

- a. Prices specified in the Contract Documents will apply to cost impacts involving items for which the Contract Documents specify prices.
- b. Cost impacts involving items for which the Contract Documents do not specify prices may be paid on a lump sum basis as approved by the City.
- c. For cost impacts involving items for which the Contract Documents do not specify prices, and for which no lump sum amount has been approved by the City, charges or credits for the Work will be paid on a time and materials basis in accordance with the following and subject to Caltrans Standard Specifications, provision 9-1.03, concerning allowable direct charges. The time and materials payment will be the sum of and limited to the direct and indirect costs for labor, materials, equipment and overhead calculated as follows:
 1. Labor: The Contractor will be paid the cost of labor for the workers (including foremen when authorized by the Engineer), used in the actual and direct performance of the Work. The cost of labor utilized in performing the Work, whether the employer is the Contractor, a subcontractor or other entity engaged in the performance of the Work, will be the sum of the following:
 - Actual Wages: The actual wages paid will include any employer fringe benefit payments to or on behalf of the workers for health and welfare, pension, vacation and similar purposes. The actual wages and fringe benefits paid must be at the rates shown on the certified payroll documents submitted by the Contractor.
 - Labor Surcharge: The labor surcharge will be as set forth in the latest edition of the California Department of Transportation publication entitled "Labor Surcharge and Equipment Rental Rates". The labor surcharge will constitute full compensation for all payments imposed by State or Federal laws and for all other payments made to, or on behalf of, workers engaged in the performance of the Work, excluding the Actual Wages as defined above.

- **Fixed Markup:** A fixed markup of 15% of the sum of the actual wages paid and the labor surcharge applicable to such actual wages, together with the actual wage and labor surcharge costs described in this provision will constitute full and complete compensation for all overhead, profit, incidentals, and any and all other direct or indirect expenses associated with furnishing all labor for the Work.
2. **Materials:** Materials costs will be the direct costs for materials actually exhausted, consumed or entering permanently into the Work, plus a fixed markup of 15% of such direct materials costs, which, together with the direct cost of materials as described in this provision will constitute full and complete compensation for all overhead, profit, incidentals, and any and all other direct or indirect expenses associated with furnishing all materials for the Work.
 3. **Equipment:** All equipment used will be paid in accordance with the rates in subsection 9-1.04D entitled "Equipment Rental" of the Standard Specifications, which is made a part of this Contract, plus a fixed markup of 10% of such equipment rates, which, together with the equipment rates as described in this provision will constitute full and complete compensation for all overhead, profit, incidentals, and any and all other direct or indirect expenses associated with furnishing all equipment for the Work.
 4. Unless approved in writing in accordance with Section 3-1.14 of these General Provisions in advance of performance of the Work, any and all other cost impacts (including, but not limited to profit, bond premiums or fees, insurance premiums or fees, superintendent labor, clerical expenses, home office expenses, Work site office expenses, utility costs, permit costs, and licensing costs) involving items for which the Contract Documents do not specify prices, and for which no lump sum amount has been approved by the City, will constitute incidentals, full compensation for which will be deemed included in the markups for labor, material, and equipment specified above, and no additional compensation for such cost impacts will be allowed.
- 3-1.18 Liability Under Unapproved Change Orders.** The Contractor will be solely responsible for any and all losses, costs, or liabilities of any kind incurred by the Contractor, any subcontractor engaged in the performance of the Work, any party supplying material or equipment for the Work or any third party that are incurred pursuant to Contractor-proposed Change Orders prior to issuance of an approved Change Order executed in accordance with this Section 3 of these General Provisions. The Contractor will have all of the obligations and the City will have all of the rights and remedies that are specified in Section 9 of these General Provisions concerning any work or resulting losses, costs, or liabilities pursuant to a Contractor proposed Change Order before issuance of an approved Change Order executed in accordance with this Section 3 of these General Provisions.
- 3-1.19 Changes Subject to Contract Documents.** Any changes in the Work and/or the Contract Documents pursuant to Change Orders and any other amendments issued in accordance with the Contract Documents, including this Section 3 of these General Provisions, will in all respects be subject to all provisions of the Contract Documents, including, but not limited to, the Technical Specifications and the Project Plans, except as modified by such Change Orders or amendments.
- 3-1.20 Change Order Disputes.**
- a. **Disputed City Directed Change Orders.** If the Contractor disputes a City- Directed Change Order following a reasonable effort by the City and the Contractor to resolve the dispute including, at a minimum, a meeting between appropriate representatives of the Contractor and the City, the Contractor must commence performing the Work consistent with the disputed Change Order within five (5) working days of the last meeting between

representatives of the Contractor and the City to resolve the dispute, or within the time specified in the disputed City-Directed Change Order, whichever is later. In performing Work consistent with a disputed City-Directed Change Order pursuant to this Section 3-1.20 the Contractor will have all of the Contractor's rights concerning claims pursuant to the Contract Documents and applicable law.

- b. Disputed Contractor Proposed Change Orders. If the City disputes a Contractor-Proposed Change Order, the City and the Contractor will use reasonable efforts to resolve the dispute including, at a minimum, holding a meeting between appropriate representatives of the Contractor and the City. Regardless of and throughout any such efforts to resolve the dispute the Contractor must continue performing the Work irrespective of and unmodified by the disputed Change Order. In continuing to perform the Work, the Contractor will retain all of the Contractor's rights under contract or law pertaining to resolution of disputes and protests between contracting parties. Disputes between the City and the Contractor concerning any Contractor-Proposed Change Order or other amendment do not excuse the Contractor's obligation to perform the Work in accordance with the Contract Documents excluding such Contractor-Proposed Change Order or other amendment by the Time for Completion or waive any other Project milestone or other requirement of the Contract Documents.

SECTION 4 TRENCHING AND UTILITIES AND PROJECT FACILITIES

4-1.01 The Construction Safety Orders of the Division of Occupational Safety and Health shall apply to all excavations.

- a. Detailed plans of protective systems for which the Construction Safety Orders require design by a registered professional engineer shall be prepared and signed by an engineer who is registered as a Civil Engineer in the State of California, and shall include the soil classification, soil properties, soil design calculations that demonstrate adequate stability of the protective system, and any other design calculations used in the preparation of the plan.
- b. No plan shall allow the use of a protective system less effective than that required by the Construction Safety Orders.
- c. If the detailed plan includes designs of protective systems developed only from the allowable configurations and slopes, or Appendices, contained in the Construction Safety Orders, the plan shall be submitted at least 5 days before the Contractor intends to begin excavation. If the detailed plan includes designs of protective systems developed from tabulated data, or designs for which design by a registered professional engineer is required, the plan shall be submitted at least 3 weeks before the Contractor intends to begin excavation.

4-1.02 Excavation More Than Four Feet Deep. In accordance with California Public Contract Code Section 7104, if the Work involves excavation more than four feet deep the Contractor must promptly notify the City in writing before disturbing: (1) any material that the Contractor believes may be hazardous waste, as defined in Section 25117 of the Health and Safety Code, that is required to be removed to a Class I, Class II or Class III disposal site in accordance with provisions of existing law; any subsurface or latent physical conditions at the Work site differing from those indicated; or, (2) any unknown physical conditions at the Work site of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the Contract Documents. The City will promptly investigate any such conditions for which notice is given. If the City finds that the conditions do materially differ, or involve hazardous waste, and would cause a decrease or increase in the cost or time of performance of the Work, the City will issue a Change Order pursuant to Section 3 of these General Provisions. If a dispute arises between the City and the Contractor concerning whether the conditions materially differ, or involve hazardous waste, or cause a decrease or increase in the cost or time of performance, the Contractor will not be excused from any completion date provided in the Contract Documents, but shall proceed with all Work to be performed. The Contractor will retain all rights under contract or law pertaining to resolution of disputes and protests between contracting parties.

4-1.03 Excavation of Five Feet or More. In accordance with California Labor Code Section 6705, contractors performing contracts exceeding \$25,000 in cost and involving excavation five or more feet deep must submit for the City's acceptance, prior to excavation, a detailed plan showing the design of shoring, bracing, sloping, or other provisions to be made for worker protection from the hazard of caving ground during excavation. The detailed plan shall include any tabulated data and any design calculations used in the preparation of the plan. Excavation shall not begin until the detailed plan has been reviewed and approved. If the plan varies from the shoring system standards, it must be prepared by a registered civil or structural engineer.

4-1.04 Utility Relocation Costs.

- a. In accordance with California Government Code Section 4215, the City assumes the responsibility for the timely removal, relocation or protection of existing main or trunkline utility facilities located on the Work site if such utilities are not identified by the City in the Technical Specifications and/or Project Plans. The City will compensate the Contractor for the costs of locating, repairing damage not due to the Contractor's failure to exercise reasonable care, and removing or relocating existing main or trunkline utility facilities located at the Work site and not identified with reasonable accuracy in the Technical Specifications and/or Project Plans. The City will also compensate the Contractor for the cost of equipment on the Project necessarily idled during such work. The Contractor will not be assessed liquidated damages for Work completion delays caused by the City's failure to provide for removal or relocation of such main or trunkline utility facilities.
- b. Nothing in this Section 4-1.04 or the Contract Documents will be deemed to require the City to indicate the presence of existing service laterals or appurtenances whenever the presence of such utilities on the Work site can be inferred from the presence of other visible facilities, such as buildings, meter and junction boxes, on or adjacent to the Work site; provided, however, that nothing in this provision or the Contract Documents shall relieve the City from identifying main or trunklines in the Technical Specifications and/or Project Plans.
- c. Nothing in this Section 4-1.04 or the Contract Documents will preclude the City from pursuing any appropriate remedy against the utility for delays which are the responsibility of the utility.
- d. Nothing in this Section 4-1.04 or the Contract Documents will be construed to relieve the utility from any obligation as required either by law or by contract to pay the cost of removal or relocation of existing utility facilities.
- e. If the Contractor while performing the Work discovers utility facilities not identified by the City in the Technical Specifications and/or Project Plans, the Contractor must immediately notify the City and utility in writing.
- f. Either the City or the utility, whichever owns existing main or trunkline utility facilities located on the Work site, shall have sole discretion to effect repairs or relocation work or to permit the Contractor to perform such repairs or relocation work at a reasonable price.

4-1.05 Utility and Non-Highway Facilities

- a. The Contractor shall protect from damage utility and other non-highway facilities that are to remain in place, be installed, relocated or otherwise rearranged.
- b. It is anticipated that some or all of the utility and other non-highway facilities, both above ground and below ground, that are required to be rearranged (as used herein, rearrangement includes installation, relocation, alteration or removal) as a part of the highway improvements comprising part of the Work will be rearranged in advance of construction operations. Where it is not anticipated that the rearrangement will be performed prior to construction, or where the rearrangement must be coordinated with the Contractor's construction operations, the existing facilities that are to be rearranged will be indicated on the Project Plans or in the Special Provisions. Where a rearrangement is indicated on the Project Plans or in the Special Provisions, the Contractor will have no liability for the costs of performing the work involved in the rearrangement.

- c. The right is reserved to the City and the owners of facilities, or their authorized agents, to enter upon the highway right of way for the purpose of making those changes that are necessary for the rearrangement of their facilities or for making necessary connections or repairs to their properties. The Contractor shall cooperate with forces engaged in this Work and shall conduct operations in such a manner as to avoid any unnecessary delay or hindrance to the Work being performed by the other forces. Wherever necessary, the work of the Contractor shall be coordinated with the rearrangement of utility or other non-highway facilities, and the Contractor shall make arrangements with the owner of those facilities for the coordination of the Work.
- d. Attention is directed to the possible existence of underground main or trunk line facilities not indicated on the Project Plans or in the Special Provisions and to the possibility that underground main or trunk lines may be in a location different from that which is indicated on the Project Plans or in the Special Provisions. The Contractor shall ascertain the exact location of underground main or trunk lines whose presence is indicated on the Project Plans or in the Special Provisions, the location of their service laterals or other appurtenances, and of existing service lateral or appurtenances of any other underground facilities which can be inferred from the presence of visible facilities such as buildings, meters and junction boxes prior to doing Work that may damage any of the facilities or interfere with their service.
- e. If the Contractor cannot locate an underground facility whose presence is indicated on the Project Plans or in the Special Provisions, the Contractor shall so notify the Engineer in writing. If the facility for which the notice is given is in a substantially different location from that indicated on the Project Plans or in the Special Provisions, the additional cost of locating the facility will be paid for as provided in Section 3.
- f. If the Contractor discovers underground main or trunk lines not indicated on the Project Plans or in the Special Provisions, the Contractor shall immediately give the Engineer and the Utility Company written notification of the existence of those facilities. The main or trunk lines shall be located and protected from damage as directed by the Engineer, and the cost of that work will be paid for as extra work as provided in Section 3. The Contractor shall, if directed by the Engineer, repair any damage which may occur to the main or trunk lines. The cost of that repair work, not due to the failure of the Contractor to exercise reasonable care, will be paid for as provided in Section 3. Damage due to the Contractor's failure to exercise reasonable care shall be repaired at the Contractor's cost and expense.
- g. Where it is determined by the Engineer that the rearrangement of an underground facility is essential in order to accommodate the highway improvement and the Project Plans and Technical Specifications do not provide that the facility is to be rearranged, the Engineer will provide for the rearrangement of the facility by other forces or the rearrangement shall be performed by the Contractor and will be paid for as provided in Section 3.
- h. When ordered by the Engineer in writing, the Contractor shall rearrange any utility or other non-highway facility necessary to be rearranged as a part of highway improvements comprising part of the Work, and that Work will be paid for as provided in Section 3.
- i. Should the Contractor desire to have any rearrangement made in any utility facility, or other improvement, for the Contractor's convenience in order to facilitate the Contractor's construction operations, which rearrangement is in addition to, or different from, the rearrangements indicated on the Project Plans or in the Special Provisions, the Contractor shall make whatever arrangements are necessary with the owners of the utility or other non-highway facility for the rearrangement and bear all expenses in connection therewith.

- j. The Contractor shall immediately notify the Engineer of any delays to the Contractor's operations as a direct result of underground main or trunk line facilities which were not indicated on the Project Plans or in the Special Provisions or were located in a position substantially different from that indicated on the Project Plans or in the Special Provisions, or as a direct result of utility or other non-highway facilities not being rearranged as herein provided (other than delays in connection with rearrangement made to facilitate the Contractor's construction operations or delays due to a strike or labor dispute). Compensation for the delay will be determined in conformance with the provisions in Section 3.

4-1.06 Work Site Offices. Any Work site office facilities used by the Contractor and/or its privities must conform to all applicable codes, ordinances and regulations. The cost of such Work site office facilities shall be paid from and included in the Contract Price.

4-1.07 City Rights of Access and Ownership. The City and its authorized representatives will at all reasonable times while such office facilities are located at the Work site (including, at a minimum, all times during which the Work is performed), have access to any such Work site office facilities used by the Contractor and/or its privities. With respect to the right of access of the City and its authorized representatives, neither the Contractor nor its privities shall have a reasonable expectation of privacy pursuant to the Fourth Amendment to the United States Constitution or other applicable law concerning such Work site office facilities used by the Contractor and/or its privities. Without exception, any and all Project related materials located at such Work site facilities will be deemed at all times to be City property subject to inspection and copying by the City and its authorized representatives at all reasonable times while such facilities are located at the Work site (including, at a minimum, all times during which the Work is performed). Any interference by the Contractor or its privities with the City's rights of access and/or ownership pursuant to this Section 4 will constitute a material breach of the Agreement subject to any and all remedies available pursuant to the Contract Documents and at law and equity.

SECTION 5 PROSECUTION AND PROGRESS OF THE WORK

5-1.01 Beginning of Work.

- a. The Contractor shall begin Work within 10 calendar days after receiving notice to proceed from the City, and shall diligently prosecute the same to completion within the Time for completion specified in this Agreement.
- b. Should the Contractor begin Work in advance of receiving notice that this Agreement has been approved as above provided, any Work performed by the Contractor in advance of the date of approval shall be considered as having been done by the Contractor at the Contractor's own risk and as a volunteer unless the Agreement is approved.
- c. The delivery to the City for execution and approval of the Agreement properly executed on behalf of the Contractor and surety and all other required documents in accordance with the Agreement shall constitute the Contractor's authority to enter upon the Work site and to begin operations, subject to the Contractor's assumption of the risk of the disapproval of the Agreement, as above provided, and subject also to the following:
 1. The Contractor shall, on commencing operations, take all precautions required for public safety and shall observe all the provisions in the Contract Documents.
 2. In the event of disapproval, the Contractor shall at the Contractor's expense do that work that is necessary to leave the site in a neat condition to the satisfaction of the Engineer. If the Work done affects any existing road or highway, the Contractor shall at the Contractor's expense restore it to its former condition, or the equivalent thereof, to the satisfaction of the Engineer.
 3. All Work done according to the Agreement prior to its approval, will, when the Agreement is approved, be considered authorized Work and will be paid for as provided in the Agreement.
 4. The Contractor shall not be entitled to any additional compensation or an extension of time for any delay, hindrance or interference caused by or attributable to commencement of Work prior to the date on which the Agreement was approved by the City.

5-1.02 Liquidated Damages. Time is of the essence in the performance of this Agreement. The City and the Contractor agree that it will be difficult and/or impossible to determine the actual damage which the City will sustain in the event of the Contractor's failure to fully perform the Work or to fully perform all of the Contractor's obligations that have accrued pursuant to the Agreement by the Time for Completion. Accordingly, the City and the Contractor agree in accordance with California Government Code Section 53069.85 that the Contractor will forfeit and pay to the City liquidated damages in accordance with the Construction Services Agreement included herein.

5-1.03 No Damage for Delay Beyond City and Contractor Control. The Contractor will not be held responsible for delays in performance of the Work caused by delay beyond the control of both City and Contractor, such as by strikes, lockouts, or labor disturbances that are not within the control of the Contractor to resolve, lack or failure of transportation, or acts of other government entities. This provision will not apply where the delay would not have occurred but for a previous

Contractor caused delay in the prosecution of the Work. The City will not be liable to the Contractor, any subcontractor or other entity engaged in the performance of the Work, any supplier, or any other person or organization, or to any surety or employee or agent of any of them, for damages arising out of or resulting from (i) delays beyond the control of the City and the Contractor including but not limited to fires, floods, epidemics, abnormal weather conditions, earthquakes and acts of God or acts or neglect by utility owners or other contractors performing other work, or (ii) delays caused by the City, its officials, officers, employees, agents, or volunteers, or delays caused by the Engineer or the Designer or Engineer, which delays are reasonable under the circumstances involved and/or are within the contemplation of the City and the Contractor. An extension of the Time for Performance in an amount equal to the time loss due to such delay(s) will be the Contractor's sole and exclusive remedy for such delay(s).

5-1.04 No Damage for Contractor Caused Delay. Contractor shall not be entitled to additional compensation for extended field or home office overhead, field supervision, costs of capital, interest, escalation charges, acceleration costs or other impacts for any delays to the extent such delays are caused by the failure of the Contractor or any subcontractor or other entity engaged in performance of the Work to perform the Work in accordance with the Contract Documents. Contractor may be eligible for additional compensation in excess of the Contract Price for delays caused by the City and/or its privities.

5-1.05 No Damage for Other Delay. Contractor will not be entitled to damages for delay to the Work caused by the following, which the City and Contractor agree will be deemed for purposes of California Public Contract Code Section 7102 either not caused by the City, and/or within the contemplation of the City and the Contractor, and/or reasonable under the circumstances:

- a. Exercise of the City's right to sequence the Work in a manner that would avoid disruption to the City and other contractors based on: (1) the failure of the Contractor or any subcontractor or other entity engaged in the performance of the Work to perform the Work in accordance with the Contract Documents, enforcement by the City or any other governmental agency of competent jurisdiction of any government act or regulation, or (2) enforcement by the City of any provisions of the Agreement.
- b. Requests for clarification or information concerning the Contract Documents or proposed Change Orders or modifications to the Contract Documents, including extensive and/or numerous such requests for clarification or information or proposed Change Orders or modifications, provided such clarifications or information or proposed Change Orders or modifications are processed by the City or its representatives in a reasonable time in accordance with the Contract Documents.

5-1.06 Delays Caused by the City and/or Its Privities. Either the City or the Contractor may propose a change in the Time for Completion for delays that are purported to be caused by the City and/or its privities and that are not reasonable under the circumstances involved and/or that are not within the contemplation of the City and the Contractor. Such proposed changes in the Time for Completion will constitute Change Order proposals subject to Section 3 of these General Provisions. In accordance with Section 3 of these General Provisions, the City and the Contractor may agree upon pricing for the cost impacts, if any, resulting from such delays. If such pricing is in anticipation of cost impacts that may occur, but have not yet occurred, the City will be obligated to pay the Contractor for such anticipated impacts in accordance with the Agreement and any applicable, approved Change Orders only to the extent the Contractor actually incurs the anticipated cost impacts. Notwithstanding anything to the contrary in Section 3 of these General Provisions, the City and the Contractor may agree to a daily rate or cap or lump sum that will apply to the cost impacts, if any, resulting from delay purportedly caused by the City and/or its privities subject to this Section 5-1.06. However, if such daily rate or cap or lump sum is in anticipation of cost impacts that have not yet occurred, the City will be obligated to pay such daily rate or cap or lump sum only to the extent the Contractor actually incurs such cost impacts.

5-1.07 Weather Delays. Extensions of the Time for Completion due to weather will only be granted when inclement weather impacts and delays the controlling items of work.

5-1.08 Delay Claims. Whenever the Contractor claims a delay for which the Time for Completion may be extended, the Contractor must request an extension of time within five (5) days of the start of the delay. The request must be in writing and describe in detail the cause for the delay, and, if possible, the foreseeable extent of the delay.

5-1.09 Contractor Coordination of the Work.

- a. The City reserves the right to do other work in connection with or in the vicinity of the Project by contract or otherwise, and Contractor shall at all times conduct the Work so as to impose no hardship on the City, others engaged in the Work or other contractors working at the Work site. The Contractor will adjust, correct and coordinate the Work with the work of others so that no delays result in the Work or other work at or near the Work site.
- b. If any part of the Work depends for proper execution or results upon the work of the City or any other contractor, the Contractor will, before proceeding with such Work, promptly report to the City any apparent discrepancies or defects in such other Work. Failure of the Contractor to promptly report any apparent discrepancy or defect will be deemed an acceptance of the City's or other contractor's Work as fit and proper.
- c. The Contractor will anticipate the relations of the various trades to the progress of the Work and will ensure that required anchorage or blocking is furnished and set at proper times. Anchorage and blocking necessary for each trade shall be part of the Work except where stated otherwise.
- d. The Contractor will provide proper facilities at all times for access of the City, the Engineer, Designer, and other authorized City representatives to conveniently examine and inspect the Work.
- e. Should construction be under way by other forces or by other contractors within or adjacent to the limits of the Work specified or should work of any other nature be under way by other forces within or adjacent to those limits, the Contractor shall cooperate with all the other contractors or other forces to the end that any delay or hindrance to their work will be avoided. The right is reserved to the City to perform other or additional work at or near the site (including material sources) at any time, by the use of other forces.
- f. When 2 or more contractors are employed on related or adjacent work, or obtain materials from the same material source, each shall conduct their operations in such a manner as not to cause any unnecessary delay or hindrance to the other.
- g. Each contractor shall be responsible to the other for all damage to Work, to persons or property caused to the other by their operations, and for loss caused the other due to unnecessary delays or failure to finish the work within the time specified for completion.

5-1.10 Differing Site Conditions.

- a. During the progress of the Work, if subsurface or latent physical conditions are encountered at the site differing materially from those indicated in the Agreement or if unknown physical conditions of an unusual nature, differing materially from those ordinarily encountered and generally recognized as inherent in the Work, are encountered at the site, the Contractor

shall promptly notify the City in writing of the specific differing conditions before they are disturbed and before the affected work is performed.

- b. Upon written notification, the Engineer will investigate the conditions, and if the Engineer determines that the conditions materially differ and cause an increase or decrease in the cost or time required for the performance of any Work, an adjustment, excluding loss of anticipated profits, will be made and the Agreement modified in writing accordingly. The Engineer will notify the Contractor of the Engineer's determination whether or not an adjustment of the contract is warranted.
- c. No Agreement adjustment that results in a benefit to the Contractor will be allowed unless the Contractor has provided the written notice required in this Section 5-1.10.
- d. Any Agreement adjustment warranted due to differing site conditions will be made in accordance with the provisions in Section 3 of these General Provisions, "Changes in Work," except as otherwise provided.

5-1.11 Relief From Maintenance And Responsibility.

- a. Upon the request of the Contractor, the City may relieve the Contractor of the duty of maintaining and protecting certain portions of the Work, which have been completed in all respects in accordance with the requirements of the Agreement and to the satisfaction of the Engineer, and thereafter except with the Contractor's consent, the Contractor will not be required to do further Work thereon. In addition, such action by the City will relieve the Contractor of responsibility for injury or damage to those completed portions of the Work resulting from use by public traffic or from the action of the elements or from any other cause but not from injury or damage resulting from the Contractor's own operations or from the Contractor's negligence.
- b. However, nothing in this Section 5-1.11 providing for relief from maintenance and responsibility will be construed as relieving the Contractor of full responsibility for making good any defective Work or materials found at any time before the formal written acceptance of the entire Agreement by the City.

SECTION 6 CONTRACTOR RESPONSIBILITIES

- 6-1.01 Eligibility.** By executing the Agreement, the Contractor certifies that the Contractor is not ineligible to perform work on public works projects pursuant to California Labor Code Sections 1777.1 or 1777.7. In accordance with California Public Contract Code Section 6109(a), contractors who are ineligible to perform work on public works projects pursuant to California Labor Code Sections 1777.1 or 1777.7 may neither bid on, be awarded or perform the Work. To the full extent permitted by law the Contractor shall hold harmless and indemnify the City from and against any and all damages, costs, and liability arising from or as a consequence of any violation of Public Contract Code Section 6109.
- 6-1.02 Supervision of the Work.** The Contractor will be solely responsible for the performance of the Work, including portions of the Work to be performed by subcontractors. The Contractor is charged with ensuring that all orders or instructions from the City, Engineer or Designer are disseminated to and followed by all subcontractors engaged in performance of the Work. The Contractor will supervise the Work using the Contractor's best skill and attention. At any time during the progress of the Work, the City, the Engineer, or the Designer may require the Contractor and/or subcontractors engaged in performance of the Work to attend a project meeting and the Contractor will attend, and ensure the attendance of any subcontractors whose attendance is required by the City and/or advisable in light of the matters to be addressed at the meeting.
- 6-1.03 Contractor's Superintendent.** The Contractor will keep on the Work, throughout its progress, a competent superintendent and any necessary assistants, all satisfactory to the City. The Contractor shall designate in writing before starting Work the superintendent who shall have the authority to represent and act for the Contractor. The authorized representative shall be present at the site of the Work at all times while work is actually in progress. When Work is not in progress and during periods when Work is suspended, arrangements acceptable to the Engineer shall be made for any emergency Work that may be required. Whenever the Contractor or the Contractor's authorized representative is not present on any particular part of the Work where it may be desired to give direction, orders will be given by the Engineer, which shall be received and obeyed by the superintendent or foreman who may have charge of the particular Work in reference to which the orders are given. Any order given by the Engineer, not otherwise required by the specifications to be in writing, will on request of the Contractor, be given or confirmed by the Engineer in writing. The superintendent may not be changed without the consent of the City. The superintendent will represent the Contractor and all directions given by the City to the superintendent will bind the Contractor in accordance with the Agreement. Superintendent time included in Contractor's completed bid schedule and/or in approved Change Orders, if any, must be included in Contractor's approved overhead rate and may not be charged as a direct cost.
- 6-1.04 Competent Employees.** The Contractor must at all times enforce strict discipline and good order among the Contractor's employees and may not employ on the Work any unfit person or anyone not skilled in the Work assigned, or anyone incompetent or unfit for the duties of that person. When the City determines that a Contractor employee does not satisfy the requirements of this Section 6-1.04, upon notice from the City, the Contractor must ensure that employee performs no further Work and is no longer present at the Work site. Any such Contractor employee may not again be employed on the Work without City approval. If any subcontractor or person employed by the Contractor shall appear to the Engineer to be incompetent or to act in a disorderly or improper manner, they shall be discharged immediately on the request of the Engineer, and that person shall not again be employed on the work.
- 6-1.05 Items Necessary for Proper Completion of the Work.** Except as otherwise noted in the Contract Documents, the Contractor will provide and pay for all labor, materials, equipment,

permits, fees, licenses, facilities and services necessary for the proper execution and timely completion of the Work in accordance with the Contract Documents.

6-1.06 Construction Reports. The Contractor must submit daily construction logs detailing the daily progress of the Work to the Engineer on a weekly basis when requested by the Engineer.

6-1.07 Subcontracting.

- a. By executing the Agreement, the Contractor certifies that no subcontractor included on the list of proposed subcontractors submitted with the Contractor's bid is ineligible to perform work on public works projects pursuant to California Labor Code Sections 1777.1 or 1777.7. In accordance with California Public Contract Code Section 6109(a), subcontractors who are ineligible to perform work on public works projects pursuant to California Labor Code Sections 1777.1 or 1777.7 may neither bid on, be awarded or perform as a subcontractor on the Work. In accordance with California Public Contract Code Section 6109(b), any contract on a public works project entered into between a contractor and a debarred subcontractor is void as a matter of law. The Contractor will ensure that no debarred subcontractor receives any public money for performing the Work, and that any public money that may have been paid to a debarred subcontractor for the Work is returned to the City. The Contractor will be responsible for payment of wages to workers of a debarred subcontractor who has been allowed to perform the Work.
- b. The Agreement and the performance of the Work are subject to the requirements of the Subletting and Subcontracting Fair Practices Act codified at California Public Contract Code Section 4100 and following. If the Contractor fails to specify a subcontractor or specifies more than one subcontractor for the same portion of the Work in excess of one-half of 1 percent of the Contractor's total bid, the Contractor agrees that the Contractor is fully qualified to perform that portion of the Work with the Contractor's own forces, and that the Contractor will perform that portion of the Work with the Contractor's own forces. If after award of the Agreement the Contractor subcontracts, except as provided for in California Public Contract Code Sections 4107 or 4109, any such portion of the Work, the Contractor will be subject to the penalties set forth in California Public Contract Code Sections 4110 and 4111, including cancellation of the Agreement, assessment of a penalty of up to 10 percent of the amount of the subcontract, and disciplinary action by the Contractors State License Board.
- c. No contractual relationship exists between the City and any subcontractor engaged in performance of the Work.
- d. **Incorporation of Contract Documents.** The Contractor must incorporate the Contract Documents in each contract with a subcontractor engaged in the performance of the Work. The Contractor will be solely responsible for any delay or additional costs incurred as a result of its failure to provide adequate or accurate project information to a subcontractor that results in improper submittals and/or work, or time or other impacts. The Contractor will have all of the obligations and the City will have all of the remedies that are specified in Section 9 of these General Provisions concerning any subcontracted work. Subcontracts shall also contain certification by the subcontractor that the subcontractor is experienced in and qualified to do, and knowledgeable about, the subcontracted Work. Copies of subcontracts shall be available to the Engineer upon written request, and shall be provided to the Engineer at the time any litigation against the City concerning the project is filed.
- e. **Coordination of Subcontract Work:** The Contractor is responsible for scheduling the Work of subcontractors so as to avoid delay or injury to either Work or materials.

- f. The Contractor shall give personal attention to the fulfillment of the Contract and shall keep the work under the Contractor's control.
- g. The Contractor shall perform, with the Contractor's own organization, contract Work amounting to not less than 50 percent of the original total contract price, except that any designated "Specialty Items" may be performed by subcontract and the amount of any designated "Specialty Items" performed by subcontract may be deducted from the original total contract price before computing the amount of Work required to be performed by the Contractor with the Contractor's own organization. When items of Work in the Engineer's Estimate are preceded by the letters (S) or (S-F), those items are designated as "Specialty Items." Where an entire item is subcontracted, the value of Work subcontracted will be based on the Agreement item bid price. When a portion of an item is subcontracted, the value of Work subcontracted will be based on the estimated percentage of the Agreement item bid price, determined from information submitted by the Contractor, subject to approval by the Engineer.
- h. Before Work is started on a subcontract, the Contractor shall file with the Engineer a written statement showing the Work to be subcontracted, the names of the subcontractors and the description of each portion of the Work to be subcontracted.
- i. Pursuant to the provisions of Section 6109 of the Public Contract Code, the Contractor shall not perform Work on a public works project with a subcontractor who is ineligible to perform Work on the public works project pursuant to Section 1777.1 or 1777.7 of the Labor Code.
- j. When a portion of the Work which has been subcontracted by the Contractor is not being prosecuted in a manner satisfactory to the City, the subcontractor shall be removed immediately on the request of the City and shall not again be employed on the Work.
- k. The roadside production of materials produced by other than the Contractor's forces shall be considered as subcontracted. Roadside production of materials shall be construed to be production of aggregates of all kinds with portable, semi-portable or temporary crushing or screening, proportioning and mixing plants established or reopened for the purpose of supplying aggregate or material for a particular project or projects. The erection, establishment or reopening of the plants and the operation thereof in the production of materials for use on the Work shall conform to the requirements relating to labor set forth in these General Provisions and in the Special Provisions.

6-1.08 Not Used

6-1.09 Licenses/Permits. The Contractor must, without additional expense to the City, obtain all licenses, permits and other approvals required for the performance of the Work.

6-1.10 Not Used

6-1.11 Laws and Ordinances. The Contractor and all subcontractors engaged in the performance of the Work must conform to the following specific rules and regulations as well as all other laws, ordinances, rules and regulations that apply to the Work. Nothing in the Technical Specifications or Project Plans is to be construed to permit Work not conforming to these codes:

- National Electrical Safety Code, U. S. Department of Commerce

- National Board of Fire Underwriters' Regulations
- California Building Standards Code as adopted by the City
- Manual of Accident Prevention in Construction, latest edition, published by
- A.G.C. of America
- Industrial Accident Commission's Safety Orders, State of California
- Regulations of the State Fire Marshall (Title 19, California Code of Regulation) and
- Applicable Local Fire Safety Codes
- Labor Code of the State of California - Division 2, Part 7, Public Works and Public Agencies.

6-1.12 Guaranty. The Contractor guarantees all of the Work for one year from the date the City accepts the Work. Upon receiving written notice of a need for repairs which are directly attributable to defective materials or workmanship the Contractor must make good any defects arising or discovered in any part of the Work by diligently commencing the necessary repairs within seven (7) days from the date of notice from the City. If the Contractor fails to make good any defects in the Work in accordance with this Section 6-1.13, in addition to any other available remedy under the contract or at law or equity, the City may make good or have made good such defects in the Work and deduct the cost from amounts that may be due or become due the Contractor, and/or call on the Contractor's maintenance bond for the cost of making good such defects and for the City's reasonable legal costs, if any, of recovering against the bond. The Contractor will remain responsible for repairing any Work found to be defective regardless of when such defect is discovered by the City.

6-1.13 Safety.

- a. In accordance with generally accepted construction practices and applicable law, the Contractor will be solely and completely responsible for conditions of the Work site, including safety of all persons and property during performance of the Work. This requirement will apply continuously and not be limited to normal working hours. For purposes of California Labor Code Section 6400 and related provisions of law, the Contractor and the Contractor's privities and any other entities engaged in the performance of the Work will be "employers" responsible for furnishing employment and a place of employment that is safe and healthful for the employees, if any, of such entities engaged in the performance of the Work. Neither the City nor its officials, officers, employees, agents, volunteers or consultants will be "employers" pursuant to California Labor Code Section 6400 and related provisions of law with respect to the Contractor, the Contractor's privities or other entities engaged in the performance of the Work.
- b. Review and inspection by the City, the Designer or the Engineer, and/or other representatives of the City of the Contractor's performance of the Work will not constitute review of the adequacy of the Contractor's safety measures in, on, or near the Work site. Such reviews and inspections do not relieve the Contractor of any of the Contractor's obligations under the Contract Documents and applicable law to ensure that the Work site is maintained and the Work is performed in a safe manner.
- c. The Contractor will be solely responsible for the implementation and maintenance of safety programs to ensure that the Work site is maintained and the Work is performed in a safe manner in accordance with the Contract Documents and applicable law.
- d. Within ten (10) working days following notice of award the Contractor must submit to the City a copy of the Contractor's Safety Plan.
- e. The Contractor must furnish and place proper guards and systems for the prevention of accidents, including, but not limited to, those systems required pursuant to Title 8, Section 1670 and following Sections of the California Code of Regulations concerning safety belts

and nets. The Contractor must provide and maintain any other necessary systems or devices required to secure safety of life or property at the Work site in accordance with accepted standards of the industry and applicable law. The Contractor must maintain during all night hours sufficient lights to prevent accident or damage to life or property.

6-1.14 Load Limitations.

- a. Unless expressly permitted in the Special Provisions, construction equipment or vehicles of any kind which, laden or unladen, exceed the maximum weight limitations set forth in Division 15 of the Vehicle Code, shall not be operated over completed or existing treated bases, surfacing, pavement or structures in any areas within the limits of the Project.
- b. After application of the curing seal, no traffic or Contractor's equipment will be permitted on cement treated base or lean concrete base for a period of 72 hours. After 72 hours, traffic and equipment operated on the base shall be limited to that used in paving operations and placing additional layers of cement treated base. No traffic or Contractor's equipment will be permitted on treated permeable base except for that equipment required to place the permeable base and the subsequent layer of pavement. Trucks used to haul treated base, portland cement concrete, or asphalt concrete shall enter onto the base to dump at the nearest practical entry point ahead of spreading equipment. Empty haul trucks shall exit from the base at the nearest practical exit point. Entry and exit points shall not be more than 1,000 feet ahead of spreading equipment except in locations where specifications prohibit operation of trucks outside the area occupied by the base or where steep slopes or other conditions preclude safe operation of hauling equipment. In those locations, entry and exit points shall be established at the nearest point ahead of spreading equipment permitted by specifications and allowing safe operation of hauling equipment. Damage to curing seal or base shall be repaired promptly by the Contractor, at the Contractor's expense, as directed by the Engineer.
- c. Within the limits of the Project and subject to the control of the Engineer, and provided that the Contractor, at the Contractor's expense, shall provide such protective measures as are deemed necessary by the Engineer and shall repair any damage caused by the operations, the Contractor will be permitted to:
 1. Make transverse crossings of those portions of an existing public road or street that are within the highway right of way, with construction equipment that exceeds the size or weight limitations set forth in Division 15 of the Vehicle Code.
 2. Make transverse crossings of treated bases, surfacing or pavement which are under construction or which have been completed, with construction equipment which exceeds the size or weight limitations set forth in Division 15 of the Vehicle Code.
 3. Cross bridge structures that are not open to public traffic and that are designed for HS20-44 Live Loading (culverts and pipes excluded), with construction equipment which exceeds the size or weight limitations set forth in Division 15 of the Vehicle Code, but not exceeding the load limitations hereinafter specified, provided that the Contractor furnishes to the Engineer the dimensions and maximum axle loadings of equipment proposed for use on bridge structures:
 - A. The maximum loading on bridge structures due to pneumatic-tired truck and trailer combinations shall not exceed (1) 28,000 pounds for single axles, (2) 48,000 pounds

for tandem axles, nor (3) 60,000 pounds total gross load for single vehicles or 110,000 pounds total gross load for truck and trailer or semi-trailer combinations.

- B. The loading on bridge structures due to 2 and 3 axle pneumatic-tired earthmovers shall not exceed that shown in the following table.

Allowable Construction Loading On Bridges For 2 and 3 Axle Earthmovers

Spacing of Bridge Girders (center to center in feet)	Maximum Axle Loading (in pounds)
4	28,000
5	29,000
6	30,0
7	32,000
8	34,000
9	37,000
10 and over	40,000

Minimum axle spacing:

For 3-axle earthmovers

Axles 1 to 2 = 8 feet

Axles 2 to 3 = 20 feet

For 2-axle earthmovers

Axles 1 to 2 = 20 feet

4. Move equipment within the limits of the Project over completed or existing base, surfacing, pavement and structures, whether or not open to the public.
- d. Within the limits of the Project and subject to the condition that the Contractor shall repair, at the Contractor's expense, any damage caused thereby, the Contractor will be permitted to cross culverts and pipes with construction equipment that exceeds the size or weight limitations set forth in Division 15 of the Vehicle Code in accordance with the conditions set forth on the Project Plans.
- e. Should the Contractor desire to increase the load carrying capacity of a structure or structures which are to be constructed as a part of the Agreement, in order to facilitate the Contractor's own operations, the Contractor may request the Engineer to consider redesigning the structure or structures. Proposals by the Contractor to increase the load carrying capacity of structures above 130,000 pounds per single axle or pair of axles less than 8 feet apart, or above 330,000 pounds total gross vehicle weight, will not be approved. The request shall include a description of the structure or structures involved and a detailed description of the overloads to be carried, the date the revised plans would be required, and a statement that the Contractor agrees to pay all costs involved in the strengthening of the structure or structures, including the cost of revised plans, and further that the Contractor agrees that no extension of time will be allowed by reason of any delay to the work which may be due to the alteration of the structure or structures. If the Engineer determines that strengthening the structure or structures will be permitted, the Engineer will inform the Contractor of the estimated cost of the alterations, including engineering, and the date that revised plans could be furnished. If the cost and date are satisfactory to the Contractor, the Engineer will prepare a Change Order providing for the agreed upon alterations.

6-1.15 Public Convenience.

- a. The Contractor shall so conduct operations as to offer the least possible obstruction and inconvenience to the public and shall have under construction no greater length or amount of Work than can be prosecuted properly with due regard to the rights of the public.
- b. Unless otherwise provided in the Special Provisions, all public traffic shall be permitted to pass through the Work with as little inconvenience and delay as possible. Where possible, public traffic shall be routed on new or existing paved surfaces.
- c. Spillage resulting from hauling operations along or across any public traveled way shall be removed immediately by the Contractor at the Contractor's expense.
- d. Existing traffic signals and highway lighting shall be kept in operation for the benefit of the traveling public during progress of the Work, and other forces will continue routine maintenance of existing systems.
- e. Construction operations shall be conducted in such a manner as to cause as little inconvenience as possible to abutting property owners.
- f. Convenient access to driveways, houses, and buildings along the line of the Work shall be maintained and temporary approaches to crossings or intersecting highways shall be provided and kept in good condition. When the abutting property owner's access across the right of way line is to be eliminated, or to be replaced under the Contract by other access facilities, the existing access shall not be closed until the replacement access facilities are usable.
- g. The Contractor may be required to cover certain signs which regulate or direct public traffic to roadways that are not open to traffic. The Engineer will determine which signs shall be covered.
- h. Roadway excavation and the construction of embankments shall be conducted in such a manner as to provide a reasonably smooth and even surface satisfactory for use by public traffic at all times; sufficient fill at culverts and bridges to permit traffic to cross shall be placed in advance of other grading operations; and if ordered by the Engineer roadway cuts shall be excavated in lifts and embankments constructed part width at a time, construction being alternated from one side to the other and traffic routed over the side opposite the one under construction. Culvert installation or culvert construction shall be conducted on but one-half the width of the traveled way at a time, and that portion of the traveled way being used by public traffic shall be kept open and unobstructed until the opposite side of the traveled way is ready for use by traffic.
- i. Upon completion of rough grading at the grading plane, or placing any subsequent layer thereon, the surface of the roadbed shall be brought to a smooth, even condition free of humps and depressions, satisfactory for the use of public traffic.
- j. After the surface of the roadbed has been brought to a smooth and even condition for the passage of public traffic as above provided, any work ordered by the Engineer for the accommodation of public traffic prior to commencing subgrade operations will be paid for as extra work as provided in Section 3 of the General Provisions. After subgrade preparation for a specified layer of material has been completed, the Contractor shall, at the Contractor's

expense, repair any damage to the roadbed or completed subgrade, including damage caused by the Contractor's operations or use by public traffic.

- k. While subgrade and paving operations are underway, public traffic shall be permitted to use the shoulders and, if half-width paving methods are used, shall also be permitted to use the side of the roadbed opposite the one under construction. When sufficient width is available, a passageway wide enough to accommodate at least 2 lanes of traffic shall be kept open at locations where subgrade and paving operations are in active progress.
- l. When ordered by the Engineer, the Contractor shall furnish a pilot car and driver and flaggers for the purpose of expediting the passage of public traffic through the Work under one-way controls. At locations where traffic is being routed through construction under one-way controls and when ordered by the Engineer, the movement of the Contractor's equipment from one portion of the Work to another shall be governed in accordance with the one-way controls.
- m. Water or dust palliative shall be applied if ordered by the Engineer for the alleviation or prevention of dust nuisance.
- n. In order to expedite the passage of public traffic through or around the work and where ordered by the Engineer, the Contractor shall install signs, lights, flares, temporary railing (Type K), barricades and other facilities for the sole convenience and direction of public traffic. Also where directed by the Engineer, the Contractor shall furnish competent flaggers whose sole duties shall consist of directing the movement of public traffic through or around the Work. The cost of furnishing and installing the signs, lights, flares, temporary railing (Type K), barricades, and other facilities, not to be paid for as separate contract items, will be paid for as provided in Section 3 of the General Provisions.
- o. The Contractor will be required to pay the cost of replacing or repairing all facilities installed for the convenience or direction or warning of public traffic that are lost while in the Contractor's custody, or are damaged by reason of the Contractor's operations to such an extent as to require replacement or repair, and deductions from any moneys due or to become due the Contractor will be made to cover the cost thereof.
- p. Whenever a section of surfacing, pavement or the deck of a structure has been completed, the Contractor shall open it to use by public traffic if the Engineer so orders or may open it to use by public traffic if the Engineer so consents. In either case the Contractor will not be allowed any compensation due to any delay, hindrance or inconvenience to the Contractor's operations caused by public traffic, but will thereupon be relieved of responsibility for damage to completed permanent facilities caused by public traffic, within the limits of that use. The Contractor will not be relieved of any other responsibility under the Contract nor will the Contractor be relieved of cleanup and finishing operations.
- q. Except as otherwise provided in this Section 6.1-16 or in the Special Provisions, full compensation for conforming to the provisions in this Section 6.1-16 shall be considered as included in the prices paid for the various contract items of Work and no additional compensation will be allowed therefor.

6-1.16 Public Safety.

- a. It is the Contractor's responsibility to provide for the safety of traffic and the public during construction.

Attachment 2

- b. Whenever the Contractor's operations create a condition hazardous to traffic or to the public, the Contractor shall, at the Contractor's expense and without cost to the City, furnish, erect and maintain those fences, temporary railing (Type K), barricades, lights, signs and other devices and take such other protective measures that are necessary to prevent accidents or damage or injury to the public.
- c. Fences, temporary railing (Type K), barricades, lights, signs, and other devices furnished, erected and maintained by the Contractor, at the Contractor's expense, are in addition to any construction area traffic control devices for which payment is provided for elsewhere in the Agreement.
- d. The Contractor shall also furnish such flaggers as are necessary to give adequate warning to traffic or to the public of any dangerous conditions to be encountered.
- e. Signs, lights, flags, and other warning and safety devices and their use shall conform to the requirements set forth in Chapter 6 of the MUTCD. Signs or other protective devices furnished and erected by the Contractor, at the Contractor's expense, as above provided, shall not obscure the visibility of, nor conflict in intent, meaning and function of either existing signs, lights and traffic control devices or any construction area signs and traffic control devices for which furnishing of, or payment for, is provided elsewhere in the Agreement. Signs furnished and erected by the Contractor, at the Contractor's expense, shall be approved by the Engineer as to size, wording and location.
- f. The installation of general roadway illumination shall not relieve the Contractor of the responsibility for furnishing and maintaining any of the protective facilities herein before specified.
- g. Construction equipment shall enter and leave the highway via existing ramps and crossovers and shall move in the direction of public traffic. All movements of workmen and construction equipment on or across lanes open to public traffic shall be performed in a manner that will not endanger public traffic.
- h. The Contractor's trucks or other mobile equipment which leave a freeway lane, that is open to public traffic, to enter the construction area, shall slow down gradually in advance of the location of the turnoff to give following public traffic an opportunity to slow down.
- i. When leaving a Work area and entering a roadway carrying public traffic, the Contractor's equipment, whether empty or loaded, shall in all cases yield to public traffic.
- j. Lanes, ramps and shoulders shall be closed in accordance with the details shown on the plans, and as provided in the Special Provisions.
- k. The Contractor shall notify the Engineer not less than 18 days and not more than 90 days prior to the anticipated start of an operation that will change the vertical or horizontal clearance available to public traffic (including shoulders).
- l. Pedestrian openings through falsework shall be paved or provided with full width continuous wood walks and shall be kept clear. Pedestrians shall be protected from falling objects and curing water for concrete. Overhead protection for pedestrians shall extend not less than 4 feet beyond the edge of the bridge deck. All pedestrian openings through falsework shall be illuminated.

- m. When vertical clearance is temporarily reduced to 15 feet, or less, low clearance warning signs shall be placed in accordance with Chapter 2 of the MUTCD. Signs shall conform to the dimensions, color, and legend requirements of the MUTCD and these specifications except that the signs shall have black letters and numbers on an orange retroreflective background. W12-2P signs shall be illuminated so that the signs are clearly visible.
- n. No material or equipment shall be stored where it will interfere with the free and safe passage of public traffic, and at the end of each day's Work and at other times when construction operations are suspended for any reason, the Contractor shall remove all equipment and other obstructions from that portion of the roadway open for use by public traffic.
- o. Temporary facilities which the Contractor uses to perform the Work shall not be installed or placed where they will interfere with the free and safe passage of public traffic.
- p. Temporary facilities which could be a hazard to public safety if improperly designed shall comply with design requirements specified in the Agreement for those facilities or, if none are specified, with standard design criteria or codes appropriate for the facility involved. Working drawings and design calculations for the temporary facilities shall be prepared and signed by an engineer who is registered as a Civil Engineer in the State of California and shall be submitted to the Engineer for approval. The submittals shall designate thereon the standard design criteria or codes used. Installation of the temporary facilities shall not start until the Engineer has reviewed and approved the drawings.
- q. Should the Contractor appear to be neglectful or negligent in furnishing warning devices and taking protective measures as above provided, the Engineer may direct attention to the existence of a hazard and the necessary warning devices shall be furnished and installed and protective measures taken by the Contractor at the Contractor's expense. Should the Engineer point out the inadequacy of warning devices and protective measures, that action on the part of the Engineer shall not relieve the Contractor from responsibility for public safety or abrogate the obligation to furnish and pay for these devices and measures.
- r. Provision for the payment for signs, lights, flares, temporary railing (Type K), barricades, and other facilities as provided in Section 6-1.16, "Public Convenience," or by contract item, shall in nowise relieve the Contractor from the responsibility as provided in this Section 6-1.17.
- s. Except as otherwise provided in this Section 6-1.17 or in the Special Provisions, full compensation for conforming to all of the provisions in this Section 6-1.17 shall be considered as included in the prices paid for the various contract items of Work and no additional compensation will be allowed therefor.

6-1.17 Preservation of Property.

- a. Roadside trees, shrubs and other plants that are not to be removed, and pole lines, fences, signs, markers and monuments, buildings and structures, conduits, pipelines under or above ground, sewer and water lines, all highway facilities and any other improvements or facilities within or adjacent to the highway shall be protected from injury or damage, and if ordered by the Engineer, the Contractor shall provide and install suitable safeguards, approved by the Engineer, to protect the objects from injury or damage. If the objects are injured or damaged by reason of the Contractor's operations, the objects shall be replaced or restored at the Contractor's expense. The facilities shall be replaced or restored to a condition as good as when the Contractor entered upon the Work, or as good as required by the Agreement, if any of the objects are a part of the Work. The Engineer may make or cause to be made those temporary repairs that are necessary to restore to service any damaged highway facility. The cost of the repairs shall be borne by the

Contractor and may be deducted from any moneys due or to become due to the Contractor under the Contract.

- b. The fact that any underground facility is not shown upon the Project Plans shall not relieve the Contractor of the responsibility under Section 4-1.05, "Utility and Non-Highway Facilities." It shall be the Contractor's responsibility, pursuant thereto, to ascertain the location of those underground improvements or facilities which may be subject to damage by reason of the Contractor's operations.
- c. Full compensation for furnishing all labor, materials, tools, equipment, and incidentals, and for doing all the Work involved in protecting or repairing property as specified in this Section 6-1.18, shall be considered as included in the prices paid for the various contract items of Work and no additional compensation will be allowed therefor.

6-1.18 Sound Control Requirements. The Contractor shall comply with all local sound control and noise level rules, regulations and ordinances which apply to any Work performed pursuant to the Agreement. Each internal combustion engine, used for any purpose on the job or related to the job, shall be equipped with a muffler of a type recommended by the manufacturer. No internal combustion engine shall be operated on the project without the muffler.

6-1.29 Disposal of Material Outside The Right Of Way.

- a. If the Contractor elects to dispose of materials at locations other than those where arrangements have been made by the City, or, if material is to be disposed of and the City has not made arrangements for disposal of the material, the Contractor shall make arrangements for disposing of the materials outside the highway right of way and shall pay all costs involved. Arrangements shall include, but not be limited to, entering into agreements with property owners and obtaining necessary permits, licenses and environmental clearances. Before disposing of any material outside the highway right of way, the Contractor shall furnish to the Engineer satisfactory evidence that the Contractor has entered into agreements with the property owners of the site involved and has obtained the permits, licenses and clearances.
- b. When any material is to be disposed of outside the highway right of way, and the City has not made arrangements for disposal of the material, the Contractor shall first obtain written authorization from the property owner on whose property the disposal is to be made and the Contractor shall file with the Engineer the authorization or a certified copy thereof together with a written release from the property owner absolving the City from any and all responsibility in connection with the disposal of material on the property. Before any material is disposed of on the property, the Contractor shall obtain written permission from the Engineer to dispose of the material at the location designated in the authorization. When material is disposed of as above provided and the disposal location is visible from a highway, the Contractor shall dispose of the material in a neat and uniform manner to the satisfaction of the Engineer.
- c. Where the City has made arrangements with owners of land in the vicinity of a project for the disposal of materials on an owner's property, the arrangements are made solely for the purpose of providing all bidders an equal opportunity to dispose of the materials on the property. Bidders or Contractors may, upon written request, inspect the documents evidencing the arrangements between property owners and the City. The Contractor may, if the Contractor so elects, exercise any rights that have been obtained, which may be exercised by a Contractor under the arrangements, subject to and upon the conditions hereinafter set forth.
- d. Such arrangements are not a part of the Agreement and it is expressly understood and agreed that the City assumes no responsibility to the Contractor whatsoever in respect to the

arrangements made with the property owner to dispose of materials thereon and that the Contractor shall assume all risks in connection with the use of the property, the terms upon which the use shall be made, and there is no warranty or guaranty, either express or implied, as to the quantity or types of materials that can be disposed of on the property.

- e. In those instances in which the City has compiled "Materials Information" as referred to in Section 3, "Examination of Plans, Specifications, Contract, and Site of Work," of Instructions to Bidders, the compilation will include the documents setting forth the arrangement made with some of the property owners for the disposal of material on those owners' properties. The inclusion of the documents therein shall not in any respect operate as a waiver of any of the provisions in this Section 6-1.20 concerning the documents.
- f. The Contractor is cautioned to make such independent investigation and examination as the Contractor deems necessary to be satisfied as to the quantity and types of materials which may be disposed of on the property and the rights, duties and obligations acquired or undertaken under the arrangement with the property owner.
- g. Notwithstanding that the Contractor may elect to dispose of materials on any such property owner's property, no material may be disposed of on that property unless the Contractor has first either:
 - 1. Executed a document that will guarantee to hold the owner harmless from all claims for injury to persons or damage to property resulting from the Contractor's operations on the property owner's premises and also agreed to conform to all other provisions set forth in the arrangement made between the City and the property owner. The document will be prepared by the Engineer for execution by the Contractor, or
 - 2. Entered into an agreement with the property owner of the disposal site on any terms mutually agreeable to the property owner and the Contractor; provided that the Contractor shall furnish to the Engineer a release, in a form satisfactory to the Engineer, executed by the property owner, relieving the City of any and all obligations under the City's arrangement with the owner.
- h. If the Contractor elects to dispose of material under Section 6-1.20g.1, the use of the site shall be subject to the terms, conditions and limitations of the arrangement made between the property owner and the City and the Contractor shall pay those charges that are provided for in the arrangement made by the City with the property owner, and deductions will be made from any moneys due or that may become due the Contractor under the contract sufficient to cover the charges for the material disposed of.
- i. If the Contractor elects to dispose of material under Section 6-1.20g.2, the Contractor shall pay those charges that are provided for in the agreement between the property owner and the Contractor and deductions will not be made from any moneys due or that may become due the Contractor under the contract to cover the charges.
- j. The Engineer may require the Contractor to submit written evidence that the property owner of the disposal site is satisfied that the Contractor has satisfactorily complied with the provisions of either: (1) the arrangement between the City and the property owner, or (2), the agreement between the property owner and the Contractor, as the case may be.

- k. Full compensation for all costs involved in disposing of materials as specified in this Section 6-1.20, including all costs of hauling, shall be considered as included in the price paid for the contract item of Work involving the materials and no additional compensation will be allowed therefor.

6.1-20 Assignment of Unfair Business Practice Claims. In accordance with California Public Contract Code Section 7103.5, the Contractor and any subcontractors offer and agree to assign to the City all right, title, and interest in and to all causes of action the Contractor or any subcontractors may have under Section 4 of the Clayton Act (15 U.S.C. § 15) or under the Cartwright Act (Chapter 2 (commencing with § 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services or materials pursuant to this Contract. This assignment shall be made and become effective at the time the City tenders final payment to the Contractor, without further acknowledgement by the parties.

6-1.21 Notice of Potential Claim

- a. If for any reason the Contractor deems that additional compensation is due for Work or materials not clearly provided for in the Agreement, Project Plans or Technical Specifications or previously authorized extra work, a Notice of Potential Claim shall be made. The Contractor shall give the Engineer a written Notice of Potential Claim concerning such additional compensation before Work begins on the items on which the claim is based. The notice shall set forth the reasons for which the Contractor believes additional compensation will or may be due and the nature of the costs involved. Any Notice of Potential Claim submitted to the City by the Contractor shall have attached the following certification executed by an officer of the Contractor:

I, _____, being the _____ of _____ (Contractor), declare under penalty of perjury under the laws of the State of California, and do personally certify and attest that: I have thoroughly reviewed the attached claim and know its contents, and said claim is made in good faith; that it is supported by truthful and accurate data; that the amount requested accurately reflects the contract adjustment for which the Contractor believes the City is liable; and further, that I am familiar with California Penal Code section 72 and California Government Code section 12650, et seq., pertaining to false claims, and further know and understand that submission or certification of a false claim may lead to fines, imprisonment, or other severe legal consequences.

- b. The Contractor shall afford the Engineer every opportunity and facility for keeping records of actual cost of the work. The Contractor shall keep records of the disputed work in accordance with Section 3-1.17, Change Order Pricing.
- c. If such notification is not given or the Engineer is not afforded proper opportunity by the Contractor for keeping strict account of actual cost as required, then the Contractor hereby agrees to waive any claim for such additional compensation. Such notice by the Contractor and the fact that the Engineer has kept account of the cost of the Work shall not in any way be construed as proving or substantiating the validity of the claim. When the Work on the which the claim for additional compensation is based has been completed, the Contractor shall within 10 calendar days of completion submit the Contractor's written claim to the Engineer, who will present it to the City for consideration in accordance with the Agreement, including, but not limited to Section 9-1.03 of the General Provisions and applicable law.
- d. Any claim for overhead type expense or costs, in addition to being certified as stated above, shall be supported by an audit report of an independent Certified Public Accountant. Any claim for overhead shall also be subject to audit by the City at its discretion.

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- e. Any costs or expenses incurred by the City in reviewing or auditing any claims that are not supported by the Contractor's cost accounting or other records shall be deemed to be damages incurred by the City within the meaning of the California False Claims Act.

SECTION 7 MEASUREMENT AND PAYMENT

7-1.01 F.O.B. All shipments must be F.O.B. destination to the Work site and/or other sites indicated in the Contract Documents. The Contract Price is all-inclusive (including sales tax). There shall be no additional compensation paid for containers, packing, unpacking, drayage or insurance. The Contract Price includes full compensation for all taxes which the Contractor is required to pay, whether imposed by Federal, State or local government, including, without being limited to, Federal excise tax. No tax exemption certificate nor any document designed to exempt the Contractor from payment of any tax will be furnished to the Contractor by the City, as to any tax on labor, services, materials, transportation, or any other items furnished pursuant to this Agreement.

7-1.02 Payment.

- a. On or about the first day of each calendar month the Contractor will submit to the Engineer a verified application for payment and schedule of values supported by a statement showing all materials actually installed during the preceding month and the cost of labor actually expended in the performance of the Work. Unless otherwise provided in the Contract Documents, no allowances or payments will be made for material or equipment not placed at the Work site. Each invoice shall contain the following certification executed by a duly authorized officer of the Contractor:

I, _____, being the _____ of _____ (Contractor), declare under penalty of perjury under the laws of the State of California, and do personally certify and attest that: I have thoroughly reviewed the attached application for payment and know its contents, and said application is made in good faith; that it is supported by truthful and accurate data; that the amount requested accurately reflects the costs incurred during the period covered by this application; and further, that I am familiar with California Penal Code section 72 and California Government Code section 12650, et seq., pertaining to false claims, and further know and understand that submission or certification of a false claim may lead to fines, imprisonment, or other severe legal consequences.
- b. To be eligible for payment, the Contractor's applications for payment must include certified payroll reports prepared in accordance with California Labor Code Section 1776 and the Agreement for each employee of the Contractor and any subcontractors engaged in the performance of the Work during the preceding months. Applications for payment will not be processed without certified payroll reports.
- c. In accordance with California Public Contract Code Section 20104.50, the City will review applications for payment as soon as practicable after receipt. Any application or part of an application that is determined to be improper will be returned to the Contractor as soon as practicable, but no later than seven days after receipt by the City, along with a written description of the reasons why the application is improper. The Contractor's failure to submit a schedule in the time specified in Section 3-1.10 of the General Provisions or its submission of a schedule to which the City has taken any uncorrected exception, shall serve as a basis for returning an application for payment in its entirety.
- d. Unless the Contractor has elected to post securities in lieu of retention in accordance with California Public Contract Code Section 22300 and the Agreement, and the Contractor and the City have executed an escrow agreement in accordance with Public Contract Code Section 22300 and the Agreement, the City will make progress payments to the Contractor in accordance with applicable law in the amount of ninety-five (95) percent of the value of the labor actually performed and the material incorporated in the Work as specified in Contractor's verified application for payment upon approval by the City's authorized representative(s). Payment of

progress payments will not be construed as acceptance of the Work performed. If the Contractor has elected to post securities in lieu of retention in accordance with Public Contract Code Section 22300 and the Agreement and the Contractor and the City have executed an escrow agreement in accordance with Public Contract Code Section 22300 and the Agreement, the City will make payments to the Contractor or the Contractor's escrow agent in accordance with such escrow agreement.

- e. The City will pay the Contractor's final invoice in accordance with applicable law and this Section 7 of the General Provisions following acceptance of the Work provided that:
 - 1. The Contractor has furnished evidence satisfactory to the City that all claims for labor and material have been paid, or the time for filing valid stop notices has passed and no stop notices have been filed, or all stop notices filed have been released by valid release or release bond acceptable to the City.
 - 2. No claim has been presented to the City by any person based upon any acts or omissions of the Contractor or any subcontractor engaged in the performance of the Work.
 - 3. No other claim or dispute exists under the Agreement or applicable law concerning payment of the Contractor's final invoice and/or release of the Agreement retention.
 - 4. The Contractor has filed with the City the Maintenance Bond provided in the Contract Documents with duly notarized signatures of an authorized representative of the Contractor and an attorney-in-fact of an admitted surety insurer acceptable to the City and such Maintenance Bond binds the Contractor as Principal and the Surety in accordance with its terms in the amount of 10% of the final Contract Price.
- f. In accordance with California Public Contract Code Section 20104.50, if the City fails to make a progress payment within thirty (30) days of receipt of an undisputed, properly submitted application for payment, the City will pay the Contractor interest equivalent to the legal rate set forth in subdivision (a) of California Code of Civil Procedure Section 685.010. The number of days available to the City to make a payment without incurring an interest obligation pursuant to this provision and California Public Contract Code Section 20104.50 will be reduced by the number of days, if any, by which the City has delayed return of an application for payment beyond the seven day return requirement set forth in Section 7-1.02.

7-1.03 Non-Allowable Direct Charges. The following costs are not allowable direct charges under the Agreement. The following costs may only be paid under the Agreement, if at all, as part of any allowance for Contractor overhead and/or profit established under the Agreement.

- a. Labor costs in excess of applicable prevailing wages pursuant to the Agreement and applicable law, liability and workers compensation insurance, social security, retirement and unemployment insurance and other employee compensation and benefits pursuant to bona fide compensation plans in effect at the time specified for the opening of Project bids for Contractor and subcontractor employees engaged in the performance of the Work. However, in no event will allowable direct labor charges under the Agreement include employee bonuses, employee vehicles or vehicle allowances, employee telephones or telephone allowances, or employee housing or housing allowances, whether or not such benefits are part of a bona fide compensation plan in effect at the time specified for the opening of Project bids.
- b. Superintendent labor and clerical labor.
- c. Bond premiums.
- d. Insurance in excess of that required under Section 6-1.08 of the General Provisions.

- e. Utility costs.
- f. Work Site office expenses.
- g. Home office expenses.

7-1.04 Retention. The City or its agent may, in accordance with the Contract Documents and applicable law, withhold any payment of monies due or that may become due the Contractor because of:

- a. Defective work not remedied or uncompleted work.
- b. Claims filed or reasonable evidence indicating probable filing of claims.
- c. Failure to properly pay subcontractors or to pay for material or labor.
- d. Reasonable doubt that the Work can be completed for the balance then unpaid.
- e. Damage to another contractor.
- f. Damage to the City.
- g. Damage to a third party.
- h. Delay in the progress of the Work, which, in the City's judgment, is due to the failure of the Contractor to properly expedite the Work.
- i. Liquidated damages or other charges that apply to the Contractor under the Agreement.
- j. Any other lawful basis for withholding payment under the Contract.

7-1.05 Not Used.

SECTION 8 PROJECT ACCEPTANCE AND CLOSEOUT

8-1.01 Occupancy. The City reserves the right to occupy or use any part or parts or the entirety of the Work before the Work is fully performed. Subject to applicable law, exercising this right will in no way constitute acceptance of any part of the Work so occupied or used or acceptance of the entire Work, nor will such occupancy or use in any way affect the times when payments will become due the Contractor, nor will such occupancy or use in any way prejudice the City's rights under the Agreement, any Agreement bonds, or at law or equity. Occupancy or use shall not waive the City's rights to assess liquidated damages in accordance with Section 5 after the date of such occupancy or use.

8-1.02 Work Completion and Final Inspection. When the Contractor considers the Work is completed, the Contractor will submit written certification to the Engineer specifying that: the Contract Documents have been reviewed; the Work has been inspected for compliance with the Contract Documents; the Work has been completed in accordance with the Contract Documents; and that equipment and systems have been tested in the presence of the City's representative and are operational. The City and/or the City's authorized representatives will make an inspection to verify that the Work is complete and will notify the Contractor in writing of any incomplete or deficient Work. The Contractor will take immediate steps to remedy the stated deficiencies and give notice of correction to the Engineer. Upon receiving a notice of correction, the City or the City's authorized representatives will re-inspect the Work. The Contractor must correct all punch list items within 15 working days after the issuance of the punch list. Before acceptance of the Work the Contractor must submit: one set of the Project Record Drawings (As-Builts), and any equipment operating and maintenance instructions and data, warranties.

8-1.03 Work Acceptance.

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- a. All finished Work will be subject to inspection and acceptance or rejection by the City, the Engineer, and the Designer or other government agencies having jurisdiction over the Work. Final acceptance of the Work will be at the discretion of the City.
- b. The City will accept the Work in writing only when the Work has been completed to the City's reasonable satisfaction. Progress payments will in no way be construed as acceptance of any part of the Work
- c. In evaluating the Work, no allowance will be made for deviations from the Technical Specifications, Project Plans or other Contract Documents unless already approved in writing in accordance with the requirements of Section 3, above.
- d. The fact that the Work and materials have been inspected from time to time and that progress payments have been made does not relieve the Contractor of the responsibility of replacing and making good any defective or omitted work or materials in accordance with the requirements of the Contract Documents.

SECTION 9 REMEDIES AND DISPUTES

9-1.01 Failure to Correct Work. Within ten (10) working days of receiving written notice from the City describing Work that is defective or that is otherwise not in accordance with the requirements of the Agreement and/or applicable law and directing that such Work be corrected, the Contractor and/or the Contractor's sureties must give the City written notice of the intent of the Contractor and/or the Contractor's sureties to correct such Work and commence correction of such Work in accordance with the City's notice and the Agreement. If the Contractor and/or the Contractor's sureties do not give the City written notice of intent to correct such Work and commence correction of such Work within ten (10) working days of receipt of the City's notice, then the City may correct such work and/or have such work corrected for the account and at the expense of the Contractor and/or its sureties, and the Contractor and/or its sureties will be liable to the City for any resulting excess cost. The City may, in addition to all other remedies that the City may have under the Agreement and at law or equity, deduct any such excess cost of completing the Work from amounts that are due or that may become due the Contractor.

9-1.02 Termination.

a. In accordance with California Public Contract Code Section 7105, in addition to all other available remedies that the City may have under the Agreement, and at law or equity, the City may terminate the Agreement:

1. If the Contractor or any of its subcontractors engaged in the performance of the Work fails to timely perform the Work and/or any of the Contractor's material obligations under the Contract Documents, including but not limited to submission of an acceptable schedule, that have accrued except for those due to reasons beyond the control of the Contractor pursuant to the Contract Documents.
2. If the Contractor is adjudged bankrupt, or if it should make a general assignment for the benefit of creditors, or if a receiver should be appointed on account of its creditors.
3. If the Contractor or any of the subcontractors engaged in the performance of the Work persistently or repeatedly refuses or fails to supply enough properly skilled workmen or proper materials for the timely completion of the Work.
4. If the Contractor fails to make prompt payment to subcontractors engaged in the performance of the Work or for material or labor used in the performance of the Work in accordance with the Contract Documents and applicable law.
5. If the Contractor or any subcontractors engaged in the performance of the Work persistently disregards laws or ordinances applicable to the performance of the Work, or the instructions of the City, the Engineer, the Designer, or other authorized representatives of the City.
6. For any reason or for no reason, at the City's sole discretion.

b. If the City intends to terminate the Contractor's control of the Work for any of the reasons specified in Section 9-1.02(a) 1 through 5, above, the City will immediately serve written notice to the Contractor and its sureties in accordance with the Contract Documents. Notice of the City's intent to terminate the Agreement will be given by registered or certified mail and specify the grounds for termination, the required cure and the time by which the cure must be effected. Upon receipt of notice of the City's intent to terminate the Agreement for any of the

reasons specified in Section 9-1.02(a) 1 through 5, the Contractor will have ten (10) days from receipt of the notice or a longer time specified in the notice to cure its default. If the Contractor does not effect the required cure by the time specified in the notice, the City will issue a written notice of termination to the Contractor and its sureties by registered or certified mail. The notice of termination will specify: that upon receipt of the notice the Contractor's right to perform or complete the Work, including on behalf of the Contractor's sureties, is terminated; that the Contractor's sureties will have the right to take over and complete the Work and perform all of the Contractor's remaining obligations that have accrued under the Agreement; and that if the Contractor's sureties do not both give the City written notice of their intention to take over and perform the Agreement and commence completion of the Work and performance of all of the Contractor's remaining obligations that have accrued under the Agreement within ten (10) days after receipt of notice of termination that the City may declare the Contractor's sureties in default and take over the completion of the Work or have the Work completed for the account and at the expense of the Contractor and its sureties, and the Contractor and its sureties will be liable to the City for any resulting excess cost. The City may, in addition to all other available remedies that the City may have under the Contract Documents and at law or equity, deduct any such excess cost of completing the Work from amounts that are due or that may become due the Contractor.

- c. Upon termination of the Contractor's control of the Work for any of the reasons specified in Section 9-1.02(a) 1 through 5, the Contractor will, if so directed by the City, immediately remove from the Work site any and all materials and personal property belonging to the Contractor which have not been incorporated in the Work and the Contractor and its sureties will be liable upon their bond for all damages caused the City by reason of the Contractor's failure to complete the Work.
- d. Upon termination of the Contractor's control of the Work for any of the reasons specified in Section 9-1.02(a) 1 through 5, above, the City reserves the right to refuse tender of the Contractor by any surety to complete the Work.
- e. If the City completes or has completed any portion of, or the whole of the Work, following termination of the Contractor's control of the Work for any of the reasons specified in Section 9-1.02(a) 1 through 5, above, the City will neither be liable for nor required to account to the Contractor or the Contractor's sureties in any way for the time within which, or the manner in which such Work is performed, or for any changes made in such Work or for the money expended in satisfying claims and/or suits and/or other obligations in connection with completing the Work. If, following termination of the Contractor's control of the Work for any of the reasons specified in Section 9-1.02(a) 1 through 5, above, the unpaid balance of the Contract Price exceeds the expense of completing the Work, including compensation for additional legal, managerial and administrative services and all other amounts due for the completion of the Work and/or satisfaction of claims of the City and/or others arising out of the Agreement and any other charges that apply to the Contractor under the Agreement, the difference will be paid to the Contractor. If such expenses of completing the Work exceed the unpaid balance of the Contract Price, the Contractor or its sureties will pay the difference to the City.
- f. If the Agreement or Contractor's control of the Work is terminated for any reason, no allowances or compensation will be granted for the loss of any anticipated profit by the Contractor.
- g. In accordance with California Government Code Section 4410, in the event a national emergency occurs, and public work being performed by contract is stopped, directly or indirectly, because of the freezing or diversion of materials, equipment or labor, as the result of an order or a proclamation of the President of the United States, or of an order of any federal authority, and the circumstances or conditions are such that it is impracticable within a

reasonable time to proceed with a substantial portion of the Work, then the City and the Contractor may, by written agreement, terminate the Agreement. In accordance with California Government Code Section 4411, such an agreement will include the terms and conditions of the termination of the Contract and provision for the payment of compensation or money, if any, which either party will pay to the other or any other person, under the facts and circumstances in the case. Compensation to the Contractor will be determined on the basis of the reasonable value of the Work done, including preparatory Work. As an exception to the foregoing, in the case of any fully completed separate item or portion of the Work for which there is a separate contract price, the Contract Price shall control. The parties may in any other case adopt the Contract Price as the reasonable value of the Work or any portion of the Work done.

9-1.03 Disputes.

- a. In accordance with California Public Contract Code Section 20104.2, the following procedures apply to claims of \$375,000 or less between the Contractor and the City:

1. Any claim submitted by Contractor to the City shall be in writing and include the documents necessary to substantiate the claim. All claims must be filed on or before the date of final payment. Any compromise, agreement, or understanding with respect to any claim submitted by Contractor shall have no effect unless and until said claim has been approved by the City Council of the City of St. Helena, or if the claim does not require City Council approval, said claim has been approved by the Public Works Director. Any claim submitted to the City by the Contractor shall have attached the following certification executed by an officer of the Contractor:

I, _____, being the _____ of _____ (Contractor), declare under penalty of perjury under the laws of the State of California, and do personally certify and attest that: I have thoroughly reviewed the attached claim and know its contents, and said claim is made in good faith; that it is supported by truthful and accurate data; that the amount requested accurately reflects the contract adjustment for which the Contractor believes the City is liable; and further, that I am familiar with California Penal Code section 72 and California Government Code section 12650, et seq., pertaining to false claims, and further know and understand that submission or certification of a false claim may lead to fines, imprisonment, or other severe legal consequences.

2. For claims of less than fifty thousand dollars (\$50,000), the City shall respond in writing to any written claim within 45 days of receipt of the claim, or may request, in writing, within 30 days of receipt of the claim, any additional documentation supporting the claim or relating to defenses to the claim the City may have against the Contractor.
3. If additional information is thereafter required, it shall be requested and provided pursuant to this subdivision, upon mutual agreement of the City and the Contractor.
4. The City's written response to the claim, as further documented, shall be submitted to the Contractor within 15 days after receipt of the further documentation or within a period of time no greater than that taken by the Contractor in producing the additional information, whichever is greater.
5. For claims of over fifty thousand dollars (\$50,000) and less than or equal to three hundred seventy-five thousand dollars (\$375,000), the City shall respond in writing to all written claims within 60 days of receipt of the claim, or may request, in writing, within 30 days of

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receipt of the claim, any additional documentation supporting the claim or relating to defenses to the claim the City may have against the Contractor.

6. If additional information is thereafter required, it shall be requested and provided pursuant to this subdivision, upon mutual agreement of the City and the Contractor.
 7. The City's written response to the claim, as further documented, shall be submitted to the Contractor within 30 days after receipt of the further documentation, or within a period of time no greater than that taken by the Contractor in producing the additional information or requested documentation, whichever is greater.
 8. If the Contractor disputes the City's written response, or the City fails to respond within the time prescribed, the Contractor may so notify the City, in writing, either within 15 days of receipt of the City's response or within 15 days of the City's failure to respond within the time prescribed, respectively, and demand an informal conference to meet and confer for settlement of the issues in dispute. Upon a demand, the City shall schedule a meet and confer conference within 30 days for settlement of the dispute.
 9. Following the meet and confer conference, if the claim or any portion remains in dispute, the Contractor may file a claim as provided in Chapter 1 (commencing with Section 900) and Chapter 2 (commencing with Section 910) of Part 3 of Division 3.6 of Title 1 of the Government Code. For purposes of those provisions, the running of the period of time within which a claim must be filed shall be tolled from the time the Contractor submits his or her written claim pursuant to subdivision (a) until the time that claim is denied as a result of the meet and confer process, including any period of time utilized by the meet and confer process.
 10. This Section 9-1.03 does not apply to tort claims and nothing in this section is intended nor shall be construed to change the time periods for filing tort claims or actions specified by Chapter 1 (commencing with Section 900) and Chapter 2 (commencing with Section 910) of Part 3 of Division 3.6 of Title 1 of the Government Code.
- b. In accordance with California Public Contract Code Section 20104.4, the following procedures apply to civil actions to resolve claims of \$375,000 or less between the City and the Contractor:
1. Within 60 days, but no earlier than 30 days, following the filing of responsive pleadings, the court shall submit the matter to non-binding mediation unless waived by mutual stipulation of both parties. The mediation process shall provide for the selection within 15 days by both parties of a disinterested third person as mediator, shall be commenced within 30 days of the submittal, and shall be concluded within 15 days from the commencement of the mediation unless a time requirement is extended upon a good cause showing to the court or by stipulation of both parties. If the parties fail to select a mediator within the 15-day period, any party may petition the court to appoint the mediator.
 2. If the matter remains in dispute, the case shall be submitted to judicial arbitration pursuant to Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 of the Code of Civil Procedure, notwithstanding Section 1141.11 of that code. The Civil Discovery Act of 1986 (Article 3 (commencing with Section 2016) of Chapter 3 of Title 3 of Part 4 of the Code of Civil Procedure) shall apply to any proceeding brought under this subdivision consistent with the rules pertaining to judicial arbitration.

Attachment 2

3. Notwithstanding any other provision of law, upon stipulation of the parties, arbitrators appointed for purposes of this section shall be experienced in construction law, and, upon stipulation of the parties, mediators and arbitrators shall be paid necessary and reasonable hourly rates of pay not to exceed their customary rate, and such fees and expenses shall be paid equally by the parties, except in the case of arbitration where the arbitrator, for good cause, determines a different division. In no event shall these fees or expenses be paid by state or county funds.
 4. In addition to Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 of the Code of Civil Procedure, any party who after receiving an arbitration award requests a trial de novo but does not obtain a more favorable judgment shall, in addition to payment of costs and fees under that chapter, pay the attorney's fees of the other party arising out of the trial de novo.
 5. The court may, upon request by any party, order any witnesses to participate in the mediation or arbitration process.
- c. In accordance with California Public Contract Code Section 20104.6:
1. The City shall not fail to pay money as to any portion of a claim which is undisputed except as otherwise provided in the Agreement.
 2. In any suit filed under Public Contract Code Section 20104.4 concerning this contract, the City shall pay interest at the legal rate on any arbitration award or judgment. Such interest shall accrue from date the suit was filed.



Technical Specifications

For

**City of St. Helena
Pope Street Bike Lanes**

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SECTION 12

TRAFFIC CONTROL

12-1.01 Description: Construction area traffic control devices shall be installed and maintained in accordance with the applicable sections of these Special Provisions, the Standard Specifications, the current Edition of the California Manual on Uniform Traffic Control Devices (CAMUTCD), the California Supplement to the MUTCD, the Americans with Disabilities Act (ADA) and as directed by the Engineer.

12-1.02 Traffic Control Plan: Prior to commencing construction which will affect existing vehicular and pedestrian traffic, the Contractor shall submit for review by the Engineer, Traffic Control Plans on 11" x 17" sheets of paper which contains only information specifically related to work zone vehicular and pedestrian traffic control. If the Contractor proposes to use the current edition of the CAMUTCD published by Caltrans in lieu of a traffic control plan, in specific work operations, they shall submit in writing for consideration which Typical Application Diagram will be used and how it will be applied for each work operation. Traffic Control Plans or proposals shall be submitted for review at least two weeks prior to implementation.

Traffic Control Plans shall contain a title block which contains the Contractor's name, address, phone number, project superintendent's name, contract name, dates and hours traffic control will be in effect, and a space for review acknowledgment.

The content of the Traffic Control Plan shall include, but is not limited to, the following:

1. Show location and limits of the work zone.
2. Give dimensions of lanes affected by traffic control that will be open to traffic.
3. Indicate signing, cone placement, and other methods of delineation and reference to appropriate City or Caltrans Standards.
4. Dimension location of signs and cone tapers.
5. Identify side streets and driveways affected by construction and show how they will be handled.
6. Show how pedestrian traffic will be handled through the construction site. Pedestrian pathways through the work zone shall be in compliance with the requirements of ADA during and after work hours.
7. Demonstrate how two-way traffic will be maintained.

No work will be allowed to commence prior to approval of the Work Zone Traffic Control Plans.

12-1.03 Traffic Control:

Lane closures with flagging will be permitted between the hours of 8:30 a.m. and 4:00 p.m. only. Only one lane at a time may be closed and no lanes shall be closed at any other hours unless specifically approved by the Engineer. The Contractor shall maintain vehicle access to homes and other properties at all times while work is in progress.

The Contractor shall not park construction vehicles, or allow their employees to park private vehicles in front of any businesses or any driveway accesses.

The Contractor shall be advised that several businesses with private parking lots for multiple vehicles exist within project limits. The Contractor shall maintain access to private parking lots at all times.

The Contractor will be required to provide 2-way traffic through each block (between the nearest intersections of their immediate work zone) at all times. The Contractor shall maintain vehicle and pedestrian access to homes and other properties within the block where work is in progress.

Construction vehicles shall not be left running for any length of time if not in immediate use.

No parking signs shall be installed as shown on the plans a minimum of 72 hours prior to installing bike lane striping in vicinity where parking is to be removed.

All temporary signage shall be constructed with retroreflective material on a backing of metal or fabric. For signs directed to pedestrians only, corrugated printed signs may be used. Signs shall be removed or covered when not required.

The Contractor shall maintain vehicle access to all homes and other properties along the work zone.

Cross streets will require maintenance of at least one-half (1/2) width of each street for traffic purposes, unless a parallel route is approved by the Engineer. Flagging will only be allowed between the hours of 8:30 am and 4:00 pm.

Barricades and flaggers shall be positioned to allow safe turns at intersections and curves.

12-1.04 Pedestrian Traffic Control: The Contractor is directed to Chapter 6D, Pedestrian and Worker Safety, in the CAMUTCD, the improvement plans and these Special Provisions.

Pedestrians shall be provided with a safe convenient and accessible path that, at a minimum, replicate the most desirable characteristics of the existing sidewalk, path or footpath. At no point along the road shall the sidewalks on both sides of the road be closed at the same time.

Pedestrian routes shall not be impacted.

12-2 Flagging:

12-2.03 Flagging Costs: The first paragraph of Section 12-2.02, "Flagging Costs" is amended to read:

The cost of furnishing all flaggers, including transporting flaggers, to provide for passage of public traffic through the work under the provisions in Section 7-1.08, "Public Convenience", and Section 7-1.09, "Public Safety", shall be considered as included in the contract prices paid for various items of work and no additional allowance will be made therefor.

12-3.01 Maintaining Traffic:

1. Personal vehicles of the Contractor's employees shall not be parked on the traveled way or parking lanes, including any section closed to the public traffic or marked no parking by the Contractor.
2. The full width of the traveled way shall be open for use by public traffic on Saturday, Sundays and designated legal holiday(s), after 4:00 p.m. on Fridays and the day preceding designated legal holidays, and when construction operations are not actively in progress.
3. The location of traffic control signing, barricades, and other facilities shall be monitored frequently (four to five times per day) by the Contractor to verify their proper location. All traffic signal and other traffic control devices shall be maintained at all times.
4. The Contractor shall conduct his operations so as to cause the minimum obstruction and inconvenience to traffic and to places of business, multiple dwelling units and residences adjacent to the work. The Contractor shall notify the Engineer of his planned work and utility service interruption at least five working days in advance to allow time to notify residents and businesses.
5. All traffic shall be permitted to pass through the work zone with as little inconvenience and delay as possible, unless access is otherwise provided or authorized. If half the street only is under improvement, the other half shall be conditioned and maintained as a detour.

12-4 Measurement and Payment:

12-4.01 Payment: Traffic Control shall be considered as included in the contract lumps sum paid for Pope Street Bike Lane Installation, which price shall include full compensation for furnishing all labor, materials, tools and equipment, and doing all work involved in **vehicular and pedestrian** traffic control, including but not limited to: temporary relocation of regulatory signs; project and public notification signs; flagging; barricades; complying with MUTCD Standards for Pedestrian Safety; coordination efforts and any other items necessary for vehicle and pedestrian traffic control not specifically enumerated in the plans or these specifications, and no additional allowance will be made therefor.

[Revised: 4/13/09]

SECTION 21

NOTIFICATION

21-1.01: The Contractor shall notify the Engineer of any work to be performed on any given work day either on the afternoon of the prior working day or before 8:30 a.m. on the given working day. Any work completed for which the Project Engineer or Project Inspector has not received prior notification of its scheduling MAY NOT BE ACCEPTED FOR PAYMENT.

The Contractor shall maintain a Supervisor at the work site at all times and shall have the ability to communicate effectively with his crew, inspectors and City personnel, and who shall have the authority to sign change orders, coordinate work and make decisions pertaining to the fulfillment of the contract.

The Contractor shall provide a written notice of pending construction to all residents and businesses 7 calendar days prior to the start of work. A notice shall be placed at each front door and attempts made at personal contact. The Contractor shall inform each resident and business of the type of work, the scheduled date(s) and time of work, the potential impacts to the resident or business and request that cars be parked out of the roadway by 8:00 a.m. Services of notice shall not bar use of local cars within the block.

All written notices shall be submitted to the City for approval prior to distribution. The City may take up to 3 calendar days to review notices.

21-3.01 Payment: Full compensation for conforming to the provisions of this section shall be considered as included in the prices paid for the various contract items of work involved and no additional compensation will be allowed therefor.

SECTION 56

SIGNS

56-2.01 Description: The work shall consist installing signs and posts as shown on the plans, where directed by the Engineer, and shall conform to the City specifications and the Standard Specifications.

Post and foundation details for sign installation shall conform to City standard 331B of the City of St. Helena Street, Storm Drain and Sidewalk Standards.

56-2.06 Payment: Installation of signs shall be included in the lump sum price paid for Pope Street Bike Lanes Installation, which price shall include full compensation for furnishing all labor, materials, tools and equipment and doing all work involved in relocating signs and poles, including removing and preserving existing sign, furnishing and installing new 2-inch sign post, mounting hardware, installing preserved street sign on new post and any other work required for relocating sign complete in place not specifically enumerated in the City Standards, these Special Provisions or on the Project Plans, and no additional allowance will be made therefore.

SECTION 84

TRAFFIC STRIPES AND PAVEMENT MARKINGS

84-1.01 Description: Traffic Stripes and pavement markings shall conform to the applicable provision of Section 84 of the Standard Specification, CalTrans Traffic Manual Chapter 6 and these Special Provisions and shall be done at the locations shown on the Plans.

Attention is directed to Section 12 of these Special Provisions.

The Contractor shall provide and install Traffic Striping and Pavement Markings on the same day as the existing permanent markings are removed, or as directed by the Engineer, and maintain them until the new permanent markings are in place.

Removal of existing Traffic Stripes and Pavement Markings shall be in accordance with section 15-2.02C, "Removal of Traffic Stripes and Pavement Markings" of the Standard Specifications.

All striping and pavement markers shall be 2 coats and shall include glass beads in accordance to State Specification 8010-004

Existing pavement markings, including crosswalks, disturbed by construction activities shall be replaced in their entirety.

Existing stripes and pavement markings to remain, which are damaged by the work shall be replaced at the Contractor's expense.

84-1.02 Payment: Traffic Stripes and Pavement Markings shall be paid considered as included in the contract lump sum price paid for Pope Street Bike Lane Installation, which price shall include full compensation for furnishing all glass beads, pavement marking and striping material, and furnishing all equipment, tools, and labor, and doing all the work involved as herein specified, including laying out all Striping and Pavement Markings, eradication of existing traffic stripes and pavement markings, temporary traffic stripes and pavement markings and replacement of damaged stripes and markings, pavement surface preparation, , paint materials, and any other work required to install traffic stripes and pavement markings as shown on the Plans or detailed in the Special Provision, and no additional allowance will be made therefor.

SECTION 96
PAYMENT

Full compensation for Installing Bike Lanes on Pope Street shall be paid at the contract lump sum price, which price shall include full compensation for furnishing labor, material, tools and equipment and doing all work as shown on the plans, as specified herein and as required to complete the work and no additional compensation will allowed therefore.

MINUTES OF THE ACTIVE TRANSPORTATION COMMITTEE

Active Transportation Committee

Special Meeting

Carnegie Building, 1360 Oak St.

February 3rd, 2016 5:30 PM

1. **ROLL CALL: Present:** Committee Member: Donna Hinds, Michael Chisek, Brian Cramer, Ric Henry Alternates: Patricia Clarey, Christine Talley
Absent: None

2. **PUBLIC FORUM:**
No public comment

3. **CONSENT CALENDAR**

- A. The committee approved the Minutes from December 3rd, 2015. Committee member Brian Cramer moved to approve the minutes, Committee member Donna Hinds provided second. Approved: All (5-0)

4. **SCHEDULED MATTERS:**

- A. Review of Revised Pope Street Bike Lanes Plan by Public Works Project Manager Tobias Barr. The revised Pope Street Bike Lanes Designed provides share arrows on the south side of Pope from Main Street to Chiles Ave and maintains parking in this higher density area where parking demand is high. The remaining route is Class II from Chiles Ave until Collage Ave. This removes on street parking on the south side on Pope Street from Mariposa Lane to Starr Avenue. Those who use that section on-street parking, such as visitors and guest of Silverado Orchards Retirement Community, could park across the street and use the lite cross walk at Starr Ave to reach Silverado Orchards.

Public Comment:

Linda Zimmerman at Silverado Orchards: Crosswalk at Starr Ave too far away for seniors.

Silverado Orchards resident: Crosswalk is not safe and bikes can't cross the Pope Street Bridge so what good are bike lanes.

Joyce Sharpe Silverado Orchards: Not enough parking on Main Street, signs are too small. Parking lot at Silverado Orchards is full. Visitors need parking.

Silverado Orchards Resident: Usually many cars use the on-street parking, rather have the city fix sidewalks; too far to walk across the street; bikes use the road anyway without bike lanes; there are not that many bikers on Pope Street.

Silverado Orchards Resident: Not enough parking on-site; need street parking for visitors.

Kerry Baldwin, Silverado Orchards: Crosswalk is too far; staff observations are inadequate because the peak is holidays and weekends; should have a study of number of bikes and bike accidents; there was a pedestrian fatality at the crosswalk at Mariposa whom was a Silverado Orchards resident.

Committee Action: Brian Cramer motioned to recommend city staff move forward with the grant application for Hunt Sidewalk. Donna Hinds second. All in favor (5-0).

- C. Review of Mitchell Drive Sidewalk Plans. Tobias Barr provided an update on the project's final design including Class III bicycle stripping.

Action: Michael Chisek motioned to approve the design. Brian Cramer second. All in favor (5-0).

5. REPORTS AND ANNOUNCEMENTS BY MEMBERS AND STAFF: None.

6. DISCUSSION OF ITEMS TO BE PLACED ON THE NEXT AGENDA

None.

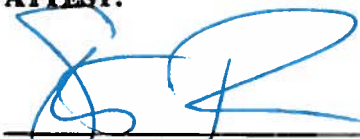
- 7. ADJOURNMENT** The meeting was adjourned by the Chair at 7:38 PM. The next regular Active Transportation Committee meeting is scheduled for March 2nd at 5:00 pm at City Hall, 1480 Main Street.

APPROVED:



Jake Scheideman, Chair

ATTEST:



Steven Palmer, Director Public Works

CITY OF ST. HELENA

RESOLUTION NO. 2016-_____

**FINDING THE PROJECT EXEMPT FROM CEQA; APPROVING AND ADOPTING
THE PROJECT MANUAL; AND AUTHORIZING THE BID REQUEST FOR POPE
STREET CLASS II BIKE LANES, CIP PROJECT R-30**

- A. On May 28, 2013, the City Council, by resolution, adopted Resolution 2013-34 which approved and adopted the City of St. Helena Bicycle Plan, which identifies Class II Bike Lanes along Pope Street to improve bicycle access and safety to City residents; and
- B. In March 2014, the City of St. Helena was awarded \$40,000 of Transportation for Clean Air grant funds for the installation of Pope Street Class II bike lanes; and
- C. The approved 5 Year Capital Improvement Program identifies project R-30 Pope Street Class II Bike Lanes; and
- D. City Staff hired Green Valley Consulting Engineers under the City's Master Professional Services Agreement approved by City Council on August 11, 2015, Resolution 2015-94, to provide Plans, Specification and Estimate of the Pope Street Bike Lanes Project; and
- E. The Project Plans and Manual have been completed to City Standards and approved by the City Director of Public Works/City Engineer; and
- F. The Project includes a minor alteration to land; and
- F. Pope Street is existing City of St. Helena Right-of-Way.

RESOLUTION

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

1. The project is categorically exempt from the California Environmental Quality Act, pursuant to CEQA Guidelines Section 15304, Minor Alterations to Land Class 4 which exempts construction of bike lanes in existing rights-of-way.
2. The Project Manual, available online and for viewing at City Hall, 1480 Main Street, is hereby approved; and
3. The City Engineer is authorized to solicit bids for the subject project.

Approved at a Regular Meeting of the St. Helena City Council on May 24th 2016 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Alan Galbraith
Mayor

ATTEST:

Cindy Black
City Clerk

CITY OF ST. HELENA

RESOLUTION NO. 2016-

**ADDING RED ZONES ON PORTIONS OF POPE STREET TO THE CITY'S
LIST OF RED ZONES (PARKING PROHIBITIONS) AND RESCINDING PRIOR
RESOLUTION NO. 2013-37**

RECITALS

The Police Chief, Fire Chief and the Public Works Director have identified certain locations for which no parking is recommended in addition to those already in existence. New locations are identified with an underline in the following resolution. Locations not marked by an underline are locations already designated as no parking zones.

RESOLUTION

1. No parking zones or No stopping zones established within Resolution No. 2010-97 are hereby rescinded except to the extent that they are re-established below in this resolution.

2. For purposes of this resolution:

"Curb" means the concrete curbing installed along the side of the street or roadway or, if there is none, the edge of the traveled portion of the street or roadway.

"Intersection" means the point established by extending curb lines of the designated streets without regard for an arced curb installed to provide a turning radius between roadways.

3. Pursuant to Sections 10.10 and 10.11.1 of the City Code the following locations are designated as no parking or no stopping zones within which parking of vehicles on City streets is prohibited.

A) ADAMS STREET

1. Commencing at the northeast intersection of Adams and Kearney Streets thence 25 feet easterly along the north side of Adams Street.
2. Commencing at the southeast intersection of Adams and Kearney Streets thence 72 feet westerly along the south side of Adams Street.
3. Commencing at the southeast intersection of Adams Street and Money Way thence 30 feet easterly along the south side of Adams Street.

4. Commencing at the southeast intersection of Adams Street and Napa Valley Wine Train Tracks thence easterly 30 feet along the south side of Adams Street.
5. Commencing at the southeast intersection of Adams Street and Main Street 42 feet easterly to the point of beginning, thence 20 feet easterly along the south side of Adams Street.
6. Commencing on the south side of Adams Street 138 feet easterly from Main Street thence 20 feet easterly along the south side of Adams Street.
7. Commencing at the northwest intersection of Adams Street and Railroad Avenue thence westerly 28 feet along the north side of Adams Street.
8. Commencing at a point 65 feet east of Main Street thence easterly 20 feet along the north side of Adams Street.
9. Commencing at the northeast intersection of Adams Street and Oak Avenue thence easterly 20 feet on the north side of Adams Street.
10. Commencing at the southeast intersection of Adams Street and Oak Avenue thence easterly 30 feet along the south side of Adams Street.
11. Commencing at the northeast intersection of Adams Street and Oak Avenue thence easterly 25 feet along the north side of Adams Street.
12. Commencing at the southwest intersection of Adams Street and Main Street thence westerly 31 feet along the south side of Adams Street.
13. Commencing at the westerly edge of the westerly driveway of 899 Adams Street thence westerly 30 feet along the south side of Adams Street.
14. Commencing at the easterly edge of the most easterly driveway of the 1010 Adams Street Bank Building and Pharmacy, thence easterly thirty (30) feet along the south side of Adams.

B) ALEXANDER COURT

1. Commencing at the southerly intersection of Alexander Court and Main Street thence westerly along the north side of Alexander Court 160 feet, thence northerly along a curve to the right 160 feet, thence easterly along the southerly side 160 feet to the northerly intersection of Alexander Court and Main Street.

C) CHARTER OAK

1. Commencing at the northeast intersection of Charter Oak and Wine Train Railroad Tracks thence easterly 180 feet along the north side of Charter Oak.

2. Commencing at the southeast intersection of Charter Oak and Wine Train Railroad Tracks thence easterly 197 feet along the south side of Charter Oak.
3. Commencing at the east intersection of Allison Avenue and Charter Oak thence along both sides of Charter Oak Avenue to the easterly end of the street.

D) CHILES AVENUE

1. Beginning at a point lying 84 feet westerly of the northwest bridge abutment corner at Pope Street crossing Sulphur Creek; thence northwesterly 58 feet along the east curb at Chiles Avenue and Pope Street.
2. Beginning at a point lying 154 feet westerly of the northwest bridge abutment corner at Pope Street crossing Sulphur Creek; thence northerly 84 feet along the west curb at Chiles Avenue and Pope Street.

E) CHURCH STREET

1. Commencing at the southeast intersection of Church Street and Hunt Avenue thence southerly along the east side of Church Street to the northeasterly intersection of Pope Street.
2. West side of Church Street five (5) feet north and five (5) feet south of the entrance and exit driveway of the parking lot of the business located at 1120 Pope Street.

F) COLLEGE AVENUE

1. Commencing at the southeast intersection of College Avenue and Pope Street thence southerly 360 feet along the east side of College Avenue.
2. Commencing at the southwest intersection of College Avenue and Pope Street thence southerly 360 feet along the west side of College Avenue.

G) CRANE AVENUE

1. Commencing at the southeast intersection of Crane Avenue and Grayson Avenue thence southerly 50 feet along the east side of Crane Avenue. This is a 24-hour "No Stopping" zone.
2. Commencing at a point 50 feet south of the southeast intersection of Crane Avenue and Grayson Avenue thence southerly 413 feet along the east side of Crane Avenue. This is a "No Stopping" zone during the hours of 7:30 a.m. – 3:00 p.m. on school days.

3. Commencing at the northeast intersection of Crane Avenue and Grayson Avenue thence northerly 50 feet along the east side of Crane Avenue. This is a 24-hour "No Stopping" zone.
4. Commencing at a point 50 feet north of the northeast intersection of Crane Avenue and Grayson Avenue thence northerly 450 feet along the east side of Crane Avenue to the bridge. This is a "No Stopping" zone during the hours of 7:30 a.m. – 3:00 p.m. on school days.

H) DOWDELL LANE

1. Commencing at the east right-of-way of the Wine Train crossing at Dowdell Lane thence easterly 180 feet along the north and south side of Dowdell Lane.
2. Commencing at the driveway to 899 Dowdell Lane thence 12 feet in both the easterly and westerly direction from the edge of said driveway a distance of 12 feet along the northerly side of Dowdell Lane.

3. DOWDELL AND MCCORMICK

- a. Commencing at the southeast intersection of McCormick Street and Dowdell Lane thence 25 feet northwesterly along the east side of McCormick Street.
- b. Commencing at the southeast intersection of McCormick Street and Dowdell Lane thence 28 feet northeasterly along the south side of Dowdell Lane.

I) EDWARDS STREET

1. Commencing at the southeast corner of Edwards Street and Hunt Avenue thence southerly 20 feet along the east side of Edwards Street.
2. Commencing at the southwest corner of Edwards Street and Hunt Avenue thence southerly 20 feet along the west side of Edwards Street.

J) EL BONITA AVENUE

1. Commencing at a point 35 feet west of Community Drive thence westerly 60 feet along the north side of El Bonita Avenue.
2. Commencing at the intersection of El Bonita Avenue and Community Drive thence easterly 80 feet along the south side of El Bonita Avenue.

K) ELMHURST AVENUE

1. Commencing at the northeast intersection of Elmhurst Avenue and Granger Way thence easterly 30 feet along the north side of Elmhurst Avenue.
2. Commencing at the southeast intersection of Elmhurst Avenue and Spring Mountain Road thence easterly 75 feet along the south side of Elmhurst Avenue.

L) FULTON LANE

1. Commencing at the northeast and southeast intersection of Fulton and Main Streets thence easterly 90 feet along the north and south sides of Fulton Lane.
2. Commencing at the easterly intersection of Fulton Lane and Railroad Avenue thence easterly 120 feet along both the north and south sides of Fulton Lane.

M) GRAYSON AVENUE

1. South side of Grayson Avenue from the southwest intersection of Main Street and Grayson Avenue westerly for a distance of 100 feet.
2. North side of Grayson beginning at a point 665 feet westerly of the westerly line of Main Street then west along the north side of Grayson for a distance of 1,165.6 feet between the hours of 7:30 a.m. and 3:00 p.m., Mon. - Fri.
3. Commencing at the northeast intersection of Grayson Avenue and Crane Avenue thence easterly 50 feet along the north side of Grayson Avenue. This is a 24-hour "No Stopping zone."
4. Commencing at a point 50 feet north of the northeast intersection of Grayson Avenue and Crane Avenue thence 700 feet along the north side of Grayson Avenue. This is a "No Stopping" zone during the hours of 7:30 a.m. – 3:00 p.m. on school days.
5. Commencing at the intersection of the easterly driveway of the Primary School Parking Lot and Grayson Avenue thence westerly along the southerly curb line a distance of 25 feet.

N) GROVE COURT

1. Commencing at the northeast intersection of Grove Court and Hunt Avenue thence northerly 205 feet along the east side of Grove Court.

2. Commencing 100 feet northerly of the northwest intersection of Grove Court and Hunt Avenue thence northerly 100 feet along the west side of Grove Court adjacent to the heritage oak tree.

O) HUNT AVENUE

1. Commencing at the northeast intersection of Hunt Avenue and Starr Avenue thence westerly 307 feet along the north side of Hunt Avenue.
2. Commencing at the southwest intersection of Hunt Avenue and Starr Avenue thence westerly 465 feet along south side of Hunt Avenue to 105 feet west of Monte Vista extended center line.
3. Commencing at the southeast corner of Hunt Avenue and Edwards Street thence easterly 40 feet along the south side of Hunt Avenue.
4. Commencing at the southwest corner of Hunt Avenue and Edwards Street thence westerly 30 feet along the south side of Hunt Avenue.
5. Commencing on the north side of Hunt Avenue fifteen (15) feet west and fifteen (15) feet east of the most eastern entrance and exit driveway of the Safeway parking lot. This is a 24-hour "No Stopping Zone".
6. Commencing at a point forty (40) feet east of the most eastern entrance and exit driveway of the Safeway parking lot, thence thirty (30) feet along the north side of Hunt Avenue.

P) JUNE LANE

1. Commencing at a point lying 184 feet north of the intersection of Chiles and June Lane; thence along the east curb to the right a distance of 30 feet to the south curb of Hunt Avenue.
2. Commencing at a point lying 184 feet north of the intersection of Chiles Avenue and June Lane; thence along the west curb to the left a distance of 30 feet to the south curb of Hunt Avenue.

Q) KEARNEY STREET

1. Commencing at the northeast intersection of Kearney Street and Spring Street thence northerly along the east side of Kearney Street to Tainter Street.
2. Commencing 143 feet north of the northeast corner of Adams Street and Kearney Street thence northerly a distance of 51 feet along the east side of Kearney Street.
3. Commencing 399 feet north of the northeast corner of Adams Street and Kearney Street thence northerly a distance of 33 feet along the east side of Kearney Street.

R) LA FATA STREET

1. Commencing 215 feet southerly from the southeast corner of La Fata Street and Dowdell Lane thence 60 feet southerly along the easterly curb of La Fata Street.
2. Commencing 398 feet southerly from the southeast corner of La Fata Street and Dowdell Lane thence 40 feet southerly along the easterly curb of La Fata Street.
3. Commencing at the driveway to 899 Dowdell Lane located on La Fata Street thence 12 feet in both the northerly and southerly direction from the edge of said driveway a distance of 12 feet along the westerly side of La Fata Street.

S) LIBRARY LANE

1. Commencing at the north side of the white painted load zone at the St. Helena Library at 1480 Library lane, then twenty-one (21) feet along the east side of Library Lane.

T) MADRONA AVENUE

1. Commencing at the intersection of Madrona and Oak Avenues thence easterly and westerly along the north and south sides of Madrona Avenue 20 feet from each intersection.
2. Commencing at the northwest and southwest intersections of Madrona Avenue and Main Street thence westerly 90 feet along the north and south side of Madrona Avenue.

U) MAIN STREET

1. Commencing at the intersection of Main Street and Madrona Avenue thence southerly 155 feet along both sides of Main Street.
2. Commencing at the intersection of Main Street and Madrona Avenue thence northerly 155 feet along both sides.
3. Commencing at the southwest intersection of Main Street and Sulphur Springs Avenue thence 310 feet southerly along the west side of Main Street.

4. Commencing at Main Street and the Sulphur Creek bridge thence southerly to Sulphur Springs Avenue along both sides of Main Street and northerly 175 feet to Mitchell Avenue along the west side of Main Street.
5. Commencing at the northwest intersection of Main Street and Mitchell Drive thence northerly 20 feet.
6. Commencing at the intersection of Main Street and Spring Street thence 25 feet southerly along the west side.
7. Commencing at the southeast intersection of Main Street and Adams Street thence southerly 50 feet along the east side.
8. Commencing at the southeast intersection of Main Street and Adams Street 120 feet southerly to the point of beginning thence southerly 37 feet along the east side.
9. Commencing at the intersection of Main Street and Hunt Avenue thence northerly and southerly 30 feet along the east side.
10. Commencing at the intersection of Main Street and Spring Street 145 feet northerly to a point of beginning thence northerly 22 feet along the east side.
11. Commencing at the Main Street crosswalk at the south line of Spring Street thence southerly 24 feet along the east side of Main Street.
12. Commencing at the northwest intersection of Main Street and Adams Street thence northerly 35 feet along the west side.
13. Commencing at the southwest intersection of Main Street and Adams Street thence southerly 40 feet along the west side.
14. Commencing at the northwest intersection of Main Street and Spring Street 540 feet northerly to a point of beginning thence northerly 30 feet along the west side.
15. Commencing at the northwest intersection of Main Street and Spring Street 230 feet northerly to a point of beginning thence northerly 90 feet along the west side.
16. Commencing at the northwest intersection of Main Street and Spring Street thence northerly 40 feet along the west side.
17. Commencing at the northwest intersection of Main Street and Elmhurst 400 feet to a point of beginning thence northerly 330 feet along the west side of Main Street.

18. Commencing at the southeast intersection of Main Street and Pope Street thence southerly 170 feet along the east side of Main Street.
19. Commencing at the southeast intersection of Main Street and Pine Street thence south a distance of 28 feet along the east side of Main Street.
20. Commencing at the southwest intersection of Main Street and Pine Street thence south a distance of 28 feet along the west side of Main Street.
21. West side of Main Street from a point one hundred (100) feet south of Grayson Avenue southerly a distance of one thousand six hundred ninety (1,690) feet.
22. East side of Main Street from the south line of Grayson Avenue southerly a distance of one thousand five hundred eighty-five (1,585) feet.
23. East side of Main Street beginning at a point one thousand five hundred eighty-five (1,585) feet south of the south line of Grayson Avenue, southerly for a distance of two hundred eighteen (218) feet between the hours of 7:30 a.m. and 5:30 p.m.
24. East side of Main Street beginning at a point one thousand eight hundred three (1,803) feet south of the south line of Grayson Avenue, southerly for a distance of two hundred seventy-two (272) feet.
25. West side of Main Street from the northwest corner of Main Street and Grayson Avenue approximately 85 feet across the frontage of A&W Restaurant located at 501 Main Street.
26. Commencing at the southwest corner of Main Street and the York Creek Bridge thence south 360 feet along the west side of Main Street.
27. Commencing at the northeast corner of Pratt Avenue and Main Street thence north along the west side of Main Street to the York Creek Bridge
28. Commencing at a point 45 feet north of the northeast intersection of Main Street and Pope Street thence north 29 feet along the east side of Main Street.
29. Commencing at Deer Park Road south along both sides of Main Street to the York Creek Bridge.*

*The area in the Tunnel of Trees is a "No Stopping" zone on both sides of Main Street.
30. Commencing at a point 99 feet west of the northwest intersection of Main Street and Pine Street thence 22 feet west along the north side of Pine Street.

31. Commencing at the southwest corner of Main Street and Charter Oak extending westerly 50 feet on the south side of Charter Oak. This is a 24 Hour "No Parking" Zone.

V) McCORMICK AVENUE

1. Commencing at the southwest intersection of McCormick Street and Dowdell Lane 170 feet southerly to a point of beginning thence southerly 15 feet along the west side of McCormick Street.
2. Commencing at the southwest intersection of McCormick Street and Dowdell Lane 310 feet southerly to a point of beginning thence southerly 30 feet along the west side of McCormick Street.
3. Commencing at the northwest intersection of McCormick and Vintage Streets 320 feet northerly to the point of beginning thence northerly 25 feet along the west side of McCormick Street.
4. Commencing at the southwest intersection of McCormick Street and Dowdell Lane 530 feet southerly to the point of beginning thence 20 feet southerly along the east side of McCormick Street.
5. Commencing at the southwest intersection of McCormick Street and Dowdell Lane 270 feet southerly to the point of beginning thence 50 feet southerly along the east side of McCormick Street.

W) MITCHELL DRIVE

1. Commencing at the southwesterly intersection of Mitchell Drive and St. James Drive thence westerly along the south side of Mitchell Drive to the southeast intersection of North Crane and Mitchell Drive and easterly 300 feet.
2. Commencing at the southwest intersection of Mitchell and Main Street thence 80 feet westerly along the south side of Mitchell Drive.
3. Commencing 230 feet west of the intersection of Main Street and Mitchell Drive thence 88 feet westerly along the south side of Mitchell Drive.
4. Commencing at the northwest intersection of Mitchell Drive and Oak Avenue thence 50 feet westerly along the northerly side of Mitchell Drive.
5. Commencing at the easterly corner of the most easterly intersection of Mitchell Drive and St. James Drive, thence ninety (90) feet along the south side of Mitchell Drive.

X) MONTE VISTA AVENUE

1. Commencing at the cul de sac northerly of Hunt Avenue thence around the perimeter of the 25 foot diameter island.

Y) OAK AVENUE

1. Commencing at the southwest intersection of Oak Avenue and Hillview Place thence southerly 65 feet.
2. Commencing at the northeast, northwest, and southwest intersections of Oak Avenue and Pine Street thence 20 feet northerly and southerly along the east and west sides of Oak Avenue.
3. Commencing at the southwest intersection of Oak Avenue and Pine Street thence 30 feet southerly along the west side of Oak Avenue.
4. Commencing at the northeast intersection of Oak Avenue and Adams Street thence northerly 18 feet.
5. Commencing at the southwest intersection of Oak Avenue and Tainter Street 55 feet southerly to a point of beginning thence southerly 20 feet on the west side of Oak Avenue.
6. Commencing at a point easterly of the southwest intersection of Oak Avenue and Tainter Street thence southerly 22 feet along the east side of Oak Avenue at the crosswalk.
7. Commencing at the northwest intersection of Oak Avenue and Spring Street thence northerly 20 feet along Oak Avenue.
8. Commencing at the point of curvature of the southeasterly curve on the east side of Oak Avenue thence southeasterly 160 feet to the point of tangency with the north side of Mitchell Drive.
9. Beginning at a point 339 feet north of Spring Street extending northerly to a point 419 feet on the east side of Oak Avenue.
10. Beginning at the northwest corner of Oak Avenue and Tainter Street thence extending northerly 35 feet on Oak Avenue.
11. Twenty (20) feet southerly from the driveway at 1255 Oak Avenue.

Z) PINE STREET

1. Commencing at the northwest intersection of Pine Street and Main Street thence along the north side of Pine Street to Oak Avenue excepting a 25 foot yellow zone terminating 180 feet from the northeast intersection of Pine Street and Oak Avenue.
2. Commencing at the northwest and southwest intersections of Pine Street and Oak Avenue thence westerly 20 feet.

3. Commencing at the southeast intersection of Pine Street and Oak Avenue thence easterly 20 feet.
4. Commencing at the southwest intersection of Pine Street and Main Street thence westerly 10 feet.
5. Commencing at the southeast intersection of Pine Street and Main Street thence easterly 115 feet.
6. Commencing at the northeast intersection of Pine Street and Main Street easterly 140 feet.

AA) PINOT WAY

1. Commencing at the centerline of the utility and pedestrian access alley that connects Pinot Way to Sylvaner Avenue thence southwesterly 10 feet and northeasterly 10 feet creating a 20 foot long segment centered on the end of the alley.

AB) POPE STREET

1. Commencing at the southeast and northeast intersections of Pope Street and Main Street thence east 80 feet to the Wine Train railroad right-of-way.
2. Commencing at the east terminus of Pope Street at the Napa River thence westerly along Stonebridge Park 345 feet on the north side of Pope Street.
3. Commencing at the northeast corner of Paseo Grand Drive and Pope Street then easterly 154 feet on the north side of Pope Street.
4. Commencing at the east terminus of Pope Street at the Napa River thence westerly 400 feet along the south side of Pope Street.
5. Commencing at the southeast intersection of Pope Street and College Avenue thence 340 feet easterly along the south side of Pope Street.
6. Commencing at the southwest intersection of Pope Street and College Avenue thence ~~230~~ 680 feet westerly along the south side of Pope Street.
7. Commencing ~~at a point 250 feet west of the intersection of Pope Street and College Avenue~~ thence easterly 680 feet on the north side of Pope Street.
8. Commencing at the northeast intersection of Pope Street and Church Street thence easterly 35 feet along the north side of Pope Street.

- ~~9. Commencing at the northwest intersection of Pope Street and Church Street thence westerly 40 feet along the north side of Pope Street.~~
9. Commencing at the southeast intersection of Pope Street and the Napa Valley Wine Train Tracks thence easterly 25 feet along the south side of Pope Street.
- ~~9. Twenty (20) feet west of the west driveway and thirty (30) feet east of the east driveway at 601 Pope Street (Silverado Orchards).~~
10. Commencing at the northeast intersection of Pope Street and the Napa Valley Wine Train Tracks thence easterly 145' to the intersection of Pope Street and Church Street.
11. Commencing at the Northeast intersection of Pope Street and Chiles Ave thence easterly 1400 950 feet along the north and south sides of Pope Street.
12. Commencing at the northwest intersection of Pope Street and Starr Avenue thence westerly 392 feet along the north side of Pope Street.

AC) PRATT AVENUE

1. Commencing at the southeastern intersection of Pratt Avenue and the Napa Valley Wine Train and thence easterly a distance of 570 feet along the south shoulder of Pratt Avenue.

AD) RAILROAD AVENUE

1. Commencing at the northwest intersection of Railroad Avenue and Adams Street thence 31 feet north along the west side of Railroad Avenue.
2. Commencing at a portion 400 feet north of the northeast corner of the intersection of Adams Street and Railroad Avenue thence north a distance of 50 feet along the east side of Railroad Avenue.
3. Commencing at the south exit of the City Parking lot on Railroad Avenue thence south a distance of 16 feet.
4. Commencing at the north side of the south exit of the City Parking lot on Railroad Avenue thence north a distance of 24 feet.
5. Commencing at the north exit of the City Parking lot on Railroad Avenue thence north a distance of 20 feet.
6. Commencing at the north exit of the City Parking lot on Railroad Avenue thence south a distance of 15 feet.
7. Commencing at the curb beginning at the Napa Valley Wine Train tracks at the northeast corner of the intersection of Adams Street and Railroad

Avenue northward through the curb return and thence northerly a distance of 281 feet along the east side of Railroad Avenue.

AE) SILVERADO TRAIL

1. Commencing at the southeast intersection of Howell Mountain Road and Silverado Trail thence south 400 feet along the east side of Silverado Trail.

AF) SPRING STREET

1. Commencing at the northwest intersection of Spring Street and Main Street thence westerly 35 feet along the north side of Spring Street.
2. Commencing at the northwest intersection of Spring Street and Main Street westerly 120 feet to a point of beginning thence westerly 30 feet along the north side of Spring Street.
3. Commencing at the shopping center driveway at the intersection of Spring Street and Money Way thence 15 feet westerly and 65 feet easterly along the south side of Spring Street.
4. Commencing at the northeast and the southeast intersections of Spring Street and Oak Avenue thence 33 feet easterly along Spring Street.
5. Commencing at the northwest and southwest intersections of Spring Street and Oak Avenue thence 33 feet westerly along Spring Street.
6. Commencing at the southwest intersection of Spring Street and Oak Avenue westerly 70 feet to a point of beginning thence westerly 70 feet along the south
7. Commencing at the southwest intersection of Spring Street and Oak Avenue westerly 25 feet to a point of beginning thence westerly 50 feet along the south side.
8. Commencing at the intersection of Spring Street and Kearney Street thence easterly 60 feet along the south side.
9. Commencing at the northwest intersection of Spring Street and Kearney Street 70 feet westerly to a point of beginning thence 60 feet westerly along Spring Street.
10. Commencing at the northwest intersection of Spring Street and East Sylvaner 135 feet westerly to a point of beginning thence 70 feet westerly along Spring Street.
11. Twenty (20) feet on both sides of driveway at 2322 Spring Street.

12. Twenty (20) feet on west side of driveway and that strip on the easterly side to adjacent driveway at 1428 Spring Street.
13. Twenty (20) feet east from the west driveway and twenty (20) feet from both sides of the east driveway at 1343 Spring Street.
14. Ten (10) feet from both sides of the driveway to the parking lot east of the building at 1313 Spring Street.

AG) SPRING MOUNTAIN ROAD

1. Commencing at the southeast corner of Spring Mountain Road and Elmhurst Avenue thence 75 feet southerly along the east side of Spring Mountain Road.

AH) STARR AVENUE

1. Commencing at the northwest intersection of Starr Avenue and Harvest Lane
thence 285 feet northerly along the west side of Starr Avenue.
2. Commencing at the northwest intersection of Harvest Lane and Starr Ave.
northerly 45 feet to a point of beginning thence northerly 150 feet to the
southeast
corner of Meadowcreek Circle along the east side of Starr Avenue.
3. Commencing at the extended center line of Meadowcreek Circle (north)
thence 22 feet south along the west side of Starr Avenue.
4. Commencing at the northeast intersection of Meadowcreek Circle (south)
and Starr Avenue 83 feet northerly to a point of beginning thence northerly
32 feet to the south side of Hunt Avenue.

AI) STOCKTON STREET

1. Commencing at the northwest intersection of Stockton Street and Spring Street thence northerly along the west side of Stockton Street to the Madrona Street and Stockton Street intersection.

AJ) SULPHUR SPRINGS AVENUE

1. Commencing at the southwest intersection of Main Street and Sulphur Springs Avenue thence 50 feet westerly along the south side of Sulphur Springs Avenue.
2. Commencing at the northwest intersection of Main Street and Sulphur Springs westerly 253 feet to a point of beginning thence westerly 23 feet along the north side of Sulphur Springs Avenue.

3. Commencing at the northwest intersection of Main Street and Sulphur Springs westerly 289 feet to a point of beginning thence westerly 15 feet along the north side of Sulphur Springs Avenue.

AK) SYLVANER AVENUE

1. Commencing at the centerline of the utility and pedestrian access alley that connects Sylvaner Avenue to Pinot Way thence southwesterly 10 feet and northeasterly 10 feet creating a 20 foot long segment centered on the end of the alley.

AL) TAINTER STREET

1. Commencing at the intersection of Tainter Street and Kearney thence easterly along the south side of Tainter Street to the intersection of Oak Avenue and Tainter Street except Mon.-Fri. 7:30 a.m. - 9:00 a.m. and 2:00 p.m. - 4:00 p.m.
2. Commencing at the northwest intersection of Tainter Street and Kearney Street thence 80 feet easterly along the north side of Tainter Street.
3. South side of Tainter Street between Stockton Street and Kearney Street.

AM) VINTAGE AVENUE

1. Commencing at the northwest intersection of Vintage Avenue and McCormick Street westerly 228 feet to a point of beginning thence 12 feet west of said driveway 168 feet along the north side to the Napa Valley Wine Train right-of-way.
2. Commencing at the intersection of Vintage Avenue and McCormick Street westerly 250 feet to a point of beginning thence westerly 180 feet along the south side.

AN) VOORHEES CIRCLE

1. Commencing at the westerly intersection of Voorhees Circle and Mitchell Avenue south of Mitchell and west of Voorhees Circle thence southerly along the west side, easterly along the south side and northerly along the east side a distance of 1100 feet to the easterly intersection of Voorhees Circle and Mitchell Avenue.

Approved at a regular meeting of the City Council held on May 24, 2016 by the following vote:

AYES:
NOES:

ABSTAIN:

APPROVED:

ATTEST:

Alan Galbraith, Mayor

Cindy Black, City Clerk

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**Report to the City Council
Council Meeting of May 24, 2016**

Agenda Section: New Business

**Subject: Direction on Conservation Easement for Flood Control Project
Parcels (APN 009-030-058 and a portion of APN 009-030-056)
and Potential Impact on Proposed Adams Street Extension from
Starr Avenue to Silverado Trail**

CEQA Status: Environmental Impact Report (SCH. No. 2002012078)

**Prepared By: Tracey Perkosky, Grants Manager
Steven Palmer, PE, Director of Public Works/City Engineer
Noah Housh, Director of Planning & Community Improvement**

Approved By: Jennifer Phillips, City Manager

BACKGROUND

As part of the floodwall and levee construction of the Comprehensive Flood Control Project, the City is subject to various regulations. One of these is the California Endangered Species Act Incidental Take Permit (ITP) No. 2081-2009-004-03 through the California Department of Fish and Wildlife (DFW), which required, as a mitigation measure, that a deed restriction be placed over a portion of the land (Attachment A, Section 8). Attachment B shows the area in map form. To date, this has not yet been completed and is holding up the City's approval of its five year monitoring and mitigation milestones and the release of \$126,000 from the letter of credit, leaving \$47,000 for the final 10 year success measures.

A second regulation is a requirement of the City's \$2.4 million grant from the Department of Water Resources. This is the creation of a conservation easement (Attachment C, Exhibit A, No. 14) over the same area as shown in Attachment B. To date, this has not been completed and is the key item preventing the closeout of this grant, and the payment of \$237,000 in retention to the City for eligible project costs.

The deed restriction and conservation easement are recorded with the Napa County Assessor and remain over the property in perpetuity, even if the property is transferred to any other title holder.

DISCUSSION

In January 2016, staff began exploring strategies to satisfy these regulatory requirements. A draft deed restriction was submitted to DFW for review. In addition, DFW was intended to be the original easement holder for the DWR grant, however they informed staff that their policy had changed and they are no longer interested. After several discussions on the policy change, City staff began researching other potential third-party easement holders. Napa County Land Trust was selected as they are local, the project fits their mission, and they require a one-time administrative fee, estimated at about \$20,000. City staff will maintain the easement area. The other easement holder model, absolves the City from maintenance on certain areas of the project but requires a potential \$200,000+ maintenance trust paid at agreement signing. DWR has approved the Napa Land Trust as an acceptable third-party easement holder.

When staff received feedback on the proposed draft deed restriction, it was discovered that the lands protected under the DWR conservation easement are the same lands protected under the DFW deed restriction. To avoid a duplication of effort, both agencies will accept a mutually agreed upon conservation easement.

During an on-site meeting with Land Trust staff, the Adams Street extension was discussed. In the adopted 1993 General Plan, the extension of Adams Street is listed in the Transportation Element (Attachment D) and in the current update, the extension of Adams Street from Starr Avenue to the Silverado Trail is shown as a potential street, pedestrian path or bicycle lane (Attachment E). The conservation easement only permits the maintenance of existing infrastructure, flood control measures and habitat. It would prohibit the construction of a street, pedestrian path or bicycle lane on this portion of the City-owned property, and therefore while Adams Street can be extended to the proposed Starr Avenue terminus, it would not be permitted through the easement area to intersect with Silverado Trail.

The partial extension of Adams Street to Starr Avenue, will likely meet the needs of future development according to the proposed Circulation Plan update. A new connection to Silverado Trail is still possible via Mills Lane and the Pratt Avenue and Pope Avenue intersections with Silverado Trail could be improved.

Due to the conflict between the grant and ITP requirements and the City's adopted and proposed updated General Plan, staff reached out to the agencies for guidance. DWR will not approve a change to the conservation easement area or possible alternative mitigation to satisfy their requirements for the grant funds. This grant was scored and awarded partially as a reflection of the proposed mitigation measures. If these mitigation measures are changed, then it is possible that the basis for the grant application approval would no longer be supported. Therefore, if a conservation easement is not approved, the City will have to return all \$2.1 million in funds received to date and will not receive the \$237,000 currently held as retention on a successful grant close-out, for a total \$2.4

million loss to the Comprehensive Flood Project funding. Consequently, staff does not recommend modification of the conservation easement to include the future Adams Street extension.

Should the City return the grant funds to DWR, then additional work on the proposed deed restriction with DFW to satisfy the ITP requirements will be needed. An alignment study has not yet occurred for the proposed Adams Street extension to Silverado Trail. This would need to be completed first. Then, City staff will submit a written request describing the proposed area to be removed from the deed restriction for the road. DFW staff would then review the proposal and, either recommend alternative mitigation measures to satisfy the original permit or deny the request. As the new mitigation would likely be off-site, the proportion or cost could be higher. Likewise, requesting alternative methods of mitigation within the existing permit would likely cause higher mitigation requirements on other projects when permits are issued. If the request is denied, then the deed restriction covering the area shown on the map in Attachment B will be required or the City will not satisfy the mitigation requirement of the permit, placing the General Funds backing the \$173,000 letter of credit in jeopardy.

In the future, should the City decide that a road or other infrastructure is needed, discussions could be reopened with the State agencies and the conservation easement holder, or the adjacent property owners. It is not guaranteed that the City will be able to re-open the conservation easement and extend Adams Street to Silverado Trail, across the City owned property if this easement is recorded; however other alignments may be possible.

Staff recommends moving forward with the completion of the conservation easement on Flood Control Projects parcels (APN 009-030-058 and a portion of APN 009-030-056) to satisfy the required mitigation for Incidental Take Permit No. 2081-2009-004-03 and the requirements of the grant from the Department of Water Resources. If Council gives this direction, staff will return at a later date with the draft conservation easement for approval. In addition, the Adams Street extension and alignment can be studied and analyzed in the future as part of a separate project.

FISCAL IMPACT

If directed by City Council, staff will negotiate with a third party conservation easement holder as previously agreed by the City, and as required by the permitting agencies. This will require the City to pay upfront fees. If an agreement with the Napa Land Trust can be reached, the City will be required to pay a one-time administrative fee of about \$20,000. This would be General Funds or Measure A depending on funding availability.

If the City does not carry out its commitment to grant the conservation easement, the City will be required to return the \$2.1 million received from the Department of Water

Resources grant and forfeit the remaining \$237,000 in retention, for an impact of \$2.4 million from the General Fund.

The ITP mitigation requirements will likely still have to be mitigated at an unknown but higher cost. The ITP also has a letter of credit in the amount of \$173,000 for successful monitoring and mitigation of this project which also could be in jeopardy. The Letter of Credit is against the City's General Fund.

RECOMMENDED ACTION

Staff recommends moving forward with the completion of the conservation easement on Flood Control Projects parcels (APNs 009-030-058 and a portion of 009-030-056), as identified, to satisfy the required mitigation for Incidental Take Permit No. 2081-2009-004-03 and the requirements of the grant from the Department of Water Resources. If staff is directed to complete the conservation easement, it will be brought back to Council for final approval.

ATTACHMENTS

Attachment A – California Endangered Species Act Incidental Take Permit (ITP) No. 2081-2009-004-03

Attachment B – Map of Conservation Easement Area

Attachment C – Department of Water Resources Grant Agreement

Attachment D – City of St Helena General Plan – 1993, Transportation Element

Attachment E – City of St Helena General Plan Update – 9/8/2015, Figure 5.2 Future Roadway Extensions



California Department of Fish and Game
Bay Delta Region
7329 Silverado Trail
Napa, California 94559

California Endangered Species Act
Incidental Take Permit No. 2081-2009-004-03

ST. HELENA COMPREHENSIVE FLOOD CONTROL PROJECT

Authority: This California Endangered Species Act (CESA) Incidental Take Permit (ITP) is issued by the Department of Fish and Game (DFG) pursuant to Fish and Game Code section 2081, subdivisions (b) and (c), and California Code of Regulations, Title 14, section 783.0 et seq. CESA prohibits the take¹ of any species of wildlife designated by the California Fish and Game Commission as an endangered, threatened, or candidate species.² DFG, however, may authorize the take of any such species by permit if the conditions set forth in Fish and Game Code section 2081, subdivisions (b) and (c) are met. (See also Cal. Code Regs., tit. 14, § 783.4.)

Permittee:	City of St. Helena
Name and title of principal officer:	Mary Neilan, City Manager
Contact person:	Rich Walter, (510) 433-8962 ext. 8960
Mailing address:	1480 Main Street St. Helena, California 94574

Effective Date and Expiration Date of the ITP:

This ITP shall be executed in duplicate original form and shall become effective once a duplicate original is acknowledged by signature of the Permittee on the last page of the ITP and returned to DFG's Habitat Conservation Planning Branch at the address listed in the Notices section of this ITP. Unless renewed by DFG, this ITP's authorization to take the Covered Species shall expire on **December 31, 2015**.

Notwithstanding the expiration date on the take authorization provided by this ITP, Permittee's obligations under this ITP do not end until DFG accepts as complete the Permittee's Final Mitigation Report required by Condition 6.6 of this ITP.

¹Pursuant to Fish and Game Code section 86, "'Take' means hunt, pursue, catch, capture, or kill, or attempt to hunt, pursue, catch, capture or kill."

²"Candidate species" are species of wildlife that have not yet been placed on the list of endangered species or the list of threatened species, but which are under formal consideration for listing pursuant to Fish and Game Code section 2074.2.

Project Location:

The St. Helena Comprehensive Flood Control Project site (hereafter, the Project) is located in the City of St. Helena (St. Helena USGS 7.5 minute quadrangle, Township 8N, Range 5W: latitude 38.51 north and longitude 122.46). The Project extends along the Napa River, between the Pope Street Bridge and a point approximately 3,000 feet upstream, and along Sulphur Creek from the confluence with the Napa River upstream to Paseo Grande Drive.

Project Description:

The Permittee proposes to provide flood control along the portion of the Napa River identified above by reducing water surface elevation and increasing the river's water conveyance capacity. Specifically, the Permittee will: (1) create a floodplain terrace connected to the Napa River, (2) create a shoreline bench along Napa River's south-bank, and (3) manage vegetation and sediment along the 800 foot section of Napa River's northern bank. In addition, the Permittee proposes to protect existing homes with a levee and floodwall by constructing structures for stream bank protection at the confluence of the Napa River and its tributary Sulphur Creek. Project activities include dewatering of Napa River, relocation of in-stream species, and measures to avoid and minimize effects to listed species. The above-described construction activities at the Project site will result in temporary and permanent impacts to habitat for the California freshwater shrimp, and are expected to result in the incidental take of individuals of the species. California freshwater shrimp is designated as an endangered species under CESA. (Cal. Code Regs. tit. 14 § 670.5, subd. (a)(1)(A).)

Covered Species Subject to Take Authorization Provided by this ITP:

This ITP covers the following species:

Name	CESA Status ³
California freshwater shrimp (<i>Syncaris pacifica</i>)	Endangered

This species and only this species is hereinafter referred to as "Covered Species."

Impacts of the Taking on Covered Species and Mitigation Summary:

The Project activities described above and their resulting impacts are expected to result in the incidental take of individuals of the Covered Species. Incidental take of individuals of the Covered Species may occur as a result of mortality due to in-stream construction and

³Under CESA, a species may be on the list of endangered species, the list of threatened species, or the list of candidate species. All other species are "unlisted."

dewatering activities, including temporary physical disturbance to 530 linear feet of the Covered Species habitat along the west bank of the Napa River in order to improve the River's flood control capability and subsequently restore and enhance shoreline habitat. Specifically, the west bank including existing gabions and rip rap will be removed and the banks will be laid back to a slope of 3:1, and rock slope protection (RSP) devices will be installed. Bank work will require heavy equipment operations within the low flow channel of the Napa River, placement of a cofferdam within the channel, and dewatering of portions of the channel for construction activities (direct impacts).

Impacts of the taking on the Covered Species also include adverse impacts to the Covered Species related to temporal losses, increased habitat fragmentation and edge effects, and the Project's incremental contribution to cumulative impacts (indirect impacts). The impacts of the taking caused by the Project are expected to be limited and short-term in nature due to restoration and enhancement activities the Permittee will implement in several locations. These activities include the replacement of the 530 feet of disturbed shoreline with bioengineered shoreline log structures and vegetated coir pillows to recreate habitat for the Covered Species, placement of up to 300 feet of constructed shrimp structures near the confluence of Sulphur Creek and the Napa River, and backfilling of the RSP devices with native soils and vegetation of the area with native species. An additional 800 feet of existing vegetation in the area called "Element C" will be actively managed to maintain flood capacity; however, the management will be designed to enhance available habitat and no in-water work will occur in this area.

Incidental Take Authorization of Covered Species:

This ITP authorizes incidental take of the Covered Species and only the Covered Species. With respect to incidental take of the Covered Species, DFG authorizes the Permittee, its employees, contractors, and agents to take Covered Species incidentally in carrying out the Project, subject to the limitations described in this section and the Conditions of Approval identified below. This ITP does not authorize take of Covered Species from activities outside the scope of the Project as described above, take of Covered Species resulting from violation of this ITP, or intentional take of Covered Species except for capture and relocation of Covered Species as authorized by this ITP.

Conditions of Approval:

Unless specified otherwise, the following measures shall pertain to all ground-, vegetation-, or water-disturbing activities within the Project construction boundaries, including areas used for ingress and egress routes during construction, and staging and parking areas. DFG's issuance of this ITP and Permittee's authorization to take the Covered Species are subject to Permittee's compliance with and implementation of the following Conditions of Approval:

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1. Permittee shall comply with all applicable state, federal, and local laws in existence on the effective date of this ITP or adopted thereafter.
2. Permittee shall implement and adhere to the mitigation measures related to the Covered Species in the Biological Resources section of the Environmental Impact Report (SCH No. 2002012078) certified by the lead agency, City of St. Helena, for the Project under the California Environmental Quality Act (CEQA) on February 27, 2004, and two subsequent Addenda approved by the lead agency on July 3, 2006, and March 25, 2008.
3. Permittee shall implement and adhere to the mitigation measures related to the Covered Species in the Lake and Streambed Alteration (LSA) agreement (Notification No. 1600-2005-0793-R3) issued by DFG for the Project under Fish and Game Code section 1602 et seq.
4. Permittee shall fully implement and adhere to the conditions of this ITP within the time frames set forth below and as set forth in the Mitigation Monitoring and Reporting Program (MMRP), which is included as Attachment 1 to this ITP.

5. General Provisions:

- 5.1. Before initiating in-water Project activities, Permittee shall designate a representative (Designated Representative) responsible for communications with DFG and overseeing compliance with this ITP. The Permittee shall notify DFG in writing prior to commencement of in-water activities of the Designated Representative's name, business address, and contact information, and shall notify DFG in writing if a substitute Designated Representative is selected or identified at any time during the term of this ITP.
- 5.2. At least 30 days before initiating in-water activities, Permittee shall submit to DFG in writing the name, qualifications, business address, and contact information for a biological monitor (Designated Biologist). The Designated Biologist shall be knowledgeable and experienced in the biology and natural history of the Covered Species. The Designated Biologist shall be responsible for monitoring construction activities in areas of Covered Species' habitat to help minimize or avoid the incidental take of individual Covered Species and to minimize disturbance of Covered Species' habitat. Permittee shall obtain DFG approval of the Designated Biologist prior to the commencement of Project-related activities that may result in the incidental take of the Covered Species.

- 5.3. To ensure compliance with the Conditions of Approval of this ITP, the Designated Biologist shall have authority to immediately stop any activity that is not in compliance with this ITP, and/or to order any reasonable measure to avoid the unauthorized take of an individual of the Covered Species. Neither the Designated Biologist nor DFG shall be liable for any costs incurred in complying with the Conditions of Approval, including cease-work orders issued by DFG.
- 5.4. Permittee shall conduct an education program for all persons employed or otherwise working on the Project site prior to performing any work on-site. The program shall consist of a presentation from the Designated Biologist that includes a discussion of the biology and general behavior of the Covered Species, information about the distribution and habitat needs of the Covered Species, sensitivity of the Covered Species to human activities, its status under CESA including legal protection, recovery efforts, penalties for violations and Project-specific protective measures described in this ITP. Interpretation shall be provided for non-English speaking workers, and the same instruction shall be provided for any new workers prior to their performing work on-site. Copies of this ITP shall be maintained at the worksite. Permittee shall prepare and distribute wallet-sized cards or a fact sheet handout containing this information for workers to carry on-site. Upon completion of the program, employees shall sign a form stating they attended the program and understand all protection measures. These forms shall be filed at the worksite offices and be available to DFG upon request.
- 5.5. Project-related personnel shall access the Project site during construction and development activities from the top of bank to the greatest extent possible. Project-related vehicle traffic shall be restricted to established roads, staging, and parking areas. If Permittee determines construction of off-site routes for travel are necessary, Permittee shall contact DFG prior to carrying out such an activity. DFG may require an amendment to this ITP if additional take of Covered Species may result from Project modification.
- 5.6. Permittee shall immediately stop/repair and clean up any fuel or hazardous waste leaks or spills on the Project site during construction and development activities at the time of occurrence. Permittee shall exclude the storage and handling of hazardous materials from the construction zone and shall properly contain and dispose of any unused or leftover hazardous products off-site.
- 5.7. Permittee shall provide DFG staff with reasonable access to the Project site and mitigation lands under Permittee control, and shall otherwise fully cooperate with DFG efforts to verify compliance with or effectiveness of mitigation measures set forth in

the ITP.

- 5.8. Upon completion of Project construction, Permittee shall remove from the Project site and properly dispose of all construction refuse, including, but not limited to, broken equipment parts, wrapping material, cords, cables, wire, rope, strapping, twine, buckets, metal or plastic containers, and boxes.

6. Monitoring, Notification and Reporting Provisions:

- 6.1. Permittee shall notify DFG 14 calendar days before in-water activities and shall document compliance with all pre-Project Conditions of Approval before initiating activities.
- 6.2. Permittee shall immediately notify DFG in writing if it determines that it is not in compliance with any condition of approval of this ITP, including but not limited to any actual or anticipated failure to implement mitigation measures within the time periods indicated in this ITP and/or the MMRP. Permittee shall report any non-compliance with the ITP during the construction phase of the Project to DFG within 24 hours.
- 6.3. The Designated Biologist shall be on-site daily while in-water cofferdam installation activities are taking place to: (1) minimize incidental take of the Covered Species; (2) check for compliance with all mitigation and avoidance measures; and (3) monitor dewatering and rescue activities. After cofferdams have been installed and dewatered, the Designated Biologist shall be on-site weekly to ensure cofferdams are maintained and activities are restricted to within the cofferdams. The Designated Representative or Designated Biologist shall prepare daily written observation and inspection records summarizing: oversight activities and compliance inspections, observations of Covered Species and their sign, survey results, and monitoring activities required by this ITP.
- 6.4. Monthly Compliance Report: Permittee shall compile the observation and inspection records identified in Condition 6.3 into a Monthly Compliance Report and submit it to DFG with notes showing the current implementation status of each mitigation measure. Monthly Compliance Reports shall be submitted via e-mail to Suzanne Gilmore at sgilmore@dfg.ca.gov. DFG may at any time increase the timing and number of compliance inspections and reports required under this provision depending upon the results of previous compliance inspections. If DFG determines the reporting schedule is inadequate, DFG will notify Permittee by letter of the new reporting schedule.

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- 6.5. **Annual Status Report:** Permittee shall provide DFG with an Annual Status Report (ASR) no later than **January 31** of every year beginning with issuance of the ITP and continuing until DFG accepts the Final Mitigation Report identified below. Each ASR shall include, at a minimum: 1) a general description of the status of the Project site and construction activities, including actual or projected completion dates, if known; 2) a copy of the table in the MMRP with notes showing the current implementation status of each mitigation measure; and 3) an assessment of the effectiveness of each completed or partially completed mitigation measure in minimizing and mitigating Project impacts.
- 6.6. **Final Mitigation Report:** No later than 45 days after completion of the Project, including completion of all mitigation measures, Permittee shall provide DFG with a Final Mitigation Report. The Final Mitigation Report shall be prepared by the Designated Biologist and shall include, at a minimum: 1) a copy of the table in the MMRP with notes showing when each of the mitigation measures was implemented; 2) all available information about Project-related incidental take of the Covered Species; 3) information about other Project impacts on the Covered Species; 4) construction dates; 5) an assessment of the effectiveness of the ITP's Conditions of Approval in minimizing and fully mitigating Project impacts of the taking on Covered Species; 6) recommendations on how mitigation measures might be changed to more effectively minimize take and mitigate the impacts of future projects on the Covered Species; and 7) any other pertinent information, including the level of take of the Covered Species associated with the Project.
- 6.7. If a Covered Species is killed by a Project-related activity during construction of the Project, or if a Covered Species is otherwise found dead within the Project boundary, Permittee shall immediately notify the Designated Biologist. The Designated Biologist shall provide initial notification to DFG by calling the Regional Office at (707) 944-5500 and emailing the DFG Regional Representative at sgilmore@dfg.ca.gov. The initial notification to DFG shall include information regarding the location, species, number of animals injured or killed, and the ITP Number. Following initial notification, Permittee shall send DFG a written report within 2 calendar days. The report shall include the date and time of the finding or incident, location of the carcass, and if possible provide a photograph, explanation as to cause of death, and any other pertinent information.
7. **Take Minimization Measures:**
The following requirements are intended to ensure the minimization of incidental take of Covered Species that are discovered on the Project site, both prior to and during in-water, ground-, or vegetation-disturbing activities. Permittee shall implement and adhere to the following conditions to minimize take of Covered Species:

- 7.1. Permittee shall install cofferdams after June 1 and shall remove them by October 31. Permittee shall conduct all in-water work within the cofferdams and in isolation from flowing water. Permittee may use alternative cofferdam designs and timing only if DFG approves the alternative in writing prior to implementation.
- 7.2. Permittee shall screen pumps used to dewater the area behind the cofferdam to protect aquatic species including the Covered Species. Permittee shall place the pump intakes away from undercut banks that may contain habitat for the Covered Species. Pumps used to dewater cofferdams shall be screened as follows:
 - 7.2.1. If perforated plate is used: screen openings shall not exceed 3/32 inches (2.38 mm), measured in diameter;
 - 7.2.2. If woven wire is used: screen openings shall not exceed 3/32 inches (2.38 mm), measured diagonally;
 - 7.2.3. Screen material shall provide a minimum of 27% open area;
 - 7.2.4. Approach velocity shall not exceed 0.33 feet per second.
- 7.3. The Permittee shall implement the Project as depicted in the DFG approved final Project design plans dated May 2010.
- 7.4. Permittee shall avoid removing in-water vegetation during vegetation management operations associated with "Element C".
- 7.5. The Permittee shall implement the "Dewatering and Fish/Shrimp Rescue Plan" dated February 6, 2006 and the following additional measures:
 - a) Prior to fully dewatering the cofferdams, remaining shrimp in the work area shall be rescued. Dewatering efforts shall be monitored by the Designated Biologist at all times. The Designated Biologist may order the rate of dewatering to be reduced if it appears that shrimp may be stranded.
 - b) Efforts shall be made to reduce collecting and handling stress, minimize the time that shrimp are held in buckets, and minimize handling stress during processing and release. Covered Species shall only be handled by the Designated Biologist or other designee in possession of a valid DFG handling/collecting permit. Immediately after collection, shrimp

shall be identified, counted, and released in an approved area outside the cofferdam.

- c) No employee or contractor shall remove any shrimp, dead or alive, from the site for personal use. The Designated Biologist shall minimize the time that live shrimp are out of the water to reduce the chances of incidental take during shrimp rescue. All live shrimp shall be promptly returned to the water in an approved area outside the cofferdam after identification and counting in accordance with Condition 6.4 (d) below; dead shrimp shall be processed in accordance with Condition 6.4 (e), below.
- d) Individuals of the Covered Species will be processed first and released as soon as possible. Species name and length data will be recorded on data sheets, as well as time, date, location, gear type, water temperature, and any other pertinent observations of the shrimp.
- e) During shrimp rescue, there is potential for shrimp mortality. If any Covered Species or other special status species suffers mortality, the individuals shall be preserved via freezing or placing in a sealed container with 70 percent ethanol or a higher concentration. Information on time and exact location of any mortality, reason for mortality (if known), length of time from death to preservation, water temperature, and any other relevant information shall be recorded in writing. Preserved individuals shall be brought to DFG or United State Fish and Wildlife Service (USFWS) laboratories.
- f) After completing the shrimp rescue, the Designated Biologist shall prepare a brief documentation report. The report shall include information on the personnel conducting the shrimp rescue, methods used, numbers of each species collected and relocated, length data, and estimate of the survival of shrimp immediately after release. Additionally, the report shall include photographs of the site and rescue operations and documentation of any mortality of Covered Species. The Permittee shall provide the report to DFG and USFWS within 30 days of completing the shrimp rescue. This report is separate from and in addition to the regular monthly reports required by Condition 6.4 of this ITP.

8. Mitigation Measures/Compensation for Take:

DFG has determined that permanent protection of compensatory habitat is necessary and required under CESA to fully mitigate impacts of the taking on Covered Species that will result from implementation of this Project. This determination is based on factors including an assessment of the quality of the habitat at the Project site and the increased habitat value for the Covered Species that can be achieved through the Permittee's enhancement and initial management of the mitigation areas identified below.

- 8.1. Permittee shall create and manage approximately 830 linear feet of Covered Species habitat which includes restoration/enhancement of 530 linear feet of habitat temporarily disturbed by Project construction. Further, Permittee shall manage vegetation in the Project area including "Element C" and Sulphur Creek to enhance existing Covered Species habitat. These areas are referred to in this ITP as "mitigation areas."
- 8.2. Permittee shall restore, enhance, and maintain the mitigation areas identified above for the benefit of the Covered Species. As part of this Condition, the Permittee shall prepare and implement a Vegetation Management Plan which includes a description of how all future management of the mitigation areas including Element C will be conducted to enhance and maintain habitat for the benefit of the Covered Species. The Permittee shall provide the Vegetation Management Plan to DFG for review and approval prior to completion of construction.
- 8.3. Permittee shall conduct monitoring of the mitigation areas and shall ensure the success of the enhancement activities as described in the Shrimp Mitigation Plan submitted to DFG on April 24, 2007 and amended on December 23, 2008. Permittee shall additionally conduct ongoing management and monitoring for a period of 10 years after the success criteria are met to further ensure the long-term viability of the shrimp mitigation areas.
- 8.4. After success of the shrimp enhancement features has been demonstrated as required by Condition 8.3 above, Permittee shall maintain a funding assurance of \$47,000 to secure post-success monitoring and maintenance of the mitigation areas. Permittee shall ensure this amount is maintained for 10 years after success criteria have been met. Funds shall be specifically allocated for management and protection of the mitigation areas, including activities related to biological monitoring, improvements to carrying capacity, law enforcement measures, and any other action designed to protect or improve the habitat values of the mitigation areas.

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- 8.5. Permittee shall permanently protect the mitigation areas through a non-revocable deed restriction. As part of this condition, Permittee shall, no later than 6 months from the effective date of this ITP, record a DFG approved non-revocable deed restriction on the mitigation areas under terms approved by DFG.

9. Performance Security:

- 9.1. Permittee may proceed with in-water activities within areas of habitat for the Covered Species before completing all of the required mitigation, monitoring, and reporting activities only if Permittee ensures funding to complete those activities by providing to DFG prior to commencing in-water activities or within 30 days after the effective date of this ITP, whichever occurs first, an irrevocable letter of credit in the form of Attachment 2 or another form of security (Security) approved by DFG's Office of the General Counsel. Permittee shall submit Security to DFG with the Mitigation Payment Transmittal Form, which is included as Attachment 3 to this ITP. The Security shall allow DFG to draw on the principal sum if DFG, at its sole discretion, determines that Permittee has failed to comply with the Conditions of Approval of this ITP. The Security shall be in the amount of **\$173,000.00** based on the following estimated costs of implementing the ITP's mitigation, monitoring and reporting requirements:

9.1.1. Habitat creation/enhancement: \$88,000.00

9.1.2. Initial 5 year monitoring and management: \$38,000.00

9.1.3. Post-success monitoring and management: \$47,000.00

Upon written request by the Permittee, and after the Final Mitigation Report identified in Condition 6.6 has been accepted by DFG and success of the mitigation areas has been demonstrated, DFG will release \$126,000 of the original \$173,000. The Permittee shall maintain the remaining \$47,000 for post-success monitoring and maintenance for a minimum of 10 years, as required by Condition 8.4 above.

Amendment:

This ITP may be amended as provided by California Code of Regulations, Title 14, section 783.6, subdivision (c), and other applicable law. This ITP may also be amended without the concurrence of the Permittee as required by law, including if DFG determines that continued implementation of the Project under existing ITP conditions would jeopardize the continued existence of the Covered Species or that Project changes or changed biological conditions necessitate an ITP amendment to ensure that impacts to the Covered Species are minimized and fully mitigated.

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Stop-Work Order:

DFG may issue Permittee a written stop-work order to suspend any activity covered by this ITP for an initial period of up to 25 days to prevent or remedy a violation of ITP conditions (including but not limited to failure to comply with reporting, monitoring, or habitat acquisition obligations) or to prevent the illegal take of an endangered, threatened, or candidate species. Permittee shall comply with the stop-work order immediately upon receipt thereof. DFG may extend a stop-work order under this provision for a period not to exceed 25 additional days, upon written notice to the Permittee. DFG shall commence the formal suspension process pursuant to California Code of Regulations, Title 14, section 783.7 within five working days of issuing a stop-work order.

Compliance with Other Laws:

This ITP contains DFG's requirements for the Project pursuant to CESA. This ITP does not necessarily create an entitlement to proceed with the Project. Permittee is responsible for complying with all other applicable state, federal, and local laws.

Notices:

The Permittee shall deliver the fully executed duplicate original ITP by first class mail or overnight delivery to the following address:

Habitat Conservation Planning Branch
California Department of Fish and Game
Attention: CESA Permitting Program
1416 Ninth Street, Suite 1260
Sacramento, CA 95814

Written notices, reports and other communications relating to this ITP shall be delivered to DFG by first class mail at the following addresses, or at addresses DFG may subsequently provide the Permittee. Notices, reports, and other communications shall reference the Project name, Permittee, and ITP Number (2081-2009-004-03) in a cover letter and on any other associated documents.

Original cover with attachment(s) to:

Charles Armor, Regional Manager
Bay Delta Region
PO Box 47
Yountville, California 94599
Telephone (707) 944-5517
Fax (707) 944-5553

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Copy of cover without attachment(s) to:

Office of the General Counsel
California Department of Fish and Game
1416 Ninth Street, 12th Floor
Sacramento, CA 95814

And:

Habitat Conservation Planning Branch
California Department of Fish and Game
1416 Ninth Street, Suite 1260
Sacramento, CA 95814

Unless Permittee is notified otherwise, DFG's Regional Representative for purposes of addressing issues that arise during implementation of the ITP is:

Suzanne Gilmore, Environmental Scientist
Post Office Box 47
Yountville, California 94599
Telephone (707) 944-5536
Fax (707) 944-5595

Compliance with CEQA:

DFG's issuance of the ITP is subject to CEQA. DFG is a responsible agency under CEQA with respect to the ITP because of prior environmental review of the Project by the lead agency, the Permittee. (See generally Pub. Resources Code, §§ 21067, 21069.) The lead agency's prior environmental review of the Project is set forth in the Environmental Impact Report that the Permittee certified for the St. Helena Comprehensive Flood Control Project (SCH No. 2002012078) on July 3, 2006. At the time the Permittee certified the Environmental Impact Report and approved the Project it also adopted all mitigation measures identified in the Environmental Impact Report as conditions of Project approval. On July 3, 2006, the Permittee adopted an addendum to the EIR, addressing a number of minor refinements to the Project design. On March 25, 2008, the Permittee adopted a second addendum to the EIR, addressing minor technical changes to Project bank stabilization features on Sulphur Creek.

In fulfilling its obligations as a responsible agency, DFG's obligations under CEQA are more limited than the lead agency. DFG, in particular, is responsible for considering only the effects of those activities involved in the Project which it is required by law to carry out or approve and mitigating or avoiding only the direct or indirect environmental effects of those parts of the Project which it decides to carry out, finance, or approve. (Pub. Resources Code,

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§ 21002.1, subd. (d); CEQA Guidelines, §§ 15041, subd. (b), 15096, subds. (f)-(g).⁴ Accordingly, because DFG's exercise of discretion is limited to issuance of the ITP, DFG is responsible for considering only the environmental effects that fall within its permitting authority under CESA.

This ITP, along with DFG's CEQA findings for the ITP and Project, which are available as a separate document, provides evidence of DFG's consideration of the lead agency's EIR and Addenda for the Project and the environmental effects related to issuance of the ITP. (CEQA Guidelines, § 15096, subd. (f).) DFG finds that issuance of the ITP will not result in any previously undisclosed potentially significant effects on the environment or a substantial increase in the severity of any potentially significant environmental effects previously disclosed by the lead agency. Furthermore, to the extent the potential for such effects exists, DFG finds adherence to and implementation of the Conditions of Project Approval adopted by the lead agency, as well as adherence to and implementation of the Conditions of Approval imposed by DFG through the issuance of this ITP, will avoid or reduce to below a level of significance any such potential effects. DFG consequently finds that issuance of the ITP will not result in any significant, adverse impacts on the environment.

Findings under CESA:

These findings are intended to document DFG's compliance with the specific findings requirements set forth in CESA and related regulations. (Fish & G. Code § 2081, subs. (b)-(c); Cal. Code Regs., tit. 14, §§ 783.4, subds. (a)-(b), 783.5, subd. (c)(2).)

DFG finds that issuance of this ITP complies and is consistent with the criteria governing the issuance of ITPs under CESA:

- (1) Take of Covered Species as defined in the ITP will be incidental to the otherwise lawful activities covered under the ITP;
- (2) Impacts of the taking of the Covered Species will be minimized and fully mitigated through the implementation of measures required by this ITP and as described in the Mitigation Monitoring and Reporting Program (MMRP). Measures include:
 - 1) Enhancement and permanent protection of Covered Species habitat; 2) establishment of dewatered work zones; 3) worker education; and 4) Monthly Compliance Reports. DFG evaluated the quality of the habitat on the Project site, the scope and extent of direct impacts, the scope and extent of indirect impacts, and other relevant information available to DFG or provided by the Permittee. Based on this

⁴ The "CEQA Guidelines" are found in Title 14 of the California Code of Regulations, commencing with section 15000.

evaluation, DFG determined that the enhancement, initial management, and permanent protection of 830 linear feet of compensatory habitat that is contiguous with other protected Covered Species habitat and/or is of higher quality than the habitat being destroyed by the Project, along with the minimization, monitoring, reporting, and funding requirements of this ITP fully mitigates the impacts of the taking caused by the Project;

- (3) The take avoidance and mitigation measures required pursuant to the conditions of this ITP and its attachments are roughly proportional in extent to the impacts of the taking authorized by this ITP;
- (4) The measures required by this ITP maintain Permittee's objectives to the greatest extent possible;
- (5) All required measures are capable of successful implementation;
- (6) The ITP is consistent with any regulations adopted pursuant to Fish and Game Code sections 2112 and 2114;
- (7) Permittee has ensured adequate funding to implement the measures required by the ITP as well as for monitoring compliance with, and the effectiveness of, those measures for the Project; and
- (8) Issuance of the ITP will not jeopardize the continued existence of the Covered Species based on the best scientific and other information reasonably available, and this finding includes consideration of the species' capability to survive and reproduce, and any adverse impacts of the taking on those abilities in light of (a) known population trends; (b) known threats to the species; and (c) reasonably foreseeable impacts on the species from other related projects and activities. Moreover, DFG's finding is based, in part, on DFG's express authority to amend the terms and conditions of the ITP without concurrence of the Permittee as necessary to avoid jeopardy and as required by law.

Attachments:

ATTACHMENT 1	Mitigation Monitoring and Reporting Program
ATTACHMENT 2	Letter of Credit Form
ATTACHMENT 3	Mitigation Payment Transmittal Form

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ISSUED BY THE CALIFORNIA DEPARTMENT OF FISH AND GAME

on June 14, 2010.

Scott Wilson FOR
Charles Armor, Regional Manager
BAY DELTA REGION

APPROVED AS TO FORM:

John H. Mattox
Senior Staff Counsel

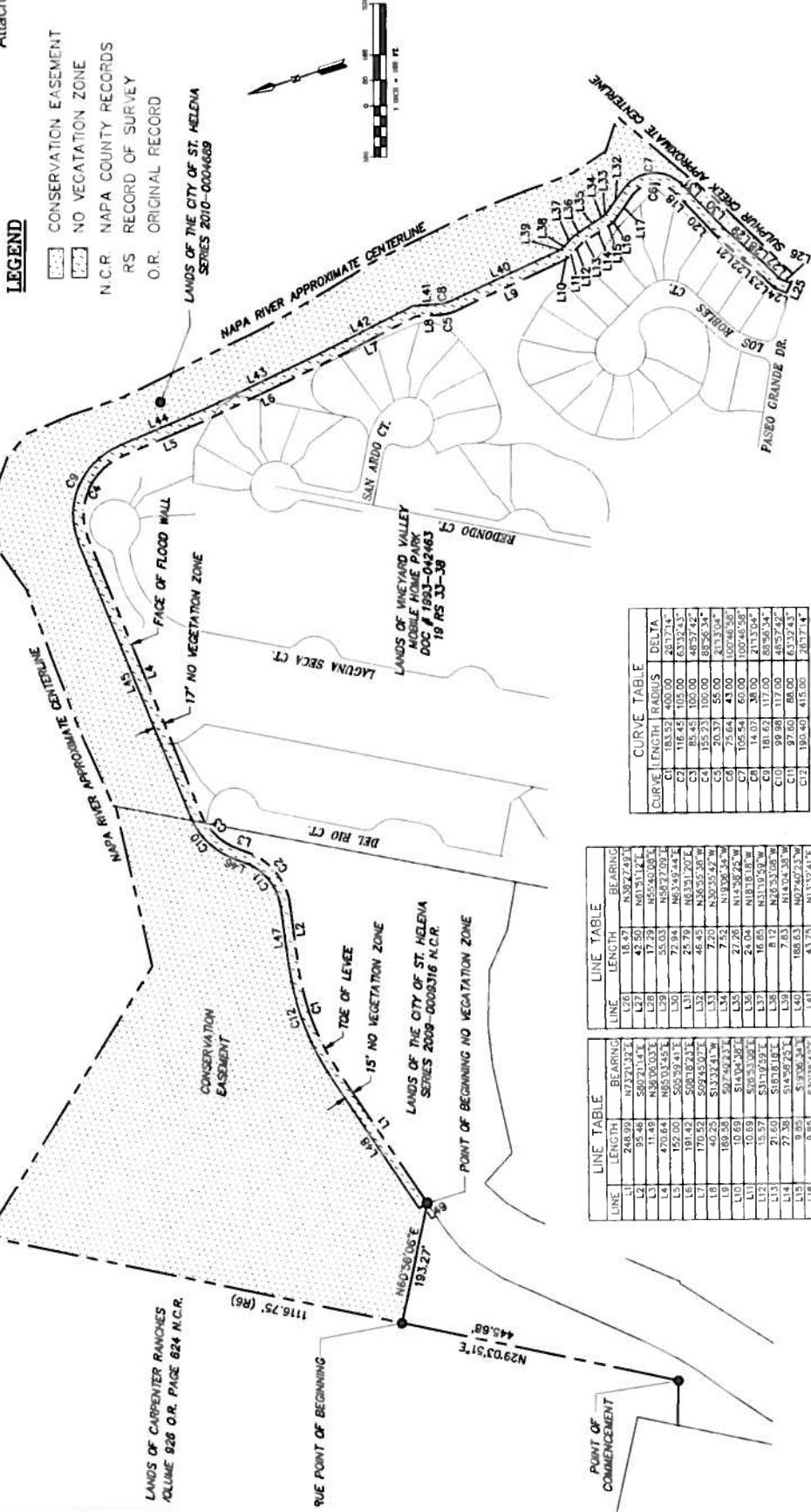
ACKNOWLEDGMENT

The undersigned: 1) warrants that he or she is acting as a duly authorized representative of the Permittee, 2) acknowledges receipt of this ITP, and 3) agrees on behalf of the Permittee to comply with all terms and conditions of the ITP.

By: Mary Neila Date: 6/14/10

Printed Name: Mary Neila Title: City Manager

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CURVE TABLE

CURVE	LENGTH	RADIUS	DELTA
C1	183.32	400.00	2637.14
C2	116.45	105.00	6332.43
C3	85.45	100.00	4857.42
C4	155.73	100.00	8856.34
C5	20.37	55.00	2133.04
C6	106.84	60.00	10046.58
C7	14.07	38.00	2113.04
C8	181.02	117.00	8856.34
C9	99.88	117.00	4857.42
C10	97.60	88.00	6332.43
C11	180.40	415.00	2637.14

LINE TABLE

LINE	LENGTH	BEARING
L26	18.27	N30°22'49"E
L27	42.50	N01°31'14"E
L28	17.79	N55°40'08"E
L29	55.03	N08°27'09"E
L30	25.89	N63°43'44"E
L31	46.45	N46°55'30"E
L32	7.70	N50°55'42"E
L33	27.26	N14°58'25"E
L34	24.04	N18°18'18"E
L35	16.05	N31°19'59"E
L36	9.12	N48°53'08"E
L37	188.63	N07°40'33"E
L38	43.75	N13°32'41"E
L39	173.81	N09°45'07"E
L40	190.86	N08°18'23"E
L41	151.65	N05°59'41"E
L42	470.64	S05°03'45"E
L43	13.72	S08°38'03"E
L44	6.48	S16°11'17"E
L45	248.99	S21°12'21"E
L46	15.00	S16°48'28"E

LINE TABLE

LINE	LENGTH	BEARING
L1	248.99	N72°21'32"E
L2	95.46	S00°21'14"E
L3	11.49	N58°03'03"E
L4	470.64	N05°03'45"E
L5	152.00	S05°59'41"E
L6	180.50	S08°18'23"E
L7	170.50	S13°32'41"E
L8	40.25	S13°32'41"E
L9	189.36	S07°46'22"E
L10	10.69	S14°04'30"E
L11	10.69	S14°04'30"E
L12	15.57	S31°19'59"E
L13	21.60	S18°18'18"E
L14	72.38	S14°59'23"E
L15	6.85	S13°32'41"E
L16	47.39	S08°25'38"E
L17	25.80	S03°31'20"E
L18	73.74	S03°49'44"E
L19	56.34	S08°17'09"E
L20	45.70	S05°40'00"E
L21	45.70	S05°40'00"E
L22	20.81	S16°11'17"E
L23	17.04	S16°48'28"E
L24	17.04	S16°48'28"E
L25	17.04	S16°48'28"E

CHAUDHARY & ASSOCIATES, INC.
ENGINEERS SURVEYORS INSPECTORS

201 NAPA VALLEY CORPORATE WAY, SUITE 9
NAPA, CALIFORNIA 94558
TEL (707) 258-5729 FAX (707) 258-5821 WWW.CHAUDHARY.COM

SHEET 1 OF 1

**STATE OF CALIFORNIA
THE NATURAL RESOURCES AGENCY
DEPARTMENT OF WATER RESOURCES
AGREEMENT BETWEEN THE STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES AND
CITY OF ST. HELENA
UNDER THE FLOOD PROTECTION CORRIDOR PROGRAM**

THIS AGREEMENT, made in quintuplicate and commencing this 1st day of November of 2009, is entered into by and between the Department of Water Resources of the State of California (hereinafter called the State), and the City of St. Helena (hereinafter called the Grantee).

The State and the Grantee agree as follows:

SECTION 1 PURPOSE OF AGREEMENT

This Agreement is made by and between the State and the Grantee to assist in financing a Flood Protection Project pursuant to the Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Act, (California Water Code Section 79035 et seq. Division 26, Chapter 5, Article 2.5), and Public Resources Code Section 75001, et seq. the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, specifically Public Resources Code Section 75032.5.

Grant funds may be used only as provided in this Agreement for such Eligible Project Costs as set forth in the Project description and Budget, copies of which are incorporated herein by this reference and set forth in Exhibit B, Project Location, Exhibit C, Scope of Work and Exhibit D, Budget which describe tasks to be accomplished and costs associated with those tasks under this Agreement.

SECTION 2 TERM OF AGREEMENT

This Agreement shall remain in effect for three (3) years from the date of execution. The date of execution shall be the last date of the required signatures of the parties to the Agreement. Certain activities specified in this Agreement have a different term such as maintenance responsibilities of the grantee which continue in perpetuity and require annual reporting for five years after project completion.

SECTION 3 PROJECT COSTS

The Total Project Costs (identified in Exhibit D) are estimated to be \$30,725,553.00.

SECTION 4 STATE GRANT

Pursuant to the California Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Act of 2006, and subject to the availability of funds, including any mandates from the Department of Finance, the Pooled Money Investment Board, or any other State authority, the State will reimburse the Grantee, in accordance with the terms of this Agreement, an amount equal to the Grantee's eligible expenditures for this project not to exceed \$3,100,000.00, as the State Share, as identified in Exhibit D, Budget. The State will not make payments of any kind—advances or reimbursements—until funding is made available by the State Treasurer, after allocation decisions are made by the Pooled Money Investment Board and Department of Finance.

SECTION 5 GRANTEE'S COST SHARE AMOUNT

The Grantee agrees to fund the difference, if any, between the actual Project Cost and the State Grant (Section 4). The rate of payment of State grant funds expressed as a percentage share of the State Grant cannot exceed the rate of payment of expenses by the grantee expressed as a percentage of the grantee's share of project costs without prior State authorization.

SECTION 6 INCORPORATION OF STANDARD TERMS AND GRANTEE COMMITMENTS

In addition to Exhibits B, C, and D, this agreement by this reference incorporates Exhibit A, Standard Terms and Exhibit G, Adaptive Management Plan. The Grantee accepts and agrees to comply with all terms, provisions, conditions, and commitments of this Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations and statements made by the Grantee in the Application, documents, amendments and communications filed in support of its request for financing.

SECTION 7 METHOD OF PAYMENT

The Grantee shall submit invoices on a quarterly basis for non-capital costs and on an as-needed basis for capital costs. All payments will be made to the Grantee upon receipt of an original invoice by the State of California, Department of Water Resources, 3310 El Camino Avenue, Room 147, Sacramento, California 95821, to the attention of David Martasian, Project Manager for the State. Invoices should include SAP contract number and work plan element identification.

The Grantee shall meet all conditions for disbursement of money under this Agreement, including the provisions of the Conditions for Disbursement which is located in Exhibit A. Failure by Grantee to comply may, at the option of the State, result in termination of the Agreement.

SECTION 8 PROGRESS REPORTS AND STATEMENT OF COSTS

The Grantee shall submit quarterly progress reports, starting with the end of the first complete calendar quarter after date of execution, describing the status of the Project and containing a Statement of Costs to the State. The submittal and approval by the State of these reports is a requirement for continued disbursement of State Grant funds. Progress reports shall summarize the work completed during the reporting period, include a statement of progress toward completion compared to the Project schedule, and provide a comparison of costs to date compared to the approved scope of work and Project budget. Additionally, if the grantee is aware of any anticipated problems, obstacles, or issues that could affect the project budget, schedule, or scope of work, they should be discussed in the progress reports.

SECTION 9 FINAL REPORTS

Upon project completion or termination, the Grantee shall submit a Final Report describing project activities and a report of expenditures (Final Financial Report) for the State's review and comment. The Final Report and Final Financial Report shall both be submitted within sixty (60) days of the project completion or termination. The Final Report shall describe the results of the project's activities, and include photographs of pre-project conditions and of the work completed. The Grantee shall also submit a Post-Completion Annual Report of Maintenance Activities annually for five years following completion of the project, with the first report due 12 months after the project completion date.

For any construction activity undertaken pursuant to and funded by this agreement, upon completion of the project the Grantee shall provide for a final inspection and a written certification by a California Registered Civil Engineer that the project has been completed in accordance with final plans and specifications and any modifications thereto. Such certification shall be submitted to the State with a copy of the final report of project expenditures required in the paragraph below. The Grantee shall keep on file, for the useful life of the project, as built plans and specifications for the project. Such documents shall be made available for inspection by the State upon reasonable notice.

The Final Financial Report documenting total project expenditures shall be submitted by the Grantee at the same time as the Final Report.

SECTION 10 RELATIONSHIPS OF PARTIES

The Grantee, its contractors, subcontractors, and their respective agents and employees required for performing any work under this Agreement shall act in an independent capacity and not as officers, employees, or agents of the State. Grantee is solely responsible for planning, design, construction, maintenance, and operation of the activity undertaken pursuant to and funded by this agreement. Any review or approval by the State is solely for the purpose of proper administration of State funding and shall not be deemed to relieve or restrict Grantee's responsibility for its work.

SECTION 11 PERMITS, LICENSES, APPROVALS AND LEGAL OBLIGATIONS

The Grantee shall be responsible for obtaining any and all permits, licenses and approvals required for performing any work under this Agreement, including those necessary for planning and implementing the Project. The Grantee shall be responsible for complying with all applicable federal, State and local laws, rules or regulations affecting any such work, specifically including, but not limited to, environmental, labor, procurement and safety laws, rules, regulations and ordinances.

Without limiting the foregoing, Grantee shall keep informed of and take all measures necessary to ensure compliance with the California Labor Code requirements, including but not limited to Section 1720 *et seq.* of the California Labor Code regarding public works, limitations on use of volunteer labor (California Labor Code Section 1720.4), labor compliance programs (California Labor Code Section 1771.5), and payment of prevailing wages for work done under this funding agreement.

Work that is subject to the California Environmental Quality Act (CEQA) and funded under this Agreement shall not proceed until documents that satisfy the CEQA process are received by the State Project Manager and the State has completed its CEQA compliance. Work funded under this Agreement that is subject to a CEQA document shall not proceed until and unless approved by the State Project Manager. Such approval is fully discretionary and shall constitute a condition precedent to any work for which it is required. Once CEQA documentation has been completed, the State will consider the environmental documents and decide whether to continue to fund the project or to require changes, alterations or other mitigation.

SECTION 12 GRANTEE'S RESPONSIBILITIES FOR WORK

The Grantee shall be responsible for any and all disputes arising out of its contracts for work on the Project, including but not limited to bid disputes and payment disputes with the Grantee's contractors and subcontractors. The State will not mediate disputes between the Grantee and any other entity concerning responsibility for performance of work.

SECTION 13 PROJECT OFFICIALS AND NOTICES

The Project Manager for the State is David Martasian.

The Grantee Project Manager shall be Karen Scalabrini. The Grantee Project Manager shall be the Grantee's representative for the administration of the Agreement and shall have full authority to act on behalf of the Grantee, including authority to execute all payment requests. All communications given to the Project Manager shall be as binding as if given to the Grantee.

Either party may change its representative upon written notice to the other party. Any notice, demand, request, consent, or approval that either party desires or is required to give to the other party under this Funding Agreement shall be in writing to the Project Manager.

Notices required to be given to the State in writing by the Grantee under this Agreement shall be sent to:

David Martasian
State of California
Department of Water Resources
Flood Protection Corridor Program
3310 El Camino Avenue, Room 140
Sacramento, CA 95821
(916) 574-1300

Notices required to be given to the Grantee in writing by the State under this Agreement shall be sent to:

Karen Scalabrini, City Finance Director
City of St. Helena
1480 Main Street
St. Helena, CA 94574
(707) 968-2751

A change of address for delivery or notice may be made by either party by written notice of such change of address to the other party.

Notices may be sent by any of the following means: delivery in person, by certified U.S. Mail, postage prepaid, by "overnight" delivery service or, electronic transmission followed by submittal of a hard copy.

SECTION 14 MAINTENANCE OF PROPERTY IMPROVED

Grantee agrees to use, manage, and maintain the property developed, rehabilitated, or restored with the grant funds provided in this Agreement consistent with the purposes of the program and is required to continue in perpetuity or until deemed no longer necessary by the State. Specific maintenance activities are outlined in Exhibit E, Planned Maintenance Activities. The Grantee or their successors may, with the approval of the State, transfer this responsibility to use, manage, and maintain the property as discussed in Exhibit A, Standard Terms: Easements. Such title transfer will occur in a way that binds the new owner to the same obligations.

IN WITNESS HEREOF, the following authorized representatives have executed this Agreement as of the date first above written and approved as to Legal form and sufficiency.

CITY OF ST. HELENA

By: Mary Neilan
Mary Neilan, City Manager

Date: 10/13/10

STATE OF CALIFORNIA, DEPARTMENT OF WATER RESOURCES

By: Mark W. Cowin
Mark W. Cowin, Director

Date: 4/11/11

Approved as to Legal Form and Sufficiency

By: Cathy Crothers
Cathy Crothers, Acting Chief Counsel

Date: 3/30/11

Attachment 2

Exhibit A – Standard Terms

STANDARD TERMS

1. ACCOUNTING AND DEPOSIT OF GRANT DISBURSEMENT:

- a) **Separate Accounting of State Grant Disbursements and Interest Records:**
The Grantee shall account for the money disbursed pursuant to this Agreement separately from all other Grantee's funds. The Grantee shall maintain audit and accounting procedures that are in accordance with generally accepted accounting principles and practices, consistently applied. The Grantee shall keep complete and accurate records of all receipts, disbursements, and interest earned on expenditures of such funds. The Grantee shall require its contractors or subcontractors to maintain books, records, and other documents pertinent to their work in accordance with generally accepted accounting principles and practices. Records are subject to inspection by the State at any and all reasonable times.
- b) **Disposition of Money Disbursed:**
All money disbursed pursuant to this Agreement shall be deposited, administered, and accounted for pursuant to the provisions of applicable law.
- c) **Remittance of Unexpended Funds:**
The Grantee, within a period of sixty (60) days from the final disbursement from the State to the Grantee of State Grant funds, shall remit to the State any unexpended funds that were disbursed to the Grantee under this Agreement and were not needed to pay Eligible Project Costs.
- d) **Interim and Final Audits:**
The State reserves the right to conduct an audit at any time between the execution of this Agreement and the completion of the Project, with the costs of such audit borne by the State. After completion of the Project, the State may require the Grantee to conduct a final audit, at the State's expense.

Pursuant to Government Code Section 8546.7, the contracting parties shall be subject to the examination and audit of the State for a period of three years after project completion. All Grantee's records and the Grantee's subcontractors related to this agreement shall be retained for at least three years after project completion.

2. **ACKNOWLEDGEMENT OF CREDIT:** The Grantee shall include appropriate acknowledgement of credit to the State and to all cost-sharing partners for their support when promoting the Project, erecting signs at the project site, or using any data and/or information developed under the Agreement.
3. **AMENDMENT:** This Agreement may be amended at any time by mutual agreement of the parties, except insofar as any proposed amendments are in any way contrary to applicable law. Requests by the Grantee for amendments must be in writing stating the amendment request and the reason for the request.
4. **AMERICANS WITH DISABILITIES ACT:** By signing this Agreement, Grantee assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, (42 U.S.C. 12101 et seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA.
5. **ANTITRUST CLAIMS:** Grantee shall comply with all applicable laws and regulations regarding securing competitive bids and undertaking competitive negotiations in Grantee's contracts with other entities for acquisition of goods, and services and construction of public works with funds provided by the State under this Agreement.
6. **APPROVAL:** This Agreement is of no force or effect until signed by all parties to the agreement. Grantee may not submit invoices or receive payment until has all required signatures have been obtained.
7. **AVAILABILITY OF FUNDS:** Work to be performed under this contract is subject to availability of funds through the State's normal budget process.
8. **CALIFORNIA CONSERVATION CORPS:** As required in Water Code section 79038(b), Grantee shall examine the feasibility of using the California Conservation Corps or community conservation corps to accomplish the habitat restoration, enhancement and protection activities listed in the Scope of Work (Exhibit C), and shall use the services of one of these organizations whenever feasible.
9. **CLAIMS DISPUTE:** Any claim that the Grantee may have regarding the performance of this agreement including, but not limited to, claims for additional compensation or extension of time, shall be submitted to the Project Manager, Department of Water Resources, within thirty (30) days of the Grantee's knowledge of the claim. Project Manager and Grantee shall then attempt to negotiate a resolution of such claim and process an amendment to this Agreement to implement the terms of any such resolution.

10. COMPETITIVE BIDDING AND PROCUREMENTS: Grantee shall comply with all applicable laws and regulations securing competitive bids and undertaking competitive negotiations in Funding Recipient's contracts with other entities for acquisition of goods and services and construction of public works with funds provided by State under this Funding Agreement.

11. CONDITIONS FOR DISBURSEMENT: The State shall have no obligation to disburse money under this Agreement unless and until the Grantee has satisfied the State that the disbursement is in accordance with the requirements of the legislation creating the funding source for the grant funds. Before engaging in site modifications to be paid for from State funds, the grantee must complete the following:

- a) For Construction Projects, the Grantee must submit to the State, final plans and specifications certified by a California Registered Civil Engineer or equivalent documentation as to compliance with the approved Project.
- b) The Grantee must submit a written statement by an authorized representative that it has obtained all necessary permits, easements, rights-of-way and approvals as may be required by other State, federal, and/or local agencies, as specified in Section 11 of this Agreement.
- c) The Grantee must demonstrate compliance with the California Environmental Quality Act and if applicable the National Environmental Policy Act by submitting copies of any environmental documents, including environmental impact reports, environmental impact statements, negative declarations, mitigation agreements, legal notices and environmental permits as may be required prior to modifying the Project site.
- d) The Grantee must demonstrate continuing availability of sufficient funds to complete the Project.
- e) The Grantee shall develop, and submit for State approval, a plan to minimize the impacts to adjacent landowners (California Water Code Section 79041, Division 26, Chapter 5, Article 2.5). This plan may require completion of a hydrologic and hydraulic study, and if so the specifications will be included in Exhibit C, the project Scope of Work.

12. CONFLICT OF INTEREST:

a) **Current State Employees:**

No state officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.

No state officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

b) **Former State Employees:**

For the two year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the Agreement while employed in any capacity by any state agency.

For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed Agreement within the twelve-month period prior to his or her leaving state service.

c) **City/County/Non Profit Employees:**

No employee, officer, employer or agency of the City/County/Non Profit shall participate in the selection or in the award or administration of a contract supported by State Funds if a conflict of interest, real or apparent, would be involved. The City/County/Non Profit shall comply with all applicable laws on conflict of interest including, but not limited to the following: Public Contract Code (PCC) Sections 10335.5 et seq., PCC Sections 10365.5 et seq., PCC Sections 10410 et seq., and Government Code Sections 1090 et seq., and 8100 et seq.

13. DRUG-FREE WORKPLACE CERTIFICATION: By signing this contract, the Grantee hereby certifies under penalty of perjury under the laws of the State of California that the Grantee will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code Section 8350 et seq.) and will provide a drug-free workplace by taking the following actions:

- a) Publish a statement notifying employees, contractors and subcontractors that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees, contractors or subcontractors for violations.
- b) Establish a Drug-Free Awareness Program to inform employees, contractors and subcontractors about all of the following:
 - 1. The dangers of drug abuse in the workplace,
 - 2. The Grantee's policy of maintaining a drug-free workplace,
 - 3. Any available counseling, rehabilitation and employee assistance programs, and
 - 4. Penalties that may be imposed upon employees, contractors or subcontractors for drug abuse violations.
- c) Every employee, contractor and subcontractor who works under this Agreement:
 - 1. Will receive a copy of the Grantee's drug-free policy statement, and
 - 2. Will agree to abide by terms of the Grantee's statement as a condition of employment, contract or subcontract.

14. EASEMENTS: Where the Grantee acquires property in fee title or funds improvements to property already owned in fee by the Grantee using grant funds provided through this Agreement, an appropriate easement or other title restriction providing for floodplain preservation and agricultural and/or wildlife habitat conservation for the subject property in perpetuity, approved by the State, shall be conveyed to a regulatory or trustee agency or conservation group acceptable to the State. The easement or other title restriction must be in first position ahead of any recorded mortgage or lien on the property unless this requirement is waived by the State.

Where the Grantee acquires an easement under this Agreement, the grantee agrees to monitor and enforce the terms of the easement, unless the easement is subsequently transferred to another land management or conservation organization or entity with State permission, at which time monitoring and enforcement responsibilities will transfer to new easement owner.

Failure to provide an easement acceptable to the State can result in termination of this Agreement.

15. **ELIGIBLE PROJECT COSTS:** Grantee shall apply State Grant funds received only to eligible project costs, as identified in Exhibit D - Budget.
16. **GOVERNING LAW:** This Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.
17. **INDEMNIFICATION:** Grantee shall indemnify and hold and save the State, its officers, agents, and employees, free and harmless from any and all liabilities for any claims and damages (including inverse condemnation) that may arise out of the Project and this Agreement, including, but not limited to any claims or damages arising from the planning, design, construction, maintenance and/or operation of levee rehabilitation measures for this Project and any breach of this Agreement. Grantee shall require its contractors to name the State, its officers, agents, and employees as additional insureds on their liability insurance for activities undertaken pursuant to this Agreement.
18. **INSPECTIONS OF PROJECT BY STATE:** The State shall have the right to inspect the work being performed at any and all reasonable times during the term of the Agreement. This right shall extend to any subcontracts, and the Grantee shall include provisions ensuring such access in all its contracts or subcontracts entered into pursuant to its Agreement with the State.
19. **INSPECTIONS OF BOOKS, RECORDS AND REPORTS:** During regular office hours, each of the parties hereto and their duly authorized representatives shall have the right to inspect and to make copies of any books, records, or reports of either party pertaining to this Funding Agreement or matters related hereto. Each of the parties hereto shall maintain and shall make available at all times for such inspection accurate records of all its costs, disbursements, and receipts with respect to its activities under this Funding Agreement. Failure or refusal by Grantee to comply with this provision shall be considered a breach of this Funding Agreement, and the State may withhold disbursements to Grantee or take any other action it deems necessary to protect its interests as provided in the Funding Agreement.
20. **LABOR COMPLIANCE PLAN:** Prior to awarding a contract for public works projects funded in whole or in part from Proposition 84, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, or any other source of funding so requiring, the grantee shall comply with Public Resources Code Section 75075, which requires adoption and enforcement of a labor compliance program pursuant to subdivision (b) of Labor Code Section 1771.5 for application to the funded public works project. At the

State's request, Grantee must promptly submit written evidence of its compliance with Labor Compliance Program requirements. [This item will need to be changed for Prop 1E projects]

21. **NONDISCRIMINATION:** During the performance of this Agreement, the Grantee, its contractors, and subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. Grantee and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Grantee and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Govt. Code § 12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et. seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code § 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Grantee and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

Grantee shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Funding Agreement.

22. **PROHIBITION AGAINST DISPOSAL OF PROPERTY WITHOUT STATE PERMISSION:** The Grantee shall not sell, abandon, lease, transfer, exchange, mortgage, hypothecate, or encumber in any manner whatsoever all or any portion of any real or other property necessarily connected or used in conjunction with the Project, without prior permission of the State. The Grantee shall not take any action, including but not limited to actions relating to user fees, charges, and assessments that could adversely affect the ability of the Grantee to meet its obligations under this Agreement, without prior written permission of the State. The State may require that the proceeds from the disposition of any real or personal property be remitted to the State to be applied to the Grantee's indebtedness under this Agreement.
23. **REIMBURSEMENT CLAUSE:** If applicable, travel and per diem expenses to be reimbursed under this contract shall be the same rates the State provides for unrepresented employees in accordance with the provisions of Title 2, Chapter 3, of the California Code of Regulations.

24. **SEVERABILITY:** In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.
25. **SUCCESSOR AND ASSIGNS:** This Agreement and all of its provisions shall apply to and bind the successors and assigns of the parties hereto. No assignment or transfer of this Agreement or any part thereof, rights hereunder, or interest herein by the Grantee shall be valid unless and until it is approved by the State and made subject to such reasonable terms and conditions as the State may impose.
26. **TERMINATION WITHOUT CAUSE:** The State may terminate this Agreement without cause on 30 days advance written notice. The Grantee shall be reimbursed for all reasonable expenses incurred up to the date of termination.
27. **TERMINATION FOR CAUSE:** The State may terminate this Agreement and be relieved of any payments should the Grantee fail to perform the requirements of this Agreement at the time and in the manner herein provided including but not limited to reasons of default under Standard Term 29 – Termination By Grantee.
28. **TERMINATION BY GRANTEE:** Subject to State approval which may be reasonably withheld, Grantee may terminate this Agreement and be relieved of contractual obligations. In doing so, Grantee must provide a reason(s) for termination. Grantee must submit all progress reports summarizing accomplishments up until termination date.
29. **THIRD PARTY BENEFICIARIES:** The parties to this Agreement do not intend to create rights in, or grant remedies to, any third party as a beneficiary of this Agreement, or any duty, covenant, obligation or understanding established herein.
30. **TIMELINESS:** Time is of the essence in this Agreement.
31. **WITHHOLDING OF GRANT FUNDS BY STATE:**
 - (a) **Withholding clause:** The State, at its discretion, may withhold ten percent (10%) of the funds requested by the Grantee for reimbursement of eligible Project Costs until the Project is completed and Final Report is received. Withheld funds may be released upon completion of milestones identified in Exhibit C, the project Scope of Work.
 - (b) **Additional Conditions for Withholding:** If the State determines that the Project is not being completed substantially in accordance with the provisions of this

Agreement or that the Grantee has failed in any other respect to comply substantially with the provisions of this Agreement, and if the Grantee does not remedy any such failure to the State's satisfaction, the State may withhold from the Grantee all or any portion of the State Grant commitment and take any other action that it deems necessary to protect its interests.

32. **WORKERS' COMPENSATION:** The Grantee affirms that it is aware of the provisions of Section 3700 of the California Labor Code, which require every employer to be insured against liability for workers' compensation or to undertake self insurance in accordance with the provisions of that code, and the Grantee affirms that it will comply with such provisions before commencing the performance of the work under this Agreement and will make its contractors and subcontractors aware of this provision.

Attachment 3

Exhibit B – Project Location

City of St Helena
County of Napa

Vineyard Valley Mobile Home Park
100-1

Parcel One (100-1)

A portion of that certain real property situate in the City of St. Helena, County of Napa, State of California being a portion of lands described in the Grant Deed to Vineyard Valley Mobile Home Park, a California Limited Partnership, recorded December 28, 1993 at Document No. 1993 042463 Official Records Napa County, said portion being more particularly described as follows:

BEGINNING at the southwest terminus of the course shown as "N60°39'E, 172.00 feet on the Record of Survey filed July 18, 1975 at Book 19 of Surveys Pages 33 through 38; thence N46°55'29"W, 35.55 feet; thence N44°01'04"E, 15.04 feet; thence N48°54'11"E, 8.03 feet; thence N65°57'13"E, 13.32 feet; thence N71°57'24"E, 11.64 feet; thence N62°13'27"E, 19.19 feet; thence N58°17'47"E, 70.29 feet; thence N61°35'37"E, 88.41 feet; thence along a non tangent curve to the left from a radial line that bears, S31°06'13"E, having a radius of 56.00 feet through a central angle of 43°14'24" an arc length of 42.26 feet; thence N15°39'23"E, 0.46 feet; thence along a tangent curve to the left having a radius of 56.00 feet through a central angle of 50°23'32" an arc length of 49.25 feet; thence N33°30'29"W, 27.09 feet; thence along a non tangent curve to the right, from a radial line that bears S55°54'00"W, having a radius of 44.00 feet through a central angle of 19°08'58" an arc length of 14.71 feet; thence N14°57'02"W, 44.16 feet; thence along a tangent curve to the left having a radius of 56.00 feet through a central angle of 17°52'17" an arc length of 17.47 feet; thence N32°49'19"W, 64.36 feet; thence along a tangent curve to the right having a radius of 44.00 feet through a central angle of 41°05'32" an arc length of 31.56 feet; thence N08°16'13"E, 48.23 feet; thence N09°06'37"W, 49.16 feet; thence along a tangent curve to the right having a radius of 44.00 feet through a central angle of 25°14'11" an arc length of 19.38 feet; thence N14°23'42"E, 76.41 feet; thence N08°58'15"W, 170.97 feet; thence N07°33'09"W, 190.46 feet; thence N04°57'33" W, 149.01 feet; thence along a non tangent curve to the left, from a radial line that bears N 86° 03' 25" E, having a radius of 100.00 feet through a central angle of 90°07'29" an arc length of 157.30 feet; thence S85°55'56"W, 471.44 feet; thence along a non tangent curve to the left, from a radial line that bears N16°49'47"W, having a radius of 158.65 feet through a central angle of 7°09'38" an arc length of 19.83 feet; thence N28°56'09"E, 155.05 feet more or less to the centerline of the Napa River; thence downstream along the centerline of said Napa River and following the meanderings thereof 1,845 feet more or less to the intersection with the centerline of Sulphur Springs Creek; thence upstream along the centerline of said Creek and following the meanderings thereof 74 feet more or less to the northern terminus of course shown as "N60°39'E, 172.00 feet on said Record of Survey; thence along last said line S62°35'31"W, 172.00 feet to the Point of Beginning.

Containing 4.70 acres, more or less.

Parcel Two (100-2)

An Access and Maintenance Easement for construction, maintenance, and operation of the St. Helena Flood project, over upon and across that certain real property situate in the City of St. Helena, County of Napa, State of California being a portion of lands described in the Grant Deed to Vineyard Valley Mobile Home Park, A California Limited Partnership recorded

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County of Napa

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100-1

of 157.30 feet; thence S04°57'33"E, 149.01 feet; thence S07°33'09"E, 190.46 feet; thence S08°58'15"E, 170.97 feet; thence S14°23'42"W, 76.41 feet; thence along a non tangent curve to the left, from a radial line that bears N73°52'28"W, having a radius of 44.00 feet through a central angle of 25°14'11" an arc length 19.38 feet; thence S09°06'37"E, 49.16 feet; thence S08°16'13"W, 48.23 feet; thence along a tangent curve to the left having a radius of 44.00 feet through a central angle of 41°05'32" an arc length of 31.56 feet; thence S32°49'19"E, 64.36 feet; thence along a tangent curve to the right having a radius of 56.00 feet through a central angle of 17°52'17" an arc length of 17.47 feet; thence S14°57'02"E, 44.16 feet; thence along a tangent curve to the left having a radius of 44.00 feet through a central angle of 19°08'58" an arc length of 14.71 feet; thence S33°30'29"E, 27.09 feet; thence along a non tangent curve to the right, from a radial line that bears N55°15'51"E, having a radius of 56.00 feet through a central angle of 50°23'32" an arc length of 49.25 feet; thence S15°39'23"W, 0.46 feet; thence along a tangent curve to the right having radius of 56.00 feet through a central angle of 43°14'24" an arc length of 42.26 feet; thence S61°35'37"W, 88.41 feet; thence S58°17'47"W, 70.29 feet; thence S62°13'27"W, 19.19 feet; thence 71°57'24"W, 11.64 feet; thence S65°57'13"W, 13.32 feet; thence S48°54'11"W, 8.03 feet; thence S44°01'04"W, 15.04 feet to the True Point of Beginning.

Containing 22,429 square feet, more or less.

Parcel Three (100-3)

A temporary Construction Easement which will expire On December 31, 2009 over upon and across that certain real property situate in the City of St Helena, County of Napa, State of California being a portion of lands described in the Grant Deed to Vineyard Valley Mobile Home Park, A California Limited Partnership, recorded December 28, 1993 at Document No. 1993 042463 Official Records Napa County, said easement being more particularly described as follows:

BEGINNING at Point B as designated in the description of Parcel 2 hereinabove; thence along a non tangent curve to the left, from a radial line that bears N35°35'30"W, having a radius of 40.00 feet through a central angle of 17°41'57" an arc length of 12.36 feet; thence along a reverse curve having a radius 15.00 feet through a central angle of 59°23'48" an arc length of 15.55 feet; thence N83°53'39"W, 19.57 feet; thence along a tangent curve to the left having a radius of 163.00 feet through a central angle of 31°01'50" an arc length of 88.28 feet; thence along a reverse curve having a radius of 15.00 feet through a central angle of 74°12'04" an arc length of 19.43 feet; thence along a reverse curve having a radius of 40.00 feet through a central angle of 28°54'56" an arc length of 20.19 feet; thence N85°55'56"W, 162.39 feet to the Point of Beginning.

Containing 1,625 square feet, more or less.

Parcel Four (100-4)

A temporary Construction Easement which will expire On December 31, 2009 over upon and across that certain real property situate in the City of St Helena, County of Napa, State of California being a portion of lands described in the Grant Deed to Vineyard Valley Mobile Home Park, A California Limited Partnership recorded December 28, 1993 at Document No. 1993 042463 Official Records Napa County, said easement being more particularly described as follows:

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BEGINNING at Point "A" as designated in the description of Parcel 2 hereinabove; thence N80°59'17"W, 34.64 feet; thence N31°20'58"W, 19.42 feet; thence N31°50'35"W, 37.49 feet; thence N08°34'05"W, 73.63 feet; thence N07°13'01"E, 14.43 feet; thence along a non tangent curve to the left, from a radial line that bears S36°43'35"E, having a radius of 40.00 feet through a central angle of 99°32'10" an arc length of 69.49 feet; thence along a non tangent curve to the right, from a radial line that bears N19°19'15" E, having a radius of 88.00 feet through a central angle of 86°44'08" an arc length of 102.50 feet; thence S04°57'30"E, 125.42 feet to the Point of Beginning.

Containing 9,531 square feet, more or less.

Parcel Five (100-5)

A temporary Construction Easement which will expire On December 31, 2009 over upon and across that certain real property situate in the City of St Helena, County of Napa, State of California being a portion of lands described in the Grant Deed to Vineyard Valley Mobile Home Park, A California Limited Partnership, recorded December 28, 1993 at Document No. 1993 042463 Official Records Napa County, said easement being more particularly described as follows:

BEGINNING at Point "C" as designated in the description of Parcel 2 hereinabove; thence along a non tangent curve to the left, from a radial line that bears N28°29'47"W, having a radius of 40.00 feet through a central angle of 51°43'42" an arc length of 36.11 feet; thence N80°13'29"W, 25.98 feet; thence S77°56'31"W, 25.00 feet; thence N76°27'42"W, 29.17 feet; thence N85°10'59"W, 39.07 feet; thence S89°47'31"W, 78.54 feet; thence S55°06'21"W, 28.32 feet; thence along a non tangent curve to the left, from a radial line that bears N61°19'23"E, having a radius of 40.00 feet through a central angle of 28°07'19" an arc length of 19.63 feet; thence along a non tangent curve to the right, from a radial line that bears N36°37'16"W, having a radius of 21.00 feet through a central angle of 32°33'12" an arc length of 11.93 feet; thence N85°55'56"E, 242.21 feet to the Point of Beginning.

Containing 3,274 square feet, more or less.

Parcel Six (100-6)

An Ingress and Egress Easement, for construction, maintenance, and operation of the St. Helena Flood project, over upon and across that certain real property situate in the City of St Helena, County of Napa, State of California being a portion of lands described in the Grant Deed to Vineyard Valley Mobile Home Park, A California Limited Partnership, recorded December 28, 1993 at Document No. 1993 042463 Official Records Napa County, said portion being more particularly described as follows:

BEGINNING at the northeast terminus of that course shown as "N41°00'E, 50.00 feet on said Record of Survey; thence along the general southeastern line of said record of survey S43°04'31"W, 41.88 feet; thence generally along the southwestern line of Paseo Grande Drive the following six courses;

1. thence S46°55'29"W, 198.27 feet;
2. thence along a tangent curve to the right having a radius of 392.00 feet through a central angle of 9°31'05" an arc length of 65.12 feet;

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100-1

3. thence along a non tangent curve to the left, from a radial line that bears N58°12'46"E, having a radius of 308.00 feet through a central angle of 15°43'16" an arc length of 84.51 feet;
4. thence N47°30'30"W, 199.82 feet;
5. thence along a tangent curve to the left having a radius of 319.55 feet through a central angle of 15°32'59" an arc length of 86.72 feet;
6. thence N63°03'29"W, 882.78 feet to the general northwestern line of Del Rio Court; thence along last said line N29°06'33"E, 792.48 feet; thence along the general northeastern and southeastern lines of Del Rio Court the following six courses;

1. along a non tangent curve to the right, from a radial line that bears N23°01'16"W, having a radius of 146.65 feet through a central angle of 5°40'38" an arc length of 14.53 feet;
2. thence N83°52'29"E, 0.56 feet;
3. thence along a non tangent curve to the right, from a radial that bears N24°47'34"E, having a radius of 40.00 feet through a central angle of 153°42'54" an arc length of 107.31 feet;
4. thence along a reverse curve, having a radius of 15.00 feet through a central angle 59°23'55" an arc length of 15.55 feet;
5. thence S29°06'33"W, 663.90 feet;
6. thence along a tangent curve to the left, having a radius of 15.00 feet through a central angle of 92°10'02" an arc length of 24.13 feet to the northwestern line of said Paseo Grande Drive;

thence along the general northwestern line of Paseo Grande Drive the following seven courses;

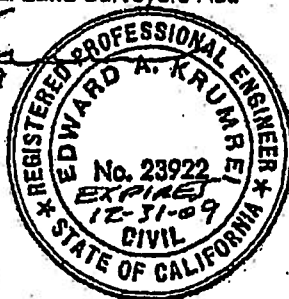
1. thence S63°03'29"E, 822.78 feet;
2. thence S62°30'55"E, 95.26 feet;
3. thence along a non tangent curve to the right, from a radial line that bears N37°25'53"E, having a radius of 200.00 feet through a central angle of 5°38'38" an arc length of 19.70 feet;
4. thence S46°55'29"E, 199.87 feet;
5. thence along a tangent curve to the right having a radius of 350.00 feet through a central angle of 12°16'28" an arc length of 74.98 feet;
6. thence along a reverse curve having a radius of 350.00 feet through a central angle of 12°16'28" an arc length of 74.98 feet;
7. thence S46°55'29"E, 198.27 feet to the Point of Beginning.

Containing 1.83 acres, more or less.

This real property description has been prepared by me or under my direction in conformance with the Professional Land Surveyors Act.

Edward A. Krumer
Registered Professional Engineer

Date 9/23/08



I hereby certify the above to be a true and correct copy of the original on file with this court.

Dated: 9/24/08

Clerk of the County of Napa

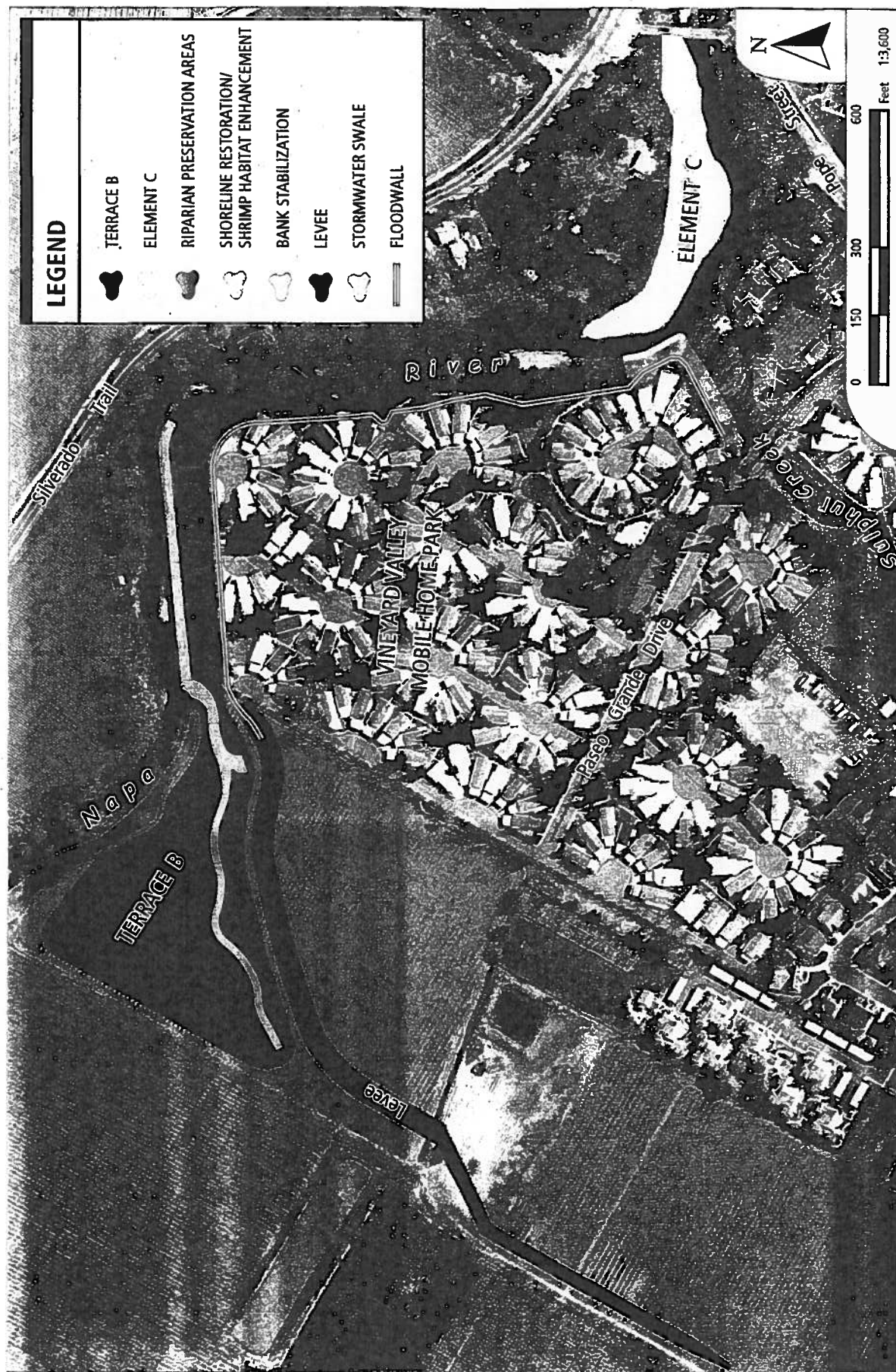
BY: *J. Huo*



Figure 1
Aerial Project View



Figure 2
Elements of St. Helena Flood Protection and Restoration Project



SWANSON HYDROLOGY + GEOMORPHOLOGY
500 Seabright Ave, Suite 202 Santa Cruz, CA 95062
PH 831.427.0288 FX 831.427.0472

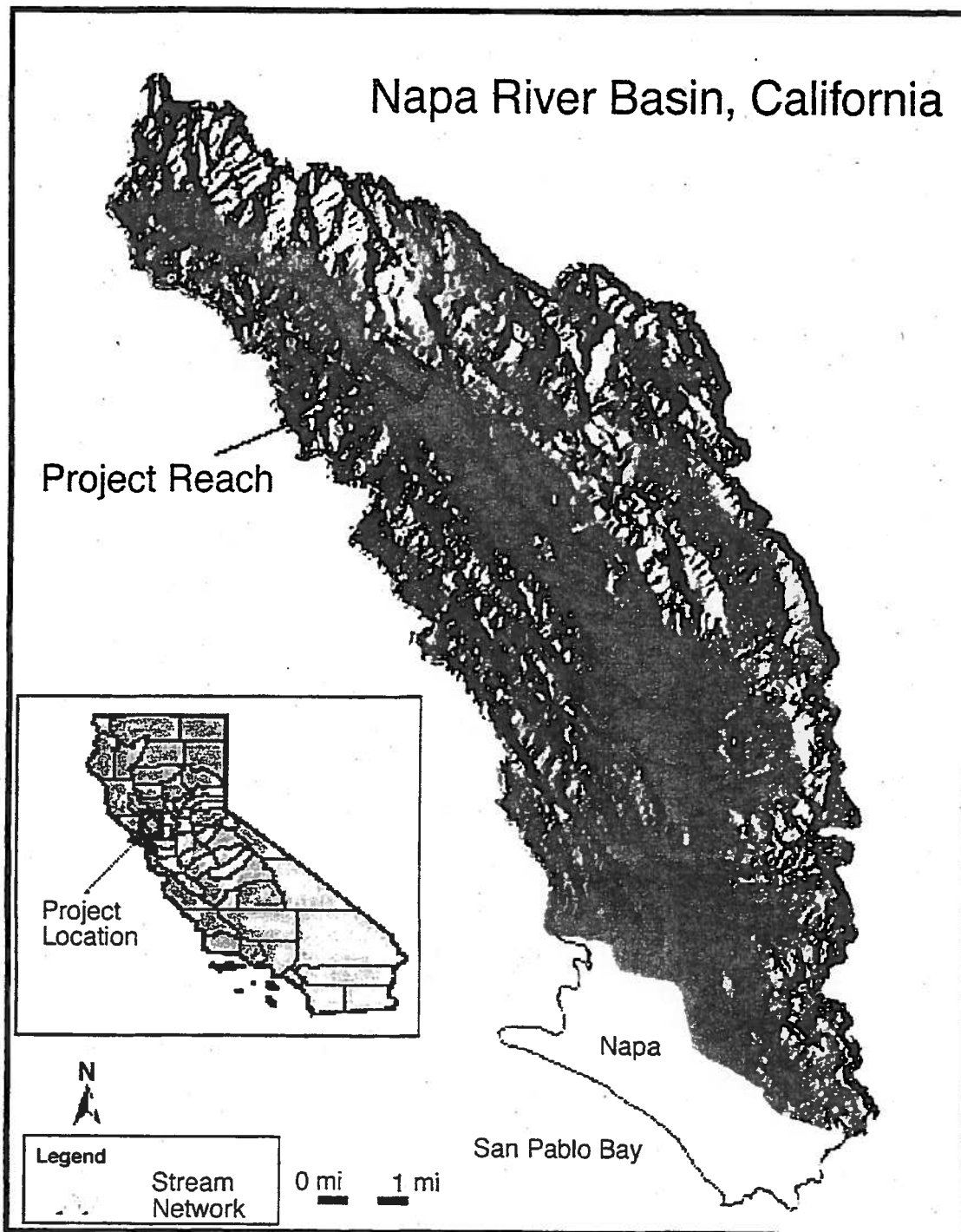
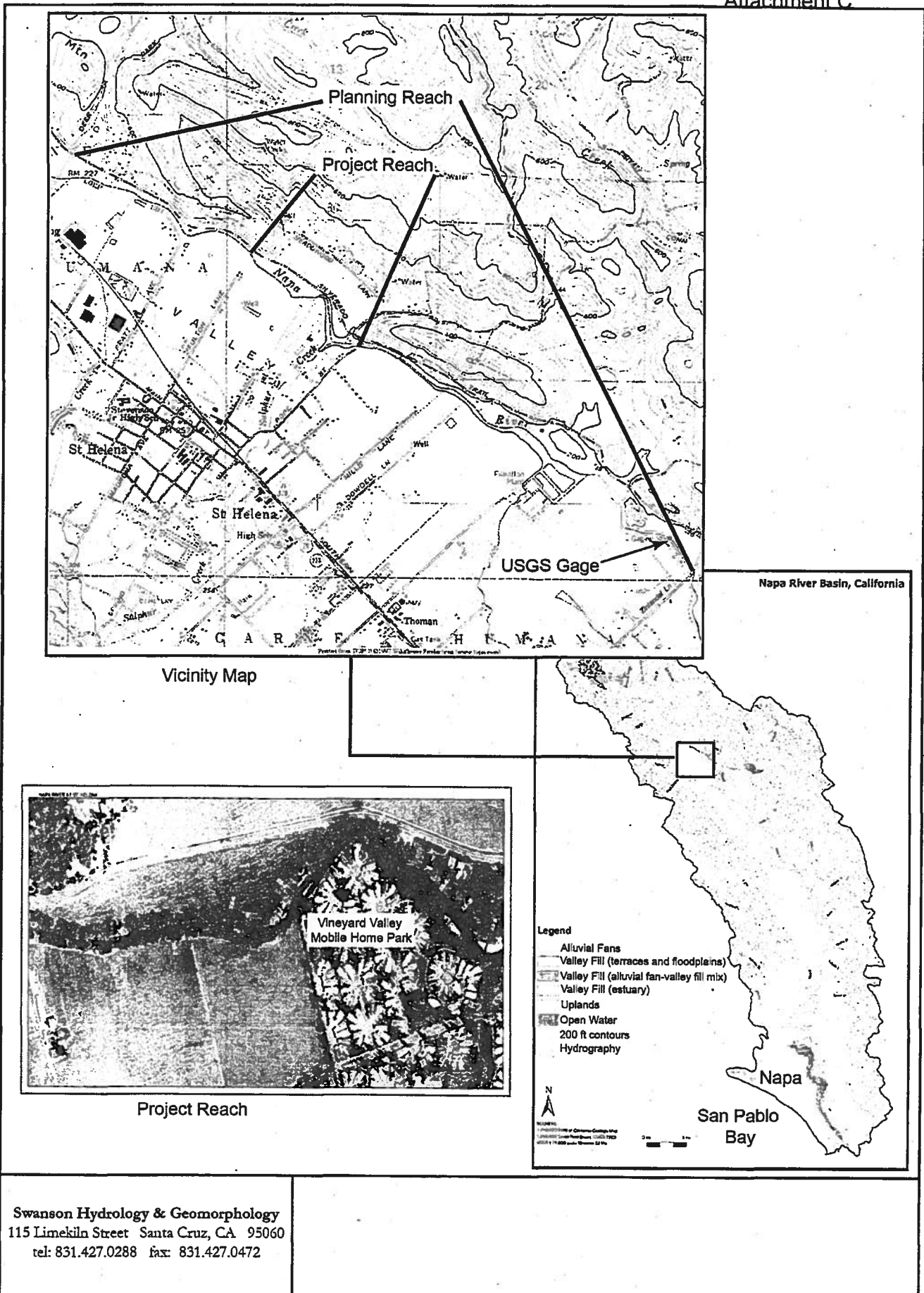
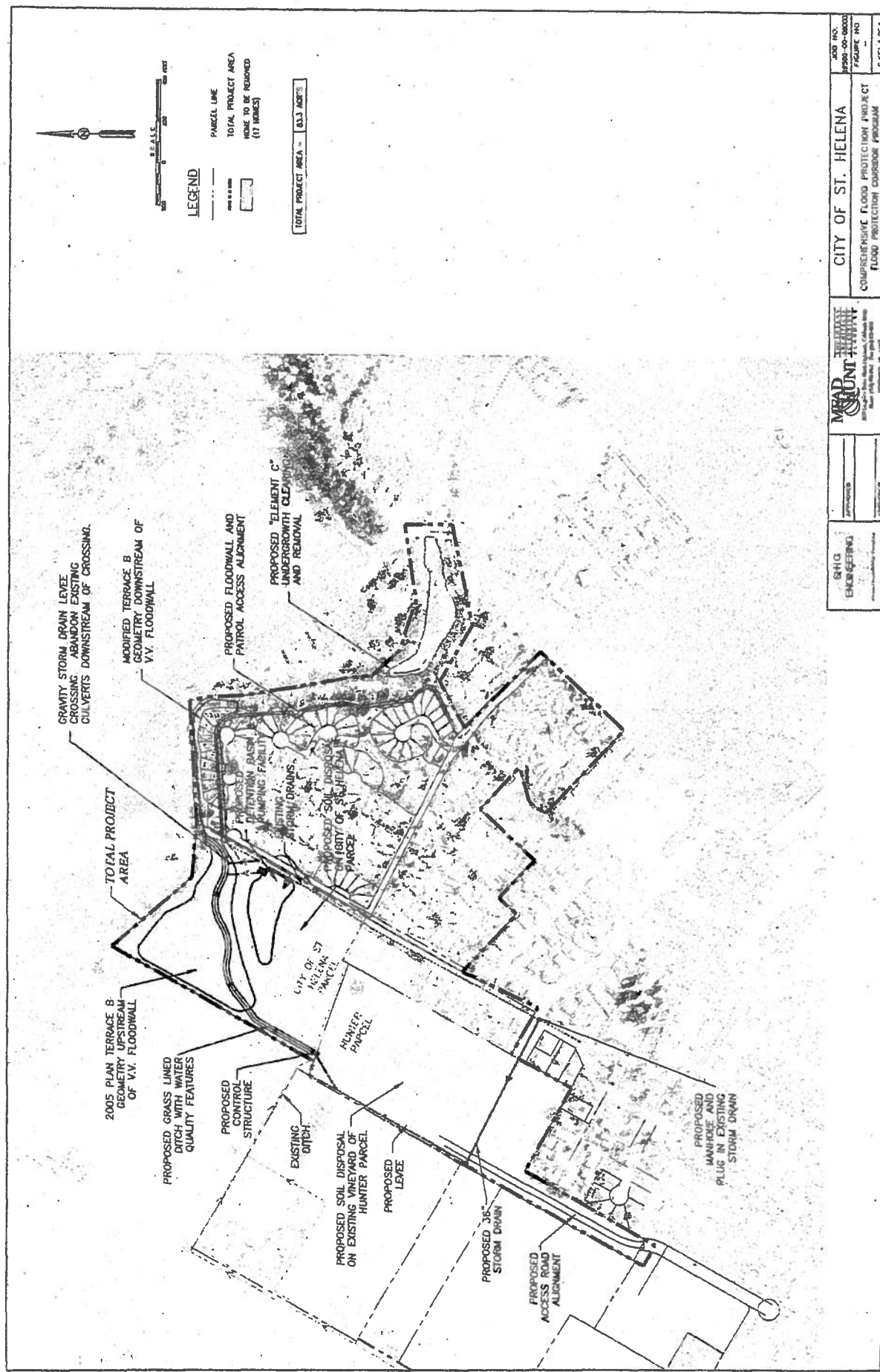


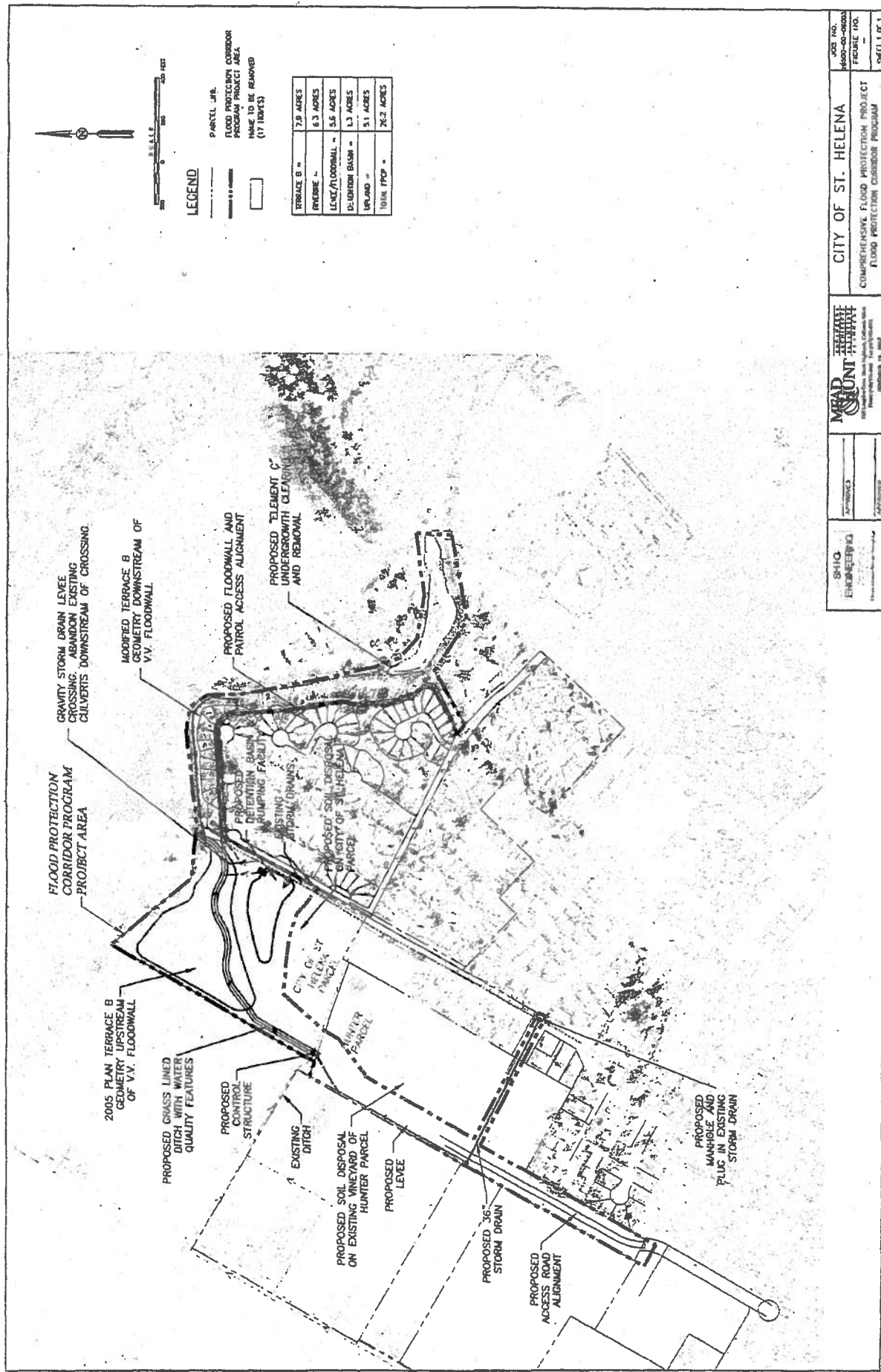
Figure 4
Project Vicinity Map

Attachment C



Attachment C





 SH&K ENGINEERING Professional Seal of the State of California No. 10000 Exp. 12/31/2010	 MEAD & HUNT Professional Seal of the State of California No. 10000 Exp. 12/31/2010	CITY OF ST. HELENA		JOB NO. 1400-00-0000
		COMPREHENSIVE FLOOD PROTECTION PROJECT FLOOD PROTECTION CORRIDOR PROGRAM		FIGURE NO. —
				SHEET 1 OF 1

Attachment 4

Exhibit C – Scope of Work

City of St. Helena Flood Protection Corridor Program Grant Scope of Work

May 1, 2009

1. Background

1.1 Project Name: St. Helena Flood Protection and Flood Corridor Restoration Project

1.2 Project Location: St. Helena, California

1.3 Overall Project Description: The City of St. Helena Flood Protection and Flood Corridor Restoration Project will protect 468 existing mobile homes, single-family dwellings, and low-income multifamily units from flood damage caused by the Napa River overflow through the incorporated City of St. Helena in Napa County. This multi-objective project will provide flood damage reduction through restoration and re-establishment of the natural floodplain along the project creek frontage; construction of setback levees and overflow basins for transitory storage; and the re-creation and restoration of a natural floodway corridor. It will restore more than 8 acres of high quality riparian forest and shoreline habitat for fish, terrestrial and wildlife habitat on the Napa River. The Napa River is listed by the EPA as an impaired waterway and by National Marine Fisheries Service as an important steelhead and salmon recovery tributary of the San Francisco Bay Estuary. The project will also allow residents to view and access this presently inaccessible reach of the Napa River. The total project cost is estimated to be \$30,725,553.

The overall Project is funded by a variety of sources including:

- Napa County Flood Protection and Watershed Improvement Sales Tax proceeds (Measure A)
- FEMA Hazard Mitigation Grant Funds from Governor's Office of Emergency Services
- State Water Quality Control Board State Revolving Fund (SRF) loan proceeds
- Flood Protection Corridor Program Grant proceeds from DWR

These funding sources are all now committed to complete the entire Project by the close of 2010.

The overall Project includes the following elements, as shown in the enclosed Figure No. 1:

A. Floodplain Terrace the new terrace will provide over 8 acres of floodplain alongside the Napa River. This terrace will provide a wider area for floodwater conveyance and will also provide riparian habitat for numerous rare and common species.

B. Shoreline Restoration Approximately 600 feet of existing bank protection riprap and wire gabion at the Vineyard Valley Mobile Home Park (VVMHP) will be removed and the shoreline will be restored, improving habitat for steelhead, California freshwater shrimp, and critical habitat for the California red-

legged frog, as well as for common species.

C. Levee A new setback levee will be constructed.

D. Removal of Mobile Homes Approximately 17 mobile homes have been removed to make room for a wider floodway corridor.

E. Floodwall/Bank Stabilization A new setback floodwall will be constructed to surround the remaining homes within the VVMHP. Up to 300 feet of bioengineered bank stabilization would be placed near the confluence of the Napa River and Sulphur Creek to protect a portion of the VVMHP floodwall.

F. Stormwater Management for Water Quality A detention basin and pumping facility will be placed inboard of the new levee and northwest of the existing VVMHP floodwall. The two existing storm drains will be diverted into this basin and the two existing storm drain outfalls into the Napa River will be abandoned. A drainage swale will run along the outboard edge of the new levee to filter area stormwater before entering the Napa River.

G. Vegetation Management At the southeastern end of the project area, riparian vegetation will be managed in an area referred to as "Element C" to protect critical environmental habitat and improve flood storage capacity upstream of the Pope Street Bridge.

H. Public Trail An interpretive pedestrian path will be included in the design of Terrace B to provide public access where no public access currently exists.

I. Utility Relocations/Modifications Water, sanitary sewer, gas, electrical, telephone, and cable TV utilities will be disconnected and removed in the areas of home removal for a wider flood corridor in this currently constrained and incised reach of the Napa River.

J. Adaptive Management Plan (AMP) Meeting and maintaining conditions consistent with the Project flood protection and habitat goals and performance objectives will require long-term monitoring, some maintenance (although it is a stated objective to minimize maintenance), and structural modifications to respond to changing conditions. An Adaptive Management Plan has been adopted and approved by the SF Regional Water Quality Control Board as part of the Project's Water Quality permitting. The final draft is pending California Fish and Game approval.

1.4 The Flood Protection Corridor Program Grant Components: The Flood Protection Corridor Program Grant Project includes construction of items for portions of the following overall Project components which are non-structural in nature including portions of:

- Floodplain Terrace
- Shoreline Restoration
- Bio-Technical Bank Stabilization
- Public Trail

1.5 Organization: The City has contracted with a Construction Contractor through the public bidding process to perform activities described herein. The Flood Corridor grant activities will be completed by the City under two separate subcontracts:

- Plant propagation and growing contract with California Native Plant Society and Cornflower Nursery.
- Flood project construction contract with Argonaut Constructors, with restoration activities performed by Green Vista Landscaping.

The City will perform construction management and administration for the work activities using staff employed directly by the City. The City has also contracted with several consultants to provide assistance with project implementation:

- Mead & Hunt, Inc – Project Design and Project Management Assistance Services
- Swanson Hydrology and Geomorphology – Restoration Design, Biological Monitoring, and Restoration Monitoring Services
- Kleinfelder, Inc. – Geotechnical Design, Inspection, and Testing Services
- Chaudhary & Associates – Surveying and Mapping

2 Scope of Work

2.1 Task Descriptions

Task No. 1 \$10,000– Project Management and Funding Administration. The City's project management and funding administration activities related to the Flood Corridor will be completed under this task. Amounts in excess of \$10,000 will be funded by the City. The proposed project management and funding administration activities will include:

- Preparation of Funding Reimbursement Requests.
- Preparation of Quarterly Reports, including summary of activities and tasks performed, planned activities for next quarter, schedule updates, and a fiscal summary.
- Preparation of Final Report, including summary of activities performed and final fiscal report.

Task No. 1 Deliverables – The proposed deliverables for this task include:

- Reimbursement requests
- Quarterly Reports
- Final Report

Task No. 2 \$1,772,800– Floodplain Terrace Construction: Floodplain terrace construction will include the activities described in the following subtasks.

Subtask No. 2.1 – Terrace Grading. Excavate floodplain terrace in two phases and install temporary and permanent stabilization measures. This subtask includes excavation, grading, and stabilization activities. The current plan is to perform the majority of the mass excavation during the first year of construction, provide temporary stabilization during winter months, and complete the final grading and replanting activities in the second year of construction. The material from excavation will be off hauled for use in construction of other project features. Slope stabilization, to be installed in the second phase, will include placement of turf reinforcement mat along upstream slope (entrance) of terrace excavation, placement of slope protection fabric on remaining side slopes of terrace excavation, and installing buried stone setback from the streambed for slope stabilization. As a water quality improvement measure, urban storm water runoff, which currently outfalls directly into the river will be rerouted through grass lined swales to be constructed in the terrace areas. The swale construction will involve installation of a number of weirs creating a series of pools and riffles. The proposed floodplain terrace grading activities will include:

- Stripping - Phase 1 – Stripping and disposal of heavy growth of crops, grasses, weeds, and other vegetative matter from surfaces to be excavated.
- Terrace Excavation - Phase 1 – Excavation and off haul of soil material within the limits of the constructed terrace.
- Erosion Control Seeding - Phase 1 – Seeding applied to disturbed areas to prevent damage caused by erosive forces.
- Stripping - Phase 2 – Stripping and disposal of heavy growth of crops, grasses, weeds, and other vegetative matter from surfaces to be excavated.
- Terrace Excavation - Phase 2 – Excavation and off haul of soil material within the limits of the constructed terrace.
- Slope Protection Fabric – Installation of biodegradable erosion control fabric over disturbed slopes.
- Turf Reinforcing Mat – Installation of synthetic turf reinforcement mat and anchor system over the excavated floodplain transition slope.
- Stone Protection – Installation of rock slope protection on constructed slopes and channels exposed to erosive forces.
- Weir Construction – Installation of boulder grade control structures within constructed channels.

Subtask No. 2.1 Deliverables – The proposed deliverables for this subtask include:

- Schedule of Values for activities described above.

- Monthly Contractor Progress Payment Applications.
- Final Construction Report, including summary of work, testing and inspection documentation, record drawings, and photographs.

Subtask No. 2.2 – Terrace Restoration Planting. Implement floodplain terrace restoration planting and maintenance. City has contracted with restoration nurseries to collect native plant seeds and grow plants required for restoration activities. Plants will be provided to the restoration contractor who is a subcontractor to the City's general contractor for this work. Planting will be performed after finish grading activities are completed. Plantings will be maintained through the use of a temporary irrigation system that will be installed at the time of planting and will utilize water from the City's agricultural well on an adjacent property. The restoration contract contains requirements for the restoration contractor to provide maintenance for up to a 16 month maintenance period. The proposed floodplain terrace restoration planting activities will include:

- Contract Grow – Reservation of seeds and plants required for terrace restoration activities.
- Planting – Planting activities include the following items of work:
 - Treepot Container Planting
 - Deepot Container Planting
 - Tree Band Container Planting
 - Bare Root Planting
 - Willow Stake Planting
- Seeding – Seeding of permanent ground cover to protect the disturbed areas from damage.
- Irrigation System Installation – Installation of the complete temporary irrigation system for the establishment of plantings, including drip and overhead components.
- Restoration Planting Maintenance – Maintenance activities include:
 - Irrigation Events
 - Weeding Events
- Progress Observation and Staged Acceptance Inspections – Periodic inspections.

Subtask No. 2.2 Deliverables – The proposed deliverables for this subtask include:

- Schedule of Values for activities described above.
- Contractor Progress Payment Applications.
- Maintenance Period Progress Reports.
- Final Construction Report, including summary of work, testing and inspection documentation, record drawings, and photographs.

Task No. 3 \$306,800– Shoreline Restoration: Construct shoreline restoration features along bank of the Napa River. The proposed shoreline restoration activities will include the following services:

- Dewatering – Installation of maintenance and temporary measures to remove surface and groundwater from the construction areas.

- Log Structures – Installation of log habitat structures along the shoreline, including rock anchor systems.

Task No. 3 Deliverables – The proposed deliverables for this task include:

- Schedule of Values for activities described above.
- Contractor Progress Payment Applications.
- Final Construction Report, including summary of work, testing and inspection documentation, record drawings, and photographs.

Task No. 4 \$910,400– Bio-Technical Bank Stabilizations: Perform bank stabilization activities at the confluence of the Napa River and Sulphur Creek. The proposed bio-technical bank stabilization activities will include:

- Dewatering – Installation of maintenance and temporary measures to remove surface and groundwater from the construction areas.
- Floodwall Type B Construction – Installation of a concrete floodwall supported by drilled and cast-in-place concrete piers.
- Slope Protection Fabric – Installation of biodegradable erosion control fabric over disturbed slopes.
- Log Structures – Installation of log habitat structures along the shoreline, including rock anchor systems.
- Stone Protection - Installation of rock slope protection on constructed slopes and channels exposed to erosive forces.
- Streambed Substrate – Import and placement of sands, gravels, and cobble as backfill within stone protection or as a channel liner on constructed surfaces exposed to erosive forces.

Task No. 4 Deliverables – The proposed deliverables for this task include:

- Schedule of Values for activities described above.
- Contractor Progress Payment Applications.
- Final Construction Report, including summary of work, testing and inspection documentation, record drawings, and photographs.

Task No. 5 \$100,000– Public Trail: Construct interpretive pedestrian path to provide public access to the Napa River at the restored floodplain terrace. The proposed public trail construction activities will include:

- Interpretive Trail – Construction of an aggregate base and chip seal pathway to provide pedestrian access to the Napa River.
- Access control and signage – Installation of signage and a post and cable fence to restrict public access from the adjacent private properties.

Task No. 5 Deliverables – The proposed deliverables for this task include:

- Schedule of Values for activities described above.
- Contractor Progress Payment Applications.
- Final Construction Report, including summary of work, testing and inspection documentation, record drawings, and photographs.

Task No. 6 – Adaptive Management and Maintenance: The City is responsible for adaptive management and maintenance activities which will begin upon completion of the restoration contractor's maintenance period. The objective is to evaluate success of restoration efforts and implement changes through maintenance activities that will enhance the value of restoration features. Inspections will be performed on an annual basis for a period of three years following completion of the restoration contractor's maintenance period. Ongoing maintenance will continue for a period of 10 years or until restoration areas are self-sustaining. The proposed adaptive management and maintenance activities will include:

- Annual inspections and reporting
- Maintenance activities by City staff to comply with adaptive management recommendations from annual inspections

Task No. 6 Deliverables – The proposed deliverables for this task include:

- Annual reports (5).
- Implementation of remedial maintenance actions needed to protect and preserve project benefits.

2.2 Scope of Work Assumptions

The following assumptions were made during development of the scope of work.

- The construction contract is a unit price basis and payment for bid items will be based upon final quantities.
- Construction management and inspection activities will be provided by the City.
- Restoration monitoring activities related to Flood Protection Corridor Grant items and performed by the City's restoration specialists will be reimbursed on an actual cost basis.
- Reimbursement for various items of work may be shifted between tasks, provided overall Grant Limit is not exceeded.

3.0 Preliminary Project Schedule

A detailed proposed construction schedule is included in this scope of work. The major completion milestones for Flood Protection Corridor Grant are summarized below:

Major Completion Milestones:

- Phase 1 Floodplain Terrace Mass Grading – August 1, 2009
- Phase 1 Floodplain Terrace Temporary Stabilization – October 16, 2009
- Dewatering and Removal Shoreline Hardening – August 1, 2010

- Complete Floodplain Terrace Mass Grading – May 20, 2010
- Completion of Phase 2 Flood Plain Terrace excavation – July 1, 2010
- Bio-Technical Bank Stabilization – October 13, 2010
- Public Trail Opening – November 1, 2010
- Complete Vegetation Maintenance Period – June 1, 2012

4.0 Budget Estimate

A detailed budget is included as Exhibit D. Cost sharing of the components of the Flood Protection Corridor Program Grant will be based upon a schedule of values prepared by the City upon which Contractor's bid has been based. Bid items will be supplemented by schedule of values as required to document completion of activities to be reimbursed. The Contractor will be eligible for reimbursement based upon progress payment applications on a monthly basis. Payment will be limited to 90% until completion of remaining contract activities and final release. Application for grant reimbursement of 10% retention for individual activities will be based upon the completion of deliverables for each individual task.

Construction Schedule

Proposed Construction Schedule for the St. Helena Flood Protection and Flood Corridor Restoration Project

June 2010

	May	June	July	August	September	October	November	December
2009	Mobilization, start storm drain bypass, water line installation	Start levee construction, continue storm bypass, finish water line	continue levee construction, cultural resources discovery, excavate terraces	continue with terrace excavation, and cultural resources	finish levee, start floodwall, ongoing ground densification	start pump station, complete floodwall, finish ground densification	continue pump station, grade around pump station, build fence around pumps	install pumps, welded pipes, finish pump station, testing
2010	wait for weather, start excavation along Sulphur Creek, install SWPPP fence, ground densification resumes	ground densification, flood wall along Sulphur Creek, begin grading Upper Terrace B, prepare for extensive landscaping of Terrace B	continue flood wall, continue plantings in Terrace B, excavate lower Terrace B, begin in water activity, streambed restoration, and habitat restoration	continue habitat restoration, streambed restoration, continue de-watering, continue flood wall, continue ground densification, continue plantings in upper terrace B	Install plants and trees in terraces, install environmental features, including salvaged trees and boulders, hummocks, coir pillows, live fascine and willows along stream. Complete in water activities	Finish ground densification, finish floodwall, restore residential yards, irrigation, and lighting, install access and maintenance road	Finish all irrigation details, floodwall sealing, re-seed entire area, clean up, install SWPPP measures, and prepare for winter	demobilization, completion of unresolved construction issues, and contract administration issues, look for new job.

Attachment 5

Exhibit D – Budget

City of St. Helena Comprehensive Flood Protection Project DWR Grant Items - Opinion of Probable Costs October, 13 2009								
Item	Spec	Description	Quantity	Units	Unit Cost	Cost Adj	Total	Phase II updated
1		Project Management						10,000
		Terrace Construction						
2	2110	2110 Clearing and Grubbing	7	AC	2500	1	17,750	11,375
2	2225	2225 Grading	1	LS	876915	1	876,915	295,055
		Terrace Cut and Off haul	71769	CY	10	1		
		Topsoil Cut, Stockpile, Respread	6369	CY	25	1		
3,4	2272	2272 Log Structures	1	LS	80990	1	80,990	55,200
		Supply Class 1 Logs	12	EA	2000	1		
		Place Logs	12	EA	250	1		
		Supply and Install Class 1 Log Connections	48	EA	200	1		
		Supply Class 2 Logs	13	EA	1000	1		
		Place Logs	13	EA	250	1		
		Supply Ballast Boulders	208	EA	55	1		
		Supply and Install Class 2 Log Connections	52	EA	200	1		
		Place Logs	6	EA	250	1		
		Supply and Install Log Connections	24	EA	200	1		
2,4	2207	2207 Streambed Substrate	1	LS	186355	1	186,355	360,000
		Supply Terrace RSP Backfill	1341	TON	35	1		
		Supply Buried Rock Sill Backfill	126	TON	35	1		
		Supply Weir Backing	682	TON	35	1		
		Supply Weir Voids Backfill	208	TON	35	1		
		Supply and Place on Terrace B	1700	TON	45	1		
		Supply and Place on Low Flow	608	TON	45	1		
2,4	2270	2270 Stone Protection Terrace Rock Slope Protection (RSP)	1	LS	502320	1	502,320	487,922
		Over-Excavate	5872	CY	25	1		
		Supply and Place RSP Fabric	3204	SY	5	1		
		Supply Rock Slope Protection	2765	CY	50	1		
		Place Rock Slope Protection	2765	CY	30	1		
		Backfill Voids with Stream Substrate	921	CY	15	1		
		Backfill Over RSP	3108	CY	15	1		
		Off haul Buried Rock Sills	2764	CY	10	1		
		Over-Excavate	264	CY	20	1		
		Supply Rock	264	CY	50	1		
		Place Rock	264	CY	30	1		
		Backfill Voids with Stream Substrate	79	CY	15	1		
		Off haul	264	CY	10	1		
2	2270	2270 Weirs	1	LS	98460	1	98,460	41,040
		Over-Excavate	1168	CY	25	1		
		Supply and Place RSP Fabric	656	SY	5	1		
		Supply Weir Boulders	355	CY	80	1		
		Place Weir Boulders	355	CY	40	1		
		Place Stream Substrate Backing	426	CY	15	1		
		Place Type 2 Rip Rap	31	CY	120	1		
		Backfill Voids with Stream Substrate	106	CY	15	1		
		Off haul	1168	CY	10	1		
2	2202	Turf Reinforcement Mat	6733	SY	22	1	148,126	266,400
4	2201	Slope Protection Fabric	10768	SY	8	1	86,144	30,160
2	1501	SWPPP Development	1	LS	5000	1	5,000	
2	1501	SWPPP Implementation	1	LS	113250	1	113,250	10,440
		Terrace Temporary Fence (Type ESA)	2500	LF	10	1		
		Terrace Silt Fence	1750	LF	15	1		
		Temporary Outlet Protection Structure	1	LS	20000	1		
		Sampling and Analysis	1	LS	3500	1		
		Temporary Check Dams	1	LS	4000	1		
3,4	2140	Terrace Color Roll	3050	LF	10	1		
		Dewatering	1	LS	316000	1	316,000	306,800
		Cofferdam Structure Rental	1	LS	200000	1		
		Clearing, Access, Loading, Offloading	1	LS	20000	1		
		Cofferdam Installation and Removal	1	LS	30000	1		
		Lifting Rig Installation and Removal	1	LS	2500	1		
		Sand Bags	1700	EA	5	1		
		Dewatering	1	LS	50000	1		
		Temporary Sediment Basin for Pumping	1	EA	5000	1		
		Terrace Planting						
2	2950	Contract Grow	1	LS	121714	1	121,714	182,571
2	2950	Planting	1	LS	266875	1	266,875	622,698
		Treepot Container Planting	666		27	1		
		Deepot Container Planting	6830		17	1		
		Tree Band Container Planting	32559		3	1		
		Bare Root Planting	1657		5	1		
		Willow Stake Planting	366		20	1		
		Live Fascine	395		30	1		
		Color Pillows	257		25	1		
2	2932	Seeding	1	LS	24089	1	24,089	74,370
		Erosion Control Seeding	1.1	AC	1500	1		
		Native Seeding	5	AC	4500	1		
2	2810	Irrigation	1	LS	311344	1	311,344	245,969
		Point of Connection	1	EA	1000	1		
		Controller	1	EA	6000	1		
		Gate Valves	3	EA	800	1		
		Flow Sensor	1	EA	600	1		
		Filter Assembly	1	EA	1000	1		
		Remote Control Valves	40	EA	500	1		
		Quick Coupler Valves	19	EA	250	1		
		Main Line Pipe	3758	LF	8	1		
		Bubbler Irrigation Zone	36	EA	6500	1		
		Sprinkler Irrigation Zone	6	EA	2500	1		
5		Pathway						100,000
Total Direct Construction Cost: \$							3,100,000	

City of St. Helena
Comprehensive Flood Protection Project
Ex D. DWR Grant Items - Detailed Budget
October , 13 2009

Task #	Subtask	Task	Task Description	Amount
1		Project Administration	Preparation of reports, invoices and general overhead	\$10,000
2		Floodplain Terrace Construction	Terrace Grading and Restorative Planting	\$1,772,800
	2.1	Floodplain Terrace Grading	Stripping phase 1, Terrace Excavation phase 1, Erosion control seeding, Stripping phase 2, Terrace Excavation phase 2, Slope Protection fabric, Turf Reinforcing Mat, Stone Protection, Weir Construction	
	2.2	Floodplain Terrace Planting	Contract grow, Planting-various types, seeding- ground cover, Irrigation installation, maintenance- irrigation and weeding, periodic inspections	
3		Shoreline Restoration	Temporary and maintenance dewatering, log structure installation	\$306,800
4		Bio- Technical Bank Stabilization	Temporary and maintenance dewatering, Floodwall type B Construction, Slope protection fabric, Log Structures installation, Stone protection, Streambed substrate installation	\$910,400
5		Public Trail	Construction, access control, interpretive signs	\$100,000
6		Adaptive Management and Maintenance	Annual Inspections and Maintenance	
Total DWR Grant Cost				\$3,100,000
Cost Sharing:				
		FEMA Hazard Mitigation Grant from the Office of Energy Services		\$3,287,553
		State Water Quality Control Board Revolving Fund (SRF) loan proceeds		\$9,100,000
		Measure A -Napa County Flood Protection and Watershed Improvement Sales Tax proceeds		\$15,238,000
		Total Project Cost		\$30,725,553

5.0 TRANSPORTATION ELEMENT

5.0 TRANSPORTATION ELEMENT

5.1 PURPOSE OF THE ELEMENT

This Transportation Element is intended to provide the circulation framework that will support the Land Use and other elements of the St. Helena General Plan. The element identifies the principal components of the street and highway system as well as issues relating to parking, transit, pedestrian and bikeway routes and railroad services. Standards and guiding principles for the implementation of transportation facilities are also included.

5.2 CURRENT TRANSPORTATION CONDITIONS AND ISSUES

For the purposes of the General Plan, the existing conditions for the circulation system can be defined in terms of three areas:

- The existing street classification system
- Traffic operating conditions on the street system
- General Circulation

STREET CLASSIFICATION SYSTEM

As with most cities in California, the City of St. Helena has defined a hierarchy of streets as part of its existing general plan. Two types of streets have been defined: collector streets and local streets. Figure 5.1 shows the hierarchy of streets citywide. The following streets are defined as collector streets in the current general plan:

North-South Collector Streets

- SR 29 (Main Street) throughout the City
- Silverado Trail from Deer Park Road to Pope Street (this street lies entirely within the County rather than the City)
- Oak Avenue from Madrona Street to Spring Street
- Valleyview Street and Crane Avenue from Spring Street to Sulphur Springs Avenue

East-West Collector Streets

- Pratt Avenue from Main Street to Silverado Trail
- Madrona Avenue from Hudson Avenue to Main Street
- Fulton Lane from Main Street to the eastern terminus
- Adams Street from Main Street to the eastern terminus
- Spring Street from Valleyview Street to Main Street
- Pope Street from Highway 29 to Silverado Trail
- Dowdell Lane from Main Street to the future intersection of Starr Avenue

Sulphur Springs Avenue from Crane Avenue to Main Street

OPERATING CONDITIONS

The traffic engineering profession has developed a standard method of evaluating operating conditions on City and rural street systems. The method involves the definition and evaluation of the "Service Level." In urban areas, Service Levels are generally evaluated at intersections, whereas in rural areas, highway segments are generally evaluated. Table 5-1 defines the standard list of six Service Levels (A through F), together with criteria for evaluating these levels at signalized intersections. Table 5-2 extends the definition to intersections controlled by stop signs. For the St. Helena study, the 1985 Highway Capacity manual techniques were used to evaluate the stop-controlled intersections; the signalized intersections were analyzed using the HCM Planning Method of analysis. Both of these techniques are standard ones used throughout the profession for the evaluation of traffic operations. The HCM Planning Method is specifically noted in the Napa County Congestion Management Plan as an acceptable method for evaluation of General Plans.

The two methods differ somewhat in their definition. Volume/capacity ratios and delays at signalized intersections provide data that apply to the entire intersection. At stop-controlled intersections, the evaluation is of the minor movements (vehicles on the side street, and left turns from the major street). In the General Plan update assessment of the stop-controlled intersections, all of the minor movements are evaluated, but the intersection service level is defined on the basis of the worst case among all of the minor movements.

The General Plan has chosen to make one small change in the interpretation of the HCM Planning Method for signalized intersections. The new Planning Method does not produce answers in terms of the familiar Service Levels A-F. Instead, the answers are supposed to be interpreted as "Under Capacity," "Near Capacity," and "Over Capacity." Given the CMP standards for service level along SR 29 and the need for consistency elsewhere in the City, the General Plan interprets the HCM Planning volume/capacity ratios in terms of Service Levels as shown in Table 5-1. The technique thus uses the computational techniques of the HCM and the interpretation technique of the older Circular 212 Planning Method.

Table 5-3 documents existing service levels at 15 intersections in the City of St. Helena.

Table 5-1
Level of Service Interpretation
Signalized Intersections

Level of Service	Vehicle Volume to Delay (seconds) ¹	Capacity RatioDescription	
A	≤ 5.00	0.00 - 0.59	Free Flow/Insignificant Delays: No approach phase is fully utilized by traffic and no vehicle waits longer than one red indication.
B	5.1 - 15.0	0.60 - 0.69	Stable Operation/Minimal Delays: An occasional approach phase is fully utilized. Many drivers begin to feel somewhat restricted within platoons of vehicles.
C	15.1 - 25.0	0.70 - 0.79	Stable Operation/Acceptable Delays: Major approach phases fully utilized. Most drivers feel somewhat restricted.
D	25.1 - 40.0	0.80 - 0.89	Approaching Unstable/Tolerable Delays: Drivers may have to wait through more than one red signal indication. Queues may develop but dissipate rapidly, without excessive delays.
E	40.1 - 60.0	0.90 - 0.99	Unstable Operation/Significant Delays: Volumes at or near capacity. Vehicles may wait through several signal cycles. Long queues form upstream from intersection.
F	≥ 60	N/A	Forced Flow/Excessive Delays: Represents jammed conditions. Intersection operates below capacity with low volumes. Queues may block upstream intersections.

Source: Highway Capacity Manual, Transportation Research Board, Special Report No. 209, Washington D.C., 1985.

Notes: (1) For information only; for the planning method, volume/capacity ratio is the criterion for service level.

Table 5.2
Level of Service Interpretation
Unsignalized Intersections

Level Service	Expected Delay	Reserve Capacity (Vehicles/Hour)
A	Little or no delay	≥ 400
B	Short traffic delays	300 - 399
C	Average traffic delays	200 - 299
D	Long traffic delays	100 - 199
E	Very long traffic delays	0 - 99
F	Extreme delays potentially affecting other traffic movements in the intersection	≤ 0

Source: Highway Capacity Manual, Transportation Research Board, Special Report No. 209, Washington D.C., 1985.

**Table 5-3
CITY OF ST. HELENA EXISTING CONDITIONS
LEVEL OF SERVICE**

Intersection	cntrl ¹	AM			PM			Weekend		
		LOS	Delay/ Veh.	V/C	LOS	Delay/ Veh.	V/C	LOS	Delay/ Veh.	V/C
# 1 Main/Sulphur Springs	2	D			E			D		
# 2 Main/Grayson/Mills	2	E			F			E		
# 3 Main/Pope/Mitchell	s	B	17.3	0.61	D	19.1	0.80	D	16.5	0.81
# 4 Main/Spring St.	2	B			D			A		
# 5 Main/Hunt	2	A			D			B		
# 6 Main/Adams	s	B	15.4	0.62	D	27.8	0.84	C	19.6	0.76
# 7 Main/Pine	2	D			D			D		
# 8 Main/Madrona/Fulton	s	B	13.3	0.61	D	21.6	0.83	D	19.7	0.80
# 9 Main/Pratt	2	D			E			E		
#10 Madrona/Oak	2	A			A			A		
#11 Oak/Adams	4	A	2.8	0.29	A	3.5	0.41	A	2.4	0.30
#12 Spring St./Oak	4	A	2.9	0.35	A	4.2	0.40	A	2.6	0.27
#13 Spring Mtn/Madrona	2	A			A			A		
#14 Pratt/Silverado Trail	2	A			B			A		
#15 Pope/Silverado Trail	2	A			D			B		

Notes: (1) Cntrl Definitions: 2=2way stop, 4=4way stop, S=Signal
(2) Delay/Vehicle and V/C ratio are computed for signalized and four-way-stop intersections only.

Overall, the evaluation of existing conditions indicates that there are relatively few problems in the AM peak hour. Only the side street, Grayson Avenue, experiences significant delay in the morning. In the evening, three of the minor streets intersecting Main Street show delay in the E-F range; in addition, the intersection of Main and Adams is estimated to operate at Service Level D. On weekends, intersections south of Adams operate at level E or F.

GENERAL CIRCULATION

The "general circulation" category is not evaluated in as formal a manner as the operation conditions in the previous section. Rather, it is intended to identify the ease with which people can travel around St. Helena at various times.

As the main spine of the City, SR 29 (Main Street) is the focal point for all circulation in the City. Main Street is the only street in the City with significant continuity, which means that it must be used for many internal trips in the City. Oak Avenue, Railroad Avenue, Allyn Avenue, Valleyview Street and Crane Avenue provide some opportunities for north-south movement, but their continuity is limited. Among the General Plan proposals to improve north-south continuity is an extension of Oak Avenue to the south and the creation of Starr Avenue parallel to Main Street and Silverado Trail.

East-west circulation is also affected by Main Street due to the difficulty of crossing Main during those periods when the highway is congested. The intersection of Main/Pope/Mitchell has been one of the most difficult for crossing maneuvers due to heavy Main Street traffic. However, the recent approval of signalization of this intersection by CALTRANS should make significant improvements in east-west circulation. The new signal will create gaps that may also improve access and egress for Spring Street at Main.

Adams and Madrona/Fulton Streets also provide part of the solution to east-west circulation. The problem with these streets is that there is little connectivity between them and other areas on the east side of town.

Overall, St. Helena's circulation systems performs adequately in periods when there is relatively little congestion on Main Street. However, when Main becomes clogged, circulation is affected throughout the City, particularly on the east side where there are fewer connections on north-south streets.

5.3 THE GENERAL PLAN STREET SYSTEM

An evaluation of the issues discussed above, combined with an evaluation of needs in support of the Land Use Element, has lead the City to adapt a circulation element that represents an extension of the existing system documented above. Figure 5-2 illustrates the complete system.

Guiding Policies

- 5.3.1 Designate a system of collector and local streets as a basis for managing traffic in the City

The City of St. Helena street system includes two street classes: collector streets and local streets. The purpose of the collector streets is to provide the dual function of providing access to adjacent properties and service as corridors for travel within the community and between the community and points external. Because of this dual nature, traffic volumes on the collector streets may exceed the level that is deemed tolerable for a local street.

Local streets are intended to serve only to provide access to their adjacent properties; the City may at its discretion employ control measures to assure environmentally acceptable volumes on local streets. Unless specifically excepted by City policy, local streets should not carry more than 3,000 vehicles per day (vpd). Pope Street, while defined as a local street between Starr Avenue and Main Street, is specifically exempted from the 3,000 vpd limit, though the City will attempt to minimize traffic to the extent feasible.

5.3.2 Add the following streets to the existing system:

- Adams Street from its current eastern terminus to Silverado Trail
- McCorkle Avenue from Mariposa Lane to the extension of Starr Avenue
- Oak Avenue from Mitchell Drive to Grayson Avenue
- Library Lane from its current terminus to Fulton Lane
- An unnamed new street located east of Edwards Street connecting Hunt Avenue and Pope Street
- Starr Avenue from the extension of Adams Street to the Urban Limit Line

5.3.3 Preserve rights-of-way for future collector streets within the planning area of the City as follows:

- Starr Avenue from Pratt Avenue to Adams Street and from the Urban Limit Line to Dowdell Lane
- Mills Lane from SR 29 to Starr Avenue, including a potential realignment with Grayson Avenue at SR 29
- Oak Avenue from Vidovich Avenue to Grayson Avenue

The City recognizes that development may or may not proceed along the lines envisioned in this plan, and that some areas not currently identified for potential development may in fact precede those that are so designated. The intent of the right-of-way preservation designation is to clearly define the interest of the City in maintaining the option for extending its collector street system into these areas. Special setback areas shall be established along collector streets to allow for future widening.

5.4 TRAFFIC SERVICE STANDARDS

The section on existing conditions above describes the six levels of service for street systems together with the method by which the LOS is evaluated. In addition, this General Plan includes a Service Level standard which the City will attempt to maintain throughout the duration of the Plan.

Guiding Policies

- 5.4.1 Service Level C shall be maintained at all signalized intersections in St. Helena except along Main Street, where Service Level D shall be permitted. Exceptions to this policy are that lower service levels shall be permitted at any location where the existing service level does not meet this standard; in these locations, the Service Level shall not be lower than that shown in Table 5-3. The City Council may also allow an exception to this policy if it finds overriding circumstances which make maintenance of this policy impractical or infeasible.
- 5.4.2 Service Level C is a goal at stop-sign-controlled intersections. If the Service Level degrades below Level C, an evaluation of the need for traffic signalization shall be undertaken according to standard CALTRANS signal warrants. If signals are not initially warranted, the location shall continue to be monitored for signal warrants on a regular basis.

The Napa County Congestion Management Plan (CMP) is a document mandated by the State of California for all metropolitan areas. Among its requirements are the adoption of a service level policy on all highways that make up the CMP network. In St. Helena, only SR 29 (Main Street) is on the CMP network. Napa County has adopted Service Level E as its standard, except that Highway 29 north of Oak Knoll Avenue has a standard of Level D. The City of St. Helena policy above is consistent with the County standard. The CMP also permits the use of the Highway Capacity Manual Planning method for General Plan evaluation. The evaluation in Table 5-3 is consistent with that methodology, except that where the HCM planning method only identifies "under capacity", "at capacity" and "over capacity", Table 5-3 uses the volume/capacity ratios to arrive at a Service Level in accordance with earlier evaluation methodologies.

5.5 ROADWAY IMPROVEMENT STANDARDS**Guiding Policies**

- 5.5.1 **Collector Streets:** All collector streets designated in the Circulation Diagram should be developed with one lane in each direction for moving traffic. Rights of way for a parking lane and sidewalks shall also be provided on each side. In undeveloped areas without development constraints, the right-of-way width for collector streets shall be 60 feet. The City Engineer may at his discretion require additional right-of-way at selected locations to permit inclusion of left-turn lanes.
- 5.5.2 **Local streets** in newly developing areas should be laid out in a manner consistent with the grid system currently in place in the older portions of St. Helena and in conformance with adopted City standards. Care should be taken to insure that these grids contain enough discontinuity to

discourage their use by non-local traffic. Local streets should have a paved width of 36 feet with a ten-foot wide area adjacent to curb for sidewalk and landscaping.

- 5.5.3 In locations where right-of-way is constrained by existing development or natural features, the City Engineer may allow exceptions to this policy.
- 5.5.4 Construction of curbs, gutters, and sidewalks may be deferred in rural areas outside of the Urban Limit Line.

5.6 PARKING STANDARDS

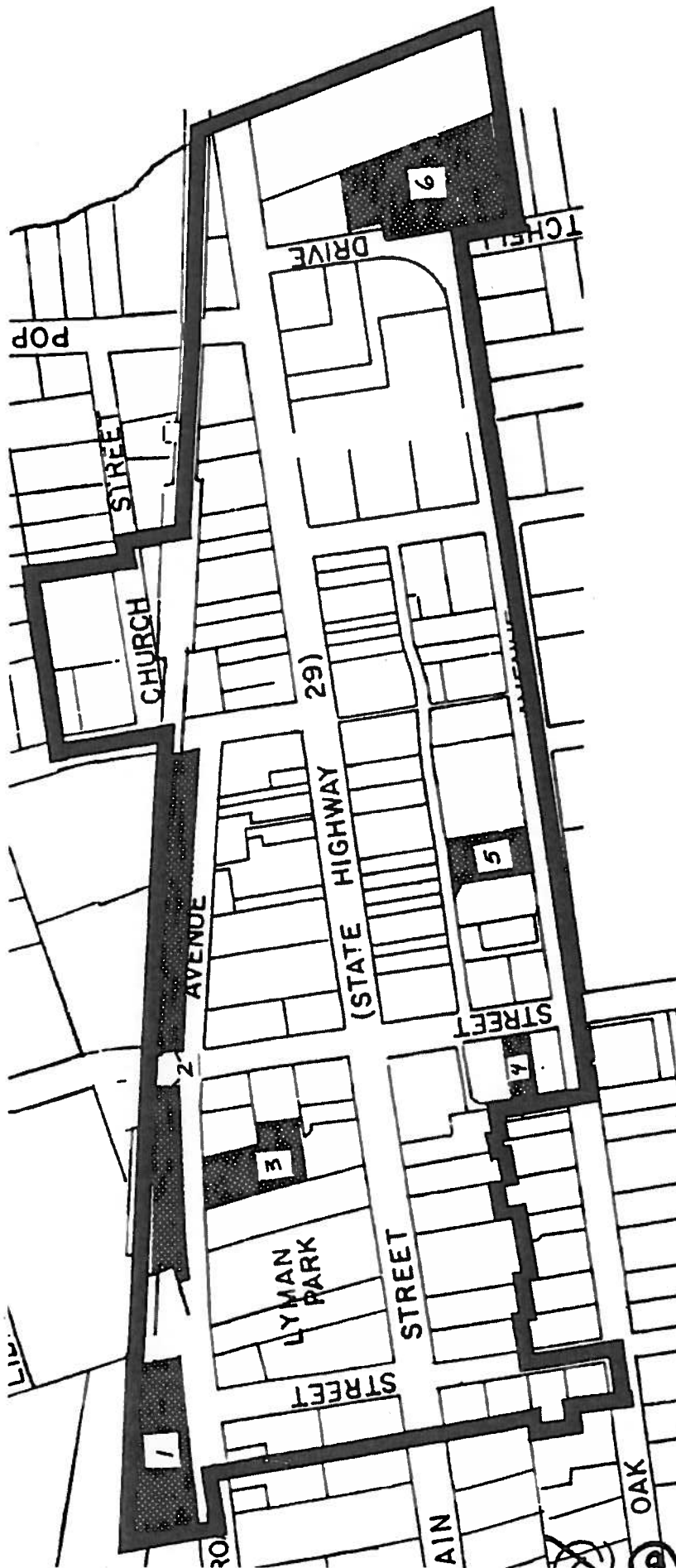
Parking is a significant concern in the downtown portion of St. Helena. The City has identified the "Parking Impact Area" shown in Figure 5-3 as the portion of the City where parking supply and demand are to be closely monitored.

Guiding Policies

- 5.6.1 The City finds that the parking supply in 1993 represents a reasonable balance of parking supply and demand within the Downtown Parking Impact Area. New development in the downtown shall not degrade the current balance between supply and demand.
- 5.6.2 Maintain on-street parking on Main Street in the Central Business District for the convenience of shoppers and to provide a physical and psychological buffer between Main Street traffic and pedestrians.

Implementing Policies

- 5.6.3 Any new development within the Parking Impact Area that would produce more demand for parking than it proposes to supply must either provide the additional parking as part of the development proposal or must contribute an in-lieu fee to the City's off-street parking program.
- 5.6.4 The City will develop and maintain an off-street parking program for the Parking Impact Area. The program will identify and prioritize locations where additional off-street parking can be provided. When sufficient funds have accumulated for the acquisition of a site and construction of parking on that site, the City will commence with implementation of providing parking on that site.
- 5.6.5 Parking demand shall be based on the City's an Off-Street Parking Ordinance.



Parking Impact Area

1. "City Depot Property" (APN 9-193-03) Owned by the City of St. Helena Approximately 95 potential parking spaces.
2. "Napa Valley Wine Train Property" (portion of APN 9-210-01) Owned Napa Valley Wine Train Approximately 20 potential parking spaces. (51 parking spaces are already developed).
3. "Donaldson Property" (portion of APN 9-211-05) Owned by Richard & Gladys Donaldson Approximately 35 potential parking spaces.
4. "Harris Property" (APN 9-223-22) Owned by Rennick and Marilyn Harris Approximately 30 potential parking spaces.
5. "Alligui Property" (APN 9-240-15) Owned by Armand Alligui Approximately 30 potential parking spaces.
6. "PG&E Property" (APN 9-263-05) Owned by Pacific Gas and Electric Approximately 75 potential parking spaces.

St. Helena
General Plan Update

Downtown Parking Improvement Plan Candidate Parcels

5.7 TRANSIT

Transit Service in St. Helena is presently provided by Napa County. Napa Valley Transit provides inter-city transit service along the Highway 29 corridor, from Vallejo (Kaiser Hospital) through Napa to Calistoga. Amtrak connecting bus service and Greyhound bus service is also provided to St. Helena.

Guiding Policies

- 5.7.1 St. Helena will continue to support Napa County in the provision of convenient transit service.

The size of the City is such that additional local transit service is not currently feasible.

5.8 PEDESTRIAN ROUTES AND BIKEWAYS

Guiding Policies

- 5.8.1 All new development on collector streets shall provide sidewalks or walkways to be located with the City's right-of-way for the collector street. Further, unless exempted or deferred by the City Council, all residential developments shall provide sidewalks on all local streets within the development.

It is a goal of the City that it continue to remain at a size where the majority of development is within a 10 minute walk of the downtown. Sidewalks or walkways will reinforce the pedestrian orientation of the City.

- 5.8.2 The City shall develop a system of bicycle routes to be located on collector streets and along open space corridors. In the interest of safety, bicycles shall be discouraged from using Main Street and shall be encouraged to use other parallel streets.

5.9 RAIL

The Napa Valley Wine Train, which operates on the former Southern Pacific Rail line, is a tourist-oriented, recreational ride which carries passengers on a round trip between Napa and St. Helena. The train, which does not currently stop to board or disembark passengers (due to an agreement with the Public Utilities Commission) at any location other than the point of origination in Napa, provides meals to its passengers while they enjoy the views of the Valley. The train is not intended as a local commuter service.

The City of St. Helena is strongly opposed to the proposed expansion of Wine Train service. The expanded service runs counter to the direction of the City's long-range

planning in several ways. Perhaps foremost is the fact that the proposal of for a tourist-only train service is diametrically opposed to the balance that the community is trying to maintain between tourism and the needs of the local community. The introduction of thousands of tourists weekly to the downtown area would substantially change the community and create significant pressures for the development of tourist-serving uses in an area specifically designated for local-serving uses only. In addition, the traffic attracted to the proposed 125-space parking lot and the movement of the proposed shuttle bus service to and from the station would create a major new traffic generator east of Main Street.

In general, the City's position is, and has been, that the rail right-of-way should be used for the public good, given its central location in the community and the Valley, and not limited to strictly tourist uses. In particular, the corridor should be used to improve public transportation either through creation of a true commuter service that could serve both residents and tourists, or as a regional open space corridor for pedestrian and bicycle traffic. In addition, the City feels strongly that, given the significant impact that any use of the corridor could have on St. Helena, that there needs to be a more formal local review and permitting process for future uses.

Guiding Policies

- 5.9.1 Encourage use of the rail corridor that benefits the St. Helena community by providing improved public transportation/circulation.

Implementing Policies

- 5.9.2 Rail corridor uses shall be subject to Use Permit review; passenger facilities shall be located within zone districts which minimize impacts to established and proposed land uses.

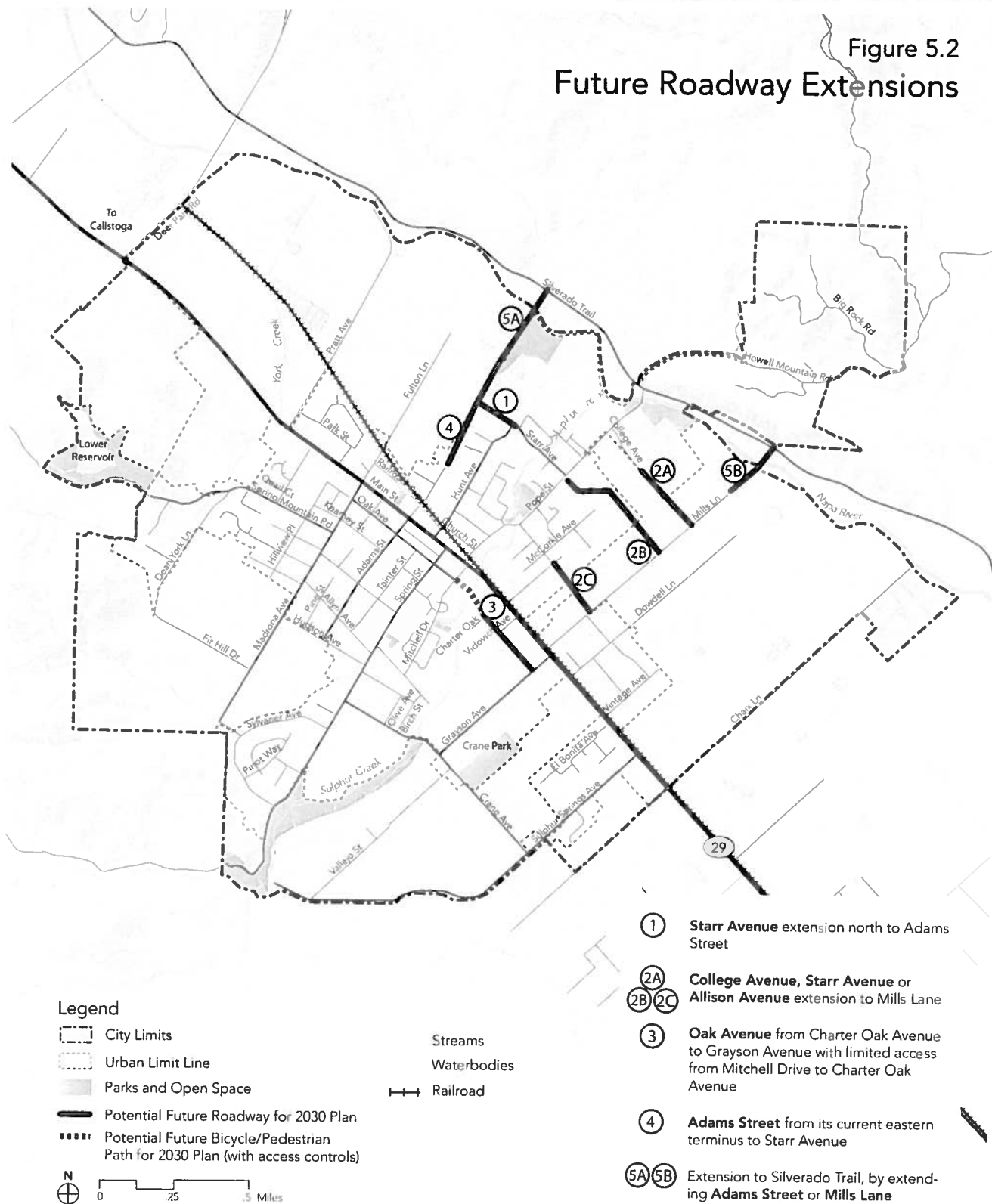
5.10 IMPROVEMENTS AND PHASING

Implementing Policies

- 5.10.1 All new collector streets shown in the Circulation Diagram shall be constructed as development occurs along the proposed streets. The exception to this policy is that the City Council may require additional construction to reinforce system continuity.
- 5.10.2 The City desires that the Adams Street extension to Silverado Trail be completed in an expeditious manner; the City will work with potential developers to acquire the needed combination of public and private financing required to implement this project.
- 5.10.3 The City shall collect Traffic Mitigation Fees to assist in financing improvements to the citywide circulation system.

Traffic Mitigation fees are necessary to mitigate existing traffic congestion and congestion caused by new development. To offset the capacity, safety and service levels which new development will cause, the revenues generated by impact fees will provide the needed improvements in a timely manner.

Figure 5.2
Future Roadway Extensions



Source: City of St. Helena; Napa County
Map Revised: September 2010

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**Report to the City Council
Council Meeting of May 24, 2016**

Agenda Section: New Business

Subject: Consideration of, and Direction To Staff On Steps for a Sales Tax Measure for the November 2016 Ballot and Issuance of the Request for Proposals for Adams Street.

CEQA Status: Categorically exempt from the requirements of CEQA under Section 15306 as an effort to gather information on development interest for specific City owned properties within St. Helena. Any future development of a specific project will be subject to separate CEQA review and compliance.

Prepared By: Jennifer Phillips, City Manager

Approved By: Jennifer Phillips, City Manager

BACKGROUND

The Sales Tax Measure

During the February 11, 2016 Goal Setting Session, the City Council discussed and considered the report from the Ad Hoc Revenue Source Task Force which included recommendations related to revenue enhancing options. On March 22, 2016, the survey results of a real property transfer tax and a sales tax were presented by staff and The Lew Edwards Group. Based on the survey results, Council directed staff to not pursue the real property transfer tax and instead return to the City Council with information about a sales tax measure for the November 2016 ballot. At the May 10, 2016 Council meeting, staff presented an item for Council's consideration regarding a sales tax measure for the November 2016 ballot. At this meeting, Council directed staff to return at the May 24, 2016 meeting with additional information on options relating to sales tax measures.

A sales tax is a direct tax on consumption that is imposed by state and local governments when goods and services are purchased. In California, sales tax rates range from 7.5 percentage points to 10 percentage points. The State imposes a 6.5 percentage point sales tax rate with an additional mandatory 1 percentage point local rate. Certain food products (groceries), prescription drugs, medical devices and items

paid for with food stamps are exempt from sales tax. The City of St. Helena receives 1 percentage point of the 8 percentage points collected in St. Helena. Measure A accounts for the additional 0.5 percentage point, which is also received by the City of St. Helena but is restricted to specific uses (flood control). Any additional sales tax imposed by the City would be received solely by the City of St. Helena and due to Proposition 22, passed by California voters in 2010, these revenues could not be raided by the State.

Currently, the City receives \$2.8 million annually in sales tax revenue. A 0.5% increase in sales tax would generate approximately \$1.4 million annually and a 1% increase would generate approximately \$2.8 million. Increases in the applicable tax rate can be proposed in increments of 0.125 percentage points. (California Revenue and Taxation Code §§7285.9, 7285.91¹). The combined rate of all taxes in the county pursuant to the Transaction and Use Tax Law cannot exceed 2 percentage points. (§7251.1). As noted above, Measure A accounts for 0.5%, and thus the most the City could propose is 1.5 percentage points. If the sales tax measure identifies general uses, then the measure requires a majority plus one vote to pass. (§7285.9). If specific uses are identified, then the measure would require a 2/3rd vote to pass; additionally, the ordinance imposing the tax must contain an expenditure plan describing specific projects the revenues would be spent on. (§7285.91). Regardless of whether the City Council decides to pursue a general tax versus a special tax, in either instance the ordinance proposing the sales tax increase must be approved by a 2/3rd vote of the City Council to be placed on the November 8, 2016 ballot. (§§7285.9, 7285.91). For St. Helena's five person City Council, this 2/3rd vote requirement means four Council members must vote to approve the measure.

To place a measure on the November 2016 ballot, the City Council must adopt a resolution approving the proposed ballot language as it will appear on the ballot, and the underlying ordinance to be enacted if approved by the voters. Again, these actions would need to be approved by a 2/3rd vote of the City Council. (§§7285.9, 7285.91). The resolution must be adopted by the City Council and submitted to the County Registrar no later than 88 days before the November 8, 2016 election, or August 12, 2016². The cost to place one measure on the ballot is estimated to range from \$10,000 to \$15,000. Therefore, time is limited for the City Council to discuss and decide upon this matter.

The Adams Street RFP

Coupled with the sales tax increase discussion is the need to decide on the issuance of the Request for Proposals (RFP) for Adams Street. On October 27, 2015, staff presented to the City Council a draft conceptual Request for Proposals for development

¹ Unless otherwise noted, all statutory references are to the California Revenue and Taxation Code.

² The County Registrar will publish a schedule for submission of material for placement on the November 8, 2016 ballot, such as the City Attorney's impartial analysis, ballot arguments and rebuttal argument, if called for by the City Council.

of the Adams Street Property as well as the City Hall Property. Council directed staff to issue the RFPs. However, on March 22, 2016, a community group called “Rebuild St Helena” presented to the City Council another option for the Adams Street Property. The group requested that the City Council direct staff not to issue the RFP and instead pursue the direct sale of the Adams Street Property to a high-end hotel developer. At this Study Session, the Council made no decision regarding the property or RFP. On May 10, 2016 Council again considered the RFP for Adams Street but made no decision on issuance at this time based on Council’s desire to further consider various sales tax options.

DISCUSSION

The Sales Tax

Based on the City Council’s discussions at the various Council meetings, staff has identified four sales tax measure options for Council’s further discussion and consideration. Attachment A provides the current sales tax rates for all counties and cities in California. Staff is seeking direction from the City Council to prepare an ordinance and ballot measure for Council’s consideration.

At the June 14, 2016 meeting, the Council would be presented with the first reading of an ordinance imposing the transaction and use (sales) tax. Staff would also present the draft of the resolution that would place the ordinance on the ballot, which resolution would contain the actual ballot question that would be presented to the voters. Accordingly, the Council would have an opportunity to weigh in on the ballot question. At the June 28, 2016 meeting, the Council would be presented with the second reading of the transaction and use (sales) tax ordinance, along with the aforementioned resolution placing the measure on the ballot (assuming the ordinance is passed by a 4/5th vote of the Council). The Council would also be presented with other resolutions related to the ballot measure; a resolution directing the City Attorney to prepare an impartial analysis, setting priorities for ballot arguments, and whether to allow for rebuttal arguments.

.50 percentage point sales tax increase – general use

A .50 percentage point sales tax increase would generate approximately \$1.4 million annually (without calculating anticipated annual increases – currently ranging from 3% to 4.2% per year). A general use sales tax measure would only require a 50% plus one vote to pass. A general use tax, if passed by the voters would allow the City Council to determine through the annual budget process how the funds would be spent.

An additional option to a general use sales tax measure would be to include a second companion measure that would be a non-binding measure, if approved by the voters

would be intended to guide the Council in its decision making process for the use of the funds.

.50 percentage point sales tax increase - special use

A .50 percentage point sales tax increase would generate approximately \$1.4 million annually (without calculating anticipated annual increases – currently ranging from 3% to 4.2% per year). The ballot measure for a special use tax would specifically identify the uses for the sales tax revenue requiring that the funds be used for these uses in perpetuity. A special use sales tax measure requires a 2/3rds vote of the electorate to pass.

.50 percentage point sales tax increase – special use for the Adams Street Property

A .50 percentage point sales tax increase would generate approximately \$1.4 million annually (without calculating anticipated annual increases – currently ranging from 3% to 4.2% per year). The ballot measure for a special use tax for Adams Street would specifically identify the uses for the sales tax revenue would be used solely for the purpose of maintaining the Adams Street property for the specific uses identified in the ballot language. A special use sales tax measure requires a 2/3rds vote of the electorate to pass.

1.0 percentage point sales tax increase – special use for the Adams Street Property and other specific uses

A 1.0 percentage point sales tax increase would generate approximately \$2.8 million annually (without calculating anticipated annual increases – currently ranging from 3% to 4.2% per year). The ballot measure for a special use tax for Adams Street and other uses would specify that the sales tax revenue would be used solely for the purpose of maintaining the Adams Street property for the specific uses identified in the ballot language along with other specific uses citywide also as identified in the ballot measure. A special use sales tax measure requires a 2/3rds vote of the electorate to pass.

The Adams Street RFP

In addition, the Council may wish to decide on the issuance of the Adams Street Property RFP. The draft of this RFP, which staff previously presented to the City Council and public, offers prospective developers the options of leasing or purchasing the property as well as proposing a public/private partnership to assist in site development.

Staff also requested an updated appraisal on the Adams Street Property to incorporate the proposed zoning changes approved by the City Council for inclusion into the General Plan Update. The new appraisal values the property at \$12.8 million (up from \$8.9 million) and identifies a hotel as the highest and best use.

RECOMMENDED ACTION

- 1) Direct staff to prepare the necessary legislation to call an election to be held on November 8, 2016 submitting to the voters an ordinance imposing a transactions and use (sales) tax and identify the amount of the sales tax increase, whether the uses will be general or special and if a non-binding ballot measure should also be prepared for Council's consideration.
- 2) Direct staff to issue, postpone or cancel the RFP for the Adams Street property.

ATTACHMENTS

Attachment A - Board of Equalization Sales Taxes for California Counties and Cities



**CALIFORNIA
STATE BOARD
OF EQUALIZATION**

BOARD MEMBERS
(Names updated 2015)

SEN. GEORGE RUNNER (Ret.)
First District
Lancaster

FIONA MA, CPA
Second District
San Francisco

JEROME E. HORTON
Third District
Los Angeles County

DIANE L. HARKEY
Fourth District
Orange County

BETTY T. YEE
State Controller

CYNTHIA BRIDGES
Executive Director

Sales and Use Taxes: Exemptions and Exclusions

*California Revenue and Taxation Code
Part 1, Division 2*

July 2014

Publication 61

FOREWORD

SALES AND USE TAXES EXEMPTIONS AND EXCLUSIONS

This publication summarizes the exemptions and exclusions from sales and use tax in effect when the publication was printed (as noted on the front cover). However, statutory or regulatory changes may have occurred since that time. If there is a conflict between the text in this publication and the law, the decision will be based on the law and not this publication.

In general, California sales and use taxes are imposed on the retail sale or the use of tangible personal property in this state. Since the enactment of the Sales and Use Tax Law in 1933, many exemptions have been granted that remove the liability for tax for various types of property and certain individuals or organizations. In addition to complete exemptions, provisions have been enacted that reduce the tax base by defining certain persons to be consumers of property sold, or provide a partial exemption or credit. Other transactions are excluded from the imposition of sales and use taxes because of basic definitions contained in the law or because they do not involve the transfer of merchandise.

The following two comprehensive listings are intended to identify and provide a brief general description of exemptions and exclusions from the imposition of California sales and use taxes, first by category and second by alphabetical reference. The explanations are not meant to provide detailed information as to the requirements or conditions of qualifying for exemption, and should not be used as a legal reference. For example, not all nonprofit organizations qualify for the exemptions and special rules summarized in this publication. The California Sales and Use Tax Law, as implemented by duly adopted regulations of the State Board of Equalization (BOE), should be consulted to determine the requirements and complete description of the exemptions and exclusions identified by the listings.

The listing by category places the exemptions and exclusions into the following categories:

I. Necessities of Life; II. General Public Benefit; III. Industry Benefit; IV. Exclusions by Definition; and V. Other Exemptions, Exclusions, or Credits. In addition to identifying the exemptions and exclusions, this listing provides the section(s) of the Sales and Use Tax Law that provides the exemption or exclusion along with an estimate of annual revenue lost, if available. Revenue lost refers to revenue which is not realized due to the exemption or exclusion and includes both state and local revenue. The estimates of revenue lost are based on the most recent data available and are provided to give an order of magnitude of the revenue lost attributable to the exemption or exclusion. It should be noted that the amount of revenue lost is not extracted from the Sales and Use Tax returns filed with the BOE by taxpayers, since taxpayers are not required to report sales by commodity. In order to estimate the revenue lost attributable to the various exemptions and exclusions, the BOE relies on data from outside sources. However, for many of the exemptions and exclusions contained in this publication, reliable data is not available. Where the revenue lost is not known because the information is not available, "N/A" is noted.

In some cases, the publication identifies certain sellers and lessors as consumers of the tangible personal property they sell or lease. These persons do not owe sales tax on their transfers of the property. Instead, the sale to them or their use is subject to sales or use tax. The sales to them are not nontaxable sales for resale.

The placing of exemptions and exclusions into categories is in many instances subjective. Many provisions of the law impact numerous types of individuals or businesses. However, an attempt was made to place the exemptions or exclusions within the category that is perceived to be the main beneficiary of the granting of relief from tax, or that was intended to benefit from the enactment of specific legislation.

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SECTION A
SALES AND USE TAX
EXEMPTIONS AND EXCLUSIONS
(BY CATEGORY)

I. NECESSITIES OF LIFE—Provisions that exempt property necessary to the sustenance of life.

A. Food

- **FOOD PRODUCTS**—Sales of food for human consumption are generally exempt from tax unless sold in a heated condition (except hot bakery items or hot beverages, such as coffee, sold for a separate price), served as meals, consumed at or on the seller's facilities, ordinarily sold for consumption on or near the seller's parking facility, or sold for consumption where there is an admission charge.

REVENUE: \$8,181.6 million SECTION: [6359](#)

- **CANDY, CONFECTIONERY, SNACK FOODS, AND BOTTLED WATER**—The exemption for sales of food products includes candy and confectionery, snack foods and bottled water.

REVENUE: \$1,146.6 million SECTION: [6359](#)

- **FOOD PRODUCTS SOLD THROUGH VENDING MACHINES**—The vending machine operator is the consumer of (1) food products which sell at retail for fifteen cents or less and (2) food products which are sold through a bulk vending machine for twenty-five cents or less. For sales of cold food products, hot coffee, hot tea and hot chocolate through other vending machines at a price greater than fifteen cents, 67% of the receipts from such sales are also exempt from tax.

REVENUE: \$26.5 million SECTIONS: [6359.2](#) and [6359.4](#)

- **ANIMAL LIFE, FEED, SEEDS, PLANTS AND FERTILIZER, DRUGS AND MEDICINES**—The sale and use of animal life or feed for animal life, seeds, and plants the products of which normally constitute food for human consumption are exempt from tax. The sale and use of fertilizer to be applied to land the products of which are to be used for human consumption are also exempt. In addition, the sale and use of drugs and medicines including oxygen that are administered to food animals, the primary purpose of which is the prevention or control of disease, are exempt from tax. This is an expansion of the general food exemption.

REVENUE: \$464.1 million SECTION: [6358](#)

- **MEDICATED FEED AND DRINKING WATER**—The sale and use of drugs or medicines administered to animal life as an additive to feed or drinking water, the primary purpose of which is the prevention and control of disease of food animals, or of nonfood animals which are to be sold in the regular course of business, are exempt from tax.

REVENUE: \$500,000 SECTION: [6358.4](#)

- **PURCHASES MADE WITH CALFRESH BENEFITS**—When otherwise taxable purchases are made with CalFresh benefits, only the amounts paid with CalFresh benefits are exempt from tax. Amounts paid with forms of consideration other than CalFresh benefits, such as cash or manufacturer's coupons, remain taxable. Examples of otherwise taxable sales which are exempt from tax when purchased with CalFresh benefits, include sales of carbonated beverages, food coloring and ice.

REVENUE: N/A SECTION: [6373](#)

B. Health Related

- **PROFESSIONAL HEALTH SERVICES**—A licensed chiropractor, optometrist, physician, surgeon, podiatrist, licensed hearing aid dispenser, or registered dispensing optician is generally the consumer and not the retailer of property furnished in the performance of professional services. Also, producers of X-ray films or photographs are the consumers of property used to produce the films or photographs for use in diagnosing the medical or dental conditions of a human being. In addition, licensed pharmacists dispensing certain replacement contact lenses are regarded as consumers, rather than retailers, with respect to those lenses.

REVENUE: N/A

SECTIONS: [6018](#), [6018.4](#), [6018.5](#), [6018.7](#) and [6020](#)

- **MEALS FURNISHED BY INSTITUTIONS**—Sales of meals and food products served to residents and patients of a health facility, a community care facility, a residential care facility for the elderly, any housing that is financed by state or federal programs and that primarily serves older persons, any house or institution supplying board and room for a flat rate to persons 62 years and older, an alcoholism recovery facility and a drug abuse recovery or treatment facility are exempt from tax.

REVENUE: Major

SECTION: [6363.6](#)

- **BLOOD STORAGE UNITS**—The sale and use of any container used to collect or store human blood, plasma, blood products, or blood derivatives, including any disposable tubing, filters, grommets, and needles sold along with the bags and held in a blood bank for medical purposes are exempt from tax. This exemption includes, but is not limited to, blood collection units and blood pack units.

REVENUE: N/A

SECTION: [6364.5](#)

- **PRESCRIPTION MEDICINES**—Sales of medicines are exempt from sales and use taxes if (1) prescribed for treatment of human beings and dispensed by a registered pharmacist; (2) furnished by or sold to a licensed physician and surgeon, podiatrist, or dentist for patient treatment; (3) furnished by a health facility for patient treatment pursuant to the order of a licensed physician; (4) sold to this state or any political subdivision or municipal corporation for use in treating human beings; (5) dispensed by prescription for the treatment of human beings and furnished without charge by a pharmaceutical manufacturer or distributor to a doctor, a health facility for the treatment of human beings, or to an institution of higher education for instruction or research; (6) furnished by a medical facility or clinic operated by this state or any political subdivision or municipal corporation; or (7) sold to outpatient clinics, as defined under Health and Safety Code 1200, for the treatment of any person pursuant to the order of a licensed physician and surgeon, dentist, and podiatrist. In addition to substances commonly recognized as medicines, the following items are specifically included in the definition of “medicine” for sales and use tax purposes:

Sutures

Bone screws and pins, pacemakers and other articles (excluding dentures) permanently implanted or which dissolve in the body.

Orthotic devices, including custom-made biomechanical foot orthoses, as defined in Regulation 1591(b)(4).

Prosthetic devices other than auditory, ophthalmic and ocular devices, and other than dental prostheses.

Artificial limbs and eyes

Programmable drug infusion devices worn on or implanted in the body.

Insulin syringes

Mammary prostheses

Appliances and related supplies necessary as a result of surgery by which an artificial opening was made to eliminate natural waste.

Hemodialysis products

Any product fully implanted or injected in the human body, or any drug or any biologic, when such are approved by the U.S. Food and Drug Administration to diagnose, cure, mitigate, treat or prevent any disease, illness or medical condition.

Dispensed on prescription includes furnishing insulin and insulin syringes, and furnishing appliances and supplies necessary to eliminate natural waste, if such items are furnished pursuant to a physician's written order. Dispensed on prescription also includes furnishing certain orthotic and prosthetic devices and replacement parts pursuant to a written order of a physician or podiatrist.

REVENUE: \$3,368.2 million SECTION: 6369 and 6369.1

- WHEELCHAIRS, CRUTCHES, CANES AND WALKERS—Sales to and purchases by persons of wheelchairs, crutches, canes, quad canes, white canes for the legally blind, and walkers under the direction of a physician, are exempt from tax.

REVENUE: N/A SECTION: 6369.2

- VEHICLE MODIFICATIONS FOR HANDICAPPED—The sale of property used to modify vehicles for physically handicapped persons is exempt from tax. When a previously modified vehicle is resold, the sale of the portion of the vehicle which has been modified is exempt if the vehicle is sold to a disabled person who qualifies for a distinguishing license plate or placard.

REVENUE: N/A SECTION: 6369.4

- OXYGEN DELIVERY SYSTEMS—Sales of medical oxygen delivery systems are exempt from tax when sold or leased to an individual as directed by a physician.

REVENUE: N/A SECTION: 6369.5

- MEDICAL IDENTIFICATION TAGS—Sales of medical identification tags are exempt from tax when furnished by a qualifying organization.

REVENUE: Less than \$100,000 SECTION: 6371

- MEDICAL HEALTH INFORMATION—The use of medical health information literature purchased by a qualifying charitable organization which is engaged in the dissemination of such information, is exempt from use tax when the literature is purchased from either the national office or a branch of the national office of the same organization.

REVENUE: N/A SECTION: 6408

- HEALTH AND SAFETY MATERIALS—The use of health and safety educational materials and insignia routinely sold in connection with health and safety and first aid classes, is exempt from use tax if the materials are: 1) purchased or sold by a qualifying nonprofit national organization which disseminates such information, and 2) purchased from a national office or a branch or chapter of such national office of the same organization.

REVENUE: N/A SECTION: 6409

C. Housing

(1) EXEMPTIONS:

- GAS, ELECTRICITY, WATER AND STEAM—The sale of gas, electricity and water, including steam and geothermal steam, brines, and heat is exempt from taxation if delivered through mains, lines, or pipes. Further, water sold to an individual in bulk quantities of 50 gallons or more for household use is exempt from taxation if the residence is not serviced by mains, lines, or pipes. Also, sales and purchases of liquid petroleum gas (LPG) are exempt from tax when delivered into a tank of 30 gallons or more to either a qualified residence for household use, or, a qualified person to be used in producing and harvesting agricultural products.

REVENUE: \$5,128.8 million SECTION: 6353

(2) EXCLUSIONS:

- TELEPHONE LINES AND POLES—Telephone and telegraph lines, electrical transmission and distribution lines, and the poles, towers, or conduit by which they are supported or in which they are contained are excluded by statute from the definition of tangible personal property when sold in place.

REVENUE: None SECTION: 6016.5

- **RENTALS OF HOUSEHOLD FURNISHINGS**—The rental of household furnishings is not subject to tax when rented with living quarters. Tax must be paid on the cost of such items unless purchased in an exempt occasional sale.

REVENUE: N/A

SECTIONS: 6006 and 6010

II. **GENERAL PUBLIC BENEFIT**—Provisions that give special tax treatment for items or activities which benefit the general public.

A. **Alternate Energy**

- **ALTERNATE ENERGY AND ADVANCED TRANSPORTATION PROJECT**—There is a specific exemption for the sale of property constituting any project of the California Alternative Energy and Advanced Transportation Financing Authority when transferred or leased pursuant to certain provisions of the Public Resources Code.

REVENUE: \$25.3 million

SECTION: 6010.8

- **COGENERATION TECHNOLOGY**—The sale of exhaust steam, steam waste, heat or resultant energy produced by cogeneration technology, as defined, is exempt from sales and use taxes.

REVENUE: N/A

SECTION: 6353

- **FUEL FROM ORGANIC PRODUCTS AND WASTE BY-PRODUCTS**—Sales of organic products grown for fuel, and waste by-products from agricultural or forest products operations, municipal refuse, or manufacturing, that are used in an industrial facility as a source of fuel are exempt from tax.

REVENUE: N/A

SECTION: 6358.1

B. **Museums and Public Art Exhibits**

- **ART WORKS**—Sales of original works of art are exempt from sales and use tax when purchased by any California state or local entity, or by certain nonprofit organizations under contract with such governmental entities, or by certain nonprofit organizations for public exhibit, or by persons for donation directly to any such governmental or nonprofit organization, if such works of art are purchased to become a part of the permanent collection of a museum or certain qualifying nonprofit organizations that regularly loan at least 85 percent of the value of their art collection to museums, or to this state or any local government entity which displays the art to the public in public places. Also, leases of original works of art are exempt from the use tax if both the lessor and lessee are nonprofit organizations qualified for exemption from state income tax pursuant to Section 23701d of the Revenue and Taxation Code or a nonprofit organization operating any public museum for, and pursuant to contract with, a governmental entity. In addition, works of art that are purchased to become part of the permanent collection of a governmental entity that leases from another governmental entity art for public display are exempt from tax.

REVENUE: \$300,000

SECTION: 6365

- **MUSEUMS**—Sales to and purchases by the state or a local government entity as part of a public art collection, a nonprofit museum regularly open to the public and operated by a local or state government entity, or operated by certain nonprofit organizations, are exempt from tax when the property is purchased to replace destroyed property used exclusively for display purposes. In addition, only property that has value as a museum piece and is purchased within three years from the date the original property was destroyed qualifies for exemption.

REVENUE: Less than \$100,000

SECTION: 6366.3

- **SAN DIEGO AEROSPACE MUSEUM AND THE CALIFORNIA SCIENCE CENTER**—The sale and use of museum display items and sprung instant structures used as temporary exhibit housing sold to or purchased by these museums are exempt from sales and use tax.

REVENUE: Less than \$100,000

SECTION: 6366.4

- **AUXILIARY SERVICES TO MUSEUMS**—Nonprofit associations and organizations that perform auxiliary services to any city or county museum in this state are consumers of property which they sell provided the profits are used for purposes of the organization.

REVENUE: \$400,000 SECTION: 6370.5

C. Nonprofit, Religious, and Educational Organizations

- **NONPROFIT ORGANIZATIONS, PROMOTIONAL ITEMS**—Until January 1, 2015, a qualifying nonprofit organization is a consumer of certain promotional items sold to its members when the cost to the member of the organization for the acquisition of the promotional item is not more than the cost to the nonprofit organization to obtain and transfer to the member the promotional item, including any applicable sales or use tax paid by the nonprofit organization.

REVENUE: \$0 SECTION: 6018.9

- **VEHICLES LOANED TO UNIVERSITY EMPLOYEES**—A retailer will not owe use tax on his or her full purchase price of vehicles loaned to any employee of the University of California or the California State University provided the vehicle is for the employee's exclusive use, the loan has been approved by the chancellor or president of the university, and it is demonstrated that the loan is not dependent on the retailer receiving any automotive-related business from the university. The retailer will instead owe tax on the fair rental value of the loaned vehicle for the period of the loan.

REVENUE: N/A SECTION: 6202.7

- **NONPROFIT VETERANS' ORGANIZATIONS**—Such organizations are consumers of flags of the United States of America which they sell if profits are used solely for furtherance of the purposes of the organization.

REVENUE: Less than \$100,000 SECTION: 6359.3

- **VENDING MACHINE SALES**—Nonprofit, charitable or educational organizations are consumers of tangible personal property sold through vending machines for 15 cents or less. Library districts, municipal libraries, or county libraries and any vendor making sales pursuant to a contract with these libraries are consumers of, and shall not be considered the retailers of, photocopies which are sold at retail through coin-operated or card-operated copy machines located at a library facility.

REVENUE: N/A SECTION: 6359.45

- **YOUTH ORGANIZATION**—The following organizations are consumers, rather than retailers, of food products, nonalcoholic beverages, and tangible personal property made or produced by members of the organization when those sales are made on an irregular or intermittent basis and the organization's profits from those sales are used exclusively in furtherance of the purposes of the organization: (1) any nonprofit organization which qualifies for tax exempt status under Section 501(c) of the Internal Revenue Code whose primary purpose is to provide a supervised program of competitive sports for youth or to promote good citizenship in youth and which does not discriminate on the basis of race, sex, nationality, or religion; (2) any youth group sponsored by or affiliated with a qualified educational institution, including, but not limited to, any student activity club, athletic group, or musical group; and (3) any Little League, Bobby Sox, Boy Scouts, Cub Scouts, Girl Scouts, Campfire, Inc., Young Men's Christian Association, Young Women's Christian Association, Future Farmers of America, Future Homemakers of America, 4-H Clubs, Distributive Education Clubs of America, Future Business Leaders of America, Vocational Industrial Clubs of America, Collegiate Young Farmers, Boys' Clubs, Girls' Clubs, Special Olympics, Inc., American Youth Soccer Organization, California Youth Soccer Association-North, California Youth Soccer Association-South, and Pop Warner Football.

REVENUE: N/A SECTION: 6361

- **"BUDDY POPPIES" AND SIMILAR LAPEL PINS**—The sale and use of a "Buddy Poppy" or any other symbolic, impermanent lapel pin that memorializes United States Military veterans killed in foreign wars of the United States, by any corporation established by the United States Congress pursuant to Chapter 2301 (commencing with Section 230101) of Title 36 of the United States Code, or any of that corporation's subordinate state or territorial subdivisions, local chapters, posts, or auxiliaries, are exempt from tax.

REVENUE: Less than \$100,000 SECTION: 6360.1

- **NONPROFIT ORGANIZATIONS, ARTISTIC OR HANDCRAFTED PROPERTY**—A qualified nonprofit organization whose primary purpose is to provide services to children with severe emotional disturbances or individuals with developmental disabilities, and that does not discriminate on the basis of race, sex, nationality or religion, is a consumer of tangible personal property which it sells, provided that the property is of a handcrafted or artistic nature and is designed, created, or made by individuals with developmental disabilities or children with severe emotional disturbances who are members of, or receive services from, the organization. In order for the organization to qualify as a consumer, the price of each item sold must not exceed \$20, and the profits from the sales must be used exclusively in furtherance of the purposes of the organization. In addition, the organization's sales must be made on an irregular or intermittent basis.

REVENUE: Less than \$100,000 SECTION: [6361.1](#)

- **SCHOOL YEARBOOKS AND CATALOGS**—Public or private schools, school districts, county offices of education, or student organizations are consumers of yearbooks and catalogs prepared by or for them and distributed to students.

REVENUE: N/A SECTION: [6361.5](#)

- **STUDENT MEALS**—The sales and use of meals and food products are exempt from tax when sold or furnished to students by a public or private school, school district, student organization, parent-teacher association, and any blind vendor operating a restaurant or vending stand in an educational institution unless sold for consumption within a place subject to an admission charge except for national and state parks and monuments.

REVENUE: N/A SECTION: [6363](#)

- **NONPROFIT ORGANIZATIONS, AUCTION SALES**—The sale and use of tangible personal property that is sold to a successful bidder at an auction that is conducted no more than once in any 12-month period by a qualifying nonprofit organization are exempt from sales and use tax if the purpose of that auction is to obtain revenue for funding of a shelter for homeless individuals and families and those revenues obtained are actually used for that purpose.

REVENUE: \$100,000 SECTION: [6363.2](#)

- **NONPROFIT ORGANIZATIONS, THRIFT STORES**—The sale and use of used clothing, household items, or other retail items sold by thrift stores operated by a qualifying nonprofit organization are exempt from tax until January 1, 2019, if the purpose of that thrift store is to obtain revenue for the funding of medical and social services to chronically ill individuals with HIV or AIDS and at least 75 percent of the net income derived from operations of the thrift store are expended for that purpose.

REVENUE: \$200,000 SECTION: [6363.3](#)

- **MILITARY DESIGNATED ENTITIES, THRIFT STORES**—The sales and use of tangible personal property sold by a thrift store located on a military installation and operated by a specified designated entity are exempt from sales and use tax until January 1, 2024, provided the designated entity, in partnership with the United States Department of Defense, provides financial, educational, and other assistance to members of the armed forces of the United States, eligible family members, and survivors when in need.

REVENUE: Less than \$100,000 SECTION: [6363.4](#)

- **RELIGIOUS ORGANIZATIONS**—The sale and use of meals and food products furnished or served by a religious organization at a social or other gathering conducted by it or under its auspices are exempt from tax if the proceeds are used to carry on the functions and activities of the organization.

REVENUE: N/A SECTION: [6363.5](#)

- **MEALS DELIVERED TO HOMEBOUND ELDERLY AND DISABLED**—The sale and use of meals that are delivered to homebound elderly or disabled persons by a nonprofit volunteer home delivery meal provider are exempt from tax.

REVENUE: Less than \$100,000 SECTION: [6363.7](#)

- **NONPROFIT VETERANS' ORGANIZATIONS**—The sales and use of meals and food products furnished or served by any nonprofit veterans' organization at a social or other gathering conducted by it or under its auspices are exempt from tax if the proceeds are used to carry on the functions and activities of the organization

REVENUE: \$444,000 SECTION: [6363.8](#)

- **ENDANGERED AND THREATENED ANIMAL AND PLANT SPECIES**—The sale and use of endangered and threatened animal and plant species are exempt from tax if both the seller and the purchaser are qualifying nonprofit zoological societies.

REVENUE: N/A SECTION: [6366.5](#)

- **FRIENDS OF THE LIBRARY AND EQUIVALENT ORGANIZATIONS**—Nonprofit associations commonly called The Friends of the Library and equivalent organizations performing auxiliary services to any library district, municipal library, or county library in the state, which are authorized to operate within the library by the governing authority of the library, are consumers of tangible personal property which they sell if the profits from the sales are used exclusively to further the organization's purposes.

REVENUE: N/A SECTION: [6370](#)

- **PARENT-TEACHER ASSOCIATIONS**—Nonprofit parent-teacher associations chartered by the California Congress of Parents, Teachers, and Students, Incorporated (PTA) or equivalent organizations authorized to operate within the school by the governing authority of the school are consumers of property which they sell if the profits are used exclusively to further the organization's purposes.

REVENUE: N/A SECTION: [6370](#)

- **PARENT COOPERATIVE NURSERY SCHOOLS**—Nonprofit parent cooperative nursery schools are consumers of property which they sell if the profits are used exclusively to further the organization's purposes.

REVENUE: N/A SECTION: [6370](#)

- **CHARITABLE ORGANIZATIONS**—The sale and use of property that is made, prepared, assembled, or manufactured by certain nonprofit charitable organizations that are engaged in relief of poverty and distress, and whose sales or donations are made to assist purchasers or donees, are exempt from sales and use taxes.

REVENUE: N/A SECTION: [6375](#)

- **NONPROFIT ORGANIZATION, NEW CHILDREN'S CLOTHING**—The sale and use of new children's clothing are exempt if sold to a qualifying nonprofit organization for distribution without charge to elementary schoolchildren.

REVENUE: N/A SECTION: [6375.5](#)

- **DONATIONS**—A seller's donation of property to a qualifying nonprofit organization located in California is exempt from use tax. If the donee is a qualifying nonprofit museum, the donee must use the donated property exclusively for display purposes.

REVENUE: N/A SECTION: [6403](#)

- **PROPERTY LOANED TO EDUCATIONAL INSTITUTIONS**—A retailer's loan of property to any school district for an educational program is exempt from use tax. In addition, a retailer's loan of a vehicle to a California State College or the University of California, or to an accredited private or parochial secondary school for use in a qualified driver education program, is exempt from use tax. A retailer's loan of a vehicle to a veteran's hospital or such other nonprofit facility or institution to provide instruction in specially equipped vehicles to disabled veterans is also exempt from use tax.

REVENUE: N/A SECTION: [6404](#)

D. Other

- **POLLUTION CONTROL FACILITY**—The transfer of title to property constituting any project or pollution control facility by the California Pollution Control Financing Authority is not a “sale” or “purchase” for purposes of sales and use tax when the transfer or lease is made pursuant to certain provisions of the Health and Safety Code.

REVENUE: N/A SECTION: [6010.10](#)

- **ITINERANT VETERAN VENDORS**—A qualified itinerant veteran vendor is a consumer of tangible personal property owned and sold by him or her, except alcoholic beverages and tangible personal property sold for more than \$100, until January 1, 2022, provided (1) the qualified itinerant vendor was a member of the United States Armed Forces, who received an honorable discharge or a release from active duty under honorable conditions from service, (2) the vendor is unable to obtain a livelihood by manual labor due to a service-connected disability, (3) for the purposes of selling tangible personal property, the vendor is a sole proprietor with no employees, and (4) the vendor has no permanent place of business in this state. These provisions do not apply to caterers or vending machine operators.

REVENUE: Less than \$100,000 SECTION: [6018.3](#)

- **BRACELETS, PRISONERS OF WAR**—Charitable organizations which qualify for the welfare exemption from property taxation are consumers of bracelets designed to commemorate American prisoners of war where profits are used solely in furtherance of the purposes of such organizations.

REVENUE: None SECTION: [6360](#)

- **MEALS, LOW-INCOME ELDERLY**—The sale of meals and food products is exempt from tax when furnished to low-income elderly persons at or below cost by a nonprofit organization or government entity under a program funded by this state or the United States.

REVENUE: Less than \$100,000 SECTION: [6374](#)

- **MEALS, ELDERLY CONDOMINIUM RESIDENTS**—The sale of meals and food products furnished on a regular basis and consumed by persons 62 years and older who reside in a condominium, is exempt when such persons own equal shares in a common kitchen facility.

REVENUE: Less than \$100,000 SECTION: [6376.5](#)

- **OUT-OF-STATE PURCHASES BY MILITARY MEMBERS AND OTHERS**—Until January 1, 2019, purchases of tangible personal property by U.S. Armed Forces members, U.S. Armed Forces and National Guard active duty reserves, their spouses, and registered domestic partners are exempt from use tax when those purchases were made outside California prior to the report date on official transfer orders to this state. This exemption does not apply, however, to purchases of vehicles, vessels or aircraft.

REVENUE: Insignificant SECTION: [6412](#)

III. INDUSTRY BENEFIT—Exemptions and special tax treatments that benefit various industry groups.

A. Transportation Related Industry

- **VESSELS**—Sales of vessels of more than 1,000 tons burden are exempt from tax if sold by the builder.

REVENUE: None SECTION: [6356](#)

- **MOTOR VEHICLE FUEL**—Tax does not apply to the sale or use of motor vehicle fuel (except aircraft jet fuel) used in propelling aircraft if such fuel is subject to the Motor Vehicle Fuel Tax. The fuel tax is included in the price of motor vehicle fuel when purchased but is not due when the fuel is used in aircraft. Sales tax is not paid on the sale of such fuel but the purchaser may obtain refund of fuel tax less sales tax liability which becomes due if the motor vehicle fuel tax is refunded.

REVENUE: N/A SECTION: [6357](#)

- **FUEL SOLD TO AIR COMMON CARRIERS**—Sales of fuel and petroleum products are exempt from sales tax when sold for immediate consumption by an air common carrier on a flight whose final destination is a point outside the United States. To qualify for this exemption, the air common carrier must furnish the seller with a properly executed exemption certificate.

REVENUE: \$190.6 million SECTION: [6357.5](#)

- **HOT PREPARED FOOD SOLD TO AIR CARRIERS**—Sales of hot prepared food products to airlines and sales to passengers by such airlines engaged in interstate or foreign commerce are exempt from tax.

REVENUE: N/A

SECTION: [6359.1](#)

- **AIRCRAFT AND COMPONENT PARTS SALES: COMMON CARRIERS, FOREIGN GOVERNMENTS, NONRESIDENTS**—Sales of aircraft to common carriers, to foreign governments for use outside California, and to nonresidents of this state who make no use of the aircraft in this state except to remove it, are exempt from tax. Only usage during the first twelve months is considered to determine if the transaction qualifies for exemption as a sale to a common carrier. In addition, the sale and use of property becoming a component part of such aircraft as a result of the maintenance, repair, overhaul, or improvement of that aircraft in compliance with Federal Aviation Administration requirements, and any charges made for the labor and services rendered with respect to that maintenance, repair, overhaul, or improvement are exempt from tax.

REVENUE: \$18.7 million

SECTION: [6366](#)

- **AIRCRAFT LEASES AND COMPONENT PARTS: COMMON CARRIERS, FOREIGN GOVERNMENTS, NONRESIDENTS**—The sale of an aircraft is exempt if leased to lessees using the aircraft as common carriers, or to any foreign government as lessees who use the aircraft outside California, or leased to lessees who are not residents of this state who will not use the aircraft in this state except for removal. In addition, the sale of property to an aircraft manufacturer is exempt if the property is incorporated into aircraft to be leased by the manufacturer to such persons or entities. Also, the sale and use of property becoming a component part of such aircraft as a result of the maintenance, repair, overhaul, or improvement of that aircraft in compliance with Federal Aviation Administration requirements, and any charges made for the labor and services rendered with respect to that maintenance, repair, overhaul, or improvement are exempt from tax.

REVENUE: N/A

SECTION: [6366](#) and [6366.1](#)

- **GROUND CONTROL STATIONS**—The sale of a ground control station, as defined, to any foreign government for use by that government outside California or to any person who is not a California resident and who will not use that ground control station in California other than in removing it outside this state is exempt from tax.

REVENUE: N/A

SECTION: [6366](#)

- **NEW VEHICLES, FOREIGN RESIDENT**—The sale of a new motor vehicle manufactured in the United States and sold to a resident of a foreign country who arranged for the purchase through an authorized vehicle dealer in the foreign country prior to arriving in the United States is exempt from tax, provided 1) the purchaser is issued an in-transit permit pursuant to the Vehicle Code, and 2) prior to the expiration of the permit, the retailer ships or drives the vehicle to a point outside the United States by the retailer's facilities or by delivery to a carrier, customs broker or forwarding agent for shipment to that point.

REVENUE N/A

SECTION: [6366.2](#)

- **WATERCRAFT**—The sale, use, or lease of watercraft and component parts thereof sold or leased for use in interstate or foreign commerce, or for use in commercial deep sea fishing outside California's territorial waters, is exempt from tax. Only the operational use, excluding storage or repair, during the first twelve months is considered to determine if the exemption applies. Usage of the watercraft after the first twelve months does not affect the exemption. Tax does not apply to the sale or use of watercraft functionally used 80 percent or more of the time in the transporting for hire of property or persons to vessels or offshore drilling platforms located outside the territorial waters of this state.

REVENUE: N/A

SECTIONS: [6368](#) and [6368.1](#)

- **RAIL FREIGHT CARS**—The sale or lease of rail freight cars used in interstate or foreign commerce is exempt from tax.

REVENUE: N/A

SECTION: [6368.5](#)

- **PUBLIC PASSENGER TRANSPORTATION VEHICLES** —The sale and purchase of public passenger transportation vehicles when purchased by a transit authority, special district, or governmental entity at the end of a lease or sublease pursuant to any exercise of a purchase option under the lease or sublease are exempt from sales and use tax under specified conditions.

REVENUE: N/A SECTION: 6368.9

- **COMMON CARRIERS**—Sales of tangible personal property, other than fuel and petroleum products, to a common carrier for use in its business as a common carrier are exempt from tax when the seller ships the property to a destination outside California via the facilities of the purchasing common carrier under a bill of lading, and the purchasing common carrier makes no use of the property until after delivery to the out-of-state destination. The seller must accept and retain an exemption certificate from the purchasing carrier. The same exemption applies to sales to foreign common carriers for use in their business as common carriers after the delivery to the first foreign destination. An exemption certificate is also required for this exemption, but a bill of lading is not.

REVENUE: N/A SECTION: 6385

- **WATER COMMON CARRIERS**—The sale of fuel and petroleum products is exempt from sales tax when sold to a water common carrier for immediate shipment outside this state for consumption in the conduct of its business as a common carrier after its first out-of-state destination. To qualify for the exemption, the common carrier must furnish the seller a properly executed exemption certificate. This provision will expire January 1, 2024, unless extended by legislation.

REVENUE: \$88.5 million SECTION: 6385

- **NEW VEHICLES, OUT-OF-STATE DEALER**—The sale of a new truck or trailer with an unladen weight of 6,000 pounds or more, or a new trailer coach or auxiliary dolly, purchased from an out-of-state dealer for use outside California is exempt from sales tax if the property is delivered to the purchaser in California by the manufacturer, and the purchaser removes such vehicle out of state within 30 days.

REVENUE: N/A SECTION: 6388

- **NEW TRAILERS, INTERSTATE OR OUT-OF-STATE USE**—The sale of a new trailer or semitrailer with an unladen weight of 6,000 pounds or more which is purchased for use outside California, or for use exclusively in interstate or foreign commerce, or both, but delivered to the purchaser inside this state is exempt from tax if: the vehicle is manufactured outside this state and the purchaser removes the property from California within 30 days of delivery, or the vehicle is manufactured in California and the purchaser removes the vehicle from California within 75 days of delivery.

REVENUE: N/A SECTION: 6388.5

- **TRAILERS OR SEMITRAILERS, NEW OR USED**—When a new or used trailer or semitrailer is moved or operated laden in accordance with a one-trip permit issued pursuant to Section 4003.5, the use is exempt from use tax.

REVENUE: N/A SECTION: 6410

- **COMPONENT PARTS OF RAILROAD EQUIPMENT**—When component parts of any railroad equipment that is owned or used by a common carrier engaged in interstate or foreign commerce are purchased outside this state in the course of repairing, cleaning, altering, or improving that railroad equipment outside this state, the use is exempt from use tax. In addition, any related charges for labor or services rendered outside this state in the course of repairing, cleaning, altering, or improving that railroad equipment are also exempt from use tax.

REVENUE: \$200,000 SECTION: 6411

B. Entertainment Industry

(1) EXEMPTIONS:

- **MASTER RECORDS AND TAPES**—The sale and lease of master records or tapes is exempt from tax except for the actual tangible personal property physically incorporated and sold.

REVENUE: N/A SECTION: 6362.5

(2) EXCLUSIONS:

- LEASE OF MOTION PICTURE AND TELEVISION FILMS AND TAPES—Leases of motion pictures, animated motion pictures, and television films and tapes (except video cassettes, tapes, and discs leased for private use under which the lessee does not obtain the right to license or broadcast) do not constitute sales. The lessor is the consumer of such tangible personal property it leases.

REVENUE: \$63.2 million SECTIONS: 6006 and 6010

- MOTION PICTURE PRODUCTION PARTNERSHIPS—When certain persons form partnerships to reduce the cost of producing motion pictures through sharing of equipment and other assets, the furnishing of such property, without the transfer of title, by the partnership to its members for the purpose of producing motion pictures does not constitute a “sale.” The partnership is the consumer of any such property.

REVENUE: N/A SECTION: 6010.4

- QUALIFIED MOTION PICTURES AND QUALIFIED PRODUCTION SERVICES—For sales and use tax purposes, “sale” and “purchase” do not include the following: 1) any transfer of any qualified motion picture or any interest or rights therein when the transfer is prior to the date that the qualified motion picture is exhibited or broadcast to its general audience, and (2) the performance of qualified production services, as defined, in connection with the production of any qualified motion picture, as defined.

REVENUE: N/A SECTION: 6010.6

- ART TRANSFERRED FOR ENTERTAINMENT—For sales and use tax purposes, “sale” and “purchase” do not include transfers of original drawings, sketches, illustrations, or paintings by an artist or designer at a social gathering for entertainment purposes if *all* of the following conditions are met:

- Eighty percent or more of the drawings, sketches, illustrations, or paintings are delivered by the artist or designer to someone other than the purchaser.
- Eighty percent or more of the drawings, sketches, illustrations, or paintings are provided to someone other than the purchaser, at no cost to the person who becomes the owner of the drawings or sketches.
- The charge for the drawings, sketches, illustrations or paintings is based on a preset fee, and that fee is contingent upon a minimum number of at least three drawings, sketches, illustrations or paintings to be created by the artist or designer at the social gathering.

REVENUE: Less than \$100,000 SECTION: 6010.30

C. Petroleum Industry

- FUNGIBLE GOODS—When property purchased for resale is commingled with property not purchased for resale so that specific property can no longer be identified, sales from that commingled property will be considered sales of property purchased for resale until the quantity sold equals the quantity purchased for resale. Also, property withdrawn from such a commingled inventory for use is considered to be from property not purchased for resale until the quantity consumed equals the quantity not purchased for resale. Therefore, a person who self-produces property and also purchases similar property for resale will not be required to pay use tax if the quantity of such property the person uses does not exceed the quantity self-produced (except with respect to the cost of any raw materials purchased for resale using the same method of reporting). Without specific legislation, such withdrawal of property for use would be taxed on a proration basis. The petroleum industry is the main beneficiary of this provision, but producers of steel rebar, quarry rock, and other self-produced property also benefit.

REVENUE: N/A SECTIONS: 6095 and 6245

D. Manufactured Housing and Buildings

(1) EXEMPTIONS:

- FACTORY-BUILT SCHOOL BUILDINGS—Partial exemption which excludes from tax sixty percent (60%) of the sales price of factory-built school building to the consumer.

REVENUE: N/A SECTION: 6012.6

- **FACTORY-BUILT HOUSING**—Partial exemption which excludes from tax sixty percent (60%) of the sales price of factory-built housing to the consumer.

REVENUE: N/A SECTION: 6012.7

- **NEW MOBILEHOMES**—Partial exemption for sales of new mobilehomes installed for occupancy as a residence when the mobilehome is thereafter subject to real property taxation. The tax on sales of such mobilehomes is based on seventy-five percent (75%) of the cost of the mobilehome to the retailer who, for sales and use tax purposes, is generally considered to be the consumer. The subsequent sale of a mobilehome that qualified for this special treatment is exempt.

REVENUE: N/A SECTIONS: 6012.8 and 6012.9

- **USED MOBILEHOMES**—When a used mobilehome that is subject to vehicle license fees is sold between private parties, or in a brokerage transaction, tax applies to the retail value of the used mobilehome as determined in accordance with an approved value guide, or the actual sales price, whichever is less.

REVENUE: N/A SECTIONS: 6012.2 and 6276.1

- Sales of used mobilehomes subject to local property taxation are exempt from the imposition of sales and use taxes whether sold in a private party transaction or by a retailer.

REVENUE: N/A SECTION: 6379

- **USED FLOATING HOMES**—Tax does not apply to sales of used floating homes subject to local property taxation whether sold in a private party transaction or by a retailer.

REVENUE: N/A SECTION: 6379

(2) **EXCLUSIONS:**

- **LEASES OF MOBILE HOMES**—A lease of a mobile home is not a taxable lease if the mobile home is subject to property taxation.

REVENUE: N/A SECTIONS: 6006 and 6010

E. Leasing Industry

(1) **EXEMPTIONS:**

- **MASS COMMUTING VEHICLES**—“Sale” and “Purchase” do not include any transfer of qualified mass commuting vehicles such as a bus, subway car, rail car, or similar equipment, pursuant to certain safe harbor lease arrangements.

REVENUE: N/A SECTION: 6010.11

- **SALE AND LEASEBACK ARRANGEMENTS**—For sales and use tax purposes, “sale” and “purchase” do not include any transfer of title to, nor any lease of, tangible personal property pursuant to an acquisition sale and leaseback. An acquisition sale and leaseback is a sale by a person and leaseback to that person of tangible personal property where (1) that person has paid California sales tax reimbursement or use tax with respect to that person’s purchase of the property, and (2) the acquisition sale and leaseback is consummated within 90 days of that person’s first functional use of the property.

REVENUE: N/A SECTION: 6010.65

(2) **EXCLUSIONS:**

- **LEASES OF PROPERTY PURCHASED TAX-PAID**—When California tax or tax reimbursement is timely paid on the purchase price of tangible personal property and the property is leased in substantially the same form as acquired by lessor, the lease receipts are not taxable. In addition, leases of property acquired in a transfer of substantially all assets of a business when ownership remains substantially the same, and leases of property acquired by will or the laws of succession, are not taxable if the previous owner timely paid California tax or tax reimbursement on the original purchase price and the property is leased in substantially the same form as acquired by the previous owner. Persons that acquire property to be leased without payment of tax or tax reimbursement measured by the purchase price may elect to report tax on cost. If they do not make a timely election to report tax on cost, tax will be due on the rentals.

REVENUE: N/A SECTIONS: 6006 and 6010

- **VEHICLES SOLD TO LESSEE**—Normally the sale of a vehicle by a lessor to a lessee is subject to tax. However, it is rebuttably presumed that if the lessee transfers the vehicle to a third party within ten days from the date the lessee acquired title from the lessor at the lease termination, the sale by the lessor is a nontaxable sale for resale, and no tax would be due for the interim ten day period.

REVENUE: N/A SECTION: 6277

- **RENTALS OF LINEN SUPPLIES**—A person leasing linen supplies and similar articles who furnishes the recurring service of laundering or cleaning such linen supplies and similar articles is the consumer of tangible personal property provided, and tax applies to the purchase of such items.

REVENUE: \$59.6 million SECTIONS: 6006 and 6010

- **LEASES OF MOBILE TRANSPORTATION EQUIPMENT**—Certain property such as trucks, aircraft, and large vessels are classified as mobile transportation equipment (MTE). The lease of MTE is never a sale, and a person who purchases MTE for purposes of leasing is always the consumer of the MTE. However, a person who purchases MTE solely for purposes of leasing may elect to pay tax on the fair rental value of such MTE if the election is made timely. If the lessor makes such an election rather than paying tax on purchase price, tax is due on fair rental value whether the property is inside or outside California.

REVENUE: N/A SECTIONS: 6006, 6010, 6094 and 6244

- **LEASE, CERTAIN PROPERTY EXCLUDED**—“Lease” does not include use of property for less than one day for a charge of less than twenty dollars (\$20) when the privilege of use is restricted to the premise or other business location of the grantor of use. Examples of such property are pool tables, coin operated amusement devices, golf carts, etc. The grantor of such use is the consumer of the property.

REVENUE: N/A SECTION: 6006.3

- **PASSENGER TRANSPORTATION VEHICLES**—The Department of Transportation is a consumer of, rather than a retailer of passenger transportation vehicles, including but not limited to, rail passenger cars, locomotives, other rail vehicles, bus and van fleets, and ferryboats, which it sells and leases back pursuant to a certain type of safe harbor lease.

REVENUE: N/A SECTIONS: 6018.8 and 6368.7

- **LEASES OF PROPERTY ACQUIRED IN AN OCCASIONAL SALE**—The lease of property acquired in an exempt occasional sale, other than mobile transportation equipment, is generally a taxable continuing sale. The lessor, however, may instead elect to report tax measured by its purchase price. For property acquired in the transfer of substantially all assets of a business with substantially similar ownership, the purchase price for this purpose is considered the same as the purchase price of the original purchaser.

REVENUE: N/A SECTION: 6094.1

- **RENTAL RECEIPTS SUBJECT TO USE TAX OR FROM PROPERTY OUTSIDE STATE**—Rentals payable under a lease of tangible personal property are exempt from sales tax when the rental receipts are required to be included in the measure of use tax or where the rental property is located outside this state. The exemption does not apply to leases of mobile transportation equipment, with respect to which a lessor who has elected to pay tax on the fair rental value must report and pay tax on that basis whether the mobile transportation equipment is inside or outside this state.

REVENUE: N/A SECTION: 6390

F. Other Industry or General Business Exemptions and Exclusions

(1) EXEMPTIONS:

- **OCCASIONAL SALE OF BUSINESS**—A person's sale of all or substantially all its tangible personal property is exempt from tax provided that after the sale the real or ultimate ownership of the property is substantially similar to that which existed before the sale. "Substantially all the property" means 80 percent or more of all the tangible personal property, whether inside or outside this state, which is held or used in the course of any activities of that person which require the holding of a seller's permit, or which would require the holding of a seller's permit if the activities were conducted in this state. The real or ultimate ownership is "substantially similar" to that which existed before the sale if 80 percent or more of that ownership of the tangible personal property is unchanged after the transfer. For purposes of this exemption only, stockholders, bondholders, partners, or other persons holding an ownership interest rather than a security interest in the corporation or other entity are regarded as having the real or ultimate ownership of the property of the corporation or other entity.

REVENUE: N/A

SECTIONS: [6006.5](#) and [6367](#)

- **HAY PRODUCERS**—Tax does not apply to the final sale of tangible personal property, other than hay, by producers of hay, provided the sale is not one of a series of sales sufficient in number, scope or character to constitute an activity for which the producer would be required to hold a seller's permit if the producer was not also selling hay.

REVENUE: N/A

SECTIONS: [6006.5](#) and [6367](#)

- **VEHICLES, SUBSTANTIALLY SAME OWNERSHIP**—The only occasional sale exemption for sales of vehicles, vessels, and aircraft is for sales of such property as part of the sale of all or substantially all the assets of a business (whether those assets are inside or outside this state) when the ownership of the property remains substantially similar to that which existed before the sale.

REVENUE: N/A

SECTION: [6281](#)

- **CALIFORNIA GOLD MEDALLIONS**—The sale or use of commemorative "California Gold" medallions is exempt from the sales and use tax.

REVENUE: Less than \$100,000

SECTION: [6354](#)

- **MONETIZED AND NONMONETIZED BULLION AND NUMISMATIC COINS**—Sales in bulk (market value of \$1,000 or more, subject to adjustment based on inflation) of monetized bullion, nonmonetized gold or silver bullion, and numismatic coins are exempt from tax when those sales are substantially equivalent to transactions in securities or commodities.

REVENUE: N/A

SECTION: [6355](#)

- **DIESEL FUEL USED IN FARMING ACTIVITIES AND FOOD PROCESSING**—Sales and purchases of diesel fuel are exempt from the 5.5 percent state sales and use tax when that fuel is consumed during the activities of a farming business as set forth in Internal Revenue Code 263A or food processing. Farming business activities include transporting farm products to the marketplace.

REVENUE: \$48.0 million

SECTION: [6357.1](#)

- **FARM EQUIPMENT AND MACHINERY**—Sales and purchases of farm equipment, machinery, and their parts are exempt from the 5.5 percent state sales and use tax when sold to or purchased by qualified persons who are engaged in the business of producing and harvesting agricultural products, as identified in Standard Industrial Classification Codes, or when sold to qualified persons that assist those so identified.

REVENUE: \$139.7 million

SECTION: [6356.5](#)

- **TIMBER HARVESTING EQUIPMENT**—Sales and purchases of equipment, machinery and their parts designed primarily for off-road use in commercial timber harvesting are exempt from the 5.5 percent state sales and use tax when sold to or purchased by a qualified person engaged in commercial timber harvesting operations.

REVENUE: \$2.0 million

SECTION: [6356.6](#)

- **GASOLINE**—The sale and purchase of gasoline is exempt from the 5.25 percent state sales and use tax.

REVENUE: \$2,700 million SECTION: [6357.7](#)

- **POULTRY LITTER**—The sale and use of wood shavings, sawdust, rice hulls, or other products used as litter in poultry and egg production and ultimately resold or incorporated into fertilizer products are exempt from the sales and use tax.

REVENUE: N/A SECTION: [6358.2](#)

- **RACEHORSE BREEDING STOCK**—Sales and purchases of racehorse breeding stock are exempt from the 5.5 percent state sales and use tax. “Racehorse breeding stock” means a horse that is capable of reproduction and for which the purchaser states that it is the purchaser’s sole intent to use the horse for breeding purposes.

REVENUE: \$200,000 SECTION: [6358.5](#)

- **ICE OR DRY ICE**—The sale of ice or dry ice used in packing and shipping or transporting food products for human consumption is exempt from the sales and use tax when the food products are shipped or transported in intrastate, interstate, or foreign commerce by common carriers, contract carriers, or proprietary carriers.

REVENUE: N/A SECTION: [6359.7](#)

- **CARBON DIOXIDE**—The sale of carbon dioxide is exempt from sales tax when it is used in packing and shipping or transporting fruits and vegetables for human consumption when those fruits and vegetables are not sold to the ultimate consumer in a package containing the carbon dioxide. The sale of any nonreturnable materials used to contain the qualifying carbon dioxide atmosphere are also exempt from sales tax.

REVENUE: \$600,000 SECTION: [6359.8](#)

- **NEWSPAPERS AND PERIODICALS**—The sale of newspapers and periodicals distributed without charge and regularly issued at average intervals not exceeding three months, including component parts and ingredients thereof, are exempt from tax.

REVENUE: N/A SECTION: [6362.7](#)

The sale of newspapers or periodicals issued at average intervals not exceeding three months which are published or purchased by specified nonprofit organizations are exempt from tax when those newspapers and periodicals: are distributed to the members of an IRC §501(c)(3) organization in consideration of payment of the organization’s membership fee, or to the organization’s contributors; are published by an IRC §501(c)(3) organization that does not receive revenue from or accept any commercial advertising; or, are distributed by any nonprofit organization which distributes the publications to any member of the nonprofit organization in consideration, in whole or in part, of payment of the organization’s membership fee, where the cost of printing the newspaper or periodical to the nonprofit organization is less than 10 percent of the membership fee attributable to the period for which the newspaper or periodical is distributed.

REVENUE: N/A SECTION: [6362.8](#)

- **PERIODICALS**—Sales of periodicals that appear at stated intervals of at least 4 times per year but not more than 60 times per year, and their ingredient and component parts, are exempt from the sales and use tax when the periodical is sold by subscription and delivered by mail or common carrier.

REVENUE: \$24.9 million SECTION: [6362.7](#)

- **MANUFACTURING AND RESEARCH AND DEVELOPMENT EQUIPMENT**—On or after July 1, 2014, and before July 1, 2022, sales, purchases, and leases of manufacturing and research and development equipment are exempt from the 4.1875 percent state sales and use tax when sold to or purchased by qualifying manufacturers and certain research and developers for use primarily in manufacturing or research and development activities.

REVENUE: \$637 million SECTION: [6377.1](#)

- **PRINTED SALES MESSAGES**—The sale and use of printed material consisting substantially of sales messages for goods and services are exempt from sales and use tax if the material is 1) printed to the special order of the purchaser, 2) mailed or delivered by the seller, the seller's agent, or a mailing house, acting as the agent for the purchaser, through the United States Postal Service or by common carrier, and 3) delivered to any other person at no cost to that person who becomes the owner of the printed material.

REVENUE: \$43.0 million

SECTION: [6379.5](#)

- **CONTAINERS**—The sale or use of the following containers is exempt from tax: nonreturnable containers when sold to persons who place the contents in such containers for subsequent sale; containers when sold with contents whose sale is exempt from tax; returnable containers when sold with the contents or when resold for refilling; and any container, when sold without the contents to persons who place food products for human consumption in the container for shipment, provided the food products will be sold, whether in the same container or not, and whether the food products are remanufactured or repackaged prior to sale. Items such as twine, gummed tape, and wrapping materials are considered to be included in the term "container."

REVENUE: N/A

SECTION: [6364](#)

- **TELEPRODUCTION AND POST PRODUCTION EQUIPMENT**—The sale of teleproduction and post production equipment to businesses primarily engaged in teleproduction and post production activities (as described in Code 512191 of the North American Industry Classification System Manual) is exempt from the 5.5 percent state sales and use tax when that property is used 50 percent or more in those activities, subject to specified conditions.

REVENUE: \$18.9 million

SECTION: [6378](#)

- **SPACE FLIGHT PROPERTY**—The sale or use of specified qualified property for use in space flight, including an orbital space facility, space propulsion system, space vehicle, satellite, or space station of any kind, or any property which is placed or used aboard any such system, including fuel adapted and used exclusively for space flight is exempt from sales and use tax.

REVENUE: N/A

SECTION: [6380](#)

- **CONSTRUCTION CONTRACTS TO BE PERFORMED OUTSIDE CALIFORNIA**—A sale of property to a construction contractor who holds a valid California seller's permit is exempt from sales tax when the property is used by the purchaser outside of this state in the performance of a contract to improve real property and, as a result of such use, is incorporated into and becomes a part of real property located outside of this state. This exemption applies only if the purchaser certifies in writing to the seller at the time of purchase that the property will be used in a manner qualifying for the exemption.

REVENUE: N/A

SECTION: [6386](#)

- **MAILING LISTS**—Charges for the transfer or use of mailing lists are exempt from the sales and use tax when the contract restricts the transferee or user to use of the mailing list one time only. Such lists may be in the form of gummed labels, index cards, magnetic tape or similar devices or means of communication.

REVENUE: \$1.4 million

SECTION: [6379.8](#)

(2) **EXCLUSIONS:**

- **STORAGE AND USE EXCLUSION**—The keeping or retention of property for sale in the regular course of business is not a use. In addition, the keeping or retention of property for purpose of subsequent transportation outside California for use solely outside the state is not a "use." Therefore, no tax applies with respect to property purchased outside California and brought into the state solely for subsequent transportation to an out-of-state point for use thereafter by the purchaser solely outside California.

REVENUE: N/A

SECTIONS: [6008](#), [6009](#) and [6009.1](#)

- **PRINTING MATERIALS**—The fabrication or transfer by a typographer of composed type or reproduction proofs for use in preparing printed matter is excluded from the definition of a "sale" and "purchase." Also, the fabrication or transfer of such reproduction proofs or impressed mats is not subject to tax when the fabrication is for, or the transfer is to, a printer or publisher for use in printing.

REVENUE: N/A

SECTION: [6010.3](#)

- **CUSTOM COMPUTER PROGRAMS**—The transfer of custom programs, other than a basic operational program, and separate charges for custom modifications to existing prewritten programs are excluded from the definition of a “sale” and “purchase.”

REVENUE: \$374.2 million SECTION: 6010.9

- **PET ADOPTIONS AND RELATED SERVICES**—For sales and use tax purposes, “sale” and “purchase” do not include transfers by a city, city and county, county, or other local government animal shelter or nonprofit animal welfare organization of any animal to an individual for use as a pet, or any charges made by the government shelter or nonprofit organization for services in connection with the transfer of that animal, including, the spaying or neutering or future spaying or neutering of the animal, or any vaccination, future vaccination, or similar service. This exclusion applies only to transfers of pets by organizations that are formed and operated for the primary purpose of prevention of abuse, neglect, or exploitation of animals, and that qualifies for an exemption from income tax pursuant to Section 23701(d) of the Revenue and Taxation Code.

REVENUE: N/A SECTION: 6010.40

- **ENDANGERED AND THREATENED ANIMALS AND PLANTS**—Transfers of any endangered or threatened animal or plant species acquired or disposed of through a trade or exchange between nonprofit zoological societies or between a member of the American Zoo and Aquarium Association and a nonprofit zoological society are excluded from the definition of “sale” and “purchase.”

REVENUE: N/A SECTION: 6010.50

- **EXCISE TAX ON FUEL**—Sales tax does not apply to the federal excise tax on diesel fuel or aviation fuel when the purchaser certifies that he or she is entitled to either a direct refund or credit against his or her income tax for the federal excise tax paid.

REVENUE: N/A SECTIONS: 6011 and 6012

- **TRANSPORTATION OF LANDFILL**—The amount charged for transporting landfill from an excavation site to a site specified by a purchaser is not subject to sales and use tax if (1) the charge is separately stated and is reasonable or (2) the entire amount charged relates to transportation.

REVENUE: N/A SECTIONS: 6011 and 6012

- **CONSUMER COOPERATIVES**—Tax does not apply to membership fees, and labor performed in lieu of such fees, for organizations engaged in business for the mutual benefit of its shareholders, and which are composed of ultimate producers or consumers. Certain other restrictions apply.

REVENUE: N/A SECTIONS: 6011.1 and 6012.1

- **VETERINARIANS**—Licensed veterinarians are generally consumers of, rather than retailers of, drugs and medicines which they use or furnish in the performance of their professional services. However, tax does not apply to licensed veterinarians of drugs or medicines which are purchased to be administered: (1) to animal life as an additive to feed or drinking water of food animals or of other animals which are being held for resale in the regular course of business, and the primary purpose of those drugs or medicines is the prevention and control of disease, or (2) directly to food animals and the primary purpose of the drugs or medicines is the prevention or control of disease.

REVENUE: N/A SECTIONS: 6018.1, 6358 and 6358.4

- **ALTERATIONS OF GARMENTS**—A person who receives at least 75 percent of his or her total gross receipts from garment cleaning or dyeing services and no more than 20 percent of his or her total gross receipts from altering garments during the preceding calendar year is a consumer of tangible personal property which he or she will use or furnish in altering new or used clothing in the following year. Sales tax does not apply to charges for those alterations.

REVENUE: N/A SECTION: 6018.6

(3) OTHER:

- **WORTHLESS ACCOUNTS**—A retailer is relieved from sales tax liability for accounts found worthless and which are charged off for income tax purposes. If any such accounts are thereafter collected in whole or in part, the retailer must pay tax on the amount so collected. Special rules also apply to assignees of accounts receivable.

REVENUE: \$74.8 million SECTIONS: 6055 and 6203.5

- **DEMONSTRATION AND DISPLAY**—A purchaser may retain, demonstrate, and display property without incurring liability for tax as long as the property is being held for sale in the regular course of business.

REVENUE: N/A SECTIONS: 6094 and 6244

- **LOANS TO CUSTOMERS**—A person will not owe use tax on that person's full purchase price of property loaned to customers as an accommodation while the customers' property is being repaired or while the customers await delivery of property they have purchased provided the loaned property is held for resale and is returned to resale inventory after the loan. The person will instead owe tax on the fair rental value of the loaned property for the period of the loan.

REVENUE: N/A SECTIONS: 6094 and 6244

- **USE OF PROPERTY HELD FOR SALE**—If a person uses property frequently for demonstration and display while holding it for sale in the regular course of business and uses it partly for other purposes, the person owes tax on the fair rental value of the property for the period of such other use.

REVENUE: N/A SECTIONS: 6094 and 6244

IV. EXCLUSIONS BY DEFINITION—Various types of property and business activities are excluded from the imposition of tax because of basic definitions contained in the Sales and Use Tax Law.

A. "Sales Price" and "Gross Receipts"

- **CASH DISCOUNTS**—Discounts taken on sales are excluded from the measure of tax. Manufacturers' coupons are rebates and do not reduce the measure of tax, but a retailer's own coupons qualify for exclusion as cash discounts.

REVENUE: N/A SECTIONS: 6011 and 6012

- **DIESEL AND USE FUEL TAX**—Excise tax on diesel and alternative fuels imposed under the California Diesel Fuel Tax Law and the Use Fuel Tax Law is not included in the sales price subject to tax. California motor vehicle fuel license taxes and federal excise taxes on fuels such as gasoline are, however, included in the measure of tax.

REVENUE: \$40.0 million SECTIONS: 6011 and 6012

- **FEDERAL EXCISE TAXES**—The amount of any tax imposed by the United States on retail sales is not subject to sales or use taxes. However, federal taxes levied on property are included in the measure of tax if imposed at other than the retail level such as on manufacturers or wholesalers.

REVENUE: N/A SECTIONS: 6011 and 6012

- **INDIAN TRIBAL TAXES**—The amount of any tax imposed by an Indian tribe within California with respect to a retail sale of tangible personal property measured by a stated percentage of the sales or purchase price, whether the tax is imposed upon the retailer or the consumer, is not subject to the use tax. However, this exclusion only applies to an Indian tribe that is in substantial compliance with California's sales and use tax laws.

REVENUE: Less than \$100,000 SECTIONS: 6011 and 6012

- **INSTALLATION LABOR**—Labor or service to install or apply property sold is not subject to tax, but the charges for other services in connection with a sale are subject to tax.

REVENUE: N/A SECTIONS: 6011 and 6012

- **INTANGIBLE PERSONAL PROPERTY**—When a seller who holds a patent or copyright interest transfers property and assigns or licenses to another person pursuant to a technology transfer agreement the right to make and sell a product or to use a process that is subject to the patent or copyright interest, the amount charged for the value of intangible personal property in that agreement is not subject to sales and use tax.

REVENUE: \$75.3 million SECTIONS: 6011 and 6012

- **LOCAL TAXES**—Taxes imposed on retail sales by local governments and transit districts are excluded from the sales price for state sales and use taxation purposes.

REVENUE: N/A SECTIONS: 6011 and 6012

- **MOTOR VEHICLE, MOBILEHOME, OR COMMERCIAL COACH FEES AND TAXES**—Taxes or fees imposed by the State of California added to or measured by the sales price of a motor vehicle, mobile-home, or commercial coach, such as DMV license fees, are not subject to sales or use tax.

REVENUE: N/A SECTIONS: 6011 and 6012

- **RETURNED MERCHANDISE**—Amounts allowed by a retailer for returned merchandise are not subject to tax provided the full sales price and any amount designated as “sales tax” is returned to the customer, and the customer is not required to purchase a more expensive item in order to receive credit. The retailer may deduct actual expenses for rehandling and restocking without affecting this deduction.

REVENUE: N/A SECTIONS: 6011 and 6012

- **TAX-PAID PURCHASES RESOLD**—A deduction is allowed a retailer who pays California tax or tax reimbursement on the purchase of property that is resold in California prior to any use.

REVENUE: N/A SECTION: 6012

- **TRANSPORTATION CHARGES**—Separately stated charges for transportation from the retailer to its customer are not subject to tax if transported by common carrier and the amount charged is the cost of the transportation. In addition, reasonable charges for transportation by the retailer’s facilities or for property sold for a delivered price are not taxable if separately stated and if title to the property passes to the purchaser prior to such transportation. Note, however, that title passes to the customer prior to transportation by the retailer’s own facilities only if the seller and purchaser explicitly contract for such early passage of title.

REVENUE: N/A SECTIONS: 6011 and 6012

B. Transactions Not Considered Sales or Purchases of Tangible Personal Property

- **ADMISSION CHARGES**—Fees charged for the use of amusement parks, theaters, sports events, golf courses, etc., are not subject to sales or use taxes because there is no exchange of tangible personal property.
- **FINANCE CHARGES**—Receipts for finance charges are for the use of money or other value transferred on credit. Therefore, such receipts are not subject to sales or use taxes even though the debt was incurred due to the transfer of tangible personal property.
- **LODGING**—Motel, hotel, apartment, house, duplex, and other charges for short-term or long-term use of real property are not subject to sales or use taxes since such charges do not constitute consideration for the sale or use of tangible personal property.
- **REAL PROPERTY**—Sales and purchases of land along with the structures thereon and their component parts, and other items permanently attached to the land sold are generally not subject to tax because such items do not fall within the definition of tangible personal property under the Sales and Use Tax Law.
- **SECURITIES**—The sale of stocks, bonds, and other securities including memberships in limited liability companies are not subject to sales or use taxes because they are not considered to be sales of tangible personal property.

- **SERVICES**—The sale of services where no tangible personal property is transferred or where the transfer of property is incidental, are not subject to sales and use taxes. Persons providing services are consumers of property used in their business activities. However, persons who engage in service operations are retailers of any supplies or other tangible personal property sold to their customers or clients, and tax applies to gross receipts from such sales. Certain services, however, are defined as sales of tangible personal property. For example, the fabrication of tangible personal property for a consumer is defined as a “sale” even when the consumer provides all the tangible personal property used to fabricate the end product.
- **TRAVEL ACCOMMODATIONS**—Charges for tickets to travel on aircraft, trains, ships, and other modes of transportation are not subject to sales or use tax.

C. Exclusion From The Term “Person”

- **FOREIGN GOVERNMENTS**—Foreign government entities are not “persons” for sales and use tax purposes. Sales by and purchases from such entities are not subject to sales or use tax. In addition, the use of property by the entities is not subject to use tax. However, sales to these entities in California are subject to sales tax except when a treaty requires an exemption.

REVENUE: N/A SECTION: [6005](#)

- **STATE GOVERNMENTS**—State government entities, other than California state and local government entities, are not “persons” for sales and use tax purposes. Sales by and purchases from such governmental entities are not subject to tax. The use of property in California by other states is not taxable. However, sales in California to other states are subject to sales tax.

REVENUE: N/A SECTION: [6005](#)

V. OTHER EXEMPTIONS, EXCLUSIONS, AND CREDITS

- **CREDIT FOR TAX PAID TO OTHER STATES**—Credit is allowed as an offset against a person’s liability for California use tax on tangible personal property for any sales or use taxes imposed on that property and paid by that person to any other state, political subdivision thereof, or the District of Columbia.

REVENUE: N/A SECTION: [6406](#)

- **DELIVERY TO EXPORT PACKERS**—Sales of property purchased for use solely outside this state are exempt from sales tax if the property is delivered to a forwarding agent, export packer, or other person engaged in business of preparing goods for exportation, and the goods are delivered to a port outside the continental limits of the United States prior to any use.

REVENUE: N/A SECTION: [6387](#)

- **INTERSTATE AND FOREIGN COMMERCE**—Sales of property which, pursuant to the contract of sale, are shipped by the retailer to a point outside this state are exempt from tax. Generally, no exemption applies if the property is delivered to the purchaser or purchaser’s representative in this state, even if the purchaser subsequently removes the property from this state.

REVENUE: N/A SECTION: [6396](#)

- **OCCASIONAL SALES**—A sale by (and purchase from) a person who is not engaged in a business requiring a seller’s permit is exempt from sales and use taxes. These types of sales are “occasional” sales (some states have similar exemptions for “casual” sales). Generally, a person who makes three or more sales for substantial amounts in any period of 12 months is required to hold a seller’s permit. A person who makes a substantial number of sales for relatively small amounts is also required to hold a seller’s permit. (The 12 month test period can be the 12 months before the sale in question, the 12 months after the sale in question, or any other 12 month period in which the sale occurs.) A person holding two garage sales with no other sales in any 12 month period in which the garage sales are held are regarded as making exempt occasional sales. A business that is not required to hold a seller’s permit would be making an occasional sale when making a single sale of its assets upon termination of its business. Such persons should be aware that making two or three sales in anticipation of final liquidation will generally result in all the sales being subject to sales tax.

REVENUE: N/A SECTIONS: [6006.5](#) and [6367](#)

- **PURCHASES IN FOREIGN COUNTRIES**—The first eight hundred dollars (\$800) purchase price of tangible property purchased in a foreign country by an individual and personally hand carried into this state from the foreign country within any 30-day period is exempt from the use tax.

REVENUE: N/A SECTION: 6405

- **PURCHASES FROM UNITED STATES**—The use of property purchased by a consumer from the United States, or any agency or instrumentality thereof, is exempt from use tax except when property has been declared “surplus property” pursuant to the Surplus Property Act of 1944.

REVENUE: N/A SECTION: 6402

- **SALE FOR RESALE**—The sale of property purchased for subsequent sale in the regular course of business, and property purchased that will become a component part of such property, is not subject to tax provided the purchaser makes no use of it prior to its resale.

REVENUE: N/A SECTIONS: 6007 and 6008

- **UNITED STATES**—Sales and leases to the United States or its incorporated agencies and instrumentalities, any incorporated agency or instrumentality wholly owned by the United States or by a corporation wholly owned by the United States, and sales to the American National Red Cross are exempt from sales tax.

REVENUE: N/A SECTION: 6381

- **VEHICLES, VESSELS, AND AIRCRAFT PURCHASED OUTSIDE CALIFORNIA**—A presumption is made that if a vehicle, vessel, or aircraft is purchased outside of California, first functionally used outside of California, and brought into California more than 12 months after purchase, the vehicle, vessel, or aircraft was not purchased for use in California and use tax does not apply.

REVENUE: N/A SECTIONS: 6248

- **VEHICLES SOLD TO FAMILY**—The sale and use of vehicles, vessels, and aircraft is exempt from tax when sold by the parent, grandparent, child, grandchild, spouse or registered domestic partner, or the brother or sister if the sale is between two minors, provided that the seller is not engaged in business of selling that type of property.

REVENUE: N/A SECTION: 6285

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* "Revenue lost" refers to revenue which is not realized due to the exemption or exclusion and includes both state and local revenue. The notation "minor" or "major" is shown for provisions that result in revenue loss of less than \$100,000 or more than \$10 million respectively, but for which no single revenue estimate could be made with an acceptable degree of confidence. Where the revenue impact is not known because the information is not available, "N/A" is noted.

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Returned Merchandise	N/A	6011, 6012	19
Tax-Paid Purchases Resold.....	N/A	6012	19
Transportation Charges	N/A	6011, 6012	19
B. Transactions Not Considered Sales or Purchases of			
Tangible Personal Property			
Admission Charges.....			19
Finance Charges.....			19
Lodging.....			19
Real Property			19
Securities			19
Services			19
Travel Accommodations			19
C. Exclusion From The Term "Person"			
Foreign Governments	N/A	6005	20
State Governments.....	N/A	6005	20
V. OTHER EXEMPTIONS, EXCLUSIONS, AND CREDITS			
Credit for Tax Paid to Other States.....	N/A	6406	20
Delivery to Export Packers	N/A	6387	20
Interstate and Foreign Commerce.....	N/A	6352	20
Occasional Sales	N/A	6006.5, 6367	20
Purchases from Foreign Countries.....	N/A	6405	21
Purchases from United States.....	N/A	6402	21
Sale for Resale.....	N/A	6007, 6008	21
United States.....	N/A	6381	21
Vehicles, Vessels and Aircraft			
Purchased Outside California	N/A	6248	21
Vehicles Sold to Family.....	N/A	6248	21

SECTION B
SALES AND USE TAX
EXEMPTIONS AND EXCLUSIONS
(ALPHABETICAL REFERENCE)

- **ADMISSION CHARGES**—Fees charged for the use of amusement parks, theaters, sports events, golf courses, etc., are not subject to sales or use taxes because there is no exchange of tangible personal property.
- **AIRCRAFT LEASES AND COMPONENT PARTS: COMMON CARRIERS, FOREIGN GOVERNMENTS, NONRESIDENTS**—The sale of an aircraft is exempt if leased to lessees using the aircraft as common carriers, or to any foreign government as lessees who use the aircraft outside California, or leased to lessees who are not residents of this state who will not use the aircraft in this state except for removal. In addition, the sale of property to an aircraft manufacturer is exempt if the property is incorporated into aircraft to be leased by the manufacturer to such persons or entities. Also, the sale and use of property becoming a component part of such aircraft as a result of the maintenance, repair, overhaul, or improvement of that aircraft in compliance with Federal Aviation Administration requirements, and any charges made for the labor and services rendered with respect to that maintenance, repair, overhaul, or improvement are exempt from tax. (SECTIONS [6366](#) and [6366.1](#))
- **AIRCRAFT AND COMPONENT PARTS SALES: COMMON CARRIERS, FOREIGN GOVERNMENTS, NONRESIDENTS**—Sales of aircraft to common carriers, to foreign governments for use outside California, and to nonresidents of this state who make no use of the aircraft in this state except to remove it, are exempt from tax. Only usage during the first twelve months is considered to determine if the transaction qualifies for exemption as a sale to a common carrier. In addition, the sale and use of property becoming a component part of such aircraft as a result of the maintenance, repair, overhaul, or improvement of that aircraft in compliance with Federal Aviation Administration requirements, and any charges made for the labor and services rendered with respect to that maintenance, repair, overhaul, or improvement are exempt from tax. (SECTION [6366](#))
- **ALTERATION OF GARMENTS**—A person who receives at least 75 percent of his or her total gross receipts from garment cleaning or dyeing services and no more than 20 percent of his or her total gross receipts from altering garments during the preceding calendar year is a consumer of tangible personal property which he or she will use or furnish in altering new or used clothing in the following year. Sales tax does not apply to charges for those alterations. (SECTION [6018.6](#))
- **ALTERNATE ENERGY AND ADVANCED TRANSPORTATION PROJECT**—There is a specific exemption for the sale of property constituting any project of the California Alternative Energy and Advanced Transportation Financing Authority when transferred or leased pursuant to certain provisions of the Public Resources Code. (SECTION [6010.8](#))
- **ANIMAL LIFE, FEED, SEEDS, PLANTS, FERTILIZER, DRUGS, AND MEDICINES**—The sale and use of animal life or feed for animal life, seeds, and plants the products of which normally constitute food for human consumption are exempt from tax. The sale and use of fertilizer to be applied to land the products of which are to be used for human consumption are also exempt. In addition, the sale and use of drugs and medicines including oxygen that are administered to food animals, the primary purpose of which is the prevention or control of disease, are exempt from tax. This is an expansion of the general food exemption. (SECTION [6358](#))
- **ART TRANSFERRED FOR ENTERTAINMENT**—For sales and use tax purposes, “sale” and “purchase” do not include transfers of original drawings, sketches, illustrations, or paintings by an artist or designer at a social gathering for entertainment purposes if *all* of the following conditions are met:
 - Eighty percent or more of the drawings, sketches, illustrations, or paintings are delivered by the artist or designer to someone other than the purchaser.
 - Eighty percent or more of the drawings, sketches, illustrations, or paintings are provided to someone other than the purchaser, at no cost to the person who becomes the owner of the drawings or sketches.

- The charge for the drawings, sketches, illustrations or paintings is based on a preset fee, and that fee is contingent upon a minimum number of at least three drawings, sketches, illustrations or paintings to be created by the artist or designer at the social gathering. (SECTION [6010.30](#))
- **ART WORKS**—Sales of original works of art are exempt from sales and use tax when purchased by any California state or local entity, or by certain nonprofit organizations under contract with such governmental entities, or by certain nonprofit organizations for public exhibit, or by persons for donation directly to any such governmental or nonprofit organization, if such works of art are purchased to become a part of the permanent collection of a museum, certain qualifying nonprofit organizations that regularly loan at least 85 percent of the value of their art collection to museums, or to this state or any local government entity which displays the art to the public in public places. Also, leases of original works of art are exempt from the use tax if both the lessor and lessee are nonprofit organizations qualified for exemption from state income tax pursuant to Section 23701d of the Revenue and Taxation Code or a nonprofit organization operating any public museum for, and pursuant to contract with, a governmental entity. In addition, works of art that are purchased to become part of the permanent collection of a governmental entity that leases from another governmental entity art for public display are exempt from tax. Also, leases of original works of art are exempt from the use tax if both the lessor and lessee are nonprofit organizations qualified for exemption from state income tax pursuant to Section 23701d of the Revenue and Taxation Code or a nonprofit organization operating any public museum for, and pursuant to contract with, a governmental entity. In addition, works of art that are purchased to become part of the permanent collection of a governmental entity that leases from another governmental entity art for public display are exempt from tax. (SECTION [6365](#))
- **AUXILIARY SERVICES TO MUSEUMS**—Nonprofit associations and organizations that perform auxiliary services to any city or county museum in this state are consumers of property which they sell provided the profits are used for purposes of the organization. (SECTION [6370.5](#))
- **BLOOD STORAGE UNITS**—The sale and use of any container used to collect or store human blood, plasma, blood products, or blood derivatives, including any disposable tubing, filters, grommets, and needles sold along with the bags and held in a blood bank for medical purposes are exempt from tax. This exemption includes, but is not limited to, blood collection units and blood pack units. (SECTION [6364.5](#))
- **BRACELETS, PRISONERS OF WAR**—Charitable organizations which qualify for the welfare exemption from property taxation are consumers of bracelets designed to commemorate American prisoners of war where profits are used solely in furtherance of the purposes of such organizations. (SECTION [6360](#))
- **“BUDDY POPPIES” AND SIMILAR LAPEL PINS**—The sale and use of a “Buddy Poppy” or any other symbolic, impermanent lapel pin that memorializes United States Military veterans killed in foreign wars of the United States, by any corporation established by the United States Congress pursuant to Chapter 2301 (commencing with Section 230101) of Title 36 of the United States Code, or any of that corporation’s subordinate state or territorial subdivisions, local chapters, posts, or auxiliaries, are exempt from tax. (SECTION [6360.1](#))
- **CALFRESH BENEFITS PURCHASES**—When otherwise taxable purchases are made with CalFresh benefits, only the amounts paid with CalFresh benefits are exempt from tax. Amounts paid with forms of consideration other than CalFresh benefits, such as cash or manufacturer’s coupons, remain taxable. Examples of otherwise taxable sales which are exempt from tax when purchased with CalFresh benefits, include sales of carbonated beverages, food coloring and ice. (SECTION [6373](#))
- **CALIFORNIA GOLD MEDALLIONS**—The sale or use of commemorative “California Gold” medallions is exempt from sales and use tax. (SECTION [6354](#))
- **CALIFORNIA SCIENCE CENTER**—The sale and use of museum display items and sprung instant structures used as temporary exhibit housing sold to or purchased by the California Museum of Science and Industry are exempt from sales and use tax. (SECTION [6366.4](#))
- **CARBON DIOXIDE**—The sale of carbon dioxide is exempt from sales tax when it is used in packing and shipping or transporting fruits and vegetables for human consumption when those fruits and vegetables are not sold to the ultimate consumer in a package containing the carbon dioxide. The sale of any nonreturnable materials used to contain the qualifying carbon dioxide atmosphere are also exempt from sales tax. (SECTION [6359.8](#))

- **CASH DISCOUNTS**—Discounts taken on sales are excluded from the measure of tax. Manufacturers' coupons are rebates and do not reduce the measure of tax, but a retailer's own coupons qualify for exclusion as cash discounts. (SECTIONS 6011 and 6012)
- **CHARITABLE ORGANIZATIONS**—The sale and use of property that is made, prepared, assembled, or manufactured by certain nonprofit charitable organizations that are engaged in relief of poverty and distress, and whose sales or donations are made to assist purchasers or donees, are exempt from sales and use taxes. (SECTION 6375)
- **COGENERATION TECHNOLOGY**—The sale of exhaust steam, steam waste, heat or resultant energy produced by cogeneration technology, as defined, is exempt from sales and use taxes. (SECTION 6353)
- **COMMON CARRIERS**—Sales of tangible personal property, other than fuel and petroleum products, to a common carrier for use in its business as a common carrier are exempt from tax when the seller ships the property to a destination outside California via the facilities of the purchasing common carrier under a bill of lading, and the purchasing carrier makes no use of the property until after delivery to the out-of-state destination. The seller must accept and retain an exemption certificate from the purchasing carrier. The same exemption applies to sales to foreign common carriers for use in their business as common carriers after the delivery to the first foreign destination. An exemption certificate is also required for this exemption, but a bill of lading is not. (SECTION 6385)
- **COMPONENT PARTS OF RAILROAD EQUIPMENT**—When component parts of any railroad equipment that is owned or used by a common carrier engaged in interstate or foreign commerce are purchased outside this state in the course of repairing, cleaning, altering, or improving that railroad equipment outside this state, the use is exempt from use tax. In addition, any related charges for labor or services rendered outside this state in the course of repairing, cleaning, altering, or improving that railroad equipment are also exempt from use tax. (SECTION 6411)
- **CONSTRUCTION CONTRACTS PERFORMED OUTSIDE CALIFORNIA**—A sale of property to a construction contractor who holds a valid California seller's permit is exempt from sales tax when the property is used by the purchaser outside of this state in the performance of a contract to improve real property and, as a result of such use, is incorporated into and becomes a part of real property located outside of this state. This exemption applies only if the purchaser certifies in writing to the seller at the time of purchase that the property will be used in a manner qualifying for the exemption. (SECTION 6386)
- **CONSUMER COOPERATIVES**—Tax does not apply to membership fees, and labor performed in lieu of such fees for organizations engaged in business for the mutual benefit of its shareholders, and which are composed of ultimate producers or consumers. Certain other restrictions apply. (SECTIONS 6011.1 and 6012.1)
- **CONTAINERS**—The sale or use of the following containers is exempt from tax: nonreturnable containers when sold to persons who place the contents in such containers for subsequent sale; containers when sold with contents whose sale is exempt from tax; returnable containers when sold with the contents or when resold for refilling; and any container, when sold without the contents to persons who place food products for human consumption in the container for shipment, provided the food products will be sold, whether in the same container or not, and whether the food products are remanufactured or repackaged prior to sale. Items such as twine, gummed tape, and wrapping materials are considered to be included in the term "container." (SECTION 6364)
- **CREDIT FOR TAX PAID TO OTHER STATES**—Credit is allowed as an offset against a person's liability for California use tax on tangible personal property for any sales or use taxes imposed on that property and paid by that person to any other state, political subdivision thereof, or the District of Columbia. (SECTION 6406)
- **CUSTOM COMPUTER PROGRAMS**—The transfer of custom programs other than a basic operational program, and separate charges for custom modifications to existing prewritten programs are excluded from the definition of a "sale" and "purchase." (SECTION 6010.9)
- **DELIVERY TO EXPORT PACKERS**—Sales of property purchased for use solely outside this state are exempt from sales tax if the property is delivered to a forwarding agent, export packer, or other person engaged in business of preparing goods for exportation, and the goods are delivered to a port outside the continental limits of the United States prior to any use. (SECTION 6387)

- **DEMONSTRATION AND DISPLAY**—A purchaser may retain, demonstrate, and display property without incurring liability for tax as long as the property is being held for sale in the regular course of business. (SECTIONS 6094 and 6244)
- **DIESEL AND USE FUEL TAX**—Excise tax on diesel and alternative fuels imposed under the California Diesel Fuel Tax Law and the Use Fuel Tax Law is not included in the sales price subject to tax. California motor vehicle fuel license taxes and federal excise taxes on fuels such as gasoline are, however, included in the measure of tax. (SECTIONS 6011 and 6012)
- **DIESEL FUEL USED IN FARMING ACTIVITIES AND FOOD PROCESSING**—Sales and purchases of diesel fuel are exempt from the 5.5 percent state sales and use tax when that fuel is consumed during the activities of a farming business as set forth in Internal Revenue Code 263A or food processing. Farming business activities include transporting farm products to the marketplace. (SECTION 6357.1)
- **DONATIONS**—A seller's donation of property to a qualifying nonprofit organization located in California is exempt from tax. If the donee is a qualifying nonprofit museum, the donee must use the donated property exclusively for display purposes. (SECTION 6403)
- **ENDANGERED AND THREATENED ANIMAL AND PLANT SPECIES**—The sale and use of endangered and threatened animal and plant species are exempt from tax if both the seller and the purchaser are qualifying nonprofit zoological societies. Also, transfers of any endangered or threatened animal or plant species acquired or disposed of through a trade or exchange between nonprofit zoological societies or between a member of the American Zoo and Aquarium Association and a nonprofit zoological society are excluded from the definition of "sale" and "purchase." (SECTIONS 6010.50 and 6366.5)
- **EXCISE TAX ON FUEL**—Sales tax does not apply to the federal excise tax on diesel fuel or aviation fuel when the purchaser certifies that he or she is entitled to either a direct refund or credit against his or her income tax for the federal excise tax paid. (SECTIONS 6011 and 6012)
- **FACTORY-BUILT HOUSING**—Partial exemption which excludes from tax sixty percent (60%) of the sales price of factory-built housing to the consumer. (SECTION 6012.7)
- **FACTORY-BUILT SCHOOL BUILDINGS**—Partial exemption which excludes from tax sixty percent (60%) of the sales price of factory-built school building to the consumer. (SECTION 6012.6)
- **FARM EQUIPMENT AND MACHINERY**—Sales and purchases of farm equipment, machinery, and their parts are exempt from the 5.5 percent state sales and use tax when sold to or purchased by qualified persons who are engaged in the business of producing and harvesting agricultural products, as identified in Standard Industrial Classification Codes, or when sold to qualified persons that assist those so identified. (SECTION 6356.5)
- **FEDERAL EXCISE TAXES**—The amount of any tax imposed by the United States on retail sales is not subject to sales or use taxes. However, federal taxes levied on property are included in the measure of tax if imposed at other than the retail level such as on manufacturers or wholesalers. (SECTIONS 6011 and 6012)
- **FINANCE CHARGES**—Receipts for finance charges are for the use of money or other value transferred on credit. Therefore, such receipts are not subject to sales or use taxes even though the debt was incurred due to the transfer of tangible personal property.
- **FOOD PRODUCTS**—Sales of food for human consumption are generally exempt from tax unless sold in a heated condition (except hot bakery items or hot beverages, such as coffee, sold for a separate price), served as meals, consumed at or on the seller's facilities, ordinarily sold for consumption on or near the seller's parking facility, or sold for consumption where there is an admission charge. The exemption for food products includes snack foods, candy, confectionery, and chewing gum. (SECTION 6359)
- **FOOD PRODUCTS SOLD THROUGH VENDING MACHINES**—The vending machine operator is the consumer of (1) food products, candy and confectionery which sell at retail for fifteen cents or less and (2) food products which are sold through a bulk vending machine for twenty-five cents or less. For sales of cold food products, hot coffee, hot tea and hot chocolate through other vending machines at a price greater than fifteen cents, 67% of the receipts from such sales are also exempt from tax. (SECTIONS 6359.2 and 6359.4)

- **FOREIGN GOVERNMENTS**—Foreign government entities are not “persons” for sales and use tax purposes. Sales by and purchases from such entities are not subject to sales or use tax. In addition, the use of property by the entities is not subject to use tax. However, sales to these entities in California are subject to sales tax except when a treaty requires an exemption. (SECTION 6005)
- **FRIENDS OF THE LIBRARY AND EQUIVALENT ORGANIZATIONS**—Nonprofit associations commonly called The Friends of the Library and equivalent organizations performing auxiliary services to any library district, municipal library, or county library in the state, which are authorized to operate within the library by the governing authority of the library, are consumers of tangible personal property which they sell if the profits from the sales are used exclusively to further the organization’s purposes. (SECTION 6370)
- **FUEL FROM ORGANIC PRODUCTS AND WASTE BY-PRODUCTS**—Sales of organic products grown for fuel, and waste byproducts from agricultural or forest products that are delivered in bulk and are used in an industrial facility as a source of fuel are exempt from tax. (SECTION 6358.1)
- **FUEL SOLD TO AIR COMMON CARRIERS**—Sales of fuel and petroleum products are exempt from sales tax when sold for immediate consumption by an air common carrier on a flight whose final destination is a point outside the United States. To qualify for this exemption, the air common carrier must furnish the seller with a properly executed exemption certificate. (SECTION 6357.5)
- **FUNGIBLE GOODS**—When property purchased for resale is commingled with property not purchased for resale so that specific property can no longer be identified, sales from that commingled property will be considered sales of property purchased for resale until the quantity sold equals the quantity purchased for resale. Also, property withdrawn from such commingled inventory for use is considered to be from property not purchased for resale until the quantity consumed equals the quantity not purchased for resale. Therefore, a person who self-produces property and also purchases similar property for resale will not be required to pay use tax if the quantity of such property the person uses does not exceed the quantity self-produced (except with respect to the cost of any raw materials purchased for resale, using the same method of reporting). Without specific legislation, such withdrawal of property for use would be taxed on a proration basis. The petroleum industry is the main beneficiary of this provision, but producers of steel rebar, quarry rock, and other self-produced property also benefit. (SECTIONS 6095 and 6245)
- **GAS, ELECTRICITY, WATER AND STEAM**—The sale of gas, electricity and water, including steam and geothermal steam, brines, and heat is exempt from taxation if delivered through mains, lines, or pipes. Further, water sold to an individual in bulk quantities of 50 gallons or more for household use is exempt from taxation if the residence is not serviced by mains, lines or pipes. Also, sales and purchases of liquid petroleum gas (LPG) are exempt from tax when delivered into a tank of 30 gallons or more to either a qualified residence for household use, or, a qualified person to be used in producing and harvesting agricultural products. (SECTION 6353)
- **GASOLINE**—The sale and purchase of gasoline is exempt from the 5.25 percent state sales and use tax. (SECTION 6357.7)
- **GROUND CONTROL STATIONS**—The sale of a ground control station, as defined, to any foreign government for use by that government outside California or to any person who is not a California resident and who will not use that ground control station in California other than in removing it outside this state is exempt from tax. (SECTION 6366)
- **HAY PRODUCERS**—Tax does not apply to the final sale of tangible personal property, other than hay, by producers of hay, provided the sale is not one of a series of sales sufficient in number, scope or character to constitute an activity for which the producer would be required to hold a seller’s permit if the producer was not also selling hay. (SECTIONS 6006.5 and 6367)
- **HEALTH AND SAFETY MATERIALS**—The use of health and safety educational materials and insignia routinely sold in connection with health and safety and first aid classes, are exempt from tax if the materials are: (1) purchased or sold by a qualifying nonprofit national organization which disseminates such information, and (2) purchased from a national office or a branch or chapter of such national office of the same organization. (SECTION 6409)

- **HOT PREPARED FOOD SOLD TO AIR CARRIERS**—Sales of hot prepared food products to airlines and sales to passengers by such airlines engaged in interstate or foreign commerce are exempt from tax. (SECTION 6359.1)
- **ICE OR DRY ICE**—The sale of ice or dry ice used or employed in packing and shipping or transporting food products for human consumption is exempt from the sales and use tax when the food products are shipped or transported in intrastate, interstate, or foreign commerce by common carriers, contract carriers, or proprietary carriers. (SECTION 6359.7)
- **INDIAN TRIBAL TAXES**—The amount of any tax imposed by an Indian tribe within California with respect to a retail sale of tangible personal property measured by a stated percentage of the sales or purchase price, whether the tax is imposed upon the retailer or the consumer, is not subject to the use tax. However, this exclusion only applies to an Indian tribe that is in substantial compliance with California's sales and use tax laws. (SECTIONS 6011 and 6012)
- **INSTALLATION LABOR**—Labor or service to install or apply property sold is not subject to tax, but the charges for other services in connection with a sale are subject to tax. (SECTIONS 6011 and 6012)
- **INTANGIBLE PERSONAL PROPERTY**—When a seller who holds a patent or copyright interest transfers property and assigns or licenses to another person pursuant to a technology transfer agreement the right to make and sell a product or to use a process that is subject to the patent or copyright interest, the amount charged for the value of intangible personal property in that agreement is not subject to sales and use tax. (SECTIONS 6011 and 6012)
- **INTERSTATE AND FOREIGN COMMERCE**—Sales of property which pursuant to the contract of sale are shipped by the retailer to a point outside this state are exempt from tax. Generally, no exemption applies if the property is delivered to the purchaser or the purchaser's representative in this state, even if the purchaser subsequently removes the property from this state. (SECTION 6396)
- **ITINERANT VETERAN VENDORS**—A qualified itinerant veteran vendor is a consumer of tangible personal property owned and sold by him or her, except alcoholic beverages and tangible personal property sold for more than \$100, until January 1, 2022, provided (1) the qualified itinerant vendor was a member of the United States Armed Forces, who received an honorable discharge or a release from active duty under honorable conditions from service, (2) the vendor is unable to obtain a livelihood by manual labor due to a service-connected disability, (3) for the purposes of selling tangible personal property, the vendor is a sole proprietor with no employees, and (4) the vendor has no permanent place of business in this state. These provisions do not apply to caterers or vending machine operators. (SECTION 6018.3)
- **LEASE OF MOTION PICTURE AND TELEVISION FILMS AND TAPES**—Leases of motion pictures, animated motion pictures, and television films and tapes (except video cassettes, tapes, and discs leased for private use under which the lessee does not obtain the right to license or broadcast) do not constitute sales. The lessor is the consumer of such tangible personal property it leases. (SECTIONS 6006 and 6010)
- **LEASE, CERTAIN PROPERTY EXCLUDED**—"Lease" does not include use of property for less than one day for a charge of less than twenty dollars (\$20) when the privilege of use is restricted to the premise or other business location of the grantor of use. Examples of such property are pool tables, coin operated amusement devices, golf carts, etc. The grantor of such use is the consumer of the property. (SECTION 6006.3)
- **LEASES OF MOBILE TRANSPORTATION EQUIPMENT**—Certain property such as trucks, aircraft, and large vessels are classified as mobile transportation equipment (MTE). The lease of MTE is never a sale, and a person who purchases MTE for purposes of leasing is always the consumer of the MTE. However, a person who purchases MTE solely for purposes of leasing may elect to pay tax on the fair rental value of such MTE if the election is made timely. If the lessor makes such an election rather than paying tax on purchase price, tax is due on fair rental value whether the property is inside or outside California. (SECTIONS 6006, 6010, 6094 and 6244)
- **LEASES OF MOBILEHOMES**—A lease of a mobilehome is not a taxable lease if the mobilehome is subject to property taxation. (SECTIONS 6006 and 6010)

- **LEASES OF PROPERTY ACQUIRED IN AN OCCASIONAL SALE**—The lease of property acquired in an exempt occasional sale, other than mobile transportation equipment, is generally a taxable continuing sale. The lessor, however, may instead elect to report tax measured by its purchase price. For property acquired in the transfer of substantially all assets of a business with substantially similar ownership, the purchase price for this purpose is considered the same as the purchase price of the original purchaser. (SECTION 6094.1)
- **LEASES OF PROPERTY PURCHASED TAX-PAID**—When California tax or tax reimbursement is timely paid on the purchase price of tangible personal property and the property is leased in substantially the same form as acquired by the lessor, the lease receipts are not taxable. In addition, leases of property acquired in a transfer of substantially all assets of a business when ownership remains substantially the same, and leases of property if acquired by will or the laws of succession, are not taxable if the previous owner timely paid California tax or tax reimbursement on the original purchase price and the property is leased in substantially the same form as acquired by the previous owner. Persons that acquire property to be leased without payment of tax or tax reimbursement measured by the purchase price may elect to report tax on cost. If they do not make a timely election to report tax on cost, tax will be due on the rentals. (SECTIONS 6006 and 6010)
- **LOANS TO CUSTOMERS**—A person will not owe use tax on that person's full purchase price of property loaned to customers as an accommodation while the customers' property is being repaired or while the customers await delivery of property they have purchased provided the loaned property is held for resale and is returned to resale inventory after the loan. The person will instead owe tax on the fair rental value of the loaned property for the period of the loan. (SECTIONS 6094 and 6244)
- **LOCAL TAXES**—Taxes imposed on retail sales by local governments and transit districts are excluded from the sales price for state sales and use taxation purposes. (SECTIONS 6011 and 6012)
- **LODGING**—Motel, hotel, apartment, house, duplex, and other charges for short- or long-term use of real property are not subject to sales or use taxes since such charges do not constitute consideration for the sale or use of tangible personal property.
- **MAILING LISTS**—Charges for the transfer or use of mailing lists are exempt from the sales and use tax when the contract restricts the transferee or user to use of the mailing list one time only. Such lists may be in the form of gummed labels, index cards, magnetic tape or similar devices or means of communication. (SECTION 6379.8)
- **MANUFACTURING AND RESEARCH AND DEVELOPMENT EQUIPMENT**—On or after July 1, 2014 and before July 1, 2022, sales, purchases, and leases of manufacturing and research and development equipment are exempt from the 4.1875 percent state sales and use tax when sold to or purchased by qualifying manufacturers and certain research and developers for use primarily in manufacturing or research and development activities. (SECTION 6377.1)
- **MASS COMMUTING VEHICLES**—"Sale" and "Purchase" do not include any transfer of qualified mass commuting vehicles such as a bus, subway car, rail car, or similar equipment, pursuant to safe harbor lease arrangements. (SECTION 6010.11)
- **MASTER RECORDS AND TAPES**—The sale and lease of master records or tapes is exempt from tax except for the actual tangible personal property physically incorporated and sold. (SECTION 6362.5)
- **MEALS DELIVERED TO HOMEBOUND ELDERLY AND DISABLED**—The sale and use of meals that are delivered to homebound elderly or disabled persons by a nonprofit volunteer home delivery meal provider are exempt from tax. (SECTION 6363.7)
- **MEALS FURNISHED BY INSTITUTIONS**—Sales of meals and food products served to residents and patients of a health facility, a community care facility, a residential care facility for the elderly, any housing that is financed by state or federal programs and that primarily serves older persons, any house or institution supplying board and room for a flat rate to persons 62 years and older, an alcoholism recovery facility and a drug abuse recovery or treatment facility are exempt from tax. (SECTION 6363.6)
- **MEALS, ELDERLY CONDOMINIUM RESIDENTS**—The sale of meals and food products furnished on a regular basis and consumed by persons 62 years and older who reside in a condominium, are exempt when such persons own equal shares in a common kitchen facility. (SECTION 6376.5)

- **MEALS, LOW-INCOME ELDERLY**—The sale of meals and food products are exempt from tax when furnished to low-income elderly persons at or below cost by a nonprofit organization or government entity under a program funded by this State or the United States. (SECTION 6374)
- **MEDICAL IDENTIFICATION TAGS**—Sales of medical identification tags are exempt from tax when furnished by a qualifying organization. (SECTION 6371)
- **MEDICAL HEALTH INFORMATION**—The use of medical health information literature purchased by a qualifying charitable organization which is engaged in the dissemination of such information, is exempt from use tax when the literature is purchased from either the national office or a branch of the national office of the same organization. (SECTION 6408)
- **MEDICATED FEED AND DRINKING WATER**—The sale and use of drugs or medicines administered to animal life as an additive to feed or drinking water, the primary purpose of which is the prevention and control of disease of food animals, or of nonfood animals which are to be sold in the regular course of business are exempt from tax. (SECTION 6358.4)
- **MILITARY DESIGNATED ENTITIES, THRIFT STORES**—The sales and use of tangible personal property sold by a thrift store located on a military installation and operated by a specified designated entity are exempt from sales and use tax until January 1, 2024, provided the designated entity, in partnership with the United States Department of Defense, provides financial, educational, and other assistance to members of the armed forces of the United States, eligible family members, and survivors when in need. (SECTION 6363.4)
- **MONETIZED AND NONMONETIZED BULLION AND NUMISMATIC COINS**—Sales in bulk (market value of \$1,000 or more, subject to adjustment based on inflation) of monetized and nonmonetized bullion, nonmonetized gold or silver bullion, and numismatic coins are exempt from tax when those sales are substantially equivalent to transactions in securities or commodities. (SECTION 6355)
- **MOTION PICTURE PRODUCTION PARTNERSHIPS**—When certain persons form partnerships to reduce the cost of producing motion pictures through sharing of equipment and other assets, the furnishing of such property, without the transfer of title, by the partnership to its members for the purpose of producing motion pictures does not constitute a “sale.” The partnership is the consumer of any such property. (SECTION 6010.4)
- **MOTION PICTURES, QUALIFIED, AND QUALIFIED PRODUCTION SERVICES**—For sales and use tax purposes, “sale” and “purchase” do not include the following: (1) any transfer of any qualified motion picture or any interest or rights therein when the transfer is prior to the date that the qualified motion picture is exhibited or broadcast to its general audience, and (2) the performance of qualified production services, as defined, in connection with the production of any qualified motion picture, as defined. (SECTION 6010.6)
- **MOTOR VEHICLE FUEL**—Tax does not apply to the sale or use of motor vehicle fuel (except aircraft jet fuel) used in propelling aircraft if such fuel is subject to the Motor Vehicle Fuel Tax. The fuel tax is included in the price of motor vehicle fuel when purchased but is not due when the fuel is used in aircraft. Sales tax is not paid on the sale of such fuel but the purchaser may obtain refund of fuel tax less sales tax liability which becomes due if the motor vehicle fuel tax is refunded. (SECTION 6357)
- **MOTOR VEHICLE, MOBILEHOME, OR COMMERCIAL COACH FEES AND TAXES**—Taxes or fees imposed by the State of California added to or measured by the sales price of a motor vehicle, mobilehome, or commercial coach, such as, DMV license fees are not subject to sales or use tax. (SECTIONS 6011 and 6012)
- **MUSEUMS**—Sales to and purchases by the state or a local government entity as part of a public art collection, a nonprofit museum regularly open to the public and operated by a local or state government entity, or operated by certain nonprofit organizations, are exempt from tax when the property is purchased to replace destroyed property used exclusively for display purposes. In addition, only property that has value as a museum piece and is purchased within three years from the date the original property was destroyed qualifies for exemption. (SECTION 6366.3)
- **NEW MOBILEHOMES**—Partial exemption for sales of new mobilehomes installed for occupancy as a residence when the mobilehome is thereafter subject to real property taxation. The tax on sales of such mobilehomes is based on seventy-five percent (75%) of the cost of the mobilehome to the retailer who, for sales and use tax purposes, is generally considered to be the consumer. The subsequent sale of a mobilehome that qualified for this special treatment is exempt. (SECTIONS 6012.8 and 6012.9)

- **NEW TRAILERS, INTERSTATE OR OUT-OF-STATE USE**—The sale of a new trailer or semitrailer with an unladen weight of 6,000 pounds or more which is purchased for use outside California, or for use exclusively in interstate or foreign commerce, or both, but delivered to the purchaser inside this state is exempt from tax if: the vehicle is manufactured outside this state and the purchaser removes the vehicle from California within 30 days of delivery; or the vehicle is manufactured in California and the purchaser removes the vehicle from California within 75 days of delivery. (SECTION 6388.5)
- **NEW VEHICLES, FOREIGN RESIDENT**—The sale of a new motor vehicle manufactured in the United States and sold to a resident of a foreign country who arranged for the purchase through an authorized vehicle dealer in the foreign country prior to arriving in the United States is exempt from tax, provided 1) the purchaser is issued an in-transit permit pursuant to the Vehicle Code, and 2) prior to the expiration of the permit, the retailer ships or drives the vehicle to a point outside the United States by the retailer's facilities or by delivery to a carrier, customs broker or forwarding agent for shipment to that point. (SECTION 6366.2)
- **NEW VEHICLES, OUT-OF-STATE DEALER**—A new truck or trailer with an unladen weight of 6,000 pounds or more, or a new trailer coach or auxiliary dolly, purchased from an out-of-state dealer for use outside California is exempt from sales tax if the property is delivered to the purchaser in California by the manufacturer, and the purchaser removes such vehicle out of state within 30 days. (SECTION 6388)
- **NEWSPAPERS AND PERIODICALS**—The sale of newspapers and periodicals distributed without charge and regularly issued at average intervals not exceeding three months, including component parts and ingredients thereof, are exempt from tax. The sale of newspapers or periodicals issued at average intervals not exceeding three months which are published or purchased by specified nonprofit organizations are exempt from tax when those newspapers and periodicals: are distributed to the members of an IRC §501(c)(3) organization in consideration of payment of the organization's membership fee or to the organization's contributors; are published by an IRC §501(c)(3) organization that does not receive revenue from or accept any commercial advertising; or are distributed by any nonprofit organization which distributes the publications to any member of the nonprofit organization in consideration, in whole or in part, of payment of the organization's membership fee where the cost of printing the newspaper or periodical to the nonprofit organization is less than 10 percent of the membership fee attributable to the period for which the newspaper or periodical is distributed. (SECTION 6362.8)
- **NONPROFIT ORGANIZATION, NEW CHILDREN'S CLOTHING**—The sale and use of new children's clothing are exempt if sold to a qualifying nonprofit organization for distribution without charge to elementary schoolchildren. (SECTION 6375.5)
- **NONPROFIT ORGANIZATIONS, AUCTION SALES**—The sale and use of tangible personal property that is sold to a successful bidder at an auction that is conducted no more than once in any 12-month period by a qualifying nonprofit organization are exempt from sales and use tax if the purpose of that auction is to obtain revenue for funding of a shelter for homeless individuals and families and those revenues obtained are actually used for that purpose. (SECTION 6363.2)
- **NONPROFIT ORGANIZATIONS, HANDCRAFTED PROPERTY**—A qualified nonprofit organization whose primary purpose is to provide services to individuals with developmental disabilities, and that does not discriminate on the basis of race, sex, nationality or religion, is a consumer of tangible personal property which it sells, provided that the property is of a handcrafted nature and is designed, created, or made by individuals with developmental disabilities who are members of, or receive services from, the organization. In order to qualify as a consumer, the price of each item sold must not exceed \$20, and the profits from the sales must be used exclusively in furtherance of the purposes of the organization. In addition, the organization's sales must be made on an irregular or intermittent basis. (SECTION 6361.1)
- **NONPROFIT ORGANIZATIONS, PROMOTIONAL ITEMS**—Until January 1, 2015, a qualifying nonprofit organization is a consumer of certain promotional items sold to its members when the cost to the member of the organization for the acquisition of the promotional item is not more than the cost to the nonprofit organization to obtain and transfer to the member the promotional item, including any applicable sales or use tax paid by the nonprofit organization. (SECTION 6018.9)
- **NONPROFIT ORGANIZATIONS, THRIFT STORES**—The sales and use of used clothing, household items, or other retail items sold by thrift stores operated by a qualifying nonprofit organization are exempt from tax until January 1, 2019, if the purpose of that thrift store is to obtain revenue for the funding of medical and social services to chronically ill individuals with HIV or AIDS and at least 75 percent of the net income derived from operations of the thrift store are expended for that purpose. (SECTION 6363.3)

- **NONPROFIT VETERANS' ORGANIZATIONS**—Such organizations are consumers of flags of the United States of America which they sell if profits are used solely for furtherance of the purposes of the organization. (SECTION [6363.8](#))
- **NONPROFIT VETERANS' ORGANIZATIONS, MEALS AND FOOD PRODUCTS**—The sales and use of meals and food products furnished or served by any nonprofit veterans' organization at a social or other gathering conducted by it or under its auspices are exempt from tax if the proceeds are used to carry on the functions and activities of the organization. (SECTION [6363.8](#))
- **OCCASIONAL SALE OF BUSINESS**—A person's sale of all or substantially all its tangible personal property is exempt from tax provided that after the sale, the real or ultimate ownership of the property is substantially similar to that which existed before the sale. "Substantially all the property" means 80 percent or more of all the tangible personal property, whether inside or outside this state, which is held or used in the course of any activities of that person which require the holding of a seller's permit, or which would require the holding of a seller's permit if the activities were conducted in this state. The real or ultimate ownership is "substantially similar" to that which existed before the sale if 80 percent or more of that ownership of the tangible personal property is unchanged after the transfer. For purposes of this exemption only, stockholders, bondholders, partners, or other persons holding an ownership interest rather than a security interest in the corporation or other entity are regarded as having the real or ultimate ownership of the property of the corporation or other entity. (SECTIONS [6006.5](#) and [6367](#))
- **OCCASIONAL SALES**—A sale by (and purchase from) a person who is not engaged in a business requiring a seller's permit is exempt from sales and use taxes. These types of sales are "occasional" sales (some states have similar exemptions for "casual" sales). Generally, a person who makes three or more sales for substantial amounts in any period of 12 months is required to hold a seller's permit. A person who makes a substantial number of sales for relatively small amounts is also required to hold a seller's permit. (The 12 month test period can be the 12 months before the sale in question, the 12 months after the sale in question, or any other 12 month period in which the sale occurs.) A person holding two garage sales with no other sales in any 12 month period in which the garage sales are held are regarded as making exempt occasional sales. A business that is not required to hold a seller's permit would be making an occasional sale when making a single sale of its assets upon termination of its business. Such persons should be aware that making two or three sales in anticipation of final liquidation will generally result in all the sales being subject to sales tax. (SECTIONS [6006.5](#) and [6367](#))
- **OUT-OF-STATE PURCHASES BY MILITARY MEMBERS AND OTHERS**—Until January 1, 2019, purchases of tangible personal property by U.S. Armed Forces members, U.S. Armed Forces and National Guard active duty reserves, their spouses, and registered domestic partners are exempt from use tax when those purchases were made outside California prior to the report date on official transfer orders to this state. This exemption does not apply, however, to purchases of vehicles, vessels or aircraft. (SECTION [6412](#))
- **OXYGEN DELIVERY SYSTEMS**—Sales of medical oxygen delivery systems are exempt from tax when sold or leased to an individual as directed by a physician. (SECTION [6369.5](#))
- **PARENT-TEACHER ASSOCIATIONS**—Nonprofit parent-teacher associations chartered by the California Congress of Parent, Teachers, and Students, Incorporated (PTA) or equivalent organizations authorized to operate within the school by the governing authority of the school, are consumers of property which they sell if the profits are used exclusively to further the organization's purposes. (SECTION [6370](#))
- **PARENT COOPERATIVE NURSERY SCHOOLS**—Nonprofit parent cooperative nursery schools are consumers of property which they sell if the profits are used exclusively to further the organization's purposes. (SECTION [6370](#))
- **PASSENGER TRANSPORTATION VEHICLES**—The Department of Transportation is a consumer of, rather than a retailer of passenger transportation vehicles, including but not limited to, rail passenger cars, locomotives, other rail vehicles, bus and van fleets, and ferryboats, which it sells and leases back pursuant to a certain type of safe harbor lease. (SECTIONS [6018.8](#) and [6368.7](#))
- **PERIODICALS**—Sales of periodicals that appear at stated intervals of at least 4 times per year but not more than 60 times per year, and their ingredient and component parts, are exempt from the sales and use tax when the periodical is sold by subscription and delivered by mail or common carrier. (SECTION [6362.7](#))

- **PET ADOPTIONS AND RELATED SERVICES**—For sales and use tax purposes, “sale” and “purchase” do not include transfers by a city, city and county, county, or other local government animal shelter or nonprofit animal welfare organization of any animal to an individual for use as a pet, or any charges made by the government shelter or nonprofit organization for services in connection with the transfer of that animal, including, the spaying or neutering or future spaying or neutering of the animal, or any vaccination, future vaccination, or similar service. This exclusion applies only to transfers of pets by organizations that are formed and operated for the primary purpose of prevention of abuse, neglect, or exploitation of animals, and that qualifies for an exemption from income tax pursuant to Section 23701(d) of the Revenue and Taxation Code. (SECTION [6010.40](#))
- **POLLUTION CONTROL FACILITY**—The transfer of title to property constituting any project or pollution control facility by the California Pollution Control Financing Authority is not a “sale” or “purchase” for purposes of sales and use tax when the transfer or lease is made pursuant to certain provisions of the Health and Safety Code. (SECTION [6010.10](#))
- **POULTRY LITTER**—The sale and use of wood shavings, sawdust, rice hulls, or other products used as litter in poultry and egg production and ultimately resold or incorporated into fertilizer products are exempt from the sales and use tax. (SECTION [6358.2](#))
- **PRESCRIPTION MEDICINES**—Sales of medicines are exempt from sales and use taxes if (1) prescribed for treatment of human beings and dispensed by a registered pharmacist; (2) furnished by or sold to licensed physician and surgeon, podiatrist, or dentist for patient treatment; (3) furnished by a health facility pursuant to the order of a licensed physician; (4) sold to this state or any political subdivision or municipal corporation for use in treating human beings; (5) dispensed by prescription for the treatment of human beings and furnished without charge by a pharmaceutical manufacturer or distributor to a doctor, a health facility for the treatment of human beings, or to an institution of higher education for instruction or research; (6) furnished by a medical facility or clinic operated by this state or any political subdivision or municipal corporation; or (7) sold to outpatient clinics, as defined under Health and Safety Code 1200, for the treatment of any person pursuant to the order of a licensed physician and surgeon, dentist, and podiatrist. In addition to substances commonly recognized as medicines, the following items are specifically included in the definition of “medicine” for sales and use tax purposes:

Sutures

Bone screws and pins, pacemakers and other articles (excluding dentures) permanently implanted or which dissolve in the body.

Orthotic devices, including custom-made biomechanical foot orthoses.

Prosthetic devices other than auditory, opthalmic and ocular devices, and other than dental prostheses.

Artificial limbs and eyes.

Programmable drug infusion devices worn on or implanted in the body.

Insulin syringes.

Mammary prostheses.

Appliances and related supplies necessary as a result of surgery by which an artificial opening was made to eliminate natural waste.

Hemodialysis products.

Any product fully implanted or injected in the human body, or any drug or any biologic, when such are approved by the U.S. Food and Drug Administration to diagnose, cure, mitigate, treat or prevent any disease, illness or medical condition.

Dispensed on prescription includes furnishing insulin and insulin syringes and furnishing appliances and supplies necessary to eliminate natural waste, if such items are furnished pursuant to a physician's written order. Dispensed on prescription also includes furnishing certain orthotic and prosthetic devices and replacement parts pursuant to a written order of a physician or podiatrist. (SECTIONS [6369](#) and [6369.1](#))

- **PRINTED SALES MESSAGES**—The sale and use of printed material consisting substantially of sales messages for goods and services are exempt from sales and use tax if the material is (1) printed to the special order of the purchaser, (2) mailed or delivered by the seller, the seller's agent, or a mailing house, acting as the agent for the purchaser, through the United States Postal Service or by common carrier; and (3) delivered to any other person at no cost to that person who becomes the owner of the printed material. (SECTION 6379.5)
- **PRINTING MATERIALS**—The fabrication or transfer by a typographer of composed type or reproduction proofs for use in preparing printed matter is excluded from the definition of a "sale" and "purchase." Also, the fabrication or transfer of such reproduction proofs or impressed mats is not subject to tax when the fabrication is for, or the transfer is to, a printer or publisher for use in printing. (SECTION 6010.3)
- **PROFESSIONAL HEALTH SERVICES**—A licensed chiropractor, optometrist, physician, surgeon, podiatrist, licensed hearing aid dispenser, or registered dispensing optician is generally the consumer and not the retailer of property furnished in the performance of professional services. Also, producers of x-ray films or photographs are the consumers of property used to produce the films or photographs for use in diagnosing the medical or dental conditions of a human being. In addition, licensed pharmacists dispensing certain replacement contact lenses are regarded as consumers, rather than retailers, with respect to those lenses. (SECTIONS 6018, 6018.4, 6018.5, 6018.7, and 6020)
- **PROPERTY LOANED TO EDUCATIONAL INSTITUTIONS**—A retailer's loan of property to any school district for an educational program is exempt from use tax. In addition, a retailer's loan of a vehicle to a California State College or the University of California, or to an accredited private or parochial secondary school for use in qualified driver education program, is exempt from use tax. A retailer's loan of a vehicle to a veteran's hospital or such other nonprofit facility or institution to provide instruction in specially equipped vehicles to disabled veterans is also exempt from use tax. (SECTION 6404)
- **PUBLIC PASSENGER TRANSPORTATION VEHICLES**—The sale and purchase of public passenger transportation vehicles when purchased by a transit authority, special district, or governmental entity at the end of a lease or sublease pursuant to any exercise of a purchase option under the lease or sublease are exempt from sales and use tax under specified conditions. (SECTION 6368.9)
- **PURCHASES IN FOREIGN COUNTRIES**—The first eight hundred dollars (\$800) purchase price of tangible personal property purchased in a foreign country by an individual and personally hand carried into this state from the foreign country within any 30-day period is exempt from use tax. (SECTION 6405)
- **PURCHASES FROM UNITED STATES**—The use of property purchased by a consumer from the United States, or any agency or instrumentality thereof, is exempt from use tax except when property has been declared "surplus property" pursuant to the Surplus Property Act of 1944. (SECTION 6402)
- **RACEHORSE BREEDING STOCK**—Sales and purchases of racehorse breeding stock are exempt from the 5.5 percent state sales and use tax. "Racehorse breeding stock" means a horse that is capable of reproduction and for which the purchaser states that it is the purchaser's sole intent to use the horse for breeding purposes. (SECTION 6358.5)
- **RAIL FREIGHT CARS**—The sale or lease of rail freight cars used in interstate or foreign commerce is exempt from tax. (SECTION 6368.5)
- **REAL PROPERTY**—Sales and purchases of land, along with the structures thereon, and their component parts, and other items permanently attached to the land sold are generally not subject to tax because such items do not fall within the definition of tangible personal property under the Sales and Use Tax Law.
- **RELIGIOUS ORGANIZATIONS**—The sale and use of meals and food products furnished or served by a religious organization at a social or other gathering conducted by it or under its auspices are exempt from tax if the proceeds are used to carry on the functions and activities of the organization. (SECTION 6363.5)

- **RENTAL RECEIPTS SUBJECT TO USE TAX OR FROM PROPERTY OUTSIDE STATE**—Rentals payable under a lease of tangible personal property are exempt from sales tax when the rental receipts are required to be included in the measure of use tax or where the rental property is located outside this state. The exemption does not apply to leases of mobile transportation equipment, with respect to which a lessor who has elected to pay tax on the fair rental value must report and pay tax on that basis whether the mobile transportation equipment is inside or outside this state. (SECTION 6390)
- **RENTALS OF HOUSEHOLD FURNISHINGS**—The rental of household furnishings is not subject to tax when rented with living quarters. Tax must be paid on the cost of such items unless purchased in an exempt occasional sale. (SECTIONS 6006 and 6010)
- **RENTALS OF LINEN SUPPLIES**—A person leasing linen supplies and similar articles who furnishes the recurring service of laundering or cleaning such linen supplies and similar articles is the consumer of tangible personal property provided, and tax applies to the purchase of such items. (SECTIONS 6006 and 6010)
- **RETURNED MERCHANDISE**—Amounts allowed by a retailer for returned merchandise are not subject to tax provided the full sales price and any amount designated as “sales tax” is returned to the customer, and the customer is not required to purchase a more expensive item in order to receive credit. The retailer may deduct actual expenses for rehandling and restocking without affecting this deduction. (SECTIONS 6011 and 6012)
- **SALE AND LEASEBACK ARRANGEMENTS**—For sales and use tax purposes, “sale” and “purchase” do not include any transfer of title to, nor any lease of, tangible personal property pursuant to an acquisition sale and leaseback. An acquisition sale and leaseback is a sale by a person and leaseback to that person of tangible personal property where (1) that person has paid California sales tax reimbursement or use tax with respect to that person’s purchase of the property, and (2) the acquisition sale and leaseback is consummated within 90 days of that person’s first functional use of the property. (SECTION 6010.65)
- **SALES FOR RESALE**—The sale of property purchased for subsequent sale in the regular course of business, and property purchased that will become a component part of such property, is not subject to tax provided the purchaser makes no use of it prior to its resale. (SECTIONS 6007 and 6008)
- **SAN DIEGO AEROSPACE MUSEUM**—The sale and use of museum display items and sprung instant structures used as temporary exhibit housing sold to or purchased by the San Diego Aerospace Museum are exempt from sales and use tax. (SECTION 6366.4)
- **SCHOOL YEARBOOKS AND CATALOGS**—Public or private schools, school districts, county offices of education, or student organizations are consumers of yearbooks and catalogs prepared by or for them and distributed to students. (SECTION 6361.5)
- **SECURITIES**—The sale of stocks, bonds, and other securities including memberships in limited liability companies are not subject to sales or use taxes because they are not considered to be sales of tangible personal property.
- **SERVICES**—The sale of services where no tangible personal property is transferred, or where the transfer of property is incidental, are not subject to sales and use taxes. Persons providing services are consumers of property used in their business activities. However, persons who engage in service operations are retailers of any supplies or other tangible personal property sold to their customers or clients, and tax applies to gross receipts from such sales. Certain services, however, are defined as sales of tangible personal property. For example, the fabrication of tangible personal property for a consumer is defined as a “sale” even when the consumer provides all the tangible personal property used to fabricate the end product.
- **SPACE FLIGHT PROPERTY**—The sale or use of specified qualified property for use in space flight, including an orbital space facility, space propulsion system, space vehicle, satellite, or space station of any kind, or any property which is placed or used aboard any such systems, including fuel, adapted and used exclusively for space flight, is exempt from sales and use tax. (SECTION 6380)
- **STATE GOVERNMENTS**—State government entities, other than California state and local government entities, are not “persons” for sales and use tax purposes. Sales by and purchases from such governmental entities are not subject to tax. The use of property in California by other states is not taxable. However, sales in California to other states are subject to sales tax. (SECTION 6005)

- **STORAGE AND USE EXCLUSION**—The keeping or retention of property for sale in the regular course of business is not a use. In addition, the keeping or retention of property for purpose of subsequent transportation outside California for use solely outside the state is not a “use.” Therefore, no tax applies with respect to property properly purchased outside California and brought into the state solely for subsequent transportation to an out-of-state point for use thereafter by the purchaser solely outside California. (SECTIONS [6008](#), [6009](#), and [6009.1](#))
- **STUDENT MEALS**—The sale and use of meals and food products are exempt from tax when sold or furnished to students by a public or private school, school district, student organization, parent-teacher association, and any blind vendor operating a restaurant or vending stand in an educational institution unless sold for consumption within a place subject to an admission charge except for national and state parks and monuments. (SECTION [6363](#))
- **TAX-PAID PURCHASES RESOLD**—A deduction is allowed a retailer who pays California tax or tax reimbursement on the purchase of property that is resold in California prior to any use. (SECTION [6012](#))
- **TELEPHONE LINES AND POLES**—Telephone and telegraph lines, electrical transmission and distribution lines, and the poles, towers, or conduit by which they are supported or in which they are contained are excluded by statute from the definition of tangible personal property when sold in place. (SECTION [6016.5](#))
- **TELEPRODUCTION AND POST PRODUCTION EQUIPMENT**—The sale of teleproduction and post production equipment to businesses primarily engaged in teleproduction and post production activities (as described in Code 512191 of the North American Industry Classification System Manual) is exempt from the 5.5 percent state sales and use tax when that property is used 50 percent or more in those activities, subject to specified conditions. (SECTION [6378](#))
- **TIMBER HARVESTING EQUIPMENT**—Sales and purchases of equipment, machinery and their parts designed primarily for off-road use in commercial timber harvesting are from the 5.5 percent state sales and use tax when sold to or purchased by a qualified person engaged in commercial timber harvesting operations. (SECTION [6356.6](#))
- **TRAILERS OR SEMITRAILERS, NEW OR USED**—When a new or used trailer or semitrailer is moved or operated laden in accordance with a one-trip permit issued pursuant to Section 4003.5, the use is exempt from use tax. (SECTION [6410](#))
- **TRANSPORTATION CHARGES**—Separately stated charges for transportation from the retailer to its customer are not subject to tax if transported by common carrier and the amount charged is the cost of the transportation. In addition, reasonable charges for transportation by the retailer’s facilities, or for property sold for a delivered price are not taxable if separately stated and if title to the property passes to the purchaser prior to such transportation. Note, however, that title passes to the customer prior to transportation by the retailer’s own facilities only if the seller and purchaser explicitly contract for such early passage of title. (SECTIONS [6011](#) and [6012](#))
- **TRANSPORTATION OF LANDFILL**—The amount charged for transporting landfill from an excavation site to a site specified by a purchaser is not subject to sales and use tax if (1) the charge is separately stated and is reasonable or (2) the entire amount charged relates to transportation. (SECTIONS [6011](#) and [6012](#))
- **TRAVEL ACCOMMODATIONS**—Charges for tickets to travel on aircraft, trains, ships, and other modes of transportation are not subject to sales or use tax.
- **UNITED STATES**—Sales and leases to the United States or its incorporated agencies and instrumentalities, any incorporated agency or instrumentality wholly owned by the United States or by a corporation wholly owned by the United States, and sales to the American National Red Cross are exempt from sales tax. (SECTION [6381](#))
- **USE OF PROPERTY HELD FOR SALE**—If a person uses property frequently for demonstration and display while holding it for sale in the regular course of business and uses it partly for other purposes, the person owes tax on the fair rental value of the property for the period of such other use. (SECTIONS [6094](#) and [6244](#))

- **USED FLOATING HOMES**—Tax does not apply to sales of used floating homes subject to local property taxation whether sold in a private party transaction or by a retailer. (SECTION 6379)
- **USED MOBILEHOMES**—Tax does not apply to the sale of a used mobilehome if, at the time of sale, the mobilehome is subject to local property tax. For mobilehomes that are not subject to property tax at the time of sale, such mobilehomes are subject to vehicle license fees. When a used mobilehome that is subject to vehicle license fees is sold between private parties, or in a brokerage transaction, tax applies to the retail value of the used mobilehome as determined in accordance with an approved value guide, or the actual sales price, whichever is less. (SECTIONS 6012.2, 6276.1 and 6379)
- **VEHICLE MODIFICATIONS FOR HANDICAPPED**—The sale of property used to modify vehicles for physically handicapped persons is exempt from tax. When a previously modified vehicle is resold, the sale of the portion of the vehicle which has been modified is exempt if the vehicle is sold to a disabled person who is eligible to be issued a distinguishing license plate or placard. (SECTION 6369.4)
- **VEHICLES LOANED TO UNIVERSITY EMPLOYEES**—A retailer will not owe use tax on his or her full purchase price of vehicles loaned to any employee of the University of California or the California State University provided the vehicle is for the employee's exclusive use, the loan has been approved by the chancellor or president of the university, and it is demonstrated that the loan is not dependent on the retailer receiving any automotive-related business from the university. The retailer will instead owe tax on the fair rental value of the loaned vehicle for the period of the loan. (SECTION 6202.7)
- **VEHICLES, VESSELS, AND AIRCRAFT PURCHASED OUTSIDE CALIFORNIA**—A presumption is made that if a vehicle, vessel, or aircraft is purchased outside of California, first functionally used outside of California, and brought into California more than 12 months after purchase, the vehicle, vessel, or aircraft was not purchased for use in California and use tax does not apply. (SECTION 6248)
- **VEHICLES SOLD TO FAMILY**—The sale and use of vehicles, vessels, and aircraft is exempt from tax when sold by the parent, grandparent, child, grandchild, spouse, or registered domestic partner, or the brother or sister if the sale is between two minors, provided that the seller is not engaged in business of selling that type of property. (SECTION 6285)
- **VEHICLES SOLD TO FOREIGN RESIDENT**—A new motor vehicle manufactured in the United States and sold to a resident of a foreign country who arranged for the purchase through an authorized vehicle dealer in the foreign country prior to arriving in the United States is exempt from tax, provided (1) the purchaser is issued an in-transit permit pursuant to the Vehicle Code, and (2) prior to the expiration of the permit, the retailer ships or drives the vehicle to a point outside the United States by the retailer's facilities or by delivery to a carrier, customs broker or forwarding agent for shipment to that point. (SECTION 6366.2)
- **VEHICLES SOLD TO LESSEE**—Normally the sale of a vehicle by a lessor to a lessee is subject to tax. However, it is rebuttably presumed that if the lessee transfers the vehicle to a third party within ten days from the date the lessee acquired title from the lessor at the lease termination, the sale by the lessor is a nontaxable sale for resale, and no tax would be due for the interim ten day period. (SECTION 6277)
- **VEHICLES, SUBSTANTIALLY SAME OWNERSHIP**—The only occasional sale exemption for sales of vehicles, vessels, and aircraft is for sales of such property as part of the sale of all or substantially all the assets of a business (whether those assets are inside or outside this state) when the ownership of the property remains substantially similar to that which existed before the sale. (SECTION 6281)
- **VENDING MACHINE SALES**—Nonprofit, charitable or educational organizations are consumers of tangible personal property sold through vending machines for 15 cents or less. Library districts, municipal libraries, or county libraries and any vendor making sales pursuant to a contract with these libraries are consumers of photocopies which are sold at retail through coin-operated or card-operated copy machines located at a library facility. (SECTION 6359.45)
- **VENDING MACHINE SALES OF FOOD**—The vending machine operator is the consumer of (1) food products which sell at retail for 15 cents or less and (2) food products which are sold through a bulk vending machine, as defined in the Revenue and Taxation Code, for 25 cents or less. Sales of cold food products, hot coffee, hot tea and hot chocolate through other vending machines at a price greater than 15 cents are also partially exempt from tax, in the following percentages: 23% in 1988, 45% in 1989 and 67% thereafter. (SECTIONS 6359.2 and 6359.4)

- **VESSELS**—Sales of vessels of more than 1,000 tons burden are exempt from tax if sold by the builder. (SECTION [6356](#))
- **VETERINARIANS**—Licensed veterinarians are consumers of, rather than retailers of, drugs and medicines which they use or furnish in the performance of their professional duties. (SECTION [6018.1](#))
- **WATER COMMON CARRIERS**—The sale of fuel and petroleum products is exempt from sales tax when sold to a water common carrier for immediate shipment outside this state for consumption in the conduct of its business as a common carrier after its first out-of-state destination. To qualify for this exemption, the common carrier must furnish the seller with a properly executed exemption certificate. This provision will expire January 1, 2024, unless extended by legislation. (SECTION [6385](#))
- **WATERCRAFT**—The sale, use, or lease of watercraft and component parts thereof sold or leased for use in interstate or foreign commerce, or for use in commercial deep sea fishing outside California's territorial waters, is exempt from tax. Only the operational use, excluding storage or repair, during the first 12 months is considered to determine if the exemption applies. Usage of the watercraft after the first 12 months does not affect the exemption. Tax does not apply to the sale or use of watercraft functionally used 80 percent or more of the time in the transporting for hire of property or persons to vessels or offshore drilling platforms located outside the territorial waters of this state. (SECTIONS [6368](#) and [6368.1](#))
- **WHEELCHAIRS, CRUTCHES, CANES, WHITE CANES AND WALKERS**—Sales to and purchases by persons of wheelchairs, crutches, canes, quad canes, white canes for the legally blind, and walkers under the direction of a physician, are exempt from tax. (SECTION [6369.2](#))
- **WORTHLESS ACCOUNTS**—A retailer is relieved from sales tax liability for accounts found worthless and which are charged off for income tax purposes. If any such accounts are thereafter collected in whole or in part, the retailer must pay tax on the amount so collected. Special rules also apply to assignees of accounts receivable. (SECTIONS [6055](#) and [6203.5](#))
- **YOUTH ORGANIZATIONS**—The following organizations are consumers, rather than retailers, of food products, nonalcoholic beverages, and tangible personal property made or produced by members of the organization when those sales are made on an irregular or intermittent basis and the organization's profits from those sales are used exclusively in furtherance of organization: (1) any nonprofit organization which qualifies for tax exempt status under Section 501(c) of the Internal Revenue Code whose primary purpose is to provide a supervised program of competitive sports for youth or to promote good citizenship in youth and which does not discriminate on the basis of race, sex, nationality, or religion; (2) any youth group sponsored by or affiliated with a qualified educational institution, including, but not limited to, any student activity club, athletic group, or musical group; and (3) Little League, Bobby Sox, Boy Scouts, Cub Scouts, Girl Scouts, Campfire, Inc., Young Men's Christian Association, Young Women's Christian Association, Future Farmers of America, Future Homemakers of America, 4-H Clubs, Distributive Education Clubs of America, Future Business Leaders of America, Vocational Industrial Clubs of America, Collegiate Young Farmers, Boys' Clubs, and Girls' Clubs, Special Olympics, Inc., American Youth Soccer Organization, California Youth Soccer Association, North, California Youth Soccer Association, South, and Pop Warner Football. (SECTION [6361](#))

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FOR MORE INFORMATION

For additional information or assistance with how the Sales and Use Tax Law applies to your business operations, please take advantage of the resources listed below.

CUSTOMER SERVICE CENTER

1-800-400-7115

TTY:711

Customer service representatives are available weekdays from 8:00 a.m. to 5:00 p.m. (Pacific time), except state holidays. In addition to English, assistance is available in other languages.

FIELD OFFICES

City	Area Code	Number
Bakersfield	1-661	395-2880
Culver City	1-310	342-1000
El Centro	1-760	352-3431
Fairfield	1-707	427-4800
Fresno	1-559	440-5330
Glendale	1-818	543-4900
Irvine	1-949	440-3473
Norwalk	1-562	466-1694
Oakland	1-510	622-4100
Rancho Mirage	1-760	770-4828
Redding	1-530	224-4729
Riverside	1-951	680-6400
Sacramento	1-916	227-6700
Salinas	1-831	443-3003
San Diego	1-858	385-4700
San Francisco	1-415	356-6600
San Jose	1-408	277-1231
Santa Clarita	1-661	222-6000
Santa Rosa	1-707	576-2100
Ventura	1-805	677-2700
West Covina	1-626	480-7200

Out-of-State Field Offices

Chicago, IL	1-312	201-5300
Houston, TX	1-281	531-3450
New York, NY	1-212	697-4680
Sacramento, CA	1-916	227-6600

INTERNET

www.boe.ca.gov

You can log onto our website for additional information—such as laws, regulations, forms, publications, and policy manuals—that will help you understand how the law applies to your business.

You can also verify seller's permit numbers on the BOE website (look for "[Verify a Permit/License](#)") or call our toll-free automated verification service at 1-888-225-5263.

Multilingual versions of publications are available on our [website](#) at www.boe.ca.gov.

Another good resource—especially for starting businesses—is the California Tax Service Center at www.taxes.ca.gov.

FAXBACK SERVICE

Our faxback service, which allows you to order selected publications, forms, and regulations, is available 24 hours a day. Call 1-800-400-7115 and choose the fax option. We'll fax your selection to you within 24 hours.

TAX INFORMATION BULLETIN

The quarterly Tax Information Bulletin (TIB) includes articles on the application of law to specific types of transactions, announcements about new and revised publications, and other articles of interest. You can find current and archived TIBs on our website at www.boe.ca.gov/news/tibcont.htm. Sign up for our BOE updates email list and receive notification when the latest issue of the TIB has been posted to our website.

FREE CLASSES AND SEMINARS

Most of our statewide field offices offer free basic sales and use tax classes with some classes offered in other languages. Check the Sales and Use Tax Section on our website at www.boe.ca.gov for a [listing of classes and locations](#). You can also call your local field office for class information. We also offer [online seminars](#) including the Basic Sales and Use Tax tutorial and how to file your tax return that you can access on our website at any time. Some online seminars are also offered in other languages.

WRITTEN TAX ADVICE

For your protection, it is best to get tax advice in writing. You may be relieved of tax, penalty, or interest charges that are due on a transaction if we determine that we gave you incorrect written advice regarding the transaction and that you reasonably relied on that advice in failing to pay the proper amount of tax. For this relief to apply, a request for advice must be in writing, identify the taxpayer to whom the advice applies, and fully describe the facts and circumstances of the transaction.

Please visit our website at: www.boe.ca.gov/info/email.html to email your request. You may also send your request in a letter to: Audit and Information Section, MIC:44, State Board of Equalization, P.O. Box 942879, Sacramento, CA 94279-0044.

TAXPAYERS' RIGHTS ADVOCATE

If you would like to know more about your rights as a taxpayer or if you have not been able to resolve a problem through normal channels (for example, by speaking to a supervisor), please see *Understanding Your Rights as a California Taxpayer*, [publication 70](#), or contact the [Taxpayers' Rights Advocate Office](#) for help at 1-916-324-2798 (or toll-free, 1-888-324-2798). Their fax number is 1-916-323-3319.

If you prefer, you can write to: Taxpayers' Rights Advocate, MIC:70; State Board of Equalization; P.O. Box 942879; Sacramento, CA 94279-0070.

California State Board of Equalization
450 N Street • Sacramento, California
(Mailing Address: P.O. Box 942879 • Sacramento, CA 94279-0001)



**Report to the City Council
Council Meeting May 24, 2015**

Agenda Section: New Business

Subject: Presentation of the Fiscal Year 2015 Comprehensive Annual Financial Report (CAFR) and Independent Auditor's Report on Internal Control Over Financial Reporting

CEQA Status: Not a CEQA Project

Prepared By: April Mitts, Finance Director

Mandy Kellogg, Senior Management Analyst

Approved By: Jennifer Phillips, City Manager

BACKGROUND

The City of St. Helena has undergone the fiscal year audit and issued its Comprehensive Annual Financial Report (CAFR) for fiscal year ended June 30, 2015. The City publishes an annual CAFR to fully disclose its financial information, as well as to comply with state and federal requirements and bond covenants.

The financial audit and the preparation of the financial statements takes place over several months, beginning just after the end of the fiscal year and continuing through the time the books are closed and the CAFR is published. Staff coordinates with the auditor to ensure that the work is completed accurately and timely.

The City contracts for an annual independent audit of its financial statements. In March 2015 the City issued an RFP for professional auditing services as the City had retained the same auditor for 23 years. On June 9, 2015 the City signed a three year Professional Services Agreement with Van Lant & Fankhanel, LLP to prepare the City's annual audited financial statements. The CAFR is available on the City of St. Helena's website at:

<http://cityofstheleena.org/sites/default/files/St%20%20Helena%20CAFR.pdf>

DISCUSSION

CAFR OVERVIEW

The City of St. Helena's CAFR consists of three sections:

1. Introductory Section: provides general information on the government's structure and the letter of transmittal.
2. Financial Section: contains the following:
 - Independent auditor's report
 - Management discussion and analysis (MD&A) - The MD&A provides a simple narrative introduction, overview, and analysis of the basic financial statements.
 - Basic financial statements
 - Fund financial statements
 - Notes to the financial statements.
 - Required Supplemental Information
 - Optional Supplementary Information
3. Statistical Section: presents detailed information as a context for understanding information in the financial statements, note disclosures, and required supplementary information.

There are slight variations in the FY 2014/15 CAFR from previous CAFR's. Variations are primarily due to the following:

- GASB 68. GASB 68 was issued in June 2012 with the objective to improve accounting and financial reporting by state and local governmental for pensions. Under GASB 68 standards, employers participating in a defined benefit pension plan administered as a trust or equivalent arrangement are required to record the net pension liability, pension expense, and deferred outflows/deferred inflows of resources related to pensions in their financial statements as part of their financial position. FY 2014/15 is the first year pension liabilities are reflected in the CAFR.
- GASB 54. GASB 54 was issued in February 2009 with the objective of enhancing the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. The effective date for this change was periods starting after June 15, 2010. The changes to the City of St. Helena CAFR were never implemented. The FY 2014/15 CAFR has implemented these changes and they are reflected in the Governmental Funds Balance Sheet Fund Balances.
- Assigned and Unassigned Fund Balances. It was discovered that on June 30, 2013 a Journal Entry was done for \$1,973,795 allocating funds to the General Fund Assigned Reserves. Upon further research it appears this transfer of funds was done without City Council approval or designation through Resolution.

Assigned fund balances require direct action on the part of a government's highest decision-making authority (City Council) or the power to do so can be delegated by the City Council to a group or an individual. Staff was unable to locate a Resolution designating an Assigned Fund or assigning the authority to a group or individual to designate an Assigned Fund. Without the proper designation it is not appropriate to reflect the \$1,973,795 as an Assigned fund balance; therefore this amount has been moved to the Unassigned Fund Balance as notated on the Governmental Funds Balance Sheet.

- **Asset Depreciation.** Over the past few years asset depreciation had not been reconciled and updated on a regular basis. Additionally assets were not depreciated correctly in FYs 2012/13 and 2013/14. During the FY 2014/15 CAFR process, finance staff worked with the new auditing firm to update its assets and reconcile the fixed assets. This has led to an overall decrease in Capital Assets for both Governmental Activities and Business-type Activities of \$3,059,397.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In addition to producing the City's CAFR it is the responsibility of the independent auditor to provide to the City of St. Helena a report on internal control over financial reporting and a report on compliance with other matters based on the audited financial statements. The *Report on Internal Control and Other Matters* identifies deficiencies in internal control that the auditor considers to be material weaknesses and significant deficiencies and the auditors performed tests of the City's compliance with certain provisions of laws, regulations, contracts, and grant agreements.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the city's financial statements will not be prevented, or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control less severe than a material weakness, yet important enough to merit attention by those charged with governance.

As the auditor identifies material weaknesses and deficiencies a series of three (3) points of interest are described/addressed for each weakness or deficiency. Below is a summary of each point of interest and a brief explanation:

- **Findings** – The condition of internal control at the time of the audit

- Recommendation – Auditors recommendation for corrective action
- Management Response – City's response and planned actions to material weaknesses and deficiencies identified by the auditor

In regards to compliance and other matters, the results of the auditors tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in 2015-5 below.

The independent auditor identified two material weaknesses:

1. 2015-1 Policies and Procedures
2. 2015-2 Accounting Records and Financial Reporting

The independent auditor identified two significant deficiencies:

1. 2015-3 Segregation of Duties
2. 2015-4 Other Internal Control Issues

The independent auditor identified one area of non-compliance:

1. 2015-5 Compliance with Debt Covenants

Staff has reviewed the auditor's *Report on Internal Control and Other Matters* and provided their views and planned corrective items for each item presented to the auditor. Attachment B provides detailed information, including planned corrective actions, for each material weakness and significant deficiency.

FISCAL IMPACT

None

RECOMMENDED ACTION

Staff recommends the City Council receive presentation and accept the Comprehensive Annual Financial Report of the City of St. Helena for Fiscal Year Ended June 30, 2015.

ATTACHMENTS

1. Attachment A – Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2015.
2. Attachment B – Report on Internal Control and Other Matters

CITY OF ST. HELENA



Comprehensive Annual Financial Report **For the fiscal year ended June 30, 2015**



I. Introductory Section



City of St. Helena, *California*

**CITY OF ST. HELENA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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City of St. Helena
*"We will conduct city affairs on behalf of our citizens
 using an open and creative process."*

1480 Main Street
 St. Helena, CA 94574
 Phone: (707) 967-2792
 Fax: (707) 963-7748

www.cityofsthelena.org

May 17, 2016

To the Honorable Mayor, Members of the City Council, and Citizens of the City of St. Helena:

City staff is pleased to present the Comprehensive Annual Financial Report (CAFR) for the City of St. Helena for the fiscal year ended June 30, 2015.

State law requires that every general purpose local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2015.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The firm of Van Lant & Fankhanel, LLP, has issued an unmodified independent auditor's report on the City of St. Helena's financial statements for the fiscal year ended June 30, 2015. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE CITY AND ITS OPERATIONS

The City of St. Helena was incorporated on March 24, 1876. The City is located in the center of Napa Valley in Northern California and considered to be one of the premier wine producing regions of the United States. The City is home to approximately 6,000 individuals; however, on any given day, that population can increase by as much as 20 percent due to the number of lodging establishments located in the City and the frequency with which the City is visited by individuals from around the world.

The City operates under a council-manager form of government. Policy making and legislative authority are vested in the City Council consisting of the Mayor and four other elected Councilmembers. The City Council is responsible, among other matters for passing ordinances, adopting the City budget, appointing committees, and hiring the City Manager. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for managing the daily operations of the City, and for appointing other employees. The Council is elected to four year staggered terms, with two members elected every two years. The Mayor is elected to serve a two year term.

The term covered by the CAFR (Fiscal Year 2014-2015) included a change in administration. The following were the seated members of the City Council through December 9, 2014: Mayor Ann Nevero, Vice Mayor Sharon Crull, Councilmembers Gregg Pitts, Peter White, and Mario Sculatti. On December 9, 2014 the following were seated members of the City Council: Mayor Alan Galbraith, Vice Mayor Peter White, Councilmembers Sharon Crull, Gregg Pitts, and Paul Dohring.

The City provides a full range of municipal services including fire and police protection; construction and maintenance of City streets, storm drains, bridges, and similar infrastructure type assets; park

Letter of Transmittal

May 17, 2016

Page 2

maintenance; community recreation activities; building inspections; licenses and permits; and public library services and facilities. In terms of business-type activities, the City provides water and wastewater services through the operation of its utility enterprises.

The City Council is required to adopt an initial budget for the fiscal year no later than May 31 preceding the beginning of the fiscal year on July 1. This annual budget serves as the foundation for the City of St. Helena's financial planning and control. The budget is prepared by fund, function, department, and object. The City Council periodically reviews during the year the City's actual financial activity in relationship to the original budget, and, as necessary, amends the original budget to reflect changing conditions.

LOCAL ECONOMY

The City of St. Helena is located in the Napa Valley Region, 65 miles north of the City of San Francisco. The area is renowned for its abundance of vineyards and wineries of national reputation. The City of St. Helena has several fine lodging establishments, fine restaurants, and an attractive and enjoyable small community environment nestled among the hills of Napa Valley, in the heart of Wine Country.

Approximately 83% of the City's general fund revenues come from property taxes, sales taxes, and transient occupancy tax (TOT). In fiscal year 2015, these tax revenues increased 7% percent when compared to fiscal year 2014.

Property tax revenue has increased \$0.33 million over the previous year and is the City's largest revenue in the general fund. The City received over \$4.17 million in property tax in 2015.

Sales tax revenue has increased \$0.12 million over the previous year and is the City's second largest revenue in the general fund. The City received over \$2.71 million in sales tax in 2015. 2015 is the first year sales tax has exceeded Fiscal Year 2008 levels.

TOT revenue has increased \$0.14 million over the previous year and is the City's third largest revenue in the general fund. The City received over \$1.87 million in TOT in 2015.

The City plans to closely monitor these revenue sources in 2015 given past economic and national events in order to evaluate the viability of the City's 2016 financial plan.

LONG-TERM FINANCIAL PLANNING

The City continues efforts to maintain a balanced budget for operational activities. One of the biggest uncertainties for California local governments for the past several years has been the economy, the impact on the state budget, and how that may affect local government resources. All indications are that the state is experiencing a slow but steady economic recovery. The City developed the 2015-16 budget assuming there would be no state takeaways or new mandates, but staff will continue to review updated economic forecasts and monitor the state budget.

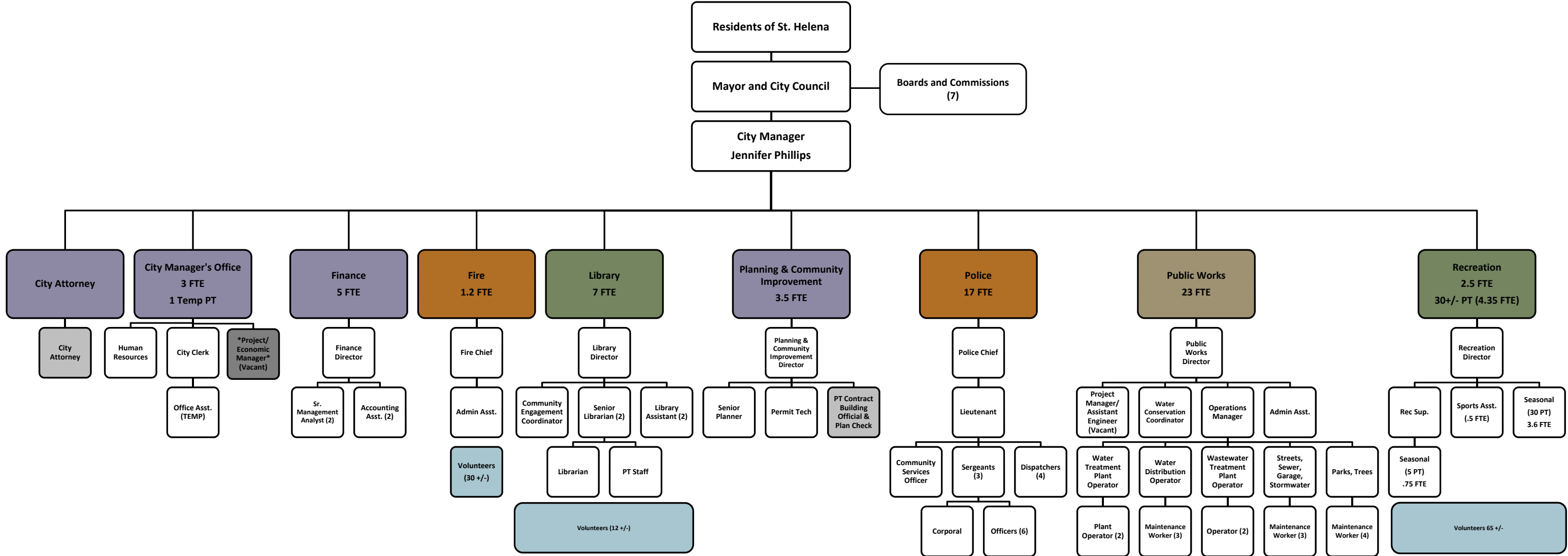
Respectfully submitted,



April Mitts, Finance Director



City of St. Helena
Organization Chart - June 30, 2015



*Project/Economic Manager is currently an unfilled position due to lack of funding.

City of St. Helena, *California*

CITY COUNCIL

Alan Galbraith

Mayor

Peter White

Vice Mayor

Greg Pitts

Council Member

Sharon Crull

Council Member

Paul Dohring

Council Member



Jennifer Phillips – City Manager/Treasurer

Thomas Brown – City Attorney

Cindy Black – City Clerk

ADMINISTRATIVE TEAM

Noah Housh – Planning Director

Chris Kreiden – Library Director

Haidi Arias – Recreation Director

William Imboden – Police Chief

Steve Palmer – Public Works Director

April Mitts – Finance Director

John Sorensen – Fire Chief

BOARDS/COMMISSIONS/COMMITTEES

Library Board of Directors

Parks and Recreation Commission

Planning Commission

Tree Committee

Bocce Committee

Multicultural Committee

Climate Protection Task Force

II. Financial Section



City of St. Helena, *California*



Independent Auditor's Report

The Honorable City Council
City of St. Helena, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of St. Helena (City), as of and for the year ended June 30, 2015, and the related notes to the financial statements which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of St. Helena, as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 3 to the financial statements, in 2014-15, the City adopted new accounting guidance, *GASB Statement No. 68, Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements. The introductory section, the schedules listed in the supplementary information section of the table of contents, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules listed in the Supplementary Information section of the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing

procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules listed in the Supplementary Information section of the table of contents are fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated May 17, 2016 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Van Lant & Fankhauser, LLP

May 17, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis (MD&A) provides an overview of the City of St. Helena's financial performance for the fiscal year ended June 30, 2015. To obtain a complete understanding of the City's financial condition, this document should be read in conjunction with the accompanying Transmittal Letter and Basic Financial Statements.

FINANCIAL HIGHLIGHTS

- The City's total net position of \$53.38 million is comprised of the following categories:
 - o \$39.41 million is invested in capital assets, net of related debt;
 - o \$8.82 million is restricted for specific purposes (restricted net position; and,
 - o \$5.15 million is the unrestricted net position, the residual of total net position less the other categories of net position. Unrestricted net position, when positive, is used by the city to meet its ongoing obligations to citizens and creditors.
- The City's total net position decreased by \$9.31 million over the course of this year's operations. The net position of our business-type activities decreased by \$2.83 million at the end of 2015. Governmental activities net position decreased by \$6.48 million at the end of 2015. The decrease in reported net position is primarily caused by a change in the accounting principles used for reporting pension liabilities.
- Revenues for governmental activities total \$12.82 million and include: \$3.64 million in program revenue (charges for services, grants, and contributions from other governments); and \$9.18 million in general revenues, primarily tax support for governmental programs. The City's expenses for governmental activities were \$11.6 million.
- The City's revenues for business-type activities (water and wastewater) decreased 8.56% to \$6.74 million while expenses increased by 12.03% to \$6.89 million.
- The general fund reported a year end fund balance of \$3.27 million at June 30, 2015. Fiscal year 14/15 fund balance changes include a decrease of \$0.06 million for the current year's activity and a beginning balance increase of \$0.05 million (prior period adjustment to correct the reporting of receivables and deferred inflows).

OVERVIEW OF THE FINANCIAL STATEMENTS

The City of St. Helena's Comprehensive Annual Financial Report (CAFR) consists of five sections: 1) Introductory Section; 2) Financial Section; 3) Required Supplemental Section; 4) Optional Supplementary Section; and 5) Statistical Section.

Each section is briefly described below:

I. Introductory Section

This section includes the Table of Contents, Letter of Transmittal, Organizational Chart, and the List of Principal Officials for the time frame which the CAFR represents.

II. Financial Section

Included in the Financial Section are the Basic Financial Statements which consist of three components: 1) Government-wide Financial Statements; 2) Fund Financial Statements; and 3) Notes to the Basic Financial Statements.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City of St. Helena's finances, in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all of the City of St. Helena's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of St. Helena is improving or deteriorating.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The *statement of activities* presents information showing how the City of St. Helena's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of St. Helena that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all, or a significant portion, of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of St. Helena include general government, police, fire, library, parks, recreation, and public works. The business-type activities of the City of St. Helena include water and wastewater.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of St. Helena, like other state and local governments, uses fund accounting to ensure and demonstrate the compliance with finance-related legal requirements. The City of St. Helena has two types of funds:

Governmental Funds. Most of the City of St. Helena's basic services are included in *governmental funds* which focus on: 1) how cash and other financial assets, that can readily be converted to cash, flow in and out; and 2) year end balances left at year-end that are available for spending. The governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance City programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided on the subsequent page explaining the relationship (or difference) between them.

Proprietary Funds. The City of St. Helena maintains two different types of proprietary funds. *Enterprise funds and internal service funds.* *Enterprise funds* are used to report the same functions as presented as *business-type activities* in the government-wide financial statements. The City of St. Helena uses enterprise funds to account for its water and wastewater operation. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of St. Helena's various functions. Services for which the City of St. Helena charges customers a fee are generally reported in *proprietary funds*. Proprietary funds provide both long- and short-term financial information.

Notes to the Basic Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

III. Required Supplemental Information Section

In addition to the basic financial statement and accompanying notes, this report also presents *required supplementary information*. This section provides a comparison of the original budgeted amounts, the budget amounts after the mid-year budget adjustment, and the actual amounts for the *general fund* and *Measure A special revenue fund*.

IV. Optional Supplementary Information Section

In addition to the required elements, this section is included to provide additional information about non-major funds, major funds, and capital assets. This section is composed of three elements: 1) Non-major Governmental Funds; 2) Comparative Statements for Major Proprietary Enterprise Funds; and 3) Capital Assets Used in Operation of Governmental Funds.

Non-major Governmental Funds

This section includes combining statements that provide detail about our non-major funds, each of which are added together and presented in a single column in the basic financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

V. Statistical Section

This section of the CAFR presents detailed information as a context for understanding information in the financial statements, note disclosures, and required supplementary information. Each schedule provides an historical overview so comparisons can be made from year to year,

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE**Net Position (Table A-1)**

Net position, over time, may serve as a useful indicator of the government's financial position. The following table reflects the condensed net position for both governmental and business-type activities. The City's *combined* net position (governmental and business-type activities) is \$53.38 million as of June 30, 2015; a decrease of \$9.32 million from fiscal year 2014.

**City of St. Helena
Net Position**

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and Other Assets	\$12,982,204	\$11,790,987	\$16,101,986	\$15,655,750	\$29,084,190	\$27,446,737
Capital Assets	37,750,447	39,174,978	20,734,461	22,369,327	58,484,908	61,544,305
Total Assets	50,732,651	50,965,965	36,836,447	38,025,077	87,569,098	88,991,042
Deferred Outflows	942,141	-	727,815	575,534	1,669,956	575,534
Long-term debt outstanding	14,455,861	8,309,389	17,453,354	15,800,000	31,909,215	24,109,389
Other liabilities	1,048,656	1,514,929	860,217	1,243,412	1,908,873	2,758,341
Total Liabilities	15,504,517	9,824,318	18,313,571	17,043,412	33,818,088	26,867,730
Deferred Inflow of Resources	1,511,001	-	528,038	-	2,039,039	-
Net Position						
Invested in capital assets	30,207,174	30,865,589	9,201,274	13,866,596	39,408,448	44,732,185
Restricted	8,818,700	6,401,635	-	-	8,818,700	6,401,635
Unrestricted	(4,366,600)	3,874,423	9,521,379	7,690,603	5,154,779	11,565,026
Total Net Position	\$ 34,659,274	\$ 41,141,647	\$ 18,722,653	\$ 21,557,199	53,381,927	62,698,846

Net position, (total assets and deferred outflows less total liabilities and deferred inflows), was \$53.38 million at June 30, 2015. Governmental activities net position was \$34.66 million; and business-type activities' net position was \$18.72 at June 30, 2015.

The largest portion of the City's net position \$39.41 million, or 74%, reflects its investment in capital assets (e.g. land, buildings, machinery, equipment, vehicles, and infrastructure), net of any related outstanding debt used to acquire those assets. The City uses these assets to provide services to citizens; consequently, these assets are not available for future spending.

\$8.82 million of the City's net position, or 16.5%, represent resources that are subject to external restrictions on how they may be used. The remaining unrestricted net position of \$5.15 million may be used to meet the government's ongoing obligations to citizens and creditors. It is important to note that \$9.52 million of the

MANAGEMENT'S DISCUSSION AND ANALYSIS

unrestricted net position is for Business-type activities. The City generally can only use these resources to finance the continuing operations of the water and wastewater utilities.

At the end of the current fiscal year, June 30, 2015, the City reported negative unrestricted net position for its governmental activities and a positive net position for business-type activities. The negative net position reported for governmental activities is due in large part to a net pension liability of \$6.29 million. The measurement and reporting of pension liabilities is changed for this report by the implementation of Governmental Accounting Standards Board's (GASB) statements Nos. 68 and 71.

Changes in City of St. Helena's Net Position (Table A-2)

Table A-2
Changes in City of St Helena's Net Position

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues						
Program revenues						
Charges for services	\$ 1,244,980	\$ 3,085,272	\$ 6,567,844	\$ 7,079,763	\$ 7,812,824	\$ 10,165,035
Operating grants and contributions	1,335,269	571,600			1,335,269	571,600
Capital grants and contributions	1,058,267	89,943	172,589	292,040	1,230,856	381,983
General Revenues						
Transient occupancy taxes	1,870,180	1,732,607	-	-	1,870,180	1,732,607
Property, sales taxes	6,886,514	6,437,961	-	-	6,886,514	6,437,961
Other	422,572	748,198	51,315	-	473,887	748,198
Total revenues	12,817,782	12,665,581	6,791,748	7,371,803	19,609,530	20,037,384
Expenses						
General government	2,636,016	2,750,208	-	-	2,636,016	2,750,208
Public safety	3,892,686	3,636,936	-	-	3,892,686	3,636,936
Library	1,458,163	1,373,625	-	-	1,458,163	1,373,625
Parks and recreation	539,604	433,768	-	-	539,604	433,768
Planning and Building*	671,178	-	-	-	671,178	-
Public works	2,161,735	5,265,598	-	-	2,161,735	5,265,598
Interest on Long-term Debt	217,307	242,571	-	-	217,307	242,571
Water	-	-	4,582,241	4,264,063	4,582,241	4,264,063
Wastewater	-	-	2,306,771	1,885,231	2,306,771	1,885,231
Total expenses before special item	11,576,689	13,702,706	6,889,012	6,149,294	18,465,701	19,852,000
Special item	-	-	-	-	-	-
Total expenses	11,576,689	13,702,706	6,889,012	6,149,294	18,465,701	19,852,000
Increase (decrease) in net position	1,241,093	(1,037,125)	(97,264)	1,222,509	1,143,829	185,384
Net position, beginning of year	41,141,647	42,178,772	21,557,199	20,334,690	62,698,846	62,513,462
Prior Period Adjustments	(7,723,466)	-	(2,737,282)	-	(10,460,748)	-
Net position, end of year	34,659,274	41,141,647	18,722,653	21,557,199	53,381,927	62,698,846

*Categories have changed from the 2014 CAFR to the 2015 CAFR. Planning and Building was previously included in the General Government category and is now shown separately.

The City's total revenues decreased by 2.1% to \$19.61 million, expenses decreased by 7% to \$18.47 million, and overall net position increased by \$1.14 million from the beginning of the year to \$63.84 million.

Governmental activity revenues increased by 1% to \$12.82 million and governmental activity expenses decreased by 16% to \$11.58 million. The \$2.13 million decrease in the City's governmental activity expenses are primarily related to a \$1.9 million refund to FEMA/OES relating to the flood protection project that occurred in the 2014 fiscal year. Increases in governmental activity revenues were caused by increased collection of development

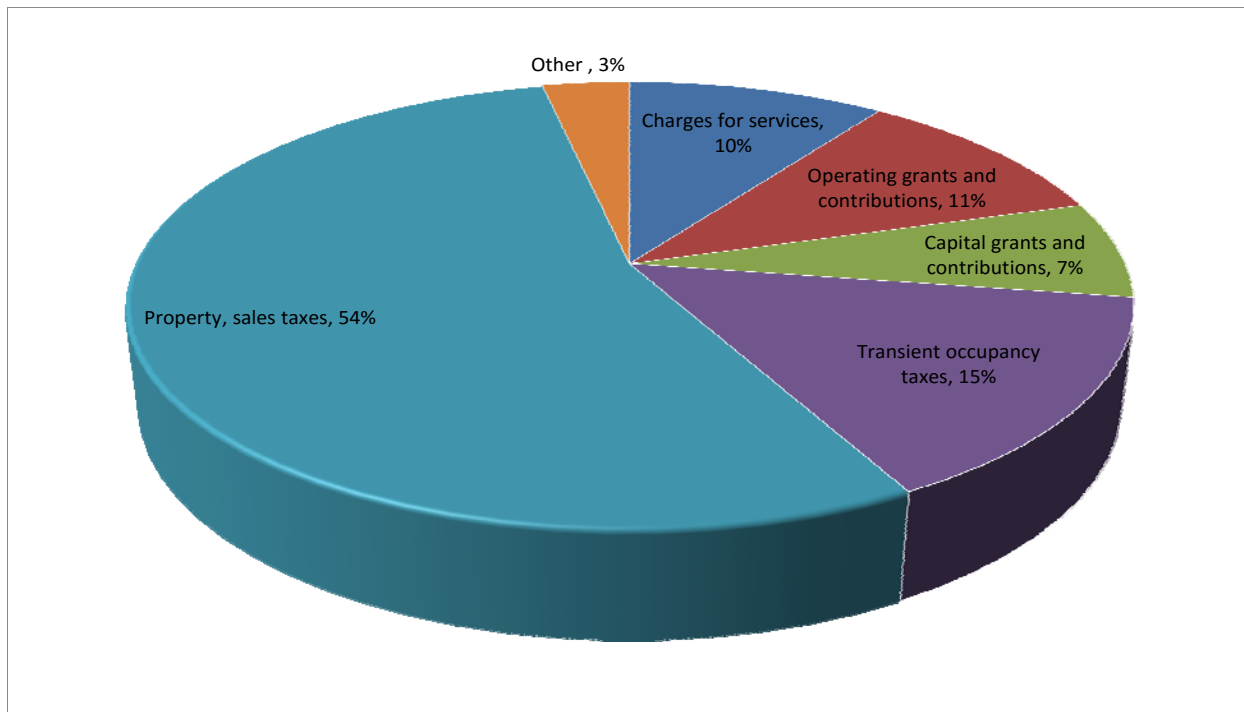
MANAGEMENT'S DISCUSSION AND ANALYSIS

impact fees (\$1.0 million), increased permitting revenues collected (0.08 million), emergency relief reimbursements (0.04 million) and one-time reimbursed state mandated costs (0.07 million). Increases in general revenues, primarily tax support, are indicative of a moderate increase in economic activity.

Business-type activity revenues decreased by 8% to \$6.79 million and business-type activity expenses increased by 12% to \$6.89 million. Decrease in revenue is attributed to water conservation measures and increased expenses are attributed to relatively minor changes in activity, normal inflation and transfers to capital improvement funds.

71% of the City's governmental activities revenue comes from transient occupancy, property, sales, and other taxes, 10% comes from fees charged for services, and the remaining 19% is from local, state and federal aid.

Chart 1
Sources of Revenue Governmental Activities 2015



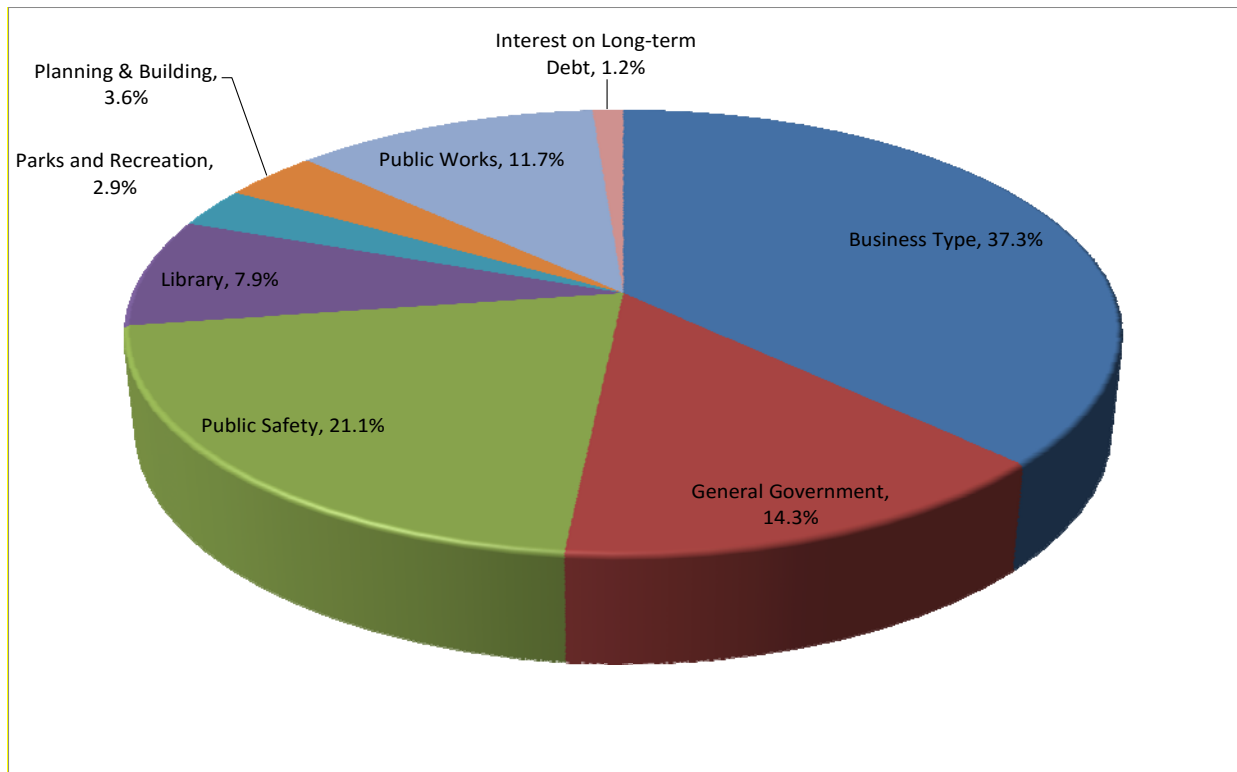
General revenues, primarily tax support from transient occupancy, sales, and property taxes increased approximately 7% when compared to last fiscal year. Increases in governmental activity revenues were caused by increased collection of development impact fees and a moderate increase in economic activity.

Expenses

Expenses for the City of St. Helena are divided as follows: \$6.89 million for business-type activities (Water and Wastewater); \$2.64 million for general government; \$3.89 million for public safety; \$1.46 million for library; \$0.54 million for recreation; \$0.67 million for planning and building; \$2.16 million for public works; and \$0.22 million for all other expenditures. Chart 2 is a graphical representation by percentage of the expenses.

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Chart 2
Expenses by Function 2015**



Cost of Governmental Activities (Table A-3)

Table A-3 presents the cost of each of the City's five largest programs: 1) administration or general government; 2) public safety; 3) recreation and library 4) public works/streets; and 5) other programs.

**Table A-3
Cost of City of St Helena's Governmental Activities**

	Total Cost of Services		Percentage Change
	2015	2014	2014-2015
General Government	\$ 2,636,016	\$ 2,750,208	-4%
Public Safety	3,892,686	3,636,936	7%
Recreation and library	1,997,767	1,807,393	11%
Planning and Building	671,178	-	0%
Public Works/streets	2,161,735	5,265,598	-59%
All other	217,307	242,571	-10%
Total	\$ 11,576,689	\$ 13,702,706	-16%

**Categories have changed from the 2014 CAFR to the 2015 CAFR. Planning and Building was previously included in the General Government category and is now shown separately.*

MANAGEMENT'S DISCUSSION AND ANALYSIS

- The cost of all *governmental* activities this year was \$11.58 million, a decrease of \$2.13 million compared to fiscal year 2014.
- Decreased spending in Public works/streets reflects a reduction of transfers to the Capital Improvement Plan.
- The total expense of governmental activities was \$11.58 million. The expenses were paid by:
 - Those who directly benefited from the programs, or, charge for services (\$1.24 million);
 - Other governments and organizations that subsidized certain programs with operating grants and contributions (\$1.36 million) and capital grants and contributions (\$1.06 million); and
 - Taxpayers which includes four main categories: 1) property tax (\$4.17 million); sales tax (\$2.71 million); transient occupancy tax (\$1.87 million); and 4) other general revenues (\$0.42 million).
 - The difference between governmental activities' expenses and revenues resulted in an increase in net position of \$1.24 million.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds

As the City completed the year, its governmental funds reported a *combined* fund balance of \$11.88 million. This \$11.88 million amount is \$1.2 million more than the amount that was held by the City's governmental fund types at the start of the 2015 fiscal year. The increase was largely due to revenue collections for impact fees. The City's general fund balance remained relatively flat at \$3.27 million as of June 30, 2015, a slight increase over the prior year's ending balance of \$3.26 million.

Non-major Governmental Funds increased 19% to \$8.74 million during FY 14-15. The increase was largely due to revenue collections for development impact fees that have not yet been expended for capital improvement projects.

Proprietary (Enterprise) Funds – Water and Wastewater

The net position for proprietary fund types previously reported at June 30, 2014 has been re-stated to reflect a change in accounting principle affecting the reporting of pension liabilities. The restatement of net position decreased the beginning net position by \$2.74 million; with a decrease of \$1.54 million in the water enterprise fund's net position and a \$1.94 million decrease in the wastewater enterprise fund.

General Fund Budgetary Highlights

Budget Revisions

The City Council revised the City budget several times during the year. Budget adjustments fall into two categories:

- Increases in appropriations to accommodate unanticipated expenditures not previously budgeted, including those that result from updated cost estimates and project bids.
- Changes made at the mid-year budget review, or later in the fiscal year, based on updated projections for both revenues and expenditures.

MANAGEMENT'S DISCUSSION AND ANALYSIS

General fund revenues exceeded budget estimates by about \$0.25 million in fiscal 2015. The \$0.25 million positive financial inflow was the result of slightly higher permitting fees collected and other revenues which included legal cost recovery and civil penalties for short-term rental, one-time fire revenues and one-time reimbursed state mandated costs.

Expenditures in the general fund (excluding transfers out) exceeded the final budget by about \$0.46 million in fiscal 2015. This was a result of higher than expected operating costs primarily in the management, planning, public works, recreation, safety, and library departments. The additional expenses were largely due to contracts approved by City Council and PERS costs exceeding the adopted budget. The excess operating costs were funded by general fund accumulated resources.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets (Table A-4)

At the end of 2015, the City had invested \$58.48 million (net of accumulated depreciation) in a broad range of capital assets, including land, equipment, vehicles, buildings, park facilities, and water and sewer systems. This amount represents a net decrease (including additions and deductions) of about \$1.02 million, or 1.7%. Additional information for capital assets can be found starting on page 31 of the notes to the financial statements.

Table A-4
City of St Helena's Capital Assets
(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$8,336,654	\$8,336,654	\$3,432,490	\$3,432,490	\$11,769,144	\$11,769,144
Construction in Progress	1,931,574	1,980,280	4,392,859	5,330,697	6,324,433	7,310,977
Buildings	3,379,646	3,294,348	1,568,216	1,648,622	4,947,862	4,942,970
Improvements	5,004,434	5,132,488	-	-	5,004,434	5,132,488
Flood Wall Infrastructure	17,778,804	18,157,076	-	-	17,778,804	18,157,076
Vehicle Fleet	777,739	838,744	-	-	777,739	838,744
Equipment	541,596	549,050	1,233,849	1,376,986	1,775,445	1,926,036
Utility systems	-	-	10,107,047	9,425,042	10,107,047	9,425,042
Total	\$37,750,447	\$38,288,640	\$20,734,461	\$21,213,837	\$58,484,908	\$59,502,477

Significant Changes to 2015 major capital assets include:

- Decrease in Construction in Progress (business-type activities) of \$0.94 million. Construction in progress consists primarily of system improvement projects including design, construction costs and \$0.20 million in construction period interest related to the 2012 financing agreements was capitalized in construction in progress. Decrease is related to the completion of construction phases for the new water tank.
- Increase in Utility Systems (business-type activities) of \$0.69 million. This increase was primarily related to completion of construction phases for the water tank (Tank 1A) and the completion of the sealing of Pond 1A.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- Overall decrease in Improvements, Vehicle Fleet and Equipment (governmental activities and business-type activities) were due to a prior period adjustment to correct the amount of depreciation that was recorded in these categories in FY2013 and FY2014. The depreciation was previously understated during the related years.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The fiscal 2016 budget, adopted, approved and adjusted by the City Council, provides for an operational spending budget of \$10.45 million.

General fund revenue for fiscal 2016 is estimated at \$10.26 million.

Property tax, sales tax, and transient occupancy tax account for about 76% of all general fund revenues.

The water and wastewater enterprise funds are not currently generating sufficient revenue to pay for the services they provide due to water conservations measures in response to the State of California's drought emergency. Revenues are anticipated to continue to decline, therefore the City Council approved an updated Water and Wastewater rate study. Funds are used to pay for: debt service payments, operations and maintenance, and capital projects.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Director of Finance, City of St. Helena, 1480 Main Street, St. Helena, California 94574.

BASIC FINANCIAL STATEMENTS

City of St. Helena
Statement of Net Position
June 30, 2015

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Investments	\$ 11,005,495	\$ 11,626,591	\$ 22,632,086
Cash and Investments with Fiscal Agents	-	3,084,448	3,084,448
Receivables:			
Accounts	52,684	809,124	861,808
Taxes	912,641	-	912,641
Notes and Loans	519,129	662,412	1,181,541
Interest	4,858	112,224	117,082
Due from Other Governments	45,577	-	45,577
Internal Balances	192,813	(192,813)	-
Prepays	249,007	-	249,007
Capital Assets, Not Being Depreciated	10,268,228	7,825,349	18,093,577
Capital Assets, Depreciated, Net	27,482,219	12,909,112	40,391,331
Total Assets	<u>50,732,651</u>	<u>36,836,447</u>	<u>87,569,098</u>
DEFERRED OUTFLOWS OF RESOURCES			
Loss on Advance Refunding	-	545,082	545,082
Deferred Pension Related Items	942,141	182,733	1,124,874
Total Deferred Outflows of Resources	<u>942,141</u>	<u>727,815</u>	<u>1,669,956</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	679,135	617,388	1,296,523
Interest Payable	98,752	164,414	263,166
Deposits Payable	270,769	78,415	349,184
Noncurrent Liabilities:			
Due within One Year	1,083,771	703,300	1,787,071
Due in More Than One Year	7,081,695	14,677,664	21,759,359
Net Pension Liability	6,290,395	2,072,390	8,362,785
Total Liabilities	<u>15,504,517</u>	<u>18,313,571</u>	<u>33,818,088</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Related Items	<u>1,511,001</u>	<u>528,038</u>	<u>2,039,039</u>
NET POSITION			
Net Investment in Capital Assets	30,207,174	9,201,274	39,408,448
Restricted for:			
Public Works	5,269,455	-	5,269,455
Housing	956,056	-	956,056
Library:			
Expendable	771,077	-	771,077
Nonexpendable	51,836	-	51,836
Parks and Recreation	560,979	-	560,979
Public Safety	764,379	-	764,379
Debt Service	444,918	-	444,918
Unrestricted	(4,366,600)	9,521,379	5,154,779
Total Net Position	<u>\$ 34,659,274</u>	<u>\$ 18,722,653</u>	<u>\$ 53,381,927</u>

The accompanying notes are an integral part of this statement.

City of St. Helena
Statement of Activities
Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 2,636,016	\$ 208,741	\$ 123,764	\$ -
Planning and Building	671,178	619,700	-	-
Public Safety	3,892,686	128,094	346,308	49,620
Public Works	2,161,735	76,883	175,806	835,396
Library	1,458,163	46,576	641,003	-
Parks and Recreation	539,604	164,986	48,388	173,251
Interest on Long-term Debt	217,307	-	-	-
Total Governmental Activities	11,576,689	1,244,980	1,335,269	1,058,267
Business-type Activities:				
Water	4,582,241	4,326,980	-	152,989
Wastewater	2,306,771	2,240,864	-	19,600
Total Business-type Activities	6,889,012	6,567,844	-	172,589
Total Primary Government	\$ 18,465,701	\$ 7,812,824	\$ 1,335,269	\$ 1,230,856

General Revenues:

Taxes:

Property Taxes

Sales and Use Taxes

Franchise Tax

Transient Occupancy Tax

Business License Tax

Motor Vehicle In-lieu

Investment Earnings

Miscellaneous Revenues

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning of Year

Restatement of Net Position

Net Position - End of Year

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (2,303,511)	\$ -	\$ (2,303,511)
(51,478)	-	(51,478)
(3,368,664)	-	(3,368,664)
(1,073,650)	-	(1,073,650)
(770,584)	-	(770,584)
(152,979)	-	(152,979)
(217,307)	-	(217,307)
<u>(7,938,173)</u>	<u>-</u>	<u>(7,938,173)</u>
-	(102,272)	(102,272)
-	(46,307)	(46,307)
<u>-</u>	<u>(148,579)</u>	<u>(148,579)</u>
<u>(7,938,173)</u>	<u>(148,579)</u>	<u>(8,086,752)</u>
4,172,204	-	4,172,204
2,714,310	-	2,714,310
200,401	-	200,401
1,870,180	-	1,870,180
152,804	-	152,804
2,476	-	2,476
22,912	51,315	74,227
43,979	-	43,979
<u>9,179,266</u>	<u>51,315</u>	<u>9,230,581</u>
1,241,093	(97,264)	1,143,829
41,141,647	21,557,199	62,698,846
<u>(7,723,466)</u>	<u>(2,737,282)</u>	<u>(10,460,748)</u>
<u>\$ 34,659,274</u>	<u>\$ 18,722,653</u>	<u>\$ 53,381,927</u>

The accompanying notes are an integral part of this statement.

**City of St. Helena
Balance Sheet
Governmental Funds
June 30, 2015**

	General Fund	Measure A Fund	Non-major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 2,390,083	\$ -	\$ 8,444,074	\$ 10,834,157
Receivables:				
Accounts	38,332	-	14,251	52,583
Taxes	912,641	-	-	912,641
Interest	4,858	-	-	4,858
Due from Other Governments	-	-	45,577	45,577
Notes and Loans	457,496	-	61,633	519,129
Due from Other Funds	5,008	-	-	5,008
Advances to Other Funds	192,813	-	-	192,813
Prepaid Expenditures	69,951	-	179,056	249,007
Total Assets	\$ 4,071,182	\$ -	\$ 8,744,591	\$ 12,815,773
LIABILITIES				
Accounts Payable & Accrued Liabilities	\$ 533,342	\$ -	\$ 130,876	\$ 664,218
Deposits Payable	270,769	-	-	270,769
Due to Other Funds	-	-	5,008	5,008
Total Liabilities	804,111	-	135,884	939,995
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues - Taxes	-	-	-	-
Unavailable Revenues - Grants	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES				
Nonspendable	720,260	-	230,892	951,152
Restricted	209,993	-	6,716,849	6,926,842
Committed	-	-	-	-
Assigned	66,740	-	1,667,191	1,733,931
Unassigned	2,270,078	-	(6,225)	2,263,853
Total Fund Balances	3,267,071	-	8,608,707	11,875,778
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 4,071,182	\$ -	\$ 8,744,591	\$ 12,815,773

The accompanying notes are an integral part of this statement.

City of St. Helena
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2015

Fund Balances of Governmental Funds	\$	11,875,778
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds:

Capital Assets		52,769,199
Accumulated Depreciation		(15,018,752)

Interest payable on long-term debt does not require the use of current financial resources therefore, interest payable is not reported as a liability in the funds.		(98,752)
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Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds:

General Obligation Bonds		(345,000)
Capital Leases		(996,571)
State Revolving Loan		(6,201,702)
Net Pension Liability		(6,290,395)
Compensated Absences		(578,060)
Claims		(13,393)
Reimbursement Agreement		(30,740)

Internal service funds are used by management to charge the costs of certain activities, such as insurance and vehicle maintenance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		156,522
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Amounts for deferred inflows and outflows related to the City's Net Pension Liability are not reported in the funds:

Deferred Outflows		942,141
Deferred Inflows		(1,511,001)

Long-term assets are not available for current use. Amounts are deferred under the modified accrual basis of accounting.		-
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Net Position of Governmental Activities	\$	34,659,274
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City of St. Helena
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2015

	General Fund	Measure A Fund	Non-major Governmental Funds	Total Governmental Funds
REVENUES				
Property Taxes	\$ 3,958,142	\$ -	\$ 214,062	\$ 4,172,204
Sales and Other Taxes	4,768,705	-	-	4,768,705
Charges for Services	247,249	-	-	247,249
Fines and Forfeitures	112,156	-	-	112,156
Licenses and Permits	800,588	-	-	800,588
Development Fees	17,600	-	1,042,458	1,060,058
Intergovernmental	286,557	-	328,905	615,462
Interest and Rents	224,231	-	55,703	279,934
Other Revenues	80,036	-	681,390	761,426
Total Revenues	10,495,264	-	2,322,518	12,817,782
EXPENDITURES				
Current:				
General Government	2,420,068	-	32,887	2,452,955
Planning and Building	671,178	-	-	671,178
Public Safety	3,716,599	-	112,591	3,829,190
Public Works	1,543,125	-	8,807	1,551,932
Library	1,040,972	-	320,901	1,361,873
Parks and Recreation	401,968	-	-	401,968
Capital Outlay	10,990	-	709,468	720,458
Debt Service:				
Principal	206,271	369,105	160,000	735,376
Interest	30,809	156,895	22,843	210,547
Total Expenditures	10,041,980	526,000	1,367,497	11,935,477
Excess (Deficiency) of Revenues Over Expenditures	453,284	(526,000)	955,021	882,305
OTHER FINANCING SOURCES (USES)				
Transfers In	36,240	526,000	600,241	1,162,481
Transfers Out	(1,075,221)	-	(225,360)	(1,300,581)
Total Other Financing Sources (Uses)	(1,038,981)	526,000	374,881	(138,100)
Net Change in Fund Balances	(585,697)	-	1,329,902	744,205
Fund Balances, Beginning of Year	3,399,605	-	7,203,221	10,602,826
Prior Period Adjustments	453,163	-	75,584	528,747
Fund Balances, End of Year	\$ 3,267,071	\$ -	\$ 8,608,707	\$ 11,875,778

The accompanying notes are an integral part of this statement.

City of St. Helena
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Year Ended June 30, 2015

Net Changes in Fund Balances - Total Governmental Funds \$ 744,205

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives as depreciation expense.

Capital Outlay	659,448
Depreciation Expense	(1,266,371)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Principal Payments	735,376
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Compensated Absences	(28,430)
Claims	25,855
Net Pension Liability	1,499,924

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.	(6,760)
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Some revenues reported in the Statement of Activities are not considered available to finance current expenditures and therefore are not reported as revenues in the governmental funds. -

Amounts for deferred inflows and deferred outflows related to the City's Net Pension Liability are not reported in the funds. This is the net change in deferred inflows and outflows related to the Net Pension Liability.

Deferred Pension Contributions	258,885
Pension Actuarial Amounts - Outflows	1,960
Proportionate Share Contribution Differences	(22,307)
Pension Actuarial Amounts - Inflows	(1,481,401)

Internal service funds are used by management to charge the costs of certain activities, such as insurance and vehicle maintenance, to individual funds. The net revenue (expense) of the internal services funds is reported with governmental activities. 120,709

Change in Net Position of Governmental Activities	\$ 1,241,093
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The accompanying notes are an integral part of this statement.

City of St. Helena
Statement of Net Position
Proprietary Funds
June 30, 2015

	Enterprise Funds			Governmental Activities
	Water	Wastewater	Totals	Internal Service Fund
ASSETS				
Current Assets:				
Cash and Investments	\$ 8,589,408	\$ 3,037,183	\$ 11,626,591	\$ 171,338
Accounts Receivable - Net	533,950	275,174	809,124	101
Interest Receivable	67,318	44,906	112,224	-
Total Current Assets	9,190,676	3,357,263	12,547,939	171,439
Noncurrent Assets:				
Cash and Investments with Fiscal Agents	3,059,171	25,277	3,084,448	-
Notes and Loans Receivable	604,852	57,560	662,412	-
Capital Assets, Not Being Depreciated:				
Land	345,367	3,087,123	3,432,490	-
Construction in Progress	3,015,894	1,376,965	4,392,859	-
Capital Assets, Depreciable:				
Buildings	1,755,510	1,805,421	3,560,931	-
Equipment	2,624,467	2,199,013	4,823,480	4,046,122
Improvements	12,451,340	6,574,267	19,025,607	-
Lines	4,975,814	1,476,256	6,452,070	-
Less: Accumulated Depreciation	(13,355,716)	(7,597,260)	(20,952,976)	(3,268,382)
Total Noncurrent Assets	15,476,699	9,004,622	24,481,321	777,740
Total Assets	24,667,375	12,361,885	37,029,260	949,179
DEFERRED OUTFLOWS OF RESOURCES				
Loss on Advance Refunding	545,082	-	545,082	-
Deferred Pension Related Items	109,640	73,093	182,733	-
Total Deferred Outflows of Resources	654,722	73,093	727,815	-
LIABILITIES				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	513,940	103,448	617,388	14,917
Accrued Interest Payable	132,435	31,979	164,414	-
Deposits	78,415	-	78,415	-
Compensated Absences - Current	41,400	31,900	73,300	-
Installment Agreements - Current	496,304	133,696	630,000	-
Total Current Liabilities	1,262,494	301,023	1,563,517	14,917
Noncurrent Liabilities:				
Compensated Absences	64,771	47,893	112,664	118,104
Advances from Other Funds	84,403	108,410	192,813	-
Net Pension Liability	1,243,434	828,956	2,072,390	-
Installment Agreements	11,635,896	2,929,104	14,565,000	-
Total Noncurrent Liabilities	13,028,504	3,914,363	16,942,867	118,104
Total Liabilities	14,290,998	4,215,386	18,506,384	133,021
DEFERRED INFLOWS OF RESOURCES				
Deferred Pension Related Items	316,823	211,215	528,038	-
NET POSITION				
Net Investment in Capital Assets	3,284,729	5,916,545	9,201,274	777,740
Restricted for Capital Projects	-	-	-	-
Unrestricted	7,429,547	2,091,832	9,521,379	38,418
Total Net Position	\$ 10,714,276	\$ 8,008,377	\$ 18,722,653	\$ 816,158

The accompanying notes are an integral part of this statement.

City of St. Helena
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
Year Ended June 30, 2015

	Enterprise Funds			Governmental Activities Internal Service Fund
	Water	Wastewater	Totals	
OPERATING REVENUES				
Charges for Services	\$ 4,237,307	\$ 2,208,105	\$ 6,445,412	\$ 135,551
Other Operating Revenues	89,673	32,759	122,432	101
Total Operating Revenues	4,326,980	2,240,864	6,567,844	135,652
OPERATING EXPENSES				
Personnel Services	1,362,727	938,472	2,301,199	8,235
Purchased Water	1,272,770	-	1,272,770	-
Fuel and Utilities	161,313	87,970	249,283	61,376
Other Supplies and Expenses	560,847	525,742	1,086,589	84,426
Depreciation	1,028,037	713,189	1,741,226	232,982
Total Operating Expenses	4,385,694	2,265,373	6,651,067	387,019
Operating Income (Loss)	(58,714)	(24,509)	(83,223)	(251,367)
NONOPERATING REVENUES (EXPENSES)				
Interest Income	40,968	10,347	51,315	994
Interest Expense	(196,547)	(41,398)	(237,945)	-
Total Nonoperating Revenues (Expenses)	(155,579)	(31,051)	(186,630)	994
Income (Loss) Before Capital Contributions and Operating Transfers	(214,293)	(55,560)	(269,853)	(250,373)
Capital Contributions	152,989	19,600	172,589	-
Transfers In	-	-	-	138,100
Transfers Out	-	-	-	-
Change in Net Position	(61,304)	(35,960)	(97,264)	(112,273)
Net Position - Beginning of Year	12,319,858	9,237,341	21,557,199	859,361
Restatement of Net Position	(1,544,278)	(1,193,004)	(2,737,282)	69,070
Net Position - End of Year	\$ 10,714,276	\$ 8,008,377	\$ 18,722,653	\$ 816,158

The accompanying notes are an integral part of this statement.

City of St. Helena
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2015

	Enterprise Funds			Governmental Activities
	Water	Wastewater	Totals	Internal Service Fund
Cash Flows from Operating Activities				
Receipts from Customers	\$ 4,498,924	\$ 2,303,871	\$ 6,802,795	\$ 135,551
Payments to Employees for Services	(1,417,241)	(983,588)	(2,400,829)	(85,490)
Payments to Suppliers for Goods and Services	(1,920,545)	(608,584)	(2,529,129)	(142,413)
Net Cash Provided (Used) by Operating Activities	1,161,138	711,699	1,872,837	(92,352)
Cash Flows from Noncapital and Related Financing Activities				
Cash Received from Other Funds	-	-	-	138,100
Cash Paid to Other Funds	-	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	-	-	-	138,100
Cash Flows from Capital and Related Financing Activities				
Acquisition and Construction of Capital Assets	(629,739)	(632,113)	(1,261,852)	(78,730)
Interest Paid	(384,490)	(114,851)	(499,341)	-
Capital Contributions	152,989	19,600	172,589	-
Principal Paid on Capital Debt	(477,800)	(127,200)	(605,000)	-
Net Cash Provided (Used) by Capital Financing Activities	(1,339,040)	(854,564)	(2,193,604)	(78,730)
Cash Flows from Investing Activities				
Interest Received	40,968	10,347	51,315	994
Net Cash Provided (Used) by Investing Activities	40,968	10,347	51,315	994
Net Increase (Decrease) in Cash and Cash Equivalents	(136,934)	(132,518)	(269,452)	(31,988)
Cash and Cash Equivalents, Beginning of the Year	11,785,513	3,194,978	14,980,491	203,326
Cash and Cash Equivalents, End of the Year	<u>\$ 11,648,579</u>	<u>\$ 3,062,460</u>	<u>\$ 14,711,039</u>	<u>\$ 171,338</u>
Reconciliation of Operating Income (Loss) to				
Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ (58,714)	\$ (24,509)	\$ (83,223)	\$ (251,367)
Adjustments to Reconcile Operating Income (Loss) to				
Net Cash Provided (Used) by Operating Activities:				
Depreciation	1,028,037	713,189	1,741,226	232,982
Changes in Operating Assets and Liabilities:				
Decrease (Increase) in Accounts Receivable	172,958	63,007	235,965	(101)
Decrease (Increase) in Prepaid Expenses	-	-	-	-
Decrease (Increase) in Deferred Outflows - Pensions	10,286	6,858	17,144	-
Increase (Decrease) in Accounts Payable and Accrued Liabilities	74,385	5,128	79,513	3,389
Increase (Decrease) in Deferred Inflows - Pensions	300,755	200,503	501,258	-
Increase (Decrease) in Net Pension Liability	(313,156)	(208,771)	(521,927)	-
Increase (Decrease) in Compensated Absences Payable	(52,399)	(43,706)	(96,105)	(77,255)
Increase (Decrease) in Deposits Payable	(1,014)	-	(1,014)	-
Total Cash Provided (Used) by Operating Activities	\$ 1,161,138	\$ 711,699	\$ 1,872,837	\$ (92,352)
Noncash Investing, Capital and Financing Activities				
Amortization Related to Long-term Debt	\$ 30,452	\$ -	\$ 30,452	\$ -
Amortization Related to Pensions	4,229	2,819	7,048	-

The accompanying notes are an integral part of this statement.

City of St. Helena
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015

	Agency Fund
ASSETS	
Cash and Investments	\$ 33,267
Assessments Receivable	28,975
Total Assets	\$ 62,242
LIABILITIES	
Accounts Payable	\$ 50,754
Deposits Payable	11,488
Total Liabilities	\$ 62,242

The accompanying notes are an integral part of this statement.

City of St. Helena
Notes to the Financial Statements
June 30, 2015

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of government-wide financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

B. Reporting Entity

The City of St. Helena (City) is a municipal corporation governed by an elected five-member council. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. There are no component units of the City which meet the criteria of a blended or a discretely-presented component unit.

C. Basis of presentation – government-wide financial statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's proprietary funds functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

D. Basis of presentation – fund financial statements

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Measure A Special Revenue Fund* used to account for grants and allocations restricted in use to flood control and flood mitigation projects and purposes.

The City reports the following major proprietary funds:

City of St. Helena
Notes to the Financial Statements
June 30, 2015

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The *Water and Wastewater Enterprise Funds* account for the water distribution system, sewage treatment plant, sewage pumping stations and collection systems.

Additionally, the City reports the following fund types:

The *Internal Service Fund* is used to account for the City's vehicle fleet and services provided to other city departments on a cost reimbursement basis, such as sick leave termination benefits.

The *Agency Fund* accounts for assessments collected on behalf of the Tourism Improvement District.

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

E. Measurement focus and basis of accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

City of St. Helena
Notes to the Financial Statements
June 30, 2015

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of yearend). All other revenue items are considered to be measurable and available only when cash is received by the City.

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

F. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

1. Cash and cash equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

2. Investments

Investments for the City are reported at fair value (generally based on quoted market prices). The State Treasurer's Investment Pool and CAMP operate in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Certain proceeds of debt issues, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

3. Inventories and prepaid items

All Inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

4. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements.

City of St. Helena
Notes to the Financial Statements
June 30, 2015

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Capital assets, except for infrastructure assets, are defined by the City as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. For infrastructure assets the same estimated minimum useful life is used (in excess of one year), but only those infrastructure projects that cost more than \$25,000 are reported as capital assets. Under the GASB 34 Implementation Rules, the City was not required to record infrastructure assets existing or acquired prior to July 1, 2001; and the City has not recorded such assets. The City may elect to record such infrastructure assets in the future.

As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated fair value at the date of donation.

Interest incurred during the construction phase of capital assets of enterprise funds is included as part of the capitalized value of the assets constructed. The amount of interest capitalized depends on the specific circumstances. This year, interest of \$260,250 was capitalized in the enterprise funds.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Buildings and Improvements	10-50 years
Public Domain Infrastructure	50 years
System Infrastructure	50 years
Vehicles and Equipment	4-10 years

5. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense) until then. The City reports deferred outflows as a result of the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, special assessments, grant receivables, and other miscellaneous receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition, the City reports deferred inflows as a result of the implementation of GASB Statement No. 68.

City of St. Helena
Notes to the Financial Statements
June 30, 2015

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

6. Net position flow assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

7. Fund balance flow assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

8. Fund balance policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The city council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The city council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

G. Revenues and expenditures/expenses

1. Program revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function

City of St. Helena
Notes to the Financial Statements
June 30, 2015

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property taxes

Property taxes are levied as of March 1 on property values assessed as of the same date. State statutes provide that the property tax rate be limited generally to one percent of market value, be levied by only the County, and be shared by applicable jurisdictions. The County of Napa collects the taxes and distributes them to taxing jurisdictions on the basis of assessed valuations subject to voter-approved debt. Property taxes are due on November 1 and March 1, and become delinquent on December 10 and April 10. The City receives property taxes pursuant to an arrangement with the County known as the "Teeter Plan." Under the plan, the County assumes responsibility for the collection of delinquent taxes and pays the full allocation to the City. The City recognizes property tax revenues in the fiscal year in which they are due to the City.

3. Compensated absences

The City's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from government service. A portion of unpaid accumulated sick leave is also paid out when employees separate from service with the City. Liabilities for such leave are reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

4. Proprietary funds operating and non-operating revenues and expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reporting as non-operating revenues and expenses.

5. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

H. Use of estimates

The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect

City of St. Helena
Notes to the Financial Statements
June 30, 2015

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates and assumptions.

I. Implementation of Governmental Accounting Standards Board (GASB) pronouncements

GASB Statement No. 72 - In February of 2015, GASB issued Statement No. 72, Fair Value Measurement and Application. This statement was issued to address accounting and financial reporting issues related to fair value measurements. This GASB Statement is required to be implemented in financial statements issued for the periods beginning after June 15, 2015. The City has not elected to early implement this statement and has not determined its effect on the financial statements.

GASB Statement No. 75 - In June of 2015, GASB issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This statement was issued to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions. This GASB Statement is required to be implemented in financial statements issued for the periods beginning after June 15, 2017. The City has not elected to early implement this statement and has not determined its effect on the financial statements.

2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The following non-major funds had deficit fund balances as of June 30, 2015: Gas Tax 2107 special revenue fund - \$1,536; and Napa Valley NOW special revenue fund - \$4,689. These deficits are expected to be eliminated by revenues that will become available in subsequent periods.

3) DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Deposits and investments

As of June 30, 2015 cash and investments were reported in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Investments	\$ 22,632,086
Cash and Investments with Fiscal Agent	3,084,448
Statement of Fiduciary Net Position:	
Cash and Investments	33,267
Total Cash and Investments	<u>\$ 25,749,801</u>

Cash and investments as of June 30, 2015 consisted of the following:

Petty Cash	\$ 800
Deposits with Financial Institutions	7,455,077
Investments	18,293,924
Total Cash and Investments	<u>\$ 25,749,801</u>

City of St. Helena
Notes to the Financial Statements
June 30, 2015

3) DETAILED NOTES ON ALL ACTIVITIES AND FUNDS - Continued

Authorized investments - The table below identifies the investment types that are authorized by the City's investment policy. The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk:

Authorized Investment Type	Maximum Maturity	Maximum Allowable Investment Percentage	Maximum Investment In One Issuer
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
California Asset Management Program (CAMP)	N/A	None	None
Insured Savings Accounts	N/A	None	None
Banker's Acceptances	180 days	40%	10%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposits	N/A	30%	10%
Obligations of the State of California	N/A	None	10%
Time Deposits, Non-negotiable and Collateralized	N/A	25%	10%
Medium-Term Notes	N/A	30%	5%
Money Market Mutual Funds	N/A	15%	None

Interest rate risk - Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater is the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter-term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Remaining Maturity (in Months)			Fair Value
	12 Months or Less	13 to 24 Months	25-60 Months	
U.S. Treasury Securities	\$ -	\$ 1,054,091	\$ 1,048,175	\$ 2,102,266
Federal Agency Securities	-	2,566,720	637,894	3,204,614
Corporate Note	-	503,787	816,058	1,319,845
Negotiable Certificates of Deposit	525,108	898,574	199,888	1,623,570
LAIF	6,872,633	-	-	6,872,633
Short Term Investments	37,189	-	-	37,189
Money Market Mutual Funds	49,359	-	-	49,359
Cash with Fiscal Agent:				
Money Market Mutual Funds	3,084,448	-	-	3,084,448
Total	\$ 10,568,737	\$ 5,023,172	\$ 2,702,015	\$ 18,293,924

City of St. Helena
Notes to the Financial Statements
June 30, 2015

3) DETAILED NOTES ON ALL ACTIVITIES AND FUNDS - Continued

Credit risk - Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code or the City's investment policy and the actual rating as of year-end for each investment type:

Investment Type	Total Investment	Minimum Legal Rating	Rating as of Year End		
			AAA/AA	A and A-1	Unrated
U.S. Treasury Securities	\$ 2,102,266	N/A	\$ 2,102,266	\$ -	\$ -
Federal Agency Securities	3,204,614	N/A	3,204,614	-	-
Corporate Note	1,319,845	N/A	954,262	365,583	-
Negotiable Certificates of Deposit	1,623,570	N/A	599,608	1,023,962	-
LAIF	6,872,633	N/A	-	-	6,872,633
Short Term Investments	37,189	N/A	-	-	37,189
Money Market Mutual Funds	49,359	N/A	-	-	49,359
Cash with Fiscal Agent:					
Money Market Mutual Funds	3,084,448	N/A	-	-	3,084,448
Total	\$ 18,293,924		\$ 6,860,750	\$ 1,389,545	\$ 10,043,629

Concentration of credit risk - At June 30, 2015, the City had no investments in any one issuer that represent 5% or more of total City investments, other than U.S. Government obligations, external investment pools, and mutual funds.

Custodial credit risk - Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2015, no deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities.

Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF). As of June 30, 2015, none of the City's investments were held by the broker-dealer (counterparty) that was used by the City to purchase the securities.

City of St. Helena
Notes to the Financial Statements
June 30, 2015

3) DETAILED NOTES ON ALL ACTIVITIES AND FUNDS - Continued

State Investment Pool - The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

B. Receivables

Revenues of the Water and Wastewater enterprises are reported net of uncollectible amounts. Total uncollectible amounts related to revenues of the current period are not material at year-end.

Long-term notes receivable of \$1,181,541 consists primarily of two notes relating to affordable housing projects. The notes are repayable in annual installments to the extent that the housing projects generate excess cash flows. Both notes are secured by deeds of trust on the real properties and mature in 2022 for \$141,084 and in 2049 for \$1,022,213.

C. Interfund receivables, payables and transfers

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by nonspendable fund balance in applicable governmental funds to indicate that they are not available for appropriation.

Amounts due to/due from other funds at June 30, 2015 are as follows: non-major funds owe the General Fund \$5,008 as a result of temporary operating deficits. These interfund borrowings will be repaid from future revenues.

Advances to other funds of \$192,813 in the General Fund represent \$84,403 due from the Water Fund, and \$108,410 due from the Wastewater Fund. These advances were made in prior fiscal years to provide temporary funding for various projects, pending reimbursement by grantor agencies and other governments.

Interfund transfers for the 2014-15 fiscal year were as follows:

	General Fund	Internal Service Fund	Measure A Fund	Nonmajor Funds	Total
Transfers Out:					
General Fund	\$ -	\$ 138,100	\$ 526,000	\$ 411,121	\$ 1,075,221
Nonmajor Funds	36,240	-	-	189,120	225,360
Total	<u>\$ 36,240</u>	<u>\$ 138,100</u>	<u>\$ 526,000</u>	<u>\$ 600,241</u>	<u>\$ 1,300,581</u>

City of St. Helena
Notes to the Financial Statements
June 30, 2015

3) DETAILED NOTES ON ALL ACTIVITIES AND FUNDS - Continued

The General Fund transferred \$138,100 to the Internal Service Fund to reimburse various costs; the General Fund transferred \$526,000 to the Measure A Fund to provide funds for debt service expenditures; the General Fund transferred \$411,121 to the non-major capital project funds to provide funds for various projects; and non-major funds transferred \$36,240 to the General Fund, and \$189,120 to other non-major funds to provide funds for various projects.

D. Capital assets

The following is a summary of the capital assets activity for the year ended June 30, 2015:

	Beginning Balance*	Additions	Deletions	Ending Balance
Governmental Activities				
Capital Assets, not Being Depreciated				
Land	\$ 8,336,654	\$ -	\$ -	\$ 8,336,654
Construction in Progress	1,980,280	43,989	(92,695)	1,931,574
Total Capital Assets, Not Being Depreciated	10,316,934	43,989	(92,695)	10,268,228
Capital Assets, Being Depreciated				
Buildings	7,778,266	319,617	-	8,097,883
Improvements	8,406,662	271,912	-	8,678,574
Floodwall Infrastructure	18,913,620	-	-	18,913,620
Vehicle Fleet, Internal Service	4,027,352	68,730	(49,960)	4,046,122
Equipment	2,648,147	116,625	-	2,764,772
Total Capital Assets Being Depreciated	41,774,047	776,884	(49,960)	42,500,971
Less Accumulated Depreciation for:				
Buildings	(4,483,918)	(234,319)	-	(4,718,237)
Improvements	(3,274,174)	(399,966)	-	(3,674,140)
Floodwall Infrastructure	(756,544)	(378,272)	-	(1,134,816)
Vehicle Fleet, Internal Service	(3,188,608)	(129,735)	49,960	(3,268,383)
Equipment	(2,099,097)	(124,079)	-	(2,223,176)
Total Accumulated Depreciation	(13,802,341)	(1,266,371)	49,960	(15,018,752)
Total Capital Assets, Being Depreciated, Net	27,971,706	(489,487)	-	27,482,219
Governmental Activities Capital Assets, Net	\$ 38,288,640	\$ (445,498)	\$ (92,695)	\$ 37,750,447

* Includes a prior period adjustment decreasing capital assets by \$886,339. See Note 4D for more information.

City of St. Helena
Notes to the Financial Statements
June 30, 2015

3) DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – Continued

	Beginning Balance*	Additions	Deletions	Ending Balance
Business-Type Activities				
Capital Assets, not Being Depreciated				
Land	\$ 3,432,490	\$ -	\$ -	\$ 3,432,490
Construction in Progress	5,330,697	1,218,546	(2,156,384)	4,392,859
Total Capital Assets, Not Being Depreciated	8,763,187	1,218,546	(2,156,384)	7,825,349
Capital Assets, Being Depreciated				
Buildings	3,560,931	-	-	3,560,931
Systems	23,426,828	2,050,849	-	25,477,677
Machinery & Equipment	4,674,641	148,839	-	4,823,480
Total Capital Assets Being Depreciated	31,662,400	2,199,688	-	33,862,088
Less Accumulated Depreciation for:				
Buildings	(1,912,309)	(80,406)	-	(1,992,715)
Systems	(14,001,786)	(1,368,844)	-	(15,370,630)
Machinery & Equipment	(3,297,655)	(291,976)	-	(3,589,631)
Total Accumulated Depreciation	(19,211,750)	(1,741,226)	-	(20,952,976)
Total Capital Assets, Being Depreciated, Net	12,450,650	458,462	-	12,909,112
Business-type Activities Capital Assets, Net	<u>\$ 21,213,837</u>	<u>\$ 1,677,008</u>	<u>\$ (2,156,384)</u>	<u>\$ 20,734,461</u>

* Includes a prior period adjustment of \$1,155,492, which decreased the total balance. See Note 4D for more information.

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities

General Government	\$ 155,023
Planning and Building	-
Public Safety	267,619
Public Works	609,803
Library	96,290
Parks and Recreation	137,636
Total Depreciation Expense	<u>\$ 1,266,371</u>

Business-type Activities

Water	\$ 1,028,037
Wastewater	713,189
Total Depreciation Expense	<u>\$ 1,741,226</u>

City of St. Helena
Notes to the Financial Statements
June 30, 2015

3) DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – Continued

E. Long-term liabilities

The following is a summary of the long-term liability activity for the fiscal year ended June 30, 2015:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 505,000	\$ -	\$ 160,000	\$ 345,000	\$ 170,000
Capital Leases	1,202,842	-	206,271	996,571	211,607
State Revolving Loan	6,570,806	-	369,104	6,201,702	377,964
Net Pension Liability	-	7,790,319	1,499,924	6,290,395	-
Compensated Absences	626,885	-	48,825	578,060	317,370
Claims	39,248	-	25,855	13,393	6,830
Reimbursement Agreement	30,740	-	-	30,740	-
Total	<u>\$ 8,975,521</u>	<u>\$ 7,790,319</u>	<u>\$ 2,309,979</u>	<u>\$ 14,455,861</u>	<u>\$ 1,083,771</u>
Business-type Activities:					
Installment Agreements:					
Water - 2012B	\$ 5,400,000	\$ -	\$ 202,800	\$ 5,197,200	\$ 211,304
Water - 2006A	7,210,000	-	275,000	6,935,000	285,000
Wastewater - 2012B	1,500,000	-	57,200	1,442,800	58,696
Wastewater - 2005B	1,690,000	-	70,000	1,620,000	75,000
Net Pension Liability	-	2,594,317	521,927	2,072,390	-
Compensated Absences	282,069	-	96,105	185,964	73,300
Total	<u>\$ 16,082,069</u>	<u>\$ 2,594,317</u>	<u>\$ 1,223,032</u>	<u>\$ 17,453,354</u>	<u>\$ 703,300</u>

General Obligation Bonds

The City issued 1996 General Obligation Bonds in an original amount of \$2,175,000 to provide funds for construction of a new fire station. The bonds are secured by a voter-approved levy of ad valorem taxes, mature each July 1 through 2016 and bear interest at rates from 5% to 6.75%. Annual debt service requirements to maturity for the GO Bonds are as follows:

Fiscal Year Ending	Principal	Interest	Total
June 30,			
2016	\$ 170,000	\$ 13,650	\$ 183,650
2017	175,000	4,594	179,594
Totals	<u>\$ 345,000</u>	<u>\$ 18,244</u>	<u>\$ 363,244</u>

A special voter approved tax is accounted for in a debt service fund and is used to pay the debt service on the general obligation bonds.

City of St. Helena
Notes to the Financial Statements
June 30, 2015

3) DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – Continued

Capital Leases

The City has entered into three capital leases to finance the acquisition of land parcel, fire station improvements, and an aerial fire truck. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. The assets acquired through the capital leases have been capitalized in the accounting records at \$4.4 million. The General Fund is used to pay debt service on the capital lease obligations. The future debt service requirements to maturity for the capital leases are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2016	\$ 211,607	\$ 24,668	\$ 236,275
2017	217,576	18,699	236,275
2018	223,722	12,553	236,275
2019	135,320	7,063	142,383
2020	138,416	3,968	142,384
2021	69,930	801	70,731
Totals	<u>\$ 996,571</u>	<u>\$ 67,752</u>	<u>\$ 1,064,323</u>

State Revolving Loan

The City obtained a \$9,100,000 loan from the State Water Resources Control Board (of which the City borrowed only \$7,999,500) for the purpose of financing the acquisition of land parcels and construction costs related to a floodwall barrier project with the City. The loan bears interest at 2.4% per annum and is repayable in annual installments of principal and interests through fiscal year 2029. The City has pledged Measure A sales tax revenue allocations as security for repayment of the loan. Future debt service on the loan proceeds received through June 30, 2015 is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2016	\$ 377,964	\$ 148,841	\$ 526,805
2017	387,035	139,770	526,805
2018	396,324	130,481	526,805
2019	405,835	120,969	526,804
2020	415,576	111,229	526,805
2021	425,549	101,255	526,804
2022	435,763	91,042	526,805
2023	446,221	80,584	526,805
2024	456,930	69,874	526,804
2025	467,896	58,908	526,804
2026	479,126	47,679	526,805
2027	490,625	36,180	526,805
2028	502,400	24,405	526,805
2029	514,458	12,347	526,805
Totals	<u>\$ 6,201,702</u>	<u>\$ 1,173,564</u>	<u>\$ 7,375,266</u>

City of St. Helena
Notes to the Financial Statements
June 30, 2015

3) DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – Continued

Reimbursement Agreement

The reimbursement agreement is payable to developers when and to the extent that building permit fees are collected for the construction of buildings on certain parcels of land located within specified building zones.

2012B Installment Agreement

In June 2012, the City entered into a \$7,155,000 installment purchase agreement with the California Statewide Communities Development Authority for the purpose of obtaining funds to make water and wastewater system improvements. The agreement bears interest at rates of 2% to 5% per annum and is payable each October 1 and April 1 commencing October 1, 2013 and continuing until October 31, 2032. The agreement is secured by a pledge of the net revenues of the water and wastewater system. The City has pledged future system revenues, net of specified operating expenses, to repay \$7,155,000 borrowed under the installment agreement. Annual principal and interest payments on the agreement are expected to require less than 46 percent of system net revenues. The installment agreement requires that the City set rates, fees and charges for each fiscal year so as to yield system net revenues during each fiscal year equal to at least 120% of the annual debt service (including parity debt). For the 2014-15 fiscal year, the City's net revenues in the Water Fund were not sufficient to meet this requirement. The City is currently conducting a rate study to address this issue. The City, under the arrangement, has allocated \$5,599,565 of the agreement to its water enterprise and \$1,555,435 to its wastewater enterprise. Future debt service requirements for the water system are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2016	\$ 211,304	\$ 200,622	\$ 411,926
2017	219,130	194,283	413,413
2018	223,043	187,709	410,752
2019	230,870	178,787	409,657
2020	238,696	174,170	412,866
2021	246,522	164,622	411,144
2022	258,261	154,761	413,022
2023	266,087	144,430	410,517
2024	273,913	136,448	410,361
2025	281,739	128,230	409,969
2026	293,478	119,074	412,552
2027	305,217	104,400	409,617
2028	320,870	89,139	410,009
2029	336,522	73,096	409,618
2030	352,174	59,635	411,809
2031	363,913	45,548	409,461
2032	379,565	30,991	410,556
2033	395,896	15,809	411,705
Totals	<u>\$ 5,197,200</u>	<u>\$ 2,201,754</u>	<u>\$ 7,398,954</u>

City of St. Helena
Notes to the Financial Statements
June 30, 2015

3) DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – Continued

Future debt service requirements for the wastewater system are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2016	\$ 58,696	\$ 55,728	\$ 114,424
2017	60,870	53,967	114,837
2018	61,957	52,141	114,098
2019	64,130	49,663	113,793
2020	66,304	48,380	114,684
2021	68,478	45,728	114,206
2022	71,739	42,989	114,728
2023	73,913	40,120	114,033
2024	76,087	37,902	113,989
2025	78,261	35,620	113,881
2026	81,522	33,076	114,598
2027	84,783	29,000	113,783
2028	89,130	24,761	113,891
2029	93,478	20,304	113,782
2030	97,826	16,565	114,391
2031	101,087	12,652	113,739
2032	105,435	8,609	114,044
2033	109,104	4,391	113,495
Totals	<u>\$ 1,442,800</u>	<u>\$ 611,596</u>	<u>\$ 2,054,396</u>

2006A Installment Agreement

The City, on March 28, 2006, entered into an \$8,885,000 installment purchase agreement with the California Statewide Communities Development Authority in connection with the Authority's Pooled Financing Program. Under the Program and the Agreement, the Authority issues its water revenue bonds and then loans the proceeds to other governments, the repayment of which is secured by the installment purchase agreements. The agreement bears interest at rates of 3.0% to 4.5%.

The City entered into the agreements to obtain funds to make \$5,400,000 water system improvements and to advance refund the City's \$3,174,989 outstanding 2004 water refunding loan. The advance refunding resulted in a difference between the reacquisition price and carrying value of the old debt of \$791,740. This difference, reported in the accompanying financial statements, net of accumulated amortization, is being charged to interest expense through the year 2032. Future debt service requirements are as follows:

City of St. Helena
Notes to the Financial Statements
June 30, 2015

3) DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – Continued

Fiscal Year Ending June 30,	Principal	Interest	Total
2016	\$ 285,000	\$ 307,178	\$ 592,178
2017	295,000	295,941	590,941
2018	305,000	284,125	589,125
2019	320,000	271,625	591,625
2020	330,000	258,419	588,419
2021	345,000	244,281	589,281
2022	360,000	229,300	589,300
2023	375,000	212,275	587,275
2024	395,000	193,025	588,025
2025	415,000	172,775	587,775
2026	435,000	151,525	586,525
2027	455,000	129,275	584,275
2028	480,000	107,100	587,100
2029	500,000	85,050	585,050
2030	525,000	61,988	586,988
2031	545,000	37,912	582,912
2032	570,000	12,825	582,825
Totals	<u>\$ 6,935,000</u>	<u>\$ 3,054,619</u>	<u>\$ 9,989,619</u>

The City has pledged future water system revenues, net of specified operating expenses, to repay the \$8.88 million borrowed under the installment arrangement. Annual principal and interest payments on the agreement are expected to require 33% of system net revenues. Total interest and principal remaining to be paid on the agreement is \$9,989,619.

2005B Installment Agreement.

In July of 2005 the City entered into a \$2,220,000 installment purchase agreement with the California Statewide Communities Development Authority for the purpose of obtaining funds to make wastewater system improvements. The agreement bears interest at rates of 2.50% to 4.375% per annum and is payable each October 1 and April 1 commencing October 1, 2005 and continuing until April 1, 2031. The agreement is secured by a pledge of the net revenues of the system.

Future debt service requirements are as follows:

City of St. Helena
Notes to the Financial Statements
June 30, 2015

3) DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – Continued

Fiscal Year Ending June 30,	Principal	Interest	Total
2016	\$ 75,000	\$ 66,690	\$ 141,690
2017	75,000	63,953	138,953
2018	80,000	61,045	141,045
2019	85,000	57,878	142,878
2020	85,000	54,531	139,531
2021	90,000	50,986	140,986
2022	95,000	47,099	142,099
2023	95,000	43,014	138,014
2024	100,000	38,821	138,821
2025	105,000	34,414	139,414
2026	110,000	29,750	139,750
2027	115,000	24,828	139,828
2028	120,000	19,687	139,687
2029	125,000	14,328	139,328
2030	130,000	8,750	138,750
2031	135,000	2,953	137,953
Totals	<u>\$ 1,620,000</u>	<u>\$ 618,727</u>	<u>\$ 2,238,727</u>

The City has pledged future wastewater system revenues, net of specified operating expenses, to repay \$2,220,000 borrowed under the installment agreement. Proceeds from the agreement provided financing for the \$2.1 million in system improvements. Annual principal and interest payments on the agreement are expected to require less than 17 percent of system net revenues. Total interest and principal remaining on the agreement is \$2,238,727.

F. Fund balances

Details of the City's fund balances at June 30, 2015 are presented below:

	General Fund	Measure A Fund	Nonmajor Funds
Nonspendable:			
Prepaid costs	\$ 69,951	\$ -	\$ 179,056
Notes receivable	457,496	-	-
Long-term advances	192,813	-	-
Permanent endowments	-	-	51,836
Restricted:			
Public safety	-	-	764,379
Public works	-	-	4,861,071
Library	-	-	771,077
Recreation	209,993	-	320,322
Assigned:			
Capital improvement projects	-	-	1,667,191
Recreation	66,740	-	-
Unassigned	2,270,078	-	(6,225)
Total Fund Balances	<u>\$ 3,267,071</u>	<u>\$ -</u>	<u>\$ 8,608,707</u>

City of St. Helena
Notes to the Financial Statements
June 30, 2015

3) DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – Continued

G. Pension plans

General information about the pension plans

Plan Descriptions – All qualified permanent and probationary employees are eligible to participate in the City's separate Miscellaneous and Safety Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided – The Plans are cost-sharing multiple-employer defined benefit pension plans administered by CalPERS. A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes, and membership information is listed in the June 30, 2013 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the June 30, 2013 actuarial valuation report. This report is a publically available valuation report that can be obtained at CalPERS' website under Forms and Publications.

The Plans' provisions and benefits in effect at June 30, 2015, are summarized as follows:

	Miscellaneous		
	Prior to December 18, 2012	On or after December 18, 2012	On or after January 1, 2013
Hire date			
Benefit formula	2% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	55	60	62
Monthly benefits, as a % of eligible compensation	(1)	(1)	(1)
Required employee contribution rates	7%	7%	6.25%
Required employer contribution rates	8.512%	6.709%	6.237%

	Safety		
	Prior to June 16, 2012	On or after June 16, 2012	On or after January 1, 2013
Hire date			
Benefit formula	3% @ 50	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	55	57
Monthly benefits, as a % of eligible compensation	(1)	(1)	(1)
Required employee contribution rates	9%	9%	11.50%
Required employer contribution rates	18.524%	16.523%	11.153%

(1) - Depending on years of service

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

City of St. Helena
Notes to the Financial Statements
June 30, 2015

3) DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – Continued

For the year ended June 30, 2015, the contributions recognized as part of pension expense for each Plan were as follows:

	<u>Miscellaneous</u>	<u>Safety</u>
Contributions - employer	\$ 432,934	\$ 411,166

Pension liabilities, pension expenses and deferred outflows/inflows of resources related to pensions

As of June 30, 2015, the City reported a liability of \$8,362,785 for its proportionate share of the net pension liability. The City's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2014, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability as of June 30, 2013 and 2014 was as follows:

	<u>Miscellaneous</u>	<u>Safety</u>
Proportion - June 30, 2013	0.20%	0.08%
Proportion - June 30, 2014	0.21%	0.08%
Change - Increase (Decrease)	0.01%	0.00%

For the year ended June 30, 2015, the City recognized pension expense of \$754,982. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to the Safety pension plans from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 1,030,857	\$ -
Differences between actual and expected experience	-	-
Changes in assumptions	-	-
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	94,017	49,333
Net differences between projected and actual earnings on plan investments	-	1,989,706
Total	<u>\$ 1,124,874</u>	<u>\$ 2,039,039</u>

\$1,030,857 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

City of St. Helena
Notes to the Financial Statements
June 30, 2015

3) DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – Continued

Year Ended June 30,	
2016	\$ (483,191)
2017	(483,191)
2018	(485,234)
2019	(493,406)
2020	-
Thereafter	-

Actuarial Assumptions – The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

	Safety
Valuation date	June 30, 2013
Measurement date	June 30, 2014
Actuarial cost method	entry-age normal
Actuarial assumptions:	
Discount rate	7.50%
Inflation	2.75%
Payroll growth	3.00%
Projected salary increase	(1)
Investment rate of return	7.50% (2)
Mortality	(3)

(1) Depending on age, service and type of employment

(2) Net of pension plan investment expenses, including inflation

(3) Derived using CalPERS' Membership Data for all Funds.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

Discount Rate – The discount rate used to measure the total pension liability was 7.50% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

City of St. Helena
Notes to the Financial Statements
June 30, 2015

3) DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – Continued

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent. The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (1)	Real Return Years 11+ (2)
Global Equity	47%	5.25%	5.71%
Global Fixed Income	19%	0.99%	2.43%
Inflation Sensitive	6%	0.45%	3.36%
Private Equity	12%	6.83%	6.95%
Real Estate	11%	4.50%	5.13%
Infrastructure and Forestland	3%	4.50%	5.09%
Liquidity	2%	-0.55%	-1.05%

(1) An expected inflation of 2.5% used for this period.

(2) An expected inflation of 3.0% used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the City's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Miscellaneous	Safety
1% Decrease	6.50%	6.50%
Net Pension Liability	\$ 8,319,642	\$ 4,977,277
Current Discount Rate	7.50%	7.50%
Net Pension Liability	\$ 5,181,011	\$ 3,181,774
1% Increase	8.50%	8.50%
Net Pension Liability	\$ 2,576,246	\$ 1,702,358

City of St. Helena
Notes to the Financial Statements
June 30, 2015

3) DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – Continued

Pension Plan Fiduciary Net Position – Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Payable to the Pension Plan

At June 30, 2015, the City reported a payable of \$ -0- for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2015.

4) OTHER INFORMATION

A. Risk management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City carries insurance.

The City is a member of the Redwood Empire Municipal Insurance Fund a joint powers authority, which provides joint protection programs for public entities covering automobile, general liability, errors and omission losses, property and workers' compensation claims. Under the program, the City has a \$10,000 general liability retention limit similar to a deductible with the Fund being responsible for losses above that amount up to \$500,000. The Fund carries excess liability coverage to a total of \$39.5 million in excess of its \$500,000 retention limit per occurrence through the California Joint Powers Risk Management Authority and its excess insurers.

The Fund covers workers' compensation claims up to its self-insurance limit of \$1 million. A purchased excess policy insures the Fund for an additional \$1 million to provide aggregate coverage of up to \$2 million per claim. The City pays an annual premium to the Fund; the City may share in any surplus revenues or may be required to pay additional assessments based upon the Fund's operating results. The Fund also provides property coverage up to \$300 million per occurrence for its members.

The City paid no material uninsured losses during the 2015 fiscal year. Financial statements of the JPA Fund may be obtained from their administrative offices located at 414 W. Napa Street Sonoma, California 95476.

Liabilities of the City are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors.

The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. Settlements have not exceeded coverage for each of the past three fiscal years except in fiscal 2013 relating to a claim for a dispute over a land purchase.

Changes in the balances of claims liabilities during the past two years are as follows:

City of St. Helena
Notes to the Financial Statements
June 30, 2015

4) OTHER INFORMATION - Continued

Year	Beginning of Year Liability	Current Year Claims and Changes In Estimates	Claim Payments For Current and Prior Years	End of Year Liability
2013-2014	\$ 39,248	\$ 35,000	\$ 35,000	\$ 39,248
2014-2015	39,248	-	25,855	13,393

B. Commitments and contingencies

In 2014, the City entered into a settlement agreement designed to encourage the development of affordable housing units within the City. The agreement includes requirements for the City to approve the development of a certain number of affordable housing units by certain deadlines. If these requirements are not met, then the City is required to make deposits into the Affordable Housing Trust Fund, not to exceed \$2.2 million by December 31, 2022.

The City is involved in other litigation incurred in the normal course of conducting City business. City management believes that, based upon consultation with its counsel, these cases, in the aggregate, are not expected to result in a material adverse financial impact on the City.

The City has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under the terms of the grants, it is believed that any required reimbursements will not be material.

The amount of outstanding construction contract obligations as of June 30, 2015 is approximately \$722,000.

C. Joint ventures and jointly governed organizations

The City is a participant in the following organizations:

Napa Valley Housing Authority. The City is a member of the Napa Valley Housing Authority, created to provide subsidized public housing and related assistance. The Authority was created pursuant to a Joint Powers Agreement, and the City's obligations are limited to providing funds for a prorata share of the Authority's operating costs.

Upper Valley Waste Management Agency. The City is a member of this Agency along with the City of Calistoga, Town of Yountville, and County of Napa. The Agency was formed to provide for economical regional waste management services including uniform rate reviews. Funding for operations is provided from a surcharge placed on landfill dumping fees.

Napa County Transportation and Planning Agency. City is a member of this Joint Powers Agency formed for the purpose of developing transportation planning throughout the County. The City's obligation is limited to serving on the Agency's committees.

Flood Protection Sales Tax Joint Powers Agreement. The City is a member of the Joint Powers Agency for the purpose of establishing a plan for the use and equitable distribution of the 1/2% Flood Protection Sales Tax which was passed by voters in March 1998. As a member, the City will receive allocations of the sales tax to be used for projects outlined in the agreement. To the extent the Agency has issued bonded debt and distributed allocations to its members, the Agency shall retain such sales tax revenues for repayment of the bonded debt.

City of St. Helena
Notes to the Financial Statements
June 30, 2015

4) OTHER INFORMATION - Continued

D. Prior period adjustments/restatements

The prior period adjustments are as follows:

Statement of Activities

The City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as of June 30, 2015. Beginning net position for governmental activities and business-type activities was reduced by \$7,116,316 and \$2,421,220, respectively, to reflect the cumulative effect of applying this statement.

Beginning net position for governmental activities was decreased by \$886,339 for corrections made to accumulated depreciation, and was increased by \$279,189 for corrections made to prior year receivables and other balances.

Beginning net position for business-type activities was decreased by \$1,155,492 for corrections made to accumulated depreciation, and was also increased by \$839,430 for adjustments to prior year receivables.

Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds

Beginning fund balance in the General Fund was increased by \$133,921 as a result of funds improperly reported as special revenue funds in the prior year. These adjustments also reduced the beginning fund balance in the non-major governmental funds. Fund balance in the General Fund and non-major governmental funds was also increased by \$453,163 and \$75,584, respectively, for corrections to prior year receivables and the related deferred inflows.

Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds

The \$2,737,282 net decrease to the beginning net position of enterprise funds represents the net result of the adjustments described above for business-type activities, under the "Statement of Activities" section.

The \$69,070 increase to beginning net position in the internal service fund is a result of corrections to prior year accumulated depreciation.

REQUIRED SUPPLEMENTARY INFORMATION

City of St. Helena
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - General Fund
Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Property Taxes	\$ 2,952,298	\$ 3,704,917	\$ 3,958,142	\$ 253,225
Sales and Other Taxes	4,450,785	4,453,785	4,768,705	314,920
Charges for Services	459,000	87,853	247,249	159,396
Fines and Forfeitures	70,200	77,700	112,156	34,456
Licenses and Permits	510,700	716,850	800,588	83,738
Development Fees	9,000	9,000	17,600	8,600
Intergovernmental	584,429	85,118	286,557	201,439
Interest and Rents	236,350	189,000	224,231	35,231
Other Revenues	85,000	92,112	80,036	(12,076)
Total Revenues	9,357,762	9,416,335	10,495,264	1,078,929
EXPENDITURES				
Current:				
General Government	1,875,741	2,571,520	2,420,068	151,452
Planning and Building	731,099	873,127	671,178	201,949
Public Safety	3,462,170	3,500,077	3,716,599	(216,522)
Public Works	1,508,051	1,555,981	1,543,125	12,856
Library	1,007,966	1,007,966	1,040,972	(33,006)
Parks and Recreation	84,995	84,795	401,968	(317,173)
Capital Outlay	15,000	15,000	10,990	4,010
Debt Service:				
Principal	205,810	205,810	206,271	(461)
Interest	30,465	30,465	30,809	(344)
Total Expenditures	8,921,297	9,844,741	10,041,980	(197,239)
Excess (Deficiency) of Revenues over Expenditures	436,465	(428,406)	453,284	881,690
OTHER FINANCING SOURCES (USES)				
Transfers In	37,757	37,757	36,240	(1,517)
Transfers Out	(1,650,802)	(1,414,259)	(1,075,221)	339,038
Total Other Financing Sources (Uses)	(1,613,045)	(1,376,502)	(1,038,981)	337,521
Net Change in Fund Balances	(1,176,580)	(1,804,908)	(585,697)	1,219,211
Fund Balance, Beginning of Year	3,399,605	3,399,605	3,399,605	-
Prior Period Adjustment	-	-	453,163	453,163
Fund Balance, End of Year	\$ 2,223,025	\$ 1,594,697	\$ 3,267,071	\$ 1,672,374

City of St. Helena
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Measure A Special Revenue Fund
Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Intergovernmental	\$ 2,450,000	\$ 2,450,000	\$ -	\$ (2,450,000)
Interest	-	-	-	-
Total Revenues	2,450,000	2,450,000	-	(2,450,000)
EXPENDITURES				
Current:				
Public Works	-	208,437	-	208,437
Debt Service:				
Principal	369,105	369,105	369,105	-
Interest	157,699	157,699	156,895	804
Total Expenditures	526,804	735,241	526,000	209,241
Excess (Deficiency) of Revenues Over Expenditures	1,923,196	1,714,759	(526,000)	(2,240,759)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	526,000	526,000	-
Total Other Financing Sources (Uses)	-	526,000	526,000	-
Net Change in Fund Balance	1,923,196	2,240,759	-	(2,240,759)
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	\$ 1,923,196	\$ 2,240,759	\$ -	\$ (2,240,759)

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year-end. On or before the end of each fiscal year, all agencies of the City submit requests for appropriations to the City Manager so that a budget may be prepared. By May 15 of each year, the proposed budget is presented to the council for review. The council holds public hearings and a final budget must be prepared and adopted no later than June 30.

The appropriated budget is prepared by fund, function, and department. The City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the City Manager. The legal level of budgetary control (i.e. the level at which expenditures may not legally exceed appropriations) is the fund level. The Council made several supplemental budgetary appropriations throughout the year, including approximately \$900,000 increases to the General Fund appropriations, and \$208,000 increase to the Measure A Fund appropriations.

Actual expenditures exceeded appropriations in the General Fund by \$197,239 for the fiscal year ended June 30, 2015.

**City of St. Helena
Required Supplementary Information
June 30, 2015**

**Schedule of the City's Proportionate Share
of the Net Pension Liability – Last 10 Years*
Cost-sharing Plans**

	<u>2015</u>
Proportion of the net pension liability	0.1344%
Proportion share of the net pension liability	\$ 8,362,785
Covered-employee payroll	\$ 4,021,160
Proportion share of the net pension liability as percentage of covered-employee payroll	207.97%
Plan's fiduciary net position	\$ 28,700,459
Plan fiduciary net position as a percentage of the total pension liability	77.44%

* - Fiscal year 2015 was the first year of implementation; therefore, only one year is shown.

**City of St. Helena
Required Supplementary Information
June 30, 2015**

**Schedule of Contributions – Last 10 Years*
Cost-sharing Plans**

	<u>2015</u>
Contractually required contribution (actuarially determined)	\$ 847,100
Contributions in relation to the actuarially determined contributions	<u>\$ 847,100</u>
Contribution deficiency (excess)	<u>\$ -</u>
 Covered-employee payroll	 \$ 4,021,160
Contributions as a percentage of covered-employee payroll	21.07%

Notes to schedule

Valuation date: June 30, 2013

* - Fiscal year 2015 was the first year of implementation; therefore, only one year is shown.

SUPPLEMENTARY INFORMATION

City of St Helena
Combining Balance Sheet
Non-major Governmental Funds
June 30, 2015

	Special Revenue Funds			
	Civic Improvement Impact	Housing Impact	Public Safety Impact	CA Library Services Act
ASSETS				
Cash and Investments	\$ 500,266	\$ 25,802	\$ 263,659	\$ 27,278
Cash and Investments with Fiscal Agent	-	-	-	-
Receivables:				
Accounts	-	-	-	-
Due from Other Governments	-	-	-	-
Interest	-	-	-	-
Notes and Loans	-	-	61,333	-
Prepaid Expenditures	-	-	-	-
Total Assets	<u>\$ 500,266</u>	<u>\$ 25,802</u>	<u>\$ 324,992</u>	<u>\$ 27,278</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ 2,700
Deposits Payable	-	-	-	-
Due to Other Funds	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,700</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues - Grants	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	500,266	25,802	324,992	24,578
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>500,266</u>	<u>25,802</u>	<u>324,992</u>	<u>24,578</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 500,266</u>	<u>\$ 25,802</u>	<u>\$ 324,992</u>	<u>\$ 27,278</u>

Special Revenue Funds						
Parks and Recreation Facilities	Drainage Impact	Gas Tax 2105	Gas Tax 2106	Gas Tax 2107	Gas Tax 2107.5	Gas Tax 2103
\$ -	\$ 560,485	\$ 19,949	\$ 6,447	\$ -	\$ 1,685	\$ 6,356
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 560,485</u>	<u>\$ 19,949</u>	<u>\$ 6,447</u>	<u>\$ -</u>	<u>\$ 1,685</u>	<u>\$ 6,356</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,217	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	319	-	-
-	-	-	-	1,536	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	560,485	19,949	6,447	-	1,685	6,356
-	-	-	-	-	-	-
-	-	-	-	(1,536)	-	-
-	560,485	19,949	6,447	(1,536)	1,685	6,356
<u>\$ -</u>	<u>\$ 560,485</u>	<u>\$ 19,949</u>	<u>\$ 6,447</u>	<u>\$ -</u>	<u>\$ 1,685</u>	<u>\$ 6,356</u>

(Continued)

	Special Revenue Funds			
	SB 1186 Fee	Affordable Housing	Emergency Flood Relief	Police Training Development
ASSETS				
Cash and Investments	\$ 3,132	\$ 930,774	\$ 112,829	\$ 28,201
Cash and Investments with Fiscal Agent	-	-	-	-
Receivables:				
Accounts	-	-	-	-
Due from Other Governments	-	-	17,694	-
Interest	-	-	-	-
Notes and Loans	-	-	-	-
Prepaid Expenditures	-	-	-	-
Total Assets	<u>\$ 3,132</u>	<u>\$ 930,774</u>	<u>\$ 130,523</u>	<u>\$ 28,201</u>
LIABILITIES				
Accounts Payable	\$ 1,565	\$ 520	\$ -	\$ -
Deposits Payable	-	-	-	-
Due to Other Funds	-	-	-	-
Total Liabilities	<u>1,565</u>	<u>520</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues - Grants	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	1,567	930,254	130,523	28,201
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>1,567</u>	<u>930,254</u>	<u>130,523</u>	<u>28,201</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3,132</u>	<u>\$ 930,774</u>	<u>\$ 130,523</u>	<u>\$ 28,201</u>

Special Revenue Funds						
Public Library Foundation	Asset Forfeiture	Traffic Mitigation Impact	Parking In-lieu	NOAA	Public Safety (COPS)	Park Bond Act
\$ 13,516	\$ 49,335	\$ 1,955,922	\$ 550,823	\$ 2,567	\$ 177,480	\$ 222
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	21,507	-
-	-	-	-	-	-	-
-	-	-	300	-	-	-
-	-	-	-	-	-	-
<u>\$ 13,516</u>	<u>\$ 49,335</u>	<u>\$ 1,955,922</u>	<u>\$ 551,123</u>	<u>\$ 2,567</u>	<u>\$ 198,987</u>	<u>\$ 222</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,920	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	7,920	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
13,516	49,335	1,955,922	551,123	2,567	191,067	222
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>13,516</u>	<u>49,335</u>	<u>1,955,922</u>	<u>551,123</u>	<u>2,567</u>	<u>191,067</u>	<u>222</u>
<u>\$ 13,516</u>	<u>\$ 49,335</u>	<u>\$ 1,955,922</u>	<u>\$ 551,123</u>	<u>\$ 2,567</u>	<u>\$ 198,987</u>	<u>\$ 222</u>

(Continued)

	Special Revenue Funds			
	Park Impact	Library Construction	Skate Park Lighting	Stabo Land Conservation
ASSETS				
Cash and Investments	\$ 282,569	\$ -	\$ 1,157	\$ 35,353
Cash and Investments with Fiscal Agent	-	-	-	-
Receivables:				
Accounts	-	-	-	-
Due from Other Governments	-	-	-	-
Interest	-	-	-	-
Notes and Loans	-	-	-	-
Prepaid Expenditures	-	-	-	-
Total Assets	<u>\$ 282,569</u>	<u>\$ -</u>	<u>\$ 1,157</u>	<u>\$ 35,353</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Deposits Payable	-	-	-	-
Due to Other Funds	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues - Grants	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	282,569	-	1,157	35,353
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>282,569</u>	<u>-</u>	<u>1,157</u>	<u>35,353</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 282,569</u>	<u>\$ -</u>	<u>\$ 1,157</u>	<u>\$ 35,353</u>

Special Revenue Funds					Permanent Funds	
Tweed Library	Napa Valley Now	Fourth of July	Friends & Foundation	Murray Public Safety	Ryan Library Trust	Martin Library Trust
\$ 726,196	\$ -	\$ 38,279	\$ 17,490	\$ 37,694	\$ 18,466	\$ 33,370
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 726,196</u>	<u>\$ -</u>	<u>\$ 38,279</u>	<u>\$ 17,490</u>	<u>\$ 37,694</u>	<u>\$ 18,466</u>	<u>\$ 33,370</u>
\$ 3,861	\$ -	\$ 1,905	\$ 6,842	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	4,689	-	-	-	-	-
<u>3,861</u>	<u>4,689</u>	<u>1,905</u>	<u>6,842</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	18,466	33,370
722,335	-	36,374	10,648	37,694	-	-
-	-	-	-	-	-	-
-	(4,689)	-	-	-	-	-
<u>722,335</u>	<u>(4,689)</u>	<u>36,374</u>	<u>10,648</u>	<u>37,694</u>	<u>18,466</u>	<u>33,370</u>
<u>\$ 726,196</u>	<u>\$ -</u>	<u>\$ 38,279</u>	<u>\$ 17,490</u>	<u>\$ 37,694</u>	<u>\$ 18,466</u>	<u>\$ 33,370</u>

(Continued)

	Debt Service Funds		Capital Projects Funds	
	1996 GO Bonds	South St. Helena Drainage	Street Improvement	City-wide Capital Project Fund
ASSETS				
Cash and Investments	\$ 216,706	\$ 28,529	\$ 914,076	\$ 857,461
Cash and Investments with Fiscal Agent	-	-	-	-
Receivables:				
Accounts	-	14,251	-	-
Due from Other Governments	6,376	-	-	-
Interest	-	-	-	-
Notes and Loans	-	-	-	-
Prepaid Expenditures	179,056	-	-	-
Total Assets	<u>\$ 402,138</u>	<u>\$ 42,780</u>	<u>\$ 914,076</u>	<u>\$ 857,461</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ 10,898	\$ 93,448
Deposits Payable	-	-	-	-
Due to Other Funds	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>10,898</u>	<u>93,448</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues - Grants	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	179,056	-	-	-
Restricted	223,082	42,780	-	-
Assigned	-	-	903,178	764,013
Unassigned	-	-	-	-
Total Fund Balances	<u>402,138</u>	<u>42,780</u>	<u>903,178</u>	<u>764,013</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 402,138</u>	<u>\$ 42,780</u>	<u>\$ 914,076</u>	<u>\$ 857,461</u>

Total
Non-major
Funds

\$ 8,444,074

-

14,251

45,577

-

61,633

179,056

\$ 8,744,591

\$ 130,876

-

5,008

135,884

-

-

230,892

6,716,849

1,667,191

(6,225)

8,608,707

\$ 8,744,591

City of St. Helena
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
Year Ended June 30, 2015

	Special Revenue Funds			
	Civic Improvement Impact	Housing Impact	Public Safety Impact	CA Library Services Act
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-
Development Fees	139,641	-	48,304	-
Intergovernmental	-	-	-	-
Interest and Rents	1,723	109	1,016	256
Other Revenues	-	-	300	-
Total Revenues	141,364	109	49,620	256
EXPENDITURES				
Current:				
General Government	-	-	-	-
Planning and Building	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Library	-	-	-	114,956
Parks and Recreation	-	-	-	-
Intergovernmental	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	-	-	-	114,956
Excess (Deficiency) of Revenues Over Expenditures	141,364	109	49,620	(114,700)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	141,364	109	49,620	(114,700)
Fund Balances, Beginning of Year	358,902	25,693	214,039	139,278
Prior Period Adjustment	-	-	61,333	-
Fund Balances, End of Year	\$ 500,266	\$ 25,802	\$ 324,992	\$ 24,578

Special Revenue Funds						
Parks and Recreation Facilities	Drainage Impact	Gas Tax 2105	Gas Tax 2106	Gas Tax 2107	Gas Tax 2107.5	Gas Tax 2103
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	81,235	-	-	-	-	-
-	-	38,829	23,376	43,816	4,000	62,003
-	2,172	9	(18)	3,863	3	(94)
-	-	-	-	-	-	-
-	83,407	38,838	23,358	47,679	4,003	61,909
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	8,807	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	8,807	-	-
-	83,407	38,838	23,358	38,872	4,003	61,909
-	-	-	-	-	-	-
-	-	(28,660)	(20,550)	(42,450)	(2,030)	(65,430)
-	-	(28,660)	(20,550)	(42,450)	(2,030)	(65,430)
-	83,407	10,178	2,808	(3,578)	1,973	(3,521)
-	477,078	9,771	3,639	2,042	(288)	9,877
-	-	-	-	-	-	-
\$ -	\$ 560,485	\$ 19,949	\$ 6,447	\$ (1,536)	\$ 1,685	\$ 6,356

(Continued)

	Special Revenue Funds			
	SB 1186 Fee	Affordable Housing	Emergency Flood Relief	Police Training Development
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-
Development Fees	-	257,649	-	-
Intergovernmental	7	-	-	18,464
Interest and Rents	10	8,276	476	99
Other Revenues	-	-	-	-
Total Revenues	17	265,925	476	18,563
EXPENDITURES				
Current:				
General Government	-	20,014	-	-
Planning and Building	-	-	-	-
Public Safety	-	-	-	5,990
Public Works	-	-	-	-
Library	-	-	-	-
Parks and Recreation	-	-	-	-
Intergovernmental	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	-	20,014	-	5,990
Excess (Deficiency) of Revenues Over Expenditures	17	245,911	476	12,573
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	17	245,911	476	12,573
Fund Balances, Beginning of Year	1,550	684,343	130,047	15,628
Prior Period Adjustment	-	-	-	-
Fund Balances, End of Year	\$ 1,567	\$ 930,254	\$ 130,523	\$ 28,201

Special Revenue Funds						
Public Library Foundation	Asset Forfeiture	Traffic Mitigation Impact	Parking In-lieu	NOAA	Public Safety (COPS)	Park Bond Act
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	342,518	800	-	-	-
-	13,141	-	-	-	125,269	-
56	180	7,344	2,324	11	712	-
1,000	-	-	-	-	-	-
1,056	13,321	349,862	3,124	11	125,981	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	106,601	-
-	-	-	-	-	-	-
438	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
438	-	-	-	-	106,601	-
618	13,321	349,862	3,124	11	19,380	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
618	13,321	349,862	3,124	11	19,380	-
12,898	36,014	1,606,060	547,999	2,556	171,687	222
-	-	-	-	-	-	-
\$ 13,516	\$ 49,335	\$ 1,955,922	\$ 551,123	\$ 2,567	\$ 191,067	\$ 222

(Continued)

	Special Revenue Funds			
	Park Impact	Library Construction	Skate Park Lighting	Stabo Land Conservation
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-
Development Fees	172,311	-	-	-
Intergovernmental	-	-	-	-
Interest and Rents	940	-	5	149
Other Revenues	-	-	-	-
Total Revenues	173,251	-	5	149
EXPENDITURES				
Current:				
General Government	-	-	-	-
Planning and Building	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Library	-	-	-	-
Parks and Recreation	-	-	-	-
Intergovernmental	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	173,251	-	5	149
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	173,251	-	5	149
Fund Balances, Beginning of Year	109,318	-	1,152	35,204
Prior Period Adjustment	-	-	-	-
Fund Balances, End of Year	\$ 282,569	\$ -	\$ 1,157	\$ 35,353

Special Revenue Funds					Permanent Funds	
Tweed Library	Napa Valley Now	Fourth of July	Friends & Foundation	Murray Public Safety	Ryan Library Trust	Martin Library Trust
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
24,097	(14)	14	(2)	159	738	970
534,889	6,293	38,265	99,546	1,097	-	-
558,986	6,279	38,279	99,544	1,256	738	970
-	10,968	1,905	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
115,286	-	-	88,896	-	-	1,325
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
115,286	10,968	1,905	88,896	-	-	1,325
443,700	(4,689)	36,374	10,648	1,256	738	(355)
-	-	-	-	-	-	-
(66,240)	-	-	-	-	-	-
(66,240)	-	-	-	-	-	-
377,460	(4,689)	36,374	10,648	1,256	738	(355)
344,875	-	-	-	36,438	17,728	33,725
-	-	-	-	-	-	-
<u>\$ 722,335</u>	<u>\$ (4,689)</u>	<u>\$ 36,374</u>	<u>\$ 10,648</u>	<u>\$ 37,694</u>	<u>\$ 18,466</u>	<u>\$ 33,370</u>

(Continued)

	Debt Service Funds		Capital Project Funds	
	1996 GO Bonds	South St. Helena Drainage	Street Improvement	City-wide Capital Project Fund
REVENUES				
Property Taxes	\$ 214,062	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-
Development Fees	-	-	-	-
Intergovernmental	-	-	-	-
Interest and Rents	-	120	-	-
Other Revenues	-	-	-	-
Total Revenues	214,062	120	-	-
EXPENDITURES				
Current:				
General Government	-	-	-	-
Planning and Building	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Library	-	-	-	-
Parks and Recreation	-	-	-	-
Intergovernmental	-	-	-	-
Capital Outlay	-	-	60,653	648,815
Debt Service:				
Principal	160,000	-	-	-
Interest	22,843	-	-	-
Total Expenditures	182,843	-	60,653	648,815
Excess (Deficiency) of Revenues Over Expenditures	31,219	120	(60,653)	(648,815)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	159,120	441,121
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	159,120	441,121
Net Change in Fund Balances	31,219	120	98,467	(207,694)
Fund Balances, Beginning of Year	370,919	28,409	804,711	971,707
Prior Period Adjustment	-	14,251	-	-
Fund Balances, End of Year	\$ 402,138	\$ 42,780	\$ 903,178	\$ 764,013

Total
Non-major
Funds

\$ 214,062

-

1,042,458

328,905

55,703

681,390

2,322,518

32,887

-

112,591

8,807

320,901

-

-

709,468

-

160,000

22,843

1,367,497

955,021

600,241

(225,360)

374,881

1,329,902

7,203,221

75,584

\$ 8,608,707

City of St. Helena
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Civic Improvement Impact Special Revenue Fund
Year Ended June 30, 2015

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Development Fees	\$ -	\$ 139,641	\$ 139,641
Investment Earnings	-	1,723	1,723
	<u>-</u>	<u>141,364</u>	<u>141,364</u>
Total Revenues	<u>-</u>	<u>141,364</u>	<u>141,364</u>
EXPENDITURES			
Current:			
General Government	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>141,364</u>	<u>141,364</u>
Net Change in Fund Balance	-	141,364	141,364
Fund Balance, Beginning of Year	<u>358,902</u>	<u>358,902</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 358,902</u></u>	<u><u>\$ 500,266</u></u>	<u><u>\$ 141,364</u></u>

City of St. Helena
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Housing Impact Special Revenue Fund
Year Ended June 30, 2015

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Development Fees	\$ -	\$ -	\$ -
Interest and Rents	-	109	109
	<u>-</u>	<u>109</u>	<u>109</u>
Total Revenues	<u>-</u>	<u>109</u>	<u>109</u>
EXPENDITURES			
Current:			
General Government	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>109</u>	<u>109</u>
Net Change in Fund Balance	-	109	109
Fund Balance, Beginning of Year	<u>25,693</u>	<u>25,693</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 25,693</u></u>	<u><u>\$ 25,802</u></u>	<u><u>\$ 109</u></u>

City of St. Helena
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Public Safety Impact Special Revenue Fund
Year Ended June 30, 2015

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Development Fees	\$ 21,000	\$ 48,304	\$ 27,304
Interest and Rents	-	1,016	1,016
Other Revenues		300	300
	<u>21,000</u>	<u>49,620</u>	<u>28,620</u>
Total Revenues	<u>21,000</u>	<u>49,620</u>	<u>28,620</u>
EXPENDITURES			
Current:			
Public Safety	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>21,000</u>	<u>49,620</u>	<u>28,620</u>
Net Change in Fund Balance	21,000	49,620	28,620
Fund Balance, Beginning of Year	214,039	214,039	-
Prior Period Adjustment	<u>-</u>	<u>61,333</u>	<u>(61,333)</u>
Fund Balance, End of Year	<u><u>\$ 235,039</u></u>	<u><u>\$ 324,992</u></u>	<u><u>\$ (32,713)</u></u>

City of St. Helena
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - CA Library Services Act Special Revenue Fund
Year Ended June 30, 2015

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ -	\$ -	\$ -
Interest and Rents	-	256	256
	<u>-</u>	<u>256</u>	<u>256</u>
Total Revenues	<u>-</u>	<u>256</u>	<u>256</u>
EXPENDITURES			
Current:			
Library	135,422	114,956	20,466
	<u>135,422</u>	<u>114,956</u>	<u>20,466</u>
Total Expenditures	<u>135,422</u>	<u>114,956</u>	<u>20,466</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(135,422)</u>	<u>(114,700)</u>	<u>20,722</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(135,422)	(114,700)	20,722
Fund Balance, Beginning of Year	139,278	139,278	-
Fund Balance, End of Year	<u>\$ 3,856</u>	<u>\$ 24,578</u>	<u>\$ 20,722</u>

City of St. Helena
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Parks and Recreation Facilities Special Revenue Fund
Year Ended June 30, 2015

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Interest and Rents	\$ -	\$ -	\$ -
Total Revenues	-	-	-
EXPENDITURES			
Current:			
Parks and Recreation	-	-	-
Total Expenditures	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	-	-
Net Change in Fund Balance	-	-	-
Fund Balance, Beginning of Year	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -

City of St. Helena
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Drainage Impact Special Revenue Fund
Year Ended June 30, 2015

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Development Fees	\$ -	\$ 81,235	\$ 81,235
Interest and Rents	-	2,172	2,172
	<u>-</u>	<u>83,407</u>	<u>83,407</u>
Total Revenues	<u>-</u>	<u>83,407</u>	<u>83,407</u>
EXPENDITURES			
Current:			
General Government	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>83,407</u>	<u>83,407</u>
Net Change in Fund Balance	-	83,407	83,407
Fund Balance, Beginning of Year	<u>477,078</u>	<u>477,078</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 477,078</u></u>	<u><u>\$ 560,485</u></u>	<u><u>\$ 83,407</u></u>

City of St. Helena
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Gas Tax 2105 Special Revenue Fund
Year Ended June 30, 2015

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ 28,560	\$ 38,829	\$ 10,269
Interest and Rents	100	9	(91)
	<u>28,660</u>	<u>38,838</u>	<u>10,178</u>
Total Revenues			
EXPENDITURES			
Current:			
Public Works	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures			
	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>28,660</u>	<u>38,838</u>	<u>10,178</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	(28,660)	(28,660)	-
	<u>(28,660)</u>	<u>(28,660)</u>	<u>-</u>
Total Other Financing Sources (Uses)			
	<u>(28,660)</u>	<u>(28,660)</u>	<u>-</u>
Net Change in Fund Balance	-	10,178	10,178
Fund Balance, Beginning of Year	9,771	9,771	-
Fund Balance, End of Year	<u>\$ 9,771</u>	<u>\$ 19,949</u>	<u>\$ 10,178</u>

City of St. Helena
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Gas Tax 2106 Special Revenue Fund
Year Ended June 30, 2015

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ 20,400	\$ 23,376	\$ 2,976
Interest and Rents	150	(18)	(168)
Total Revenues	<u>20,550</u>	<u>23,358</u>	<u>2,808</u>
EXPENDITURES			
Current:			
Public Works	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>20,550</u>	<u>23,358</u>	<u>2,808</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	(20,550)	(20,550)	-
Total Other Financing Sources (Uses)	<u>(20,550)</u>	<u>(20,550)</u>	<u>-</u>
Net Change in Fund Balance	-	2,808	2,808
Fund Balance, Beginning of Year	<u>3,639</u>	<u>3,639</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 3,639</u></u>	<u><u>\$ 6,447</u></u>	<u><u>\$ 2,808</u></u>

City of St. Helena
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Gas Tax 2107 Special Revenue Fund
Year Ended June 30, 2015

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ 43,350	\$ 43,816	\$ 466
Interest and Rents	2,800	3,863	1,063
	<u>46,150</u>	<u>47,679</u>	<u>1,529</u>
EXPENDITURES			
Current:			
Public Works	3,700	8,807	(5,107)
	<u>3,700</u>	<u>8,807</u>	<u>(5,107)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>42,450</u>	<u>38,872</u>	<u>(3,578)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	(42,450)	(42,450)	-
	<u>(42,450)</u>	<u>(42,450)</u>	<u>-</u>
Net Change in Fund Balance	-	(3,578)	(3,578)
Fund Balance, Beginning of Year	2,042	2,042	-
Fund Balance, End of Year	<u>\$ 2,042</u>	<u>\$ (1,536)</u>	<u>\$ (3,578)</u>

City of St. Helena
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Gas Tax 2107.5 Special Revenue Fund
Year Ended June 30, 2015

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ 2,000	\$ 4,000	\$ 2,000
Interest and Rents	30	3	(27)
	<u>2,030</u>	<u>4,003</u>	<u>1,973</u>
EXPENDITURES			
Current:			
Public Works	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	-	-	-
Excess (Deficiency) of Revenues over Expenditures	<u>2,030</u>	<u>4,003</u>	<u>1,973</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	(2,030)	(2,030)	-
	<u>(2,030)</u>	<u>(2,030)</u>	<u>-</u>
Net Change in Fund Balance	-	1,973	1,973
Fund Balance, Beginning of Year	(288)	(288)	-
Fund Balance, End of Year	<u>\$ (288)</u>	<u>\$ 1,685</u>	<u>\$ 1,973</u>

City of St. Helena
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Gas Tax 2103 Special Revenue Fund
Year Ended June 30, 2015

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ 65,280	\$ 62,003	\$ (3,277)
Interest and Rents	150	(94)	(244)
Total Revenues	<u>65,430</u>	<u>61,909</u>	<u>(3,521)</u>
EXPENDITURES			
Current:			
Public Works	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>65,430</u>	<u>61,909</u>	<u>(3,521)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	(65,430)	(65,430)	-
Total Other Financing Sources (Uses)	<u>(65,430)</u>	<u>(65,430)</u>	<u>-</u>
Net Change in Fund Balance	-	(3,521)	(3,521)
Fund Balance, Beginning of Year	<u>9,877</u>	<u>9,877</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 9,877</u></u>	<u><u>\$ 6,356</u></u>	<u><u>\$ (3,521)</u></u>

City of St. Helena
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - SB 1186 Fee Special Revenue Fund
Year Ended June 30, 2015

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ -	\$ 7	\$ 7
Interest and Rents	-	10	10
	<u>-</u>	<u>10</u>	<u>10</u>
Total Revenues	<u>-</u>	<u>17</u>	<u>17</u>
EXPENDITURES			
General Government	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>17</u>	<u>17</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	17	17
Fund Balance, Beginning of Year	<u>1,550</u>	<u>1,550</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 1,550</u></u>	<u><u>\$ 1,567</u></u>	<u><u>\$ 17</u></u>

City of St. Helena
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Affordable Housing Special Revenue Fund
Year Ended June 30, 2015

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Development Fees	\$ -	\$ 257,649	\$ 257,649
Investment Earnings	-	8,276	8,276
	<u>-</u>	<u>265,925</u>	<u>265,925</u>
Total Revenues	<u>-</u>	<u>265,925</u>	<u>265,925</u>
EXPENDITURES			
Current:			
General Government	-	20,014	(20,014)
	<u>-</u>	<u>20,014</u>	<u>(20,014)</u>
Total Expenditures	<u>-</u>	<u>20,014</u>	<u>(20,014)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>245,911</u>	<u>245,911</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	245,911	245,911
Fund Balance, Beginning of Year	<u>684,343</u>	<u>684,343</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 684,343</u></u>	<u><u>\$ 930,254</u></u>	<u><u>\$ 245,911</u></u>

City of St. Helena
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Emergency Flood Relief Special Revenue Fund
Year Ended June 30, 2015

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ -	\$ -	\$ -
Interest and Rents	-	476	476
	<u>-</u>	<u>476</u>	<u>476</u>
Total Revenues	<u>-</u>	<u>476</u>	<u>476</u>
EXPENDITURES			
Current:			
General Government	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>476</u>	<u>476</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	476	476
Fund Balance, Beginning of Year	<u>130,047</u>	<u>130,047</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 130,047</u></u>	<u><u>\$ 130,523</u></u>	<u><u>\$ 476</u></u>

City of St. Helena
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Police Training Development Special Revenue Fund
Year Ended June 30, 2015

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ 4,000	\$ 18,464	\$ 14,464
Interest and Rents	-	99	99
	<u>4,000</u>	<u>18,563</u>	<u>14,563</u>
EXPENDITURES			
Current:			
Public Safety	2,000	5,990	(3,990)
	<u>2,000</u>	<u>5,990</u>	<u>(3,990)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,000</u>	<u>12,573</u>	<u>10,573</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	2,000	12,573	10,573
Fund Balance, Beginning of Year	15,628	15,628	-
Fund Balance, End of Year	<u>\$ 17,628</u>	<u>\$ 28,201</u>	<u>\$ 10,573</u>

City of St. Helena
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Public Library Foundation Special Revenue Fund
Year Ended June 30, 2015

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Interest and Rents	\$ -	\$ 56	\$ 56
Other Revenues	-	1,000	1,000
	<u>-</u>	<u>1,000</u>	<u>1,000</u>
Total Revenues	<u>-</u>	<u>1,056</u>	<u>1,056</u>
EXPENDITURES			
Current:			
Library	2,603	438	2,165
	<u>2,603</u>	<u>438</u>	<u>2,165</u>
Total Expenditures	<u>2,603</u>	<u>438</u>	<u>2,165</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(2,603)</u>	<u>618</u>	<u>3,221</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(2,603)	618	3,221
Fund Balance, Beginning of Year	12,898	12,898	-
	<u>12,898</u>	<u>12,898</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 10,295</u>	<u>\$ 13,516</u>	<u>\$ 3,221</u>

City of St. Helena
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Asset Forfeiture Special Revenue Fund
Year Ended June 30, 2015

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ -	\$ 13,141	\$ 13,141
Interest and Rents	-	180	180
	<u>-</u>	<u>180</u>	<u>180</u>
Total Revenues	<u>-</u>	<u>13,321</u>	<u>13,321</u>
EXPENDITURES			
Current:			
Public Safety	2,000	-	2,000
	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Total Expenditures	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(2,000)</u>	<u>13,321</u>	<u>15,321</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(2,000)	13,321	15,321
Fund Balance, Beginning of Year	36,014	36,014	-
	<u>36,014</u>	<u>36,014</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 34,014</u>	<u>\$ 49,335</u>	<u>\$ 15,321</u>

City of St. Helena
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Traffic Mitigation Impact Special Revenue Fund
Year Ended June 30, 2015

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Development Fees	\$ -	\$ 342,518	\$ 342,518
Interest and Rents	-	7,344	7,344
	<u>-</u>	<u>349,862</u>	<u>349,862</u>
Total Revenues	<u>-</u>	<u>349,862</u>	<u>349,862</u>
EXPENDITURES			
Current:			
Public Works	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>349,862</u>	<u>349,862</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	349,862	349,862
Fund Balance, Beginning of Year	<u>1,606,060</u>	<u>1,606,060</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 1,606,060</u></u>	<u><u>\$ 1,955,922</u></u>	<u><u>\$ 349,862</u></u>

City of St. Helena
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Parking In-lieu Special Revenue Fund
Year Ended June 30, 2015

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Development Fees	\$ -	\$ 800	\$ 800
Interest and Rents	-	2,324	2,324
	<u>-</u>	<u>2,324</u>	<u>2,324</u>
Total Revenues	<u>-</u>	<u>3,124</u>	<u>3,124</u>
EXPENDITURES			
Current:			
Public Works	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>3,124</u>	<u>3,124</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	3,124	3,124
Fund Balance, Beginning of Year	<u>547,999</u>	<u>547,999</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 547,999</u></u>	<u><u>\$ 551,123</u></u>	<u><u>\$ 3,124</u></u>

City of St. Helena
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - NOAA Special Revenue Fund
Year Ended June 30, 2015

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ -	\$ -	\$ -
Interest and Rents	-	11	11
	<u>-</u>	<u>11</u>	<u>11</u>
Total Revenues	<u>-</u>	<u>11</u>	<u>11</u>
EXPENDITURES			
Current:			
Public Works	3,589	-	3,589
	<u>3,589</u>	<u>-</u>	<u>3,589</u>
Total Expenditures	<u>3,589</u>	<u>-</u>	<u>3,589</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(3,589)</u>	<u>11</u>	<u>3,600</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(3,589)	11	3,600
Fund Balance, Beginning of Year	<u>2,556</u>	<u>2,556</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ (1,033)</u></u>	<u><u>\$ 2,567</u></u>	<u><u>\$ 3,600</u></u>

City of St. Helena
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Public Safety (COPS) Special Revenue Fund
Year Ended June 30, 2015

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ 100,000	\$ 125,269	\$ 25,269
Interest and Rents	-	712	712
Total Revenues	<u>100,000</u>	<u>125,981</u>	<u>25,981</u>
EXPENDITURES			
Current:			
Public Safety	<u>101,564</u>	<u>106,601</u>	<u>(5,037)</u>
Total Expenditures	<u>101,564</u>	<u>106,601</u>	<u>(5,037)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,564)</u>	<u>19,380</u>	<u>20,944</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(1,564)	19,380	20,944
Fund Balance, Beginning of Year	<u>171,687</u>	<u>171,687</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 170,123</u></u>	<u><u>\$ 191,067</u></u>	<u><u>\$ 20,944</u></u>

City of St. Helena
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Park Bond Act Special Revenue Fund
Year Ended June 30, 2015

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ -	\$ -	\$ -
Interest and Rents	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Current:			
Parks and Recreation	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance, Beginning of Year	<u>222</u>	<u>222</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 222</u></u>	<u><u>\$ 222</u></u>	<u><u>\$ -</u></u>

City of St. Helena
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Park Impact Special Revenue Fund
Year Ended June 30, 2015

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Development Fees	\$ -	\$ 172,311	\$ 172,311
Interest and Rents	-	940	940
	<u>-</u>	<u>940</u>	<u>940</u>
Total Revenues	<u>-</u>	<u>173,251</u>	<u>173,251</u>
EXPENDITURES			
Current:			
Parks and Recreation	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>173,251</u>	<u>173,251</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	173,251	173,251
Fund Balance, Beginning of Year	<u>109,318</u>	<u>109,318</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 109,318</u></u>	<u><u>\$ 282,569</u></u>	<u><u>\$ 173,251</u></u>

City of St. Helena
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Library Construction Special Revenue Fund
Year Ended June 30, 2015

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ -	\$ -	\$ -
Interest and Rents	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Current:			
Library	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

City of St. Helena
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Skate Park Lighting Special Revenue Fund
Year Ended June 30, 2015

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Interest and Rents	\$ -	\$ 5	\$ 5
Other Revenues	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>-</u>	<u>5</u>	<u>5</u>
EXPENDITURES			
Current:			
Parks and Recreation	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>5</u>	<u>5</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	5	5
Fund Balance, Beginning of Year	<u>1,152</u>	<u>1,152</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 1,152</u></u>	<u><u>\$ 1,157</u></u>	<u><u>\$ 5</u></u>

City of St. Helena
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Stabo Land Conservation Special Revenue Fund
Year Ended June 30, 2015

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Interest and Rents	\$ -	\$ 149	\$ 149
Other Revenues	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>-</u>	<u>149</u>	<u>149</u>
EXPENDITURES			
Current:			
General Government	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>149</u>	<u>149</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	149	149
Fund Balance, Beginning of Year	<u>35,204</u>	<u>35,204</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 35,204</u></u>	<u><u>\$ 35,353</u></u>	<u><u>\$ 149</u></u>

City of St. Helena
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Tweed Library Special Revenue Fund
Year Ended June 30, 2015

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Interest and Rents	\$ 45,500	\$ 24,097	\$ (21,403)
Other Revenues	<u>534,889</u>	<u>534,889</u>	<u>-</u>
Total Revenues	<u>580,389</u>	<u>558,986</u>	<u>(21,403)</u>
EXPENDITURES			
Current:			
Library	<u>237,965</u>	<u>115,286</u>	<u>122,679</u>
Total Expenditures	<u>237,965</u>	<u>115,286</u>	<u>122,679</u>
Excess (Deficiency) of Revenues over Expenditures	<u>342,424</u>	<u>443,700</u>	<u>101,276</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>20,000</u>	<u>(66,240)</u>	<u>(86,240)</u>
Total Other Financing Sources (Uses)	<u>20,000</u>	<u>(66,240)</u>	<u>(86,240)</u>
Net Change in Fund Balance	362,424	377,460	15,036
Fund Balance, Beginning of Year	<u>344,875</u>	<u>344,875</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 707,299</u></u>	<u><u>\$ 722,335</u></u>	<u><u>\$ 15,036</u></u>

City of St. Helena
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Napa Valley Now Special Revenue Fund
Year Ended June 30, 2015

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Interest and Rents	\$ -	\$ (14)	\$ (14)
Other Revenues	-	6,293	6,293
	<u>-</u>	<u>6,293</u>	<u>6,293</u>
Total Revenues	<u>-</u>	<u>6,279</u>	<u>6,279</u>
EXPENDITURES			
Current:			
General Government	-	10,968	(10,968)
	<u>-</u>	<u>10,968</u>	<u>(10,968)</u>
Total Expenditures	<u>-</u>	<u>10,968</u>	<u>(10,968)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>(4,689)</u>	<u>(4,689)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	(4,689)	(4,689)
Fund Balance, Beginning of Year	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ (4,689)</u>	<u>\$ (4,689)</u>

City of St. Helena
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Fourth of July Special Revenue Fund
Year Ended June 30, 2015

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Interest and Rents	\$ -	\$ 14	\$ 14
Other Revenues	-	38,265	38,265
	<u>-</u>	<u>38,265</u>	<u>38,265</u>
Total Revenues	<u>-</u>	<u>38,279</u>	<u>38,279</u>
EXPENDITURES			
Current:			
General Government	-	1,905	(1,905)
	<u>-</u>	<u>1,905</u>	<u>(1,905)</u>
Total Expenditures	<u>-</u>	<u>1,905</u>	<u>(1,905)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>36,374</u>	<u>36,374</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	36,374	36,374
Fund Balance, Beginning of Year	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 36,374</u>	<u>\$ 36,374</u>

City of St. Helena
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Friends & Foundation Special Revenue Fund
Year Ended June 30, 2015

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Interest and Rents	\$ -	\$ (2)	\$ (2)
Other Revenues	-	99,546	99,546
	<u>-</u>	<u>99,544</u>	<u>99,544</u>
Total Revenues	<u>-</u>	<u>99,544</u>	<u>99,544</u>
EXPENDITURES			
Current:			
Library	-	88,896	(88,896)
	<u>-</u>	<u>88,896</u>	<u>(88,896)</u>
Total Expenditures	<u>-</u>	<u>88,896</u>	<u>(88,896)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>10,648</u>	<u>10,648</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	10,648	10,648
Fund Balance, Beginning of Year	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 10,648</u>	<u>\$ 10,648</u>

City of St. Helena
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Murray Public Safety Special Revenue Fund
Year Ended June 30, 2015

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Interest and Rents	\$ -	\$ 159	\$ 159
Other Revenues	1,200	1,097	(103)
	<u>1,200</u>	<u>1,097</u>	<u>(103)</u>
Total Revenues	<u>1,200</u>	<u>1,256</u>	<u>56</u>
EXPENDITURES			
Current:			
Public Safety	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,200</u>	<u>1,256</u>	<u>56</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	1,200	1,256	56
Fund Balance, Beginning of Year	<u>36,438</u>	<u>36,438</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 37,638</u></u>	<u><u>\$ 37,694</u></u>	<u><u>\$ 56</u></u>

City of St. Helena
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Ryan Library Trust Permanent Fund
Year Ended June 30, 2015

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Interest and Rents	\$ 425	\$ 738	\$ 313
Other Revenues	-	-	-
	<u>425</u>	<u>738</u>	<u>313</u>
Total Revenues	<u>425</u>	<u>738</u>	<u>313</u>
EXPENDITURES			
Current:			
Library	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>425</u>	<u>738</u>	<u>313</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	425	738	313
Fund Balance, Beginning of Year	<u>17,728</u>	<u>17,728</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 18,153</u></u>	<u><u>\$ 18,466</u></u>	<u><u>\$ 313</u></u>

City of St. Helena
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Martin Library Trust Permanent Fund
Year Ended June 30, 2015

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Interest and Rents	\$ -	\$ 970	\$ 970
Other Revenues	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>-</u>	<u>970</u>	<u>970</u>
EXPENDITURES			
Current:			
Library	14,263	1,325	12,938
	<u>14,263</u>	<u>1,325</u>	<u>12,938</u>
Total Expenditures	<u>14,263</u>	<u>1,325</u>	<u>12,938</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(14,263)</u>	<u>(355)</u>	<u>13,908</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(14,263)	(355)	13,908
Fund Balance, Beginning of Year	33,725	33,725	-
Fund Balance, End of Year	<u>\$ 19,462</u>	<u>\$ 33,370</u>	<u>\$ 13,908</u>

City of St. Helena
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - 1996 GO Bonds Debt Service Fund
Year Ended June 30, 2015

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 158,000	\$ 214,062	\$ 56,062
Investment Earnings	-	-	-
	<u>158,000</u>	<u>214,062</u>	<u>56,062</u>
Total Revenues	<u>158,000</u>	<u>214,062</u>	<u>56,062</u>
EXPENDITURES			
Debt Service:			
Principal	170,000	160,000	10,000
Interest	18,613	22,843	(4,230)
	<u>188,613</u>	<u>182,843</u>	<u>5,770</u>
Total Expenditures	<u>188,613</u>	<u>182,843</u>	<u>5,770</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(30,613)</u>	<u>31,219</u>	<u>61,832</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(30,613)	31,219	61,832
Fund Balance, Beginning of Year	<u>370,919</u>	<u>370,919</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 340,306</u></u>	<u><u>\$ 402,138</u></u>	<u><u>\$ 61,832</u></u>

City of St. Helena
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - South St. Helena Drainage Debt Service Fund
Year Ended June 30, 2015

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Investment Earnings	\$ -	\$ 120	\$ 120
Total Revenues	-	120	120
EXPENDITURES			
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	120	120
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balance	-	120	120
Fund Balance, Beginning of Year	28,409	28,409	-
Prior Period Adjustment	-	14,251	14,251
Fund Balance, End of Year	\$ 28,409	\$ 42,780	\$ 14,371

City of St. Helena
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Street Improvement Capital Projects Fund
Year Ended June 30, 2015

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ -	\$ -	\$ -
Interest and Rents	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Capital Outlay	1,395,107	60,653	1,334,454
	<u>1,395,107</u>	<u>60,653</u>	<u>1,334,454</u>
Total Expenditures	<u>1,395,107</u>	<u>60,653</u>	<u>1,334,454</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,395,107)</u>	<u>(60,653)</u>	<u>1,334,454</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	1,079,271	159,120	(920,151)
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>1,079,271</u>	<u>159,120</u>	<u>(920,151)</u>
Net Change in Fund Balance	(315,836)	98,467	414,303
Fund Balance, Beginning of Year	804,711	804,711	-
Fund Balance, End of Year	<u>\$ 488,875</u>	<u>\$ 903,178</u>	<u>\$ 414,303</u>

City of St. Helena
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - City-wide Capital Projects Fund
Year Ended June 30, 2015

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ -	\$ -	\$ -
Interest and Rents	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Capital Outlay	1,779,459	648,815	1,130,644
	<u>1,779,459</u>	<u>648,815</u>	<u>1,130,644</u>
Total Expenditures	<u>1,779,459</u>	<u>648,815</u>	<u>1,130,644</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,779,459)</u>	<u>(648,815)</u>	<u>1,130,644</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	411,121	441,121	30,000
Transfers Out	-	-	-
	<u>411,121</u>	<u>441,121</u>	<u>30,000</u>
Total Other Financing Sources (Uses)	<u>411,121</u>	<u>441,121</u>	<u>30,000</u>
Net Change in Fund Balance	(1,368,338)	(207,694)	1,160,644
Fund Balance, Beginning of Year	971,707	971,707	-
Fund Balance, End of Year	<u>\$ (396,631)</u>	<u>\$ 764,013</u>	<u>\$ 1,160,644</u>

III. Statistical Section



This part of the City of St. Helena's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health.

Financial Trends	Schedules 1 - 4
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These schedules contain trend information to help understand how the City's financial performance and well-being have changed over time.

Revenue Capacity	Schedules 5 - 17
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These schedules contain information to help assess the City's most significant local revenue source, the revenues realized from the local transient occupancy tax.

Debt Capacity	Schedules 18 - 20
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These schedules present information to help assess the affordability of the City's current levels of outstanding debt and the city's ability to issue additional debt in the future.

Demographic and Economic Information	Schedules 21 - 22
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These schedules offer demographic and economic indicators to help understand the environment within which the City's financial activities take place.

Operating Information	Schedules 23 - 25
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These schedules contain service and infrastructure data to help understand how the information in the City's financial report relates to services the City provides and the activities it performs.



City of St. Helena, *California*

Schedule 1
City of St. Helena
Net Position by Component
Last Ten Fiscal Years
(Accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities:										
Net investment in capital assets	\$ 12,708,646	\$ 15,737,190	\$ 21,857,385	\$ 22,387,618	\$ 25,544,695	\$ 29,135,922	\$ 29,581,594	\$ 30,955,820	\$ 30,420,740	\$ 30,865,589
Restricted	7,139,250	8,246,638	10,786,643	10,423,255	7,127,220	4,595,629	5,469,078	5,525,865	6,362,224	6,401,635
Unrestricted	<u>4,336,181</u>	<u>4,478,098</u>	<u>6,003,050</u>	<u>6,950,389</u>	<u>5,997,520</u>	<u>3,728,140</u>	<u>4,172,275</u>	<u>6,604,387</u>	<u>5,395,808</u>	<u>3,874,423</u>
Total governmental activities net assets	<u>\$ 24,184,077</u>	<u>\$ 28,461,926</u>	<u>\$ 38,647,078</u>	<u>\$ 39,761,262</u>	<u>\$ 38,669,435</u>	<u>\$ 37,459,691</u>	<u>\$ 39,222,947</u>	<u>\$ 43,086,072</u>	<u>\$ 42,178,772</u>	<u>\$ 41,141,647</u>
Business-type activities:										
Net investment in capital assets	\$ 14,354,295	\$ 15,200,099	\$ 14,259,239	\$ 15,937,309	\$ 15,993,614	\$ 14,303,220	\$ 14,217,750	\$ 13,877,858	\$ 12,466,165	\$ 13,866,596
Invested in capital assets										
Restricted	1,497,676	729,178	596,158	-	-	-	-	-	-	-
Unrestricted	<u>2,741,152</u>	<u>3,562,494</u>	<u>5,581,122</u>	<u>4,990,022</u>	<u>4,406,032</u>	<u>5,067,021</u>	<u>4,494,724</u>	<u>5,683,020</u>	<u>7,868,525</u>	<u>7,690,603</u>
Total business-type activities	<u>\$ 18,593,123</u>	<u>\$ 19,491,771</u>	<u>\$ 20,436,519</u>	<u>\$ 20,927,331</u>	<u>\$ 20,399,646</u>	<u>\$ 19,370,241</u>	<u>\$ 18,712,474</u>	<u>\$ 19,560,878</u>	<u>\$ 20,334,690</u>	<u>\$ 21,557,199</u>
Primary government (City wide totals)										
Net investment in capital assets	\$ 27,062,941	\$ 30,937,289	\$ 36,116,624	\$ 38,324,927	\$ 41,538,309	\$ 43,439,142	\$ 43,799,344	\$ 44,833,678	\$ 42,886,905	\$ 44,732,185
Invested in capital assets	-	-	-	-	-	-	-	-	-	-
Restricted	8,636,926	8,975,816	11,382,801	10,423,255	7,127,220	4,595,629	5,469,078	5,525,865	6,362,224	6,401,635
Unrestricted	<u>7,077,333</u>	<u>8,040,592</u>	<u>11,584,172</u>	<u>11,940,411</u>	<u>10,403,552</u>	<u>8,795,161</u>	<u>8,666,999</u>	<u>12,287,407</u>	<u>13,264,333</u>	<u>11,565,026</u>
Total primary government net assets	<u>\$ 42,777,200</u>	<u>\$ 47,953,697</u>	<u>\$ 59,083,597</u>	<u>\$ 60,688,593</u>	<u>\$ 59,069,081</u>	<u>\$ 56,829,932</u>	<u>\$ 57,935,421</u>	<u>\$ 62,646,950</u>	<u>\$ 62,513,462</u>	<u>\$ 62,698,846</u>

Source: St. Helena Finance Department

Schedule 2
City of St. Helena
Changes in Net Position, Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses:										
Governmental activities:										
General government	\$ 2,719,361	\$ 2,744,106	\$ 2,322,688	\$ 3,067,145	\$ 2,569,567	\$ 2,657,262	\$ 3,236,915	\$ 2,851,444	\$ 2,477,918	\$ 2,750,208
Highways and Streets	442,328	409,979	337,348	346,025	243,312	184,087	526,819	502,815	4,416	1,098,110
Public Safety	3,178,524	3,266,738	3,153,222	3,609,784	3,614,502	3,409,771	3,213,642	3,432,017	3,448,438	3,636,936
Public Works	1,063,918	48,553	2,638,505	2,676,579	3,779,313	1,442,207	1,302,285	1,168,558	2,485,969	4,167,488
Library	1,068,840	1,080,141	993,692	1,120,212	1,252,074	1,193,312	1,218,068	1,173,107	1,272,210	1,373,625
Parks and Recreation	658,904	723,076	826,378	917,698	1,072,860	1,000,883	945,988	1,015,932	448,933	433,768
Housing	-	-	-	-	-	-	-	-	38,741	36,890
Interest on long-term debt	257,463	239,506	238,646	219,422	213,369	247,195	256,018	237,038	264,479	205,681
Total governmental activities expenses	9,389,338	8,512,099	10,510,479	11,956,865	12,744,997	10,134,717	10,699,735	10,380,911	10,441,104	13,702,706
Business-type activities:										
Water	2,187,225	2,062,177	2,978,625	3,049,295	3,675,185	3,915,135	3,527,094	4,217,989	4,073,647	4,264,063
Wastewater	979,036	1,117,889	1,262,974	1,083,192	1,568,898	1,625,707	1,860,158	1,795,970	1,803,054	1,885,231
Total business-type activities expenses	3,166,261	3,180,066	4,241,599	4,132,487	5,244,083	5,540,842	5,387,252	6,013,959	5,876,701	6,149,294
Total City government expenses	<u>\$ 12,555,599</u>	<u>\$ 11,692,165</u>	<u>\$ 14,752,078</u>	<u>\$ 16,089,352</u>	<u>\$ 17,989,080</u>	<u>\$ 15,675,559</u>	<u>\$ 16,086,987</u>	<u>\$ 16,394,870</u>	<u>\$ 16,317,805</u>	<u>\$ 19,852,000</u>
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 1,396,004	\$ 1,203,160	\$ 1,768,014	\$ 1,116,546	\$ 1,085,028	\$ 826,369	\$ 647,589	\$ 1,143,476	\$ 1,023,712	\$ 1,051,247
Highways and Streets	69,695	208,621	185,507	137,075	385,158	102,532	145,930	246,680	102,872	348,406
Public Safety	351,355	270,329	266,941	546,862	785,136	293,904	200,032	262,404	297,268	452,314
Public Works	9,887	-	-	-	-	-	-	-	53,750	45,965
Library	22,395	21,645	21,227	17,278	20,238	20,292	18,888	23,164	17,403	15,420
Parks and Recreation	106,279	112,965	91,147	128,852	149,814	151,228	207,228	175,624	153,581	268,360
Housing	-	-	-	-	-	-	-	-	-	903,560
Operating grants and contributions	457,445	835,527	1,551,060	1,479,634	640,201	561,208	819,256	510,624	710,627	571,600
Capital grants and contributions	4,172,747	3,452,012	8,032,930	1,620,409	1,010,693	2,013,168	2,627,994	4,555,936	250,000	89,943
Total governmental activities program revenues	6,585,807	6,104,259	11,916,826	5,046,656	4,076,268	3,968,701	4,666,917	6,917,908	2,609,213	3,746,815
Business-type activities:										
Charges for services:										
Water	2,045,076	2,265,543	2,859,305	2,916,219	3,174,267	2,889,107	3,118,054	4,360,227	4,776,875	4,921,376
Wastewater	899,623	1,094,036	1,282,115	1,378,826	1,371,394	1,493,773	1,626,692	2,017,899	2,072,169	2,158,387
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	126,617	473,112	344,892	328,254	170,737	128,557	284,269	539,716	267,464	292,040
Total business-type activities programs revenues	3,071,316	3,832,691	4,486,312	4,623,299	4,716,398	4,511,437	5,029,015	6,917,842	7,116,508	7,371,803
Total City government program revenues	<u>\$ 9,657,123</u>	<u>\$ 9,936,950</u>	<u>\$ 16,403,138</u>	<u>\$ 9,669,955</u>	<u>\$ 8,792,666</u>	<u>\$ 8,480,138</u>	<u>\$ 9,695,932</u>	<u>\$ 13,835,750</u>	<u>\$ 9,725,721</u>	<u>\$ 11,118,618</u>

(Continued)

Schedule 2 -Continued
City of St. Helena
Changes in Net Assets, Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net(Expense)Revenue:										
Governmental activities	\$ (2,407,840)	\$ 1,406,347	\$ (6,910,209)	\$ (8,668,729)	\$ (6,166,016)	\$ (6,032,818)	\$ (3,463,003)	\$ (7,831,891)	\$ (9,955,891)	\$ (7,938,173)
Business-type activities	652,625	244,713	490,812	(527,685)	(1,029,405)	(358,237)	903,883	1,239,807	1,222,509	(148,579)
Total City government	\$ (1,755,215)	\$ 1,651,060	\$ (6,419,397)	\$ (9,196,414)	\$ (7,195,421)	\$ (6,391,055)	\$ (2,559,120)	\$ (6,592,084)	\$ (8,733,382)	\$ (8,086,752)
General Revenues and Other Changes in In Net Assets:										
Governmental activities:										
Taxes:										
Property taxes	\$ 2,079,816	\$ 2,257,306	\$ 2,529,620	\$ 2,577,207	\$ 3,085,222	\$ 2,906,026	\$ 3,454,803	\$ 3,561,932	\$ 3,843,026	\$ 4,172,204
Sales taxes	2,222,611	2,532,604	2,703,033	2,607,908	2,131,229	2,073,118	2,130,561	2,386,053	2,594,935	2,714,310
Transient occupancy taxes	1,306,308	1,492,781	1,560,398	1,309,913	1,193,860	1,465,172	1,535,388	1,612,399	1,732,607	1,870,180
Motor vehicle in lieu taxes	425,337	434,721	456,979	477,893	502,720	503,283	-	-	-	2,476
Other taxes	560,851	598,007	482,722	508,908	480,916	520,115	675,884	687,073	734,230	353,205
Other general revenues	-	-	-	-	-	-	-	-	-	-
Unrestricted investment earnings	90,766	213,386	291,911	94,803	69,680	28,830	25,347	18,244	13,968	22,912
Transfers	-	-	-	-	-	-	55,479	-	-	-
Special item	-	-	-	-	-	-	(551,334)	(1,284,079)	-	-
Miscellaneous	-	1,250,000	-	-	(2,507,355)	-	-	-	-	43,979
Total governmental activities	6,685,689	8,778,805	8,024,663	7,576,632	4,956,272	7,496,544	7,326,128	6,981,622	8,918,766	9,179,266
Business-type activities										
Property Taxes	206	35	-	-	-	-	-	-	-	-
Investment earnings	245817	-	-	-	-	-	-	-	-	51,315
Transfers	-	-	-	-	-	-	-	-	-	-
special item	-	700,000	-	-	-	-	-	-	-	-
Total business-type activities	246,023	700,035	-	-	-	-	-	-	-	51,315
Total City government	\$ 6,931,712	\$ 9,478,840	\$ 8,024,663	\$ 7,576,632	\$ 4,956,272	\$ 7,496,544	\$ 7,326,128	\$ 6,981,622	\$ 8,918,766	\$ 9,230,581
Change in net assets:										
Governmental activities	\$ 4,277,849	\$ 10,185,152	\$ 1,114,454	\$ (1,092,097)	\$ (1,209,744)	\$ 1,463,726	\$ 3,863,125	\$ (850,269)	\$ (1,037,125)	\$ 1,241,093
Business-type activities	898,648	944,748	490,812	(527,685)	(1,029,405)	(358,237)	903,883	1,239,807	1,222,509	(97,264)
Total City government	\$ 5,176,497	\$ 11,129,900	\$ 1,605,266	\$ (1,619,782)	\$ (2,239,149)	\$ 1,105,489	\$ 4,767,008	\$ 389,538	\$ 185,384	\$ 1,143,829

*Categories have changed from the 2014 CAFR to the 2015 CAFR. Planning and Building was previously included in the General Government category and is now shown separately.
Source: St. Helena Finance Department

Schedule 3
City of St. Helena
Fund Balances, Governmental Funds
Last Ten Fiscal Years

	2011	2012	2013	2014	2015
General Fund					
Nonspendable	\$ 1,765,705	\$ 496,936	\$ 291,921	\$ -	\$ 720,260
Restricted	-	-	-	-	209,993
Committed	540,080	540,080	-	-	-
Assigned	1,464,031	-	1,973,795	1,973,795	66,740
Unassigned	-	3,233,439	2,265,437	1,291,889	2,270,078
Total general fund	<u>\$ 3,769,816</u>	<u>\$ 4,270,455</u>	<u>\$ 4,631,153</u>	<u>\$ 3,265,684</u>	<u>\$ 3,267,071</u>
All other governmental funds					
Debt Service					
Restricted	\$ 28,007	41,320	\$ 128,059	\$ 399,328	\$ -
Assigned	-	-	-	-	-
Measure A Fund					
Nonspendable	369	-	-	-	-
Restricted	625,800	-	967,676	(1,656,537)	-
Committed	-	2,141,875	-	-	-
Assigned	-	-	-	-	-
All Other Governmental Funds					
Nonspendable	180,748	231,045	203,336	51,453	230,892
Restricted	5,287,823	5,285,532	5,231,347	5,914,432	6,716,849
Committed	336,601	763,454	-	-	-
Assigned	-	-	1,172,856	971,929	1,667,191
Unassigned	(5,031)	394	(182,227)	-	(6,225)
Total all other governmental funds	<u>\$ 6,454,317</u>	<u>\$ 8,463,620</u>	<u>\$ 7,521,047</u>	<u>\$ 5,680,605</u>	<u>\$ 8,608,707</u>
Total fund balances	<u>\$ 10,224,133</u>	<u>\$ 12,734,075</u>	<u>\$ 12,052,200</u>	<u>\$ 8,946,289</u>	<u>\$ 11,875,778</u>

General Fund			Other Major Funds							All Other Governmental Funds						
Fiscal Year	Reserved	Unreserved	Total General Fund	Dr. Wood Library Fund Unreserved***	Measure A Fund Reserved	Measure A Fund Unreserved	Total Measure A* Fund	City Capital Projects** Reserved	City Capital Projects Unreserved	Total City Capital Projects Fund**	Unreserved, reported in					
											Reserved	Special Revenue	Capital Projects	Debt Service	Permanent Funds	Total
2010	\$ 368,990	\$3,403,525	\$ 3,772,515	\$ 318,375	\$ -	\$ -	\$ -	\$ 240,094	\$ 246,647	\$ 486,741	\$ 375,167	\$ 4,108,932	\$ 983	\$ 27,727	\$ 155,417	\$4,668,226
2009	\$ 577,847	\$4,679,199	\$ 5,257,046	\$ 3,680,664	\$ -	\$ -	\$ -	\$ 1,123,327	\$ 88,707	\$ 1,212,034	\$ 1,409,262	\$ 2,300,360	\$ 968	\$ 27,302	\$ 154,270	\$3,892,162
2008	\$ 608,423	\$5,042,769	\$ 5,651,192	\$ 3,884,614	\$ 1,617,740	\$ 431,831	\$ 2,049,571	\$ 649,938	\$ 884,320	\$ 1,534,258	\$ 280,657	\$ 4,394,992	\$ 942	\$ 26,585	\$ 140,703	\$4,843,879
2007	\$ 804,551	\$4,368,884	\$ 5,173,435	\$ 3,763,582	\$ 488,501	\$ 1,365,374	\$ 1,853,875	\$ 393,729	\$ 441,524	\$ 835,253	\$ 580,938	\$ 4,692,562	\$ 909	\$ 24,521	\$ 137,448	\$5,436,378
2006	\$ 1,028,096	\$3,167,888	\$ 4,195,984	\$ 3,163,620	\$ 305,864	\$ 508,800	\$ 814,664	\$ 73,324	\$ 699,728	\$ 773,052	\$ 354,773	\$ 3,826,174	\$ 873	\$ 23,545	\$ 127,346	\$4,332,711
2005	\$ 1,935,986	\$2,745,754	\$ 4,681,740	\$ 3,099,078	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 565,338	\$ 6,590,864	\$ 20,968	\$ 22,163	\$ 94,916	\$7,294,249

Source: St. Helena Finance Department

* Measure A became a major fund in 2006.

** Capital Projects became a major fund in 2010 (The fund was established in 2006)

Note: The City implemented GASB statement number 54 in the 2011 fiscal year. The information in this schedule is therefore set forth prospectively from the year of implementation.

Schedule 4
City of St. Helena
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues:										
Taxes	\$ 6,004,041	\$ 6,709,937	\$ 7,113,569	\$ 6,839,759	\$ 6,730,266	\$ 6,795,236	\$ 7,619,928	\$ 8,080,108	\$ 8,904,798	\$ 8,940,909
Licenses and permits	327,971	383,185	338,099	352,068	292,331	293,842	421,463	437,638	312,156	800,588
Development Fees*	-	-	-	-	-	-	-	-	-	1,060,058
Fines and forfeits	74,848	95,661	93,352	96,782	77,774	52,396	70,658	72,300	97,115	112,156
Interest	523,073	741,320	791,067	549,989	276,969	232,061	256,381	238,676	242,663	279,934
Intergovernmental	4,473,960	9,381,827	3,469,715	2,542,470	3,181,204	3,799,934	5,004,955	504,042	518,489	615,462
Charges for services	1,051,242	993,297	885,586	1,063,581	730,216	672,257	1,147,925	868,314	2,190,308	247,249
Special assessments	-	-	-	-	-	-	-	-	-	-
Other revenues	334,813	1,126,310	379,931	282,470	143,568	317,735	218,581	571,137	496,697	761,426
Sale of property	-	-	-	-	-	-	-	-	-	-
Total revenues	12,789,948	19,431,537	13,071,319	11,727,119	11,432,328	12,163,461	14,739,891	10,772,215	12,762,226	12,817,782
Expenditures:										
General government	2,340,819	2,258,288	2,845,132	2,315,130	2,379,115	2,503,895	2,505,446	2,205,031	2,510,724	2,452,955
Planning & Building*	-	-	-	-	-	-	-	-	-	671,178
Public safety	2,964,877	2,986,783	3,223,375	3,088,356	3,179,321	2,969,839	3,187,866	3,317,210	3,466,297	3,829,190
Library	1,004,380	1,029,307	1,047,284	1,119,899	1,116,837	1,102,902	1,078,055	1,180,748	1,278,975	1,361,873
Parks and recreation	704,543	765,624	856,944	996,499	1,015,444	874,084	935,642	317,941	342,126	401,968
Public works	3,058,348	804,144	1,996,566	3,747,828	900,710	355,901	1,501,977	1,883,114	1,669,201	1,551,932
Capital outlay	1,111,090	7,197,808	1,594,311	6,568,271	7,954,354	5,043,204	327,423	1,312,778	1,406,942	720,458
Debt service:										
Payment to escrow agent	-	-	-	-	-	-	-	-	-	-
Costs of issuance	-	-	-	-	-	-	-	-	-	-
Principal	361,204	367,670	384,545	403,163	458,700	534,878	687,252	682,329	725,555	735,376
Interest	245,926	239,421	222,171	191,947	201,946	223,996	256,731	264,406	232,896	210,547
Intergovernmental	-	-	-	-	-	-	-	-	1,901,700	-
Total expenditures	11,791,187	15,649,045	12,170,328	18,431,093	17,206,427	13,608,699	10,480,392	11,163,557	13,534,416	11,935,477
Excess of revenues over(under) expenditures	998,761	3,782,492	900,991	(6,703,974)	(5,774,099)	(1,445,238)	4,259,499	(391,342)	(772,190)	882,305
Other Financing Sources(Uses)										
Proceeds from borrowing	305,281	305,281	-	2,782,366	3,485,405	2,832,229	-	-	-	-
Transfers in	1,265,330	908,722	3,175,627	3,246,943	3,063,947	973,935	985,626	2,280,063	3,036,547	1,162,481
Transfers out	(1,265,330)	(908,722)	(3,175,627)	(3,246,943)	(3,063,947)	(1,051,074)	(995,285)	(2,280,063)	(3,713,731)	(1,300,581)
Total other financing sources(uses)	305,281	-	-	2,782,366	3,485,405	2,755,090	(9,659)	-	(677,184)	(138,100)
Special Item										
Forgiveness of indebtedness	-	-	-	-	-	-	(1,651,834)	-	-	-
Net change in fund balances	\$ 1,304,042	\$ 3,782,492	\$ 900,991	\$ (3,921,608)	\$ (2,288,694)	\$ 1,309,852	\$ 2,598,006	\$ (391,342)	\$ (1,449,374)	\$ 744,205
Debt service as a percentage of expenditures	7.4%	5.9%	5.6%	4.9%	6.6%	7.6%	9.4%	9.6%	7.2%	8.4%

*Categories have changed from the 2014 CAFR to the 2015 CAFR. Development Fees and Planning and Building were previously included in the other categories and are now shown separately.

Source: St. Helena Finance Department

Schedule 5
City of St. Helena
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(In thousands of dollars)

Fiscal Year	Assessed Taxable Values			Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Real Property	Personal Property	Totals			
2005-2006	1,239,326	49,257	1,288,583	1.00%	3,168,682	40.67%
2006-2007	1,494,317	73,836	1,568,152	1.00%	3,841,271	40.82%
2007-2008	1,427,513	75,950	1,503,463	1.00%	3,677,283	40.89%
2008-2009	1,530,637	69,997	1,600,634	1.00%	3,926,588	40.76%
2009-2010	1,605,402	86,408	1,691,810	1.00%	4,136,945	40.90%
2010-2011	1,613,048	74,155	1,687,203	1.00%	4,138,556	40.77%
2011-2012	1,651,354	78,586	1,729,940	1.00%	4,240,651	40.79%
2012-2013	1,695,701	74,401	1,770,102	1.00%	4,345,539	40.73%
2013-2014	1,858,565	74,771	1,933,336	1.00%	4,753,228	40.67%
2014-2015	1,878,049	91,624	1,969,673	1.00%	4,826,014	40.81%

Schedule 6
City of St. Helena
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Rates per \$100 of assessed value)

Fiscal Year	City Direct Rate			Overlapping Rates	
	Basic Rate	General Obligation Debt Rate	Total	School Districts	Special Districts
2005-2006	1.00%	0.0112%	1.011%	0.05770%	0.00%
2006-2007	1.00%	0.0115%	1.012%	0.04030%	0.00%
2007-2008	1.00%	0.0102%	1.010%	0.04920%	0.00%
2008-2009	1.00%	0.0077%	1.008%	0.04830%	0.00%
2009-2010	1.00%	0.0077%	1.008%	0.05080%	0.00%
2010-2011	1.00%	0.0077%	1.008%	0.04140%	0.00%
2011-2012	1.00%	0.0124%	1.012%	0.05000%	0.00%
2012-2013	1.00%	0.0124%	1.012%	0.04990%	0.00%
2013-2014	1.00%	0.0124%	1.012%	0.07440%	0.00%
2014-2015	1.00%	0.0105%	1.011%	0.07200%	0.00%

Source: County of Napa

Note: The City's direct property tax rates can only be changed with specific voter approval.

Schedule 7
City of St. Helena
Principal Property Tax Payers - Top Ten Payers
Last Ten Fiscal Years
(Dollar Amounts in Thousands)

2015				2014			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Beringer	\$ 97,352	1	4.97%	Schoendorf, Joseph & Nancy	\$ 103,944	1	5.59%
Sutter Home	60,972	2	3.11%	Beringer	97,875	2	5.27%
Schoendorf, Joseph & Nancy	38,963	3	1.99%	Sutter Home	59,100	3	3.18%
C Mondavi and Sons	29,517	4	1.51%	C Mondavi and Sons	25,756	4	1.39%
Palmer City-Core	23,295	5	1.19%	Not Another Winery LLC	25,600	5	1.38%
Realty Income Properties	22,917	6	1.17%	Realty Income Properties	22,813	6	1.23%
Stotesbery, Patrick	10,283	7	0.52%	Grandview Hotel Investors	9,594	7	0.52%
Novak, Mary	10,127	8	0.52%	Wine Service Coop	8,300	8	0.45%
Spring Mountain Hotel LLC	9,648	9	0.49%	1000 St Helena LLC	7,791	9	0.42%
Wine Service Cooperative	8,350	10	0.43%	Gorini, John & Sandra	7,448	10	0.40%
Total	\$ 311,424		15.89%	Total	\$ 368,221		19.81%
2013				2012			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Beringer	\$ 98,624	1	5.82%	Beringer	\$ 97,256	1	5.89%
Sutter Home	57,995	2	3.42%	Sutter Home	56,210	2	3.40%
Not Another Winery LLC	25,549	3	1.51%	C Mondavi & Sons	26,259	3	1.59%
C Mondavi & Sons	25,410	4	1.50%	Not Another Winery LLC	25,208	4	1.53%
Realty Income Properties 2	22,224	5	1.31%	Realty Income Properties 2	22,356	5	1.35%
Joseph & Nancy Schoendorf	11,758	6	0.69%	Joseph & Nancy Schoendorf	10,415	6	0.63%
Grandview Hotel Investors	9,406	7	0.55%	Wine Service Cooperative	7,966	7	0.48%
Wine Service Cooperative	8,131	8	0.48%	1000 St Helena LLC	7,521	8	0.46%
1000 St Helena LLC	7,626	9	0.45%	John & Sandra Gorini	7,159	9	0.43%
John & Sandra Gorini	7,302	10	0.43%	Dowdell Lane LLC	6,916	10	0.42%
Total	\$ 274,025		16.16%	Total	\$ 267,266		16.18%
2011				2010			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Beringer	\$ 97,257	1	6.03%	Beringer	\$ 99,473	1	6.20%
Sutter Home	56,210	2	3.48%	Sutter Home	55,257	2	3.44%
C Mondavi & Sons	26,259	3	1.63%	C Mondavi & Sons	25,815	3	1.61%
Not Another Winery LLC	25,208	4	1.56%	Not Another Winery LLC	25,641	4	1.60%
Realty Income Properties 2	22,356	5	1.39%	Joseph & Nancy Schoendorf	10,015	5	0.62%
Joseph & Nancy Schoendorf	10,415	6	0.65%	Fritz Property Group	9,904	6	0.62%
Wine Service Cooperative	7,966	7	0.49%	Real Income Properties 2 LLC	9,070	7	0.56%
1000 St Helena LLC	7,521	8	0.47%	Wine Service Cooperative	7,938	8	0.49%
John & Sandra Gorini	7,159	9	0.44%	1000 St Helena LLC	7,500	9	0.47%
Dowdell Lane LLC	6,916	10	0.43%	John & Sandra Gorini	7,106	10	0.44%
Total	\$ 267,269		16.57%	Total	\$ 257,720		16.05%

(continued)

2009			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Beringer	\$ 101,716	1	6.65%
Sutter Home	55,398	2	3.62%
C Mondavi & Sons	26,807	3	1.75%
Not Another Winery LLC	26,245	4	1.71%
Fritz Property Group Inc	9,929	5	0.65%
Diageo Chateau & Estate	9,091	6	0.59%
Joseph & Nancy Schoendorf	8,815	7	0.58%
Total	<u>\$ 260,482</u>		<u>#DIV/0!</u>

2007			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Beringer	\$ 104,775	1	7.01%
Sutter Home	49,752	2	3.33%
C Mondavi & Sons	20,898	3	1.40%
Not Another Winery	18,170	4	1.22%
Sulphur Creek Associates	11,888	5	0.80%
IDV North America Inc	8,569	6	0.57%
Wine Service Co-op	<u>7,509</u>	<u>7</u>	<u>0.50%</u>
Total	<u>\$ 240,167</u>		<u>16.13%</u>

2008			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Beringer	\$ 88,680	1	6.21%
Sutter Home	52,285	2	3.66%
Not Another Winery	25,453	3	1.78%
C Mondavi & Sons	24,059	4	1.69%
IBM Credit LLC	19,374	5	1.36%
IDV North America Inc	8,842	6	0.62%
Wine Service Co-op	<u>7,707</u>	<u>7</u>	<u>0.54%</u>
Total	<u>\$ 245,604</u>		<u>17.11%</u>

2006			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Beringer	\$ 156,639	1	12.64%
Sutter Home	51,834	2	4.18%
IDV North America	29,515	3	2.38%
Mondavi	27,999	4	2.26%
Not Another Winery	16,217	5	1.31%
Sulphur Creek Associates	13,565	6	1.09%
Wine Service Co-op	<u>7,378</u>	<u>7</u>	<u>0.60%</u>
Total	<u>\$ 303,147</u>		<u>25.63%</u>

Source: is Napa County Auditor-Controller.

Schedule 8
City of St. Helena
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied For The Fiscal Year (1)	Collected Within The Fiscal Year of The Levy	
		Amount	Percentage of Levy
2006	2,080,022	2,080,022	100%
2007	2,343,560	2,343,560	100%
2008	2,248,225	2,248,225	100%
2009	2,414,384	2,414,384	100%
2010	2,516,191	2,516,191	100%
2011	2,615,795	2,615,795	100%
2012	2,916,982	2,916,982	100%
2013	3,070,458	3,070,458	100%
2014	3,055,297	3,055,297	100%
2015	3,100,410	3,100,410	100%

Source: Napa County Auditor/Controller's Office

Note: (1)

Property taxes are levied and collected pursuant to an arrangement commonly referred to as the Teeter Plan. Under the Teeter Plan, the County allocates and remits to the City the full amount of each years tax levy, and the County then retains any delinquencies as collected by the County.

Schedule 9
City of St. Helena
Sales Tax Revenue Base Data
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Revenue Base City-Wide Retail Sales Subject to Tax</u>	<u>Total Retail Sales Tax Rate</u>	<u>City Direct Tax Rate</u>	<u>Revenue Recognized By the City</u>
2006	222,261,100	7.75%	1.00%	2,222,611
2007	253,260,400	7.75%	1.00%	2,532,604
2008	270,333,252	7.75%	1.00%	2,703,333
2009	260,790,800	8.75%	1.00%	2,607,908
2010	213,122,900	8.75%	1.00%	2,131,229
2011	207,311,797	7.75%	1.00%	2,073,118
2012	213,056,100	7.75%	1.00%	2,130,561
2013	238,605,300	7.75%	1.00%	2,386,053
2014	259,493,500	8.00%	1.00%	2,594,935
2015	271,431,000	8.00%	1.00%	2,714,310

Source: St. Helena Finance Department

Note: The City's direct retail sales tax rate is established pursuant to the City's Municipal Code.
Any increase in the City's direct tax rate requires voter approval

Schedule 10
City of St. Helena
Principal Sales Tax Payers - Top Twenty Five
Last Twelve Fiscal Years
(In Alphabetical Order)

Fiscal Years Ended June 30		
2015	2014	2013
A & J VINEYARD SUPPLY	A & J VINEYARD SUPPLY	A & J VINEYARD SUPPLY
BERINGER VINEYARDS	BERINGER VINEYARDS	BERINGER VINEYARDS
BP SERVICE STATIONS	BP SERVICE STATIONS	BP SERVICE STATIONS
BROWN'S AUTO PARTS	BURGSTAHLER MACINE WORKS	CENTRAL VALLEY BUILDERS SUPPLY
BURGSTAHLER MACINE WORKS	CENTRAL VALLEY BUILDERS	CINDY'S BACKSTREET KITCHEN
CENTRAL VALLEY BUILDERS	CINDY'S BACKSTREET KITCHEN	CULINARY INSTITUTE OF AMERICA
CINDY'S BACKSTREET KITCHEN	CULINARY INSTITUTE OF AMERICA	EXXON SERVICE STATIONS
COOK ST. HELENA	EXXON SERVICE STATIONS	FARMSTEAD RESTAURANT
CULINARY INSTITUTE OF AMERICA	FARMSTEAD RESTAURANT	FRANCISCAN VINEYARDS
EXXON SERVICE STATIONS	FRANCISCAN VINEYARDS	FRENCH BLUE
FARMSTEAD RESTAURANT	GOOSE & GANDER	GO FISH
FRANCISCAN VINEYARDS	GOTT'S ROADSIDE TRAY GOURMET	GOOSE & GANDER
GOOSE & GANDER	HARLAN ESTATE WINERY	GOTT'S ROADSIDE TRAY GOURMET
GOTT'S ROADSIDE TRAY GOURMET	HAROLD SMITH & SON	HARLAN ESTATE WINERY
HARLAN ESTATE WINERY	MARKET RESTAURANT	MARKET RESTAURANT
MARKET RESTAURANT	MARTIN DESIGN	MARTIN DESIGN
NAPA VALLEY AG SUPPLY	MERRYVALE VINEYARDS	MERRYVALE VINEYARDS
NAPA VALLEY WINE AUCTION	NAPA VALLEY AG SUPPLY	NAPA VALLEY AG SUPPLY
ONE TRUE VINE	NAPA VALLEY WINE AUCTION	ONE TRUE VINE
SAFEWAY STORES	SAFEWAY STORES	SAFEWAY STORES
STEVE'S HARDWARE & HOMEWARE	STEVE'S HARDWARE & HOMEWARE	STEVE'S HARDWARE & HOMEWARE
SUNSHINE FOODS	SUNSHINE FOODS	SUNSHINE FOODS
TRA VIGNE RESTAURANT	TRA VIGNE RESTAURANT	TRA VIGNE RESTAURANT
WILSON-DANIELS	WILSON-DANIELS	WILSON-DANIELS
ZUMWALT FORD	ZUMWALT FORD	ZUMWALT FORD

Fiscal Years Ended June 30		
2012	2011	2010
A & J VINEYARD SUPPLY	A & J VINEYARD SUPPLY	A & J VINEYARD SUPPLY
ABREU VINEYARDS	BERINGER VINEYARDS	BERINGER VINEYARDS
BERINGER VINEYARDS	BP SERVICE STATIONS	BP SERVICE STATIONS
BP SERVICE STATIONS	BROWN'S AUTO PARTS	CENTRAL VALLEY BUILDERS SUPPLY
BROWN'S AUTO PARTS	CENTRAL VALLEY BUILDERS SUPPLY	CINDY'S BACKSTREET KITCHEN
CENTRAL VALLEY BUILDERS SUPPLY	CINDY'S BACKSTREET KITCHEN	CULINARY INSTITUTE OF AMERICA
CINDY'S BACKSTREET KITCHEN	CULINARY INSTITUTE OF AMERICA	EPPS CHEVROLET/PONTIAC/OLDS
CULINARY INSTITUTE OF AMERICA	EPPS CHEVROLET/PONTIAC/OLDS	EXXON SERVICE STATIONS
EXXON SERVICE STATIONS	EXXON SERVICE STATIONS	FRANCISCAN VINEYARDS
FARMSTEAD RESTAURANT	FARMSTEAD RESTAURANT	GO FISH
FRANCISCAN VINEYARDS	FRANCISCAN VINEYARDS	HARLAN ESTATE WINERY
GO FISH	GO FISH	HAROLD SMITH & SON
GOTT'S ROADSIDE TRAY GOURMET	HARLAN ESTATE WINERY	LAMPSON TRACTOR & EQUIPMENT
HARLAN ESTATE WINERY	MARKET RESTAURANT	MARKET RESTAURANT
MARKET RESTAURANT	MERRYVALE VINEYARDS	MARTINI HOUSE
MARTIN DESIGN	NAPA VALLEY AG SUPPLY	MERRYVALE VINEYARDS
MERRYVALE VINEYARDS	NAPA VALLEY WINE AUCTION	NAPA VALLEY AG SUPPLY
NAPA VALLEY AG SUPPLY	ONE TRUE VINE	ONE TRUE VINE
REEDS	REEDS	REEDS
SAFEWAY STORES	SAFEWAY STORES	SAFEWAY STORES
STEVE'S HARDWARE & HOMEWARE	STEVE'S HARDWARE & HOMEWARE	STEVE'S HARDWARE & HOMEWARE
SUNSHINE FOODS	SUNSHINE FOODS	SUNSHINE FOODS
TRA VIGNE RESTAURANT	TAYLOR'S AUTOMATIC REFRESHER	TAYLOR'S AUTOMATIC REFRESHER
WILSON-DANIELS	TRA VIGNE RESTAURANT	TRA VIGNE RESTAURANT
ZUMWALT FORD	ZUMWALT FORD	ZUMWALT FORD

Schedule 10 - Continued
City of St. Helena
Principal Sales Tax Payers - Top Twenty Five
Last Twelve Fiscal Years
(In Alphabetical Order)

Fiscal Year Ended June 30

2009	2008	2007
A & J VINEYARD SUPPLY	A & J VINEYARD SUPPLY	BERINGER VINEYARDS
BERINGER VINEYARDS	BERINGER VINEYARDS	BP SERVICE STATIONS
BP SERVICE STATIONS	BP SERVICE STATIONS	CENTRAL VALLEY BUILDERS SUPPLY
BURGSTAHLER MACHINE WORKS	BURGSTAHLER MACHINE WORKS	CHEVRON SERVICE STATIONS
CENTRAL VALLEY BUILDERS SUPPLY	CENTRAL VALLEY BUILDERS SUPPLY	CRICKET
CULINARY INSTITUTE OF AMERICA	CULINARY INSTITUTE OF AMERICA	CULINARY INSTITUTE OF AMERICA
EPPS CHEVROLET/PONTIAC/OLDS	EPPS CHEVROLET/PONTIAC/OLDS	EPPS CHEVROLET/PONTIAC/OLDS
EXXON SERVICE STATIONS	EXXON SERVICE STATIONS	EXXON SERVICE STATIONS
FRANCISCAN VINEYARDS	FRANCISCAN VINEYARDS	GO FISH
GO FISH	GO FISH	HARLAN ESTATE WINERY
HARLAN ESTATE WINERY	HARLAN ESTATE WINERY	HAROLD SMITH & SON
HAROLD SMITH & SON	HAROLD SMITH & SON	LAMPSON TRACTOR & EQUIPMENT
LAMPSON TRACTOR & EQUIPMENT	LAMPSON TRACTOR & EQUIPMENT	MARKET SAINT HELENA
MARTIN DESIGN	MARTIN DESIGN	MARTINI HOUSE
MARTINI HOUSE	MARTINI HOUSE	MERRYVALE VINEYARDS
MERRYVALE VINEYARDS	MERRYVALE VINEYARDS	MIRAMONTE RESTAURANT & CAFE
MIRAMONTE RESTAURANT & CAFE	MIRAMONTE RESTAURANT & CAFE	NAPA VALLEY AG SUPPLY
NAPA VALLEY AG SUPPLY	NAPA VALLEY AG SUPPLY	PRADO MADERA
REEDS	NAPA VALLEY WINE AUCTION	SAFEWAY STORES
SAFEWAY STORES	SAFEWAY STORES	STEVE'S HARDWARE & HOMEWARE
STEVE'S HARDWARE & HOMEWARE	STEVE'S HARDWARE & HOMEWARE	SUNSHINE FOODS
SUNSHINE FOODS	SUNSHINE FOODS	TAYLOR'S AUTOMATIC REFRESHER
TAYLOR'S AUTOMATIC REFRESHER	TAYLOR'S AUTOMATIC REFRESHER	TRA VIGNE RESTAURANT
TRA VIGNE RESTAURANT	TRA VIGNE RESTAURANT	WHITING NURSERY
ZUMWALT FORD	ZUMWALT FORD	ZUMWALT FORD
Fiscal Year Ended June 30		
2006	2005	2004
BERINGER VINEYARDS	ANA'S CANTINA	BERINGER VINEYARDS
BP SERVICE STATIONS	BERINGER VINEYARDS	BP SERVICE STATIONS
CENTRAL VALLEY BUILDERS SUPPLY	CENTRAL VALLEY BUILDERS SUPPLY	CENTRAL VALLEY BUILDERS SUPPLY
CHEVRON SERVICE STATIONS	CHEVRON SERVICE STATIONS	CHEVRON SERVICE STATIONS
CULINARY INSTITUTE OF AMERICA	CULINARY INSTITUTE OF AMERICA	CULINARY INSTITUTE OF AMERICA
DAVID'S JEWELRY	EPPS CHEVROLET/PONTIAC/OLDS	EPPS CHEVROLET/PONTIAC/OLDS
EPPS CHEVROLET/PONTIAC/OLDS	EXXON SERVICE STATIONS	EXXON SERVICE STATIONS
EXXON SERVICE STATIONS	HARLAN ESTATE WINERY	HARLAN ESTATE WINERY
HARLAN ESTATE WINERY	HAROLD SMITH & SON	HAROLD SMITH & SON
HAROLD SMITH & SON	LAMPSON TRACTOR & EQUIPMENT	LAMPSON TRACTOR & EQUIPMENT
LAMPSON TRACTOR & EQUIPMENT	MARKET SAINT HELENA	MARKET SAINT HELENA
MARKET SAINT HELENA	MARTIN DESIGN	MARTIN DESIGN
MARTIN DESIGN	MARTINI HOUSE	MARTINI HOUSE
MARTINI HOUSE	MERRYVALE VINEYARDS	MERRYVALE VINEYARDS
MERRYVALE VINEYARDS	MIRAMONTE RESTAURANT & CAFE	MIRAMONTE RESTAURANT & CAFE
MIRAMONTE RESTAURANT & CAFE	NAPA VALLEY AG SUPPLY	NAPA VALLEY AG SUPPLY
NAPA VALLEY AG SUPPLY	PINOT BLANC RESTAURANT	PINOT BLANC RESTAURANT
SAFEWAY STORES	PORTALAIS	SAFEWAY STORES
STEVE'S HARDWARE & HOMEWARE	SAFEWAY STORES	STEVE'S HARDWARE & HOMEWARE
SUNSHINE FOODS	STEVE'S HARDWARE & HOMEWARE	SUNSHINE FOODS
TAYLOR'S AUTOMATIC REFRESHER	SUNSHINE FOODS	TAYLOR'S AUTOMATIC REFRESHER
TERRA RESTAURANT	TAYLOR'S AUTOMATIC REFRESHER	TERRA RESTAURANT
TRA VIGNE RESTAURANT	TRA VIGNE RESTAURANT	TRA VIGNE RESTAURANT
WHITING NURSERY	WHITING NURSERY	WHITING NURSERY
ZUMWALT FORD	ZUMWALT FORD	ZUMWALT FORD

Source: Muniservices

Schedule 11
City of St. Helena
Revenue Base Concentration Data - Sales Tax Generators By Economic Category
Last Ten Fiscal Years
(Dollar Amounts in Thousands)

2015				2014			
Segment	Retail Sales Generated	Rank	Percentage of Total City Retail Sales Dollars	Segment	Retail Sales Generated	Rank	Percentage of Total City Retail Sales Dollars
FOOD PRODUCTS	\$ 1,211.13	1	51.60%	FOOD PRODUCTS	\$ 1,095.33	1	49.35%
CONSTRUCTION	\$ 447.29	2	19.06%	CONSTRUCTION	\$ 417.34	2	18.80%
GENERAL RETAIL	\$ 334.70	3	14.26%	GENERAL RETAIL	\$ 341.32	3	15.38%
TRANSPORTATION	\$ 246.11	4	10.48%	TRANSPORTATION	\$ 251.04	4	11.31%
BUSINESS TO BUSINESS	\$ 67.89	5	2.89%	BUSINESS TO BUSINESS	\$ 73.58	5	3.31%
MISCELLANEOUS	\$ 40.21	6	1.71%	MISCELLANEOUS	\$ 41.08	6	1.85%
Total	\$ 2,347.33		100.00%	Total	\$ 2,219.67		100.00%
2013				2012			
Segment	Retail Sales Generated	Rank	Percentage of Total City Retail Sales Dollars	Segment	Retail Sales Generated	Rank	Percentage of Total City Retail Sales Dollars
FOOD PRODUCTS	\$ 1,098.69	1	51.90%	FOOD PRODUCTS	\$ 956.46	1	50.50%
GENERAL RETAIL	\$ 371.44	2	17.54%	GENERAL RETAIL	\$ 390.13	2	20.60%
TRANSPORTATION	\$ 319.44	3	15.09%	TRANSPORTATION	\$ 226.35	3	11.95%
CONSTRUCTION	\$ 235.61	4	11.13%	CONSTRUCTION	\$ 237.60	4	12.55%
BUSINESS TO BUSINESS	\$ 54.15	5	2.56%	BUSINESS TO BUSINESS	\$ 54.64	5	2.88%
MISCELLANEOUS	\$ 37.81	6	1.79%	MISCELLANEOUS	\$ 28.79	6	1.52%
Total	\$ 2,117.13		100.00%	Total	\$ 1,893.97		100.00%
2011				2010			
Segment	Retail Sales Generated	Rank	Percentage of Total City Retail Sales Dollars	Segment	Retail Sales Generated	Rank	Percentage of Total City Retail Sales Dollars
FOOD PRODUCTS	\$ 917.88	1	51.16%	FOOD PRODUCTS	\$ 899.24	1	49.60%
GENERAL RETAIL	\$ 346.96	2	19.34%	CONSTRUCTION	\$ 336.44	2	18.56%
TRANSPORTATION	\$ 232.19	3	12.94%	GENERAL RETAIL	\$ 304.53	3	16.80%
CONSTRUCTION	\$ 210.87	4	11.75%	TRANSPORTATION	\$ 215.42	4	11.88%
BUSINESS TO BUSINESS	\$ 57.46	5	3.20%	BUSINESS TO BUSINESS	\$ 45.53	5	2.51%
MISCELLANEOUS	\$ 28.77	6	1.60%	MISCELLANEOUS	\$ 11.98	6	0.66%
Total	\$ 1,794.13		100.00%	Total	\$ 1,813.13		100.00%
2009				2008			
Segment	Retail Sales Generated	Rank	Percentage of Total City Retail Sales Dollars	Segment	Retail Sales Generated	Rank	Percentage of Total City Retail Sales Dollars
FOOD PRODUCTS	\$ 931.20	1	47.65%	FOOD PRODUCTS	\$ 1,014.09	1	42.90%
CONSTRUCTION	\$ 378.65	2	19.38%	CONSTRUCTION	\$ 442.42	2	18.72%
GENERAL RETAIL	\$ 361.89	3	18.52%	GENERAL RETAIL	\$ 430.50	3	18.21%
TRANSPORTATION	\$ 207.68	4	10.63%	TRANSPORTATION	\$ 278.69	4	11.79%
BUSINESS TO BUSINESS	\$ 49.63	5	2.54%	BUSINESS TO BUSINESS	\$ 159.61	5	6.75%
MISCELLANEOUS	\$ 25.18	6	1.29%	MISCELLANEOUS	\$ 38.46	6	1.63%
Total	\$ 1,954.23		100.00%	Total	\$ 2,363.77		100.00%
2007				2006			
Segment	Retail Sales Generated	Rank	Percentage of Total City Retail Sales Dollars	Segment	Retail Sales Generated	Rank	Percentage of Total City Retail Sales Dollars
FOOD PRODUCTS	\$ 917.84	1	40.96%	FOOD PRODUCTS	\$ 774.82	1	37.73%
CONSTRUCTION	\$ 471.57	2	21.04%	CONSTRUCTION	\$ 469.83	2	22.88%
GENERAL RETAIL	\$ 427.00	3	19.05%	GENERAL RETAIL	\$ 422.52	3	20.58%
TRANSPORTATION	\$ 297.05	4	13.26%	TRANSPORTATION	\$ 296.40	4	14.43%
BUSINESS TO BUSINESS	\$ 97.20	5	4.34%	BUSINESS TO BUSINESS	\$ 63.17	5	3.08%
MISCELLANEOUS	\$ 30.33	6	1.35%	MISCELLANEOUS	\$ 26.72	6	1.30%
Total	\$ 2,240.99		100.00%	Total	\$ 2,053.46		100.00%

Source: Muniservices

Schedule 12
City of St. Helena
Transient Occupancy Tax Revenue Base Data
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Revenue Base Room Revenues Subject to Tax</u>	<u>City Direct Tax Rate</u>	<u>Revenue Recognized By the City</u>
2006	10,885,733	12.00%	\$ 1,306,288
2007	12,427,235	12.00%	\$ 1,491,268
2008	12,779,903	12.00%	\$ 1,533,588
2009	10,894,720	12.00%	\$ 1,307,366
2010	10,499,201	12.00%	\$ 1,193,860
2011	12,095,733	12.00%	\$ 1,465,172
2012	12,757,462	12.00%	\$ 1,535,388
2013	13,432,610	12.00%	\$ 1,612,399
2014	14,427,108	12.00%	\$ 1,732,606
2015	15,532,826	12.00%	\$ 1,870,180

Source: St. Helena Finance Department

Note: The transient occupancy tax can only be changed by approval of the voters, and the rate was increased in mid 2005 by a special election.

Schedule 13
City of St. Helena
Principal Transient Occupancy Tax Payers - Top Ten
Last Ten Fiscal Years
(In Alphabetical Order)

Fiscal Years Ended June 30

2015	2014	2013	2012
Ambrose Bierce House	Ambrose Bierce House	Adagio Inn	Adagio Inn
Casa de Vigne	Casa de Vigne	Ambrose Bierce House	Ambrose Bierce House
El Bonita	El Bonita	Casa De Vigna	CIA
Harvest Inn	Harvest Inn	El Bonita	El Bonita
Hotel St. Helena	Hotel St. Helena	Harvest Inn	Harvest Inn
Inn at Southbridge	Inn at Southbridge	Hotel St. Helena	Hotel St. Helena
James & Patricia Stone	James and Patricia Stone	Inn at Southbridge	Inn at Southbridge
Jill Russo	Napa Valley Hideaway	Red Door Inn	Red Door Inn
Vinyard Inn	Vinyard Inn	Vineyard Inn	Vineyard Country Inn
Wydown Hotel	Wydown Hotel	Wydown Hotel	Wydown Hotel

Fiscal Years Ended June 30

2011	2010	2009	2008
Adagio Inn	Adagio Inn	Adagio	Adagio
Ambrose Bierce House	Ambrose Bierce House	Ambrose Bierce House	Ambrose Bierce House
CIA	CIA	Bylund House	CIA
El Bonita	El Bonita	CIA	Eagle & Rose
Harvest Inn	Harvest Inn	Eagle & Rose	El Bonita
Hotel 1424	Hotel 1424	El Bonita	Harvest Inn
Hotel St. Helena	Hotel St. Helena	Harvest Inn	Hotel St. Helena
Red Door Inn	Red Door Inn	Hotel St. Helena	Inn at South Bridge
Inn at Southbridge	Inn at Southbridge	Inn at Southbridge	Sunny Acres
Vineyard Inn	Vineyard Inn	Vineyard Inn	Vineyard Inn

Fiscal Year Ended June 30

2007	2006
Adagio	Adagio
Ambrose Bierce House	Ambrose
CIA	CIA
Eagle & Rose	Eagle & Rose
El Bonita	El Bonita
Harvest Inn	Harvest Inn
Hotel St. Helena	Hotel St. Helena
Inn at South Bridge	Inn at South Bridge
Sunny Acres	Sunny Acres
Vineyard Inn	Vineyard Inn

Source: St. Helena Finance Department

Schedule 14
City of St. Helena
Water Rates
Last Ten Fiscal Years

Fiscal Year		Basic Rate 5/8" Meter	Residential Commodity Rates (\$/HCF)					
			Tier 1 0-20 HCF	Tier 2 21-40 HCF	Tier 3 41-60 HCF	Tier 4 61-80 HCF	Tier 5 81-120 HCF	Tier 6 121+ HCF
2006 (as of 7/1/05)	Inside City	\$ 21.40	\$ 1.34	\$ 2.18	\$ 2.25	\$ 2.37	\$ 2.67	\$ 3.33
	Outside City	\$ 33.17	\$ 1.61	\$ 2.62	\$ 2.70	\$ 2.84	\$ 3.20	\$ 4.00
		Basic Rate 5/8" Meter	Tier 1 0-20 HCF	Tier 2 21-80 HCF	Tier 3 81+ HCF			
2007 (as of 7/1/06)	Inside City	\$ 23.53	\$ 1.37	\$ 2.74	\$ 4.11			
	Outside City	\$ 50.58	\$ 1.64	\$ 3.29	\$ 4.93			
2008 (as of 4/1/08)	Inside City	\$ 27.43	\$ 1.53	\$ 3.06	\$ 5.48			
	Outside City	\$ 42.52	\$ 1.84	\$ 3.67	\$ 6.57			
2009 (as of 1/1/09)	Inside City	\$ 29.62	\$ 1.65	\$ 3.30	\$ 5.91			
	Outside City	\$ 45.91	\$ 1.98	\$ 3.96	\$ 7.09			
2010 (as of 1/1/10)	Inside City	\$ 31.40	\$ 1.75	\$ 3.50	\$ 6.26			
	Outside City	\$ 48.67	\$ 2.10	\$ 4.20	\$ 7.51			
2011	Inside City	\$ 31.40	\$ 1.75	\$ 3.50	\$ 6.26			
	Outside City	\$ 48.67	\$ 2.10	\$ 4.20	\$ 7.51			
		Basic Rate 5/8" Meter	Tier 1 SF-0-14HCF MF-0-5HCG	Tier 2 SF-15+HCF MF-6+HCF				
2012	Inside City	\$ 24.81	\$ 4.05	\$ 6.07				
	Outside City	\$ 24.81	\$ 4.05	\$ 6.07				
2013	Inside City	\$ 25.50	\$ 4.16	\$ 6.24				
	Outside City	\$ 25.50	\$ 4.16	\$ 6.24				
2014	Inside City	\$ 26.14	\$ 4.26	\$ 6.40				
	Outside City	\$ 26.14	\$ 4.26	\$ 6.40				
2015	Inside City	\$ 26.82	\$ 4.37	\$ 6.57				
	Outside City	\$ 26.82	\$ 4.37	\$ 6.57				

* In FY 2012, water use tiers were changed.

Source: St. Helena Utility Department

Schedule 15
City of St. Helena
Sewer Rates
Last Ten Fiscal Years

Fiscal Year	Residential Charge	Multi-family and Commercial Charges (based on meter size)							
		5/8"	3/4"	1"	1.5"	2"	3"	4"	6"
2006	\$ 59.28	\$ 33.81	\$ 49.78	\$ 81.73	\$ 161.59	\$ 257.42	\$ 481.03	\$ 800.47	\$ 1,599.08
2007	\$ 65.47	\$ 39.24	\$ 57.87	\$ 95.15	\$ 188.35	\$ 300.18	\$ 561.12	\$ 933.90	\$ 1,865.83
2008	\$ 79.53	\$ 49.81	\$ -	\$ 121.12	\$ 239.99	\$ 382.62	\$ 715.44	\$ 1,190.89	\$ 2,379.53
2009	\$ 87.48	\$ 54.79	\$ -	\$ 133.23	\$ 263.99	\$ 420.88	\$ 786.98	\$ 1,309.98	\$ 2,617.48
2010	\$ 96.23	\$ 60.27	\$ -	\$ 146.55	\$ 290.39	\$ 462.97	\$ 865.68	\$ 1,440.98	\$ 2,879.23
2011	\$ 96.23	\$ 60.27	\$ -	\$ 146.55	\$ 290.39	\$ 462.97	\$ 865.68	\$ 1,440.98	\$ 2,879.23
2012	\$ 42.68	\$ 37.97	\$ -	\$ 92.33	\$182.95	\$291.67	\$ 545.38	\$ 907.82	\$1,813.91
2013	\$ 43.88	\$ 39.03	\$ -	\$ 94.92	\$188.07	\$299.84	\$ 560.65	\$ 933.24	\$1,864.70
2014	\$ 44.98	\$ 40.01	\$ -	\$ 97.29	\$192.77	\$307.34	\$ 574.67	\$ 956.57	\$1,911.32
2015	\$ 46.15	\$ 41.05	\$ -	\$ 99.82	\$197.78	\$315.33	\$ 589.61	\$ 981.44	\$1,961.01

Commodity Rate (\$/HCF)											
User Category	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY2012	FY2013	FY2014	FY2015	
Multi-family	\$ 2.00	\$ 2.05	\$ 2.33	\$ 2.56	\$ 2.82	\$ 2.82	\$ 3.55	\$ 3.65	\$ 3.74	\$ 3.84	
Commercial - General	\$ 1.83	\$ 1.89	\$ 2.15	\$ 2.37	\$ 2.04	\$ 2.04	\$ 3.29	\$ 3.38	\$ 3.46	\$ 3.55	
Hotel w/o food	\$ 2.21	\$ 2.27	\$ 2.57	\$ 2.83	\$ 2.27	\$ 2.27	\$ 3.92	\$ 4.03	\$ 4.13	\$ 4.24	
Hotel w/food	\$ 4.43	\$ 4.56	\$ 5.17	\$ 5.69	\$ 2.40	\$ 2.40	\$ 7.89	\$ 8.11	\$ 8.31	\$ 8.53	
Car Wash	\$ 1.45	\$ 1.49	\$ 1.68	\$ 1.85	\$ 2.61	\$ 2.61	\$ 2.57	\$ 2.64	\$ 2.71	\$ 2.78	
Laundromat	\$ 1.70	\$ 1.75	\$ 1.98	\$ 2.18	\$ 2.61	\$ 2.61	\$ 3.02	\$ 3.10	\$ 3.18	\$ 3.26	
Service Station	\$ 2.37	\$ 2.44	\$ 2.77	\$ 3.05	\$ 2.61	\$ 2.61	\$ 4.23	\$ 4.35	\$ 4.46	\$ 4.58	
Restaurant	\$ 5.92	\$ 6.10	\$ 6.91	\$ 7.60	\$ 3.05	\$ 3.05	\$ 10.53	\$ 10.82	\$ 11.09	\$ 11.38	
Church	\$ 1.83	\$ 1.89	\$ 2.15	\$ 2.37	\$ 3.11	\$ 3.11	\$ 3.29	\$ 3.38	\$ 3.46	\$ 3.55	
City Facility	\$ 1.83	\$ 1.89	\$ 2.15	\$ 2.37	\$ 3.36	\$ 3.36	\$ 3.29	\$ 3.38	\$ 3.46	\$ 3.55	
School	\$ 1.60	\$ 1.65	\$ 1.87	\$ 2.06	\$ 4.86	\$ 4.86	\$ 2.86	\$ 2.94	\$ 3.01	\$ 3.09	
Mixed Retail w/food	\$ 3.44	\$ 3.55	\$ 4.02	\$ 4.42	\$ 6.26	\$ 6.26	\$ 6.12	\$ 6.29	\$ 6.45	\$ 6.62	
Grocery	\$ 6.01	\$ 6.19	\$ 7.02	\$ 7.72	\$ 8.36	\$ 8.36	\$ 10.70	\$ 11.00	\$ 11.28	\$ 11.57	
Mortuary	\$ 6.01	\$ 6.19	\$ 7.02	\$ 7.72	\$ 8.49	\$ 8.49	\$ 10.70	\$ 11.00	\$ 11.28	\$ 11.57	
Sutter Home Winery	\$ 2.16	\$ 2.22	\$ 2.52	\$ 2.77	\$ 8.49	\$ 8.49	\$ 3.84	\$ 3.95	\$ 4.05	\$ 4.16	
Merryvale Winery	\$ 10.60	\$ 10.92	\$ 12.38	\$ 13.62	\$ 14.98	\$ 14.98	\$ 18.87	\$ 19.40	\$ 19.89	\$ 20.41	
Spottswoode Winery	\$ 10.60	\$ 10.92	\$ 12.38	\$ 13.62	\$ 14.98	\$ 14.98	\$ 18.87	\$ 19.40	\$ 19.89	\$ 20.41	

Source: St. Helena Utility Department

Schedule 16
City of St. Helena
Water Principal Payers-Concentration Data
Last Ten Fiscal Years

Water Revenue Concentration Data
Revenue in Dollars and Number of Customers

Fiscal	Class of Customer					Total
Year	Residential	Industrial	Hotel/Spa	Commercial	Other	Revenue
2015	\$ 2,462,777 2,144	\$ 691,901 21	\$ 137,125 8	\$ 796,145 257	\$ 88,331 119	\$ 4,176,279 2,549
2014	\$ 2,723,339 2,174	\$ 826,850 21	\$ 179,675 8	\$ 938,054 258	\$ 117,627 100	\$ 4,785,545 2,561
2013	\$ 2,654,572 2,160	\$ 415,084 18	\$ 151,581 8	\$ 1,309,949 261	\$ 100,512 83	\$ 4,631,698 2,530
2012	\$ 2,379,830 2,150	\$ 412,845 18	\$ 144,228 8	\$ 1,179,217 262	\$ 93,682 80	\$ 4,209,802 2,518
2011	\$ 1,562,100 2,357	\$ 335,770 18	\$ 123,750 8	\$ 859,079 269	\$ 74,349 76	\$ 2,955,048 2,728
2010	\$ 1,501,636 2,145	\$ 154,389 19	\$ 98,164 8	\$ 838,724 266	\$ 171,391 94	\$ 2,764,304 2,532
2009	\$ 1,627,855 2,146	\$ 77,102 19	\$ 34,898 17	\$ 1,069,293 236	\$ 141,420 90	\$ 2,950,567 2,508
2008	\$ 1,447,376 2,132	\$ 389,239 26	\$ 151,111 14	\$ 414,177 252	\$ 159,589 132	\$ 2,561,492 2,556
2007	\$ 1,477,117 2,139	\$ 390,514 26	\$ 121,204 9	\$ 331,720 200	\$ 277,777 84	\$ 2,598,332 2,458
2006	\$ 1,209,955 2,140 2,140	\$ 334,798 21 21	\$ 101,564 8 8	\$ 314,433 202 205	\$ 293,841 143 253	\$ 2,254,590 2,514 2,627
2003	\$ 866,799 2,051	\$ 331,966 21	\$ 73,770 7	\$ 276,638 190	\$ 295,081 150	\$ 1,844,254 2,419

Source: St. Helena Utility Department

Schedule 17
City of St. Helena
Wastewater Principal Payers-Concentration Data
Last Ten Fiscal Years
Wastewater Revenue Concentration Data
Revenue in Dollars and Number of Customers

Fiscal Year	Class of Customer					Total Revenue	
	Residential	Industrial	Hotel/Spa	Commercial	Other		
2015	\$ 1,386,243 1,536	\$ 24,987 2	\$ 72,351 6	\$ 687,114 182	\$ -	\$ 2,170,695 1,726	
2014	\$ 1,332,841 1,530	\$ 24,286 2	\$ 101,144 6	\$ 685,301 190	\$ -	\$ 2,143,572 1,728	
2013	\$ 1,317,915 1,532	\$ 15,654 2	\$ 69,062 6	\$ 648,352 190	\$ -	\$ 2,050,983 1,730	
2012	\$ 1,285,054 1,526	\$ 14,478 2	\$ 70,507 6	\$ 638,670 191	\$ -	\$ 2,008,709 1,725	
2011	\$ 1,030,735 1,682	\$ 13,857 2	\$ 56,558 6	\$ 515,264 189	\$ - -	\$ 1,616,414 1,879	
2010	\$ 917,757 1,513	\$ 15,191 2	\$ 56,588 6	\$ 475,059 166	\$ - -	\$ 1,464,595 1,687	
2009	\$ 896,481 1,512	\$ 17,241 3	\$ 64,693 11	\$ 334,177 167	\$ - -	\$ 1,312,591 1,693	
2008	\$ 884,350 1,491	\$ 17,984 3	\$ 66,275 8	\$ 225,494 143	\$ 64,094 22	\$ 1,258,197 1,667	
2007	\$ 805,899 1,496 1,491	\$ 22,272 3 3	\$ 62,174 9 8	\$ 238,644 145 148	\$ 70,773 33 28	\$ 1,199,762 1,686 1,678	
2005	\$ 625,270 1,493	\$ 18,359 3	\$ 33,392 8	\$ 167,411 135	\$ 39,041 38	\$ 883,474 1,677	
2004	\$ 567,810 1,491	\$ 17,671 3	\$ 30,513 8	\$ 169,925 135	\$ 44,253 38	\$ 830,172 1,675	

Source: St. Helena Utility Department

Schedule 18
City of St. Helena
Ratios of Outstanding Debt By Type
Last Ten Fiscal Years
(Dollars in Thousands except for Per Capita)

Fiscal Year	Governmental Activities					Business-type Activities		Total City Debt	Total General Obligation Debt as Percentage of Real Property	Total General Obligation Debt Per Capita	Total City Debt as Percentage of Personal Income	Total City Debt Per Capita	From CAFR	
	General Obligation Bonds	Lease Revenue Bonds	Special Assessment Bonds	Capital Lease Obligations	State of California and Other Loans	Capital Lease Obligations	State of California and Other Loans						Population	Per Capita Personal Income
2006	1,515	-	-	3,162	-	11,070	-	15,747	0.00012%	0.25	3.97%	2.61	6041	65.7
2007	1,410	-	-	2,899	-	11,015	-	15,324	0.00009%	0.24	3.89%	2.56	5989	65.7
2008	1,300	-	-	2,625	-	10,745	-	14,670	0.00009%	0.22	3.76%	2.47	5941	65.7
2009	1,185	-	-	2,337	2,782	10,460	-	16,764	0.00008%	0.20	4.31%	2.83	5924	65.7
2010	1,065	-	-	2,114	6,153	10,170	-	19,502	0.00007%	0.18	4.94%	3.24	6010	65.7
2011	935	-	-	1,803	8,747	9,865	-	21,350	0.00006%	0.16	5.37%	3.67	5814	68.4
2012	800	-	-	1,603	7,283	16,941	-	26,627	0.00005%	0.14	6.63%	4.53	5875	68.4
2013	655	-	-	1,417	6,931	16,619	-	25,622	0.00004%	0.11	6.40%	4.38	5854	68.4
2014	505	-	-	1,202	6,570	15,800	-	24,077	0.00003%	0.08	5.92%	4.05	5950	68.4
2015	345	-	-	997	6,202	15,195	-	22,739	0.00002%	0.06	5.61%	3.83	5931	68.4

Source: St. Helena Finance Department

Schedule 19
City of St. Helena
Direct and Overlapping Governmental Activities Debt
As of June 30, 2015

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
City of St. Helena	\$ 345,000	100.000%	\$ 345,000
St. Helena Unified School District	61,861,232	28.024%	17,335,992
Napa Joint Community College District	124,133,911	6.317%	7,841,539
Other debt:			
Napa County Certificates of Participation	30,235,000	6.374%	1,927,179
Napa County Board of Education Certificates of Participation	2,830,000	6.374%	<u>180,384</u>
Subtotal overlapping debt			27,285,094
City direct debt - governmental only			<u>345,000</u>
Total direct and overlapping debt			<u><u>\$ 27,630,094</u></u>

Source: California Municipal Statistics, Inc.

Schedule 20
City of St. Helena
Legal Debt Margin Information
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Debt Limit</u>	<u>Total Debt Applicable To Limit</u>	<u>Total Debt Applicable To Limit as Percentage of Debt Limit</u>
2006	184,383,972	1,515,000	1%
2007	222,737,496	1,410,000	1%
2008	222,847,496	1,300,000	1%
2009	228,410,550	1,185,000	1%
2010	158,745,300	1,065,000	1%
2011	241,022,200	935,000	0%
2012	258,690,950	800,000	0%
2013	264,860,300	655,000	0%
2014	289,495,655	505,000	0%
2015	293,956,771	345,000	0%

Legal Debt Margin Calculation for Fiscal Year 2014

Assessed value	\$ 1,959,711,804
Debt limit (15% of assessed value)	293,956,771
Less debt applicable to limit:	
General obligation bonds	<u>345,000</u>
Total debt applicable to limit	<u>345,000</u>
Legal debt margin	<u><u>\$ 293,611,771</u></u>

Under state finance law, the city's outstanding general obligation bonded debt should not exceed 15 percent of total assessed property value.

Source: Calculation completed by St. Helena Finance Department

Schedule 21
City of St. Helena
Demographic and Economic Statistics
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>(1) Population</u>	<u>(2) Personal Income</u>	<u>Per Capita Personal Income</u>	<u>(3) Unemployment Rate</u>
2006	6,041	396,893,700	65,700	3.60%
2007	5,989	393,477,300	65,700	4.20%
2008	5,941	390,323,700	65,700	6.20%
2009	5,924	389,206,800	65,700	4.10%
2010	6,010	394,857,000	65,700	9.30%
2011	5,814	397,700,856	68,404	10.30%
2012	5,875	401,873,500	68,404	8.40%
2013	5,854	400,437,016	68,404	6.20%
2014	5,950	407,003,800	68,404	4.70%
2015	5,931	405,704,124	68,404	4.10%

(1) Source: California Department of Finance

(2) Source: 2010 US Census

(3) Source: State of California EDD Labor Force Data

Schedule 22
City of St. Helena
Principal Employers (Ten Largest)
Last Six Fiscal Years

Fiscal Year Ended June 30, 2015				Fiscal Year Ended June 30, 2014			
Employer	Number Employees	Rank	Percentage of Total City Employment	Employer	Number Employees	Rank	Percentage of Total City Employment
Sutter Home	300	1	10.54%	Sutter Home	311	1	10.92%
Beringer (Treasury Wine Estates)	186	2	6.53%	Beringer (Treasury Wine Estates)	186	2	6.53%
Charles Krug Winery	125	3	4.39%	Charles Krug Winery	125	3	4.39%
Long Meadow Ranch General	97	4	3.41%	Tra Vigne	97	4	3.41%
Sunshine Foods	82	5	2.88%	Farmstead LLC	83	5	2.92%
Safeway Inc. #2605	77	6	2.70%	Sunshine Foods	82	6	2.88%
Wine Country Cases	74	7	2.60%	Safeway Inc. #2605	77	7	2.70%
City of St. Helena	69	8	2.42%	Wine Country Cases	67	8	2.35%
Constellation Brands	68	9	2.39%	Icon Estates	66	9	2.32%
Cindy's Backstreet Kitchen	66	10	2.32%	City of St Helena	65	10	2.28%
Totals	1144		40.18%	Totals	1159		40.71%

Fiscal Year Ended June 30, 2013				Fiscal Year Ended June 30, 2012			
Employer	Number Employees	Rank	Percentage of Total City Employment	Employer	Number Employees	Rank	Percentage of Total City Employment
Sutter Home	287	1	9.53%	Sutter Home	350	1	11.62%
Beringer (Treasury Wine Estates)	248	2	8.24%	Beringer (Treasury Wine Estates)	185	2	6.14%
Charles Krug Winery	129	3	4.28%	Charles Krug Winery	127	3	4.22%
Tra Vigne	95	4	3.16%	Harlan Family Domain	100	4	3.32%
Farmstead LLC	90	5	2.99%	Tra Vigne	92	5	3.06%
Safeway Inc. #2605	82	6	2.72%	Safeway Inc. #2605	83	6	2.76%
Sunshine Foods	75	7	2.49%	City of St Helena	73	7	2.42%
Icon Estates	72	8	2.39%	Sunshine Foods	70	8	2.32%
City of St Helena	66	9	2.19%	Icon Estates	68	9	2.26%
Wine Country Cases	65	10	2.16%	Wine Country Cases	62	10	2.06%
Totals	1209		40.15%	Totals	1210		40.19%

Fiscal Year Ended June 30, 2011				Fiscal Year Ended June 30, 2010			
Employer	Number Employees	Rank	Percentage of Total City Employment	Employer	Number Employees	Rank	Percentage of Total City Employment
Sutter Home	350	1	12.60%	Sutter Home	350	1	12.89%
Beringer (Treasury Wine Estates)	200	2	7.20%	Beringer (Fosters Wine Estates)	220	2	8.10%
Charles Krug Winery	125	3	4.50%	Charles Krug Winery	123	3	4.53%
Tra Vigne	93	4	3.35%	Tra Vigne	92	4	3.39%
Safeway	86	5	3.10%	Safeway	90	5	3.31%
City of St Helena	81	6	2.92%	City of St Helena	83	6	3.06%
Farmstead LLC	78	7	2.81%	Sunshine Foods	77	7	2.84%
Sunshine Foods	74	8	2.66%	Wine Country Cases	61	8	2.25%
Icon Estates	68	9	2.45%	Icon Estates	61	9	2.25%
Wine Country Cases	62	10	2.23%	Martini House	55	10	2.03%
Totals	1217		43.82%	Totals	1212		44.62%

Source: St. Helena Business License

Note: Information about principal employers was not previously provided by the City in the statistical section of its Comprehensive Annual Financial Report. The City implemented GASB Statement Number 44 in the 2006 fiscal year, and therefore information in this schedule is being provided prospectively from the year of implementation.

Schedule 23
City of St. Helena
Full-Time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government:										
City clerk	2	2	2	2	2	2	2	1	1	1
City attorney	-	-	-	-	-	-	-	-	-	-
City manager	1	1	1	1	1	1	1	1	1	2
Finance	5	5	5	5	5	5	5	5	5	5
Public safety:										
Police	19	19	20	17	17	17	17	17	17	17
Fire	2	2	2	2	2	2	2	2	2	2
Planning:										
Planning	3	4	6	5	5	5	5	2	2	2
Building and safety	1	1	-	-	-	-	-	-	-	1
Public works:										
Administration	-	4	6	6	6	6	6	4	4	4
Government buildings	-	2	2	2	2	2	2	-	-	-
Roads and streets	13	2	3	3	3	2	2	2	2	2
Parks:										
Parks and recreation	5	9	10	10	10	10	10	10	10	11
Library:										
Library operations	11	11	11	10	10	10	10	11	11	11
Water:										
Treatment and distribution	7	7	8	7	7	7	7	5	5	7
Wastewater:										
Collection and treatment	6	5	6	6	6	5	5	5	5	5
Totals	<u>74</u>	<u>74</u>	<u>82</u>	<u>77</u>	<u>77</u>	<u>73</u>	<u>73</u>	<u>65</u>	<u>65</u>	<u>69</u>

Source: St. Helena Finance Department

Note: City attorney not shown. We contract that position.

Schedule 24
City of St. Helena
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police:										
Physical arrest	220	300	247	240	261	126	233	148	139	187
Traffic violations	1017	1443	1437	1366	659	558	795	760	823	398
Fire:										
Emergency responses	696	706	732	724	707	673	667	729	733	763
Fires extinguished	46	61	53	48	33	34	57	59	72	27
Planning:										
Building permits issued	365	469	319	338	452	469	278	414	237	623
Public works:										
Miles streets resurfaced	0	0	2	2	0	0	2	2	4	0
Water:										
Number new connections	1	1	(59)	(48)	-	-	(1)	12	31	4
Daily average water production in MGD	1.808	1.507	1.507	1.507	1.500	1.500	1.615	1.692	1.637	1.373
Daily average water consumption in MGD	1.667	1.597	1.597	1.597	1.413	1.413	1.460	1.369	1.577	1.375
*Wastewater:										
Number new connections	52	63	(73)	26	0	0	1	11	3	18
Daily average treatment in millions gallons (MGD)	0.740	0.723	0.723	0.482	0.577	0.577	0.542	0.408	0.403	0.384

*Please note that these statistics are based on calendar year.

Source: Various City of St. Helena Departments

Schedule 25
City of St. Helena
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police:										
Staions	1	1	1	1	1	1	1	1	1	1
Patrol units	5	5	5	5	5	5	5	5	5	5
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Engines	3	3	3	3	3	3	3	3	3	3
Public works:										
Miles of streets	30.3	30.3	30.3	30.3	30.3	30.3	30.3	30.3	30.3	30.3
Streetlights	536	536	536	536	536	536	536	536	536	536
Parks and recreation:										
Community centers	1	1	1	1	1	1	1	1	1	1
Parks	14	14	14	14	14	14	14	14	14	14
Park acreage	27	26.5	26.5	39.1	39.1	39.1	39.1	39.1	39.1	39.1
Water:										
Miles of mains	50	50	50	50	50	50	50	50	50	50
Number connections	2,514	2,515	2,456	2,408	2,408	2,408	2408	2408	2565	2569
Maximum plant capacity in millions gallons	4,399,100	4,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Wastewater:										
Miles of sewers	18.8	18.8	18.8	18.8	18.8	18.8	18.8	18.8	18.61	18.61
Number connections	1,678	1,741	1,668	1,694	1,694	1,694	1725	1730	1746	1764
Maximum plant capacity in millions gallons	.500 MGD	.500 MGD	.500 MGD	.650 MGD	.650 MGD	.650 MGD	.650MGD	.500MGD	.500MGD	.500MGD

Note: Stabbo Park added in 2006

Source: Various City of St. Helena Departments

**Independent Auditor's Report on Internal Control over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

City Council
City of St. Helena
St. Helena, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City of St. Helena (City), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 17, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in items 2015-1 and 2015-2 in the accompanying schedule of findings and questioned costs to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in items 2015-3 and 2015-4 in the accompanying schedule of findings and questioned costs to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2015-5.

City of St. Helena's Response to Findings

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The City's responses were not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Van Lant & Fankhaed, LLP".

May 17, 2016

CITY OF ST. HELENA
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2015

2015-1: Policies and Procedures

Findings:

Our audit procedures involved obtaining and evaluating various policies and procedures. During our audit we noted the City could benefit from establishing formal policies in certain areas, including the following:

- Accounting Policies and Procedures
- Appropriate Level of Unrestricted Fund Balance in the General Fund
- Debt Management Policy
- Fraud Prevention and Detection Policy (Code of Conduct)

Although the City may have informal policies in these areas, we believe the City could benefit from a more formal and comprehensive policies and procedures manual, approved by the City Council, which would provide detailed guidance to employees and management. This will help to ensure consistency in these areas, even if there is staff turnover. The following provides more detail regarding these policies and procedures:

Accounting Policies and Procedures

Communication is an essential component of a comprehensive framework of internal controls. One method of communication that is particularly effective for controls over accounting and financial reporting is the formal documentation of accounting policies and procedures. A well-designed and properly maintained system of documenting accounting policies and procedures enhances both accountability and consistency. The resulting documentation can also serve as a useful training tool for staff.

The documentation of accounting policies and procedures should be evaluated annually and updated periodically, as necessary. It should be readily accessible to all applicable employees.

An accounting policies and procedures manual should indicate which employees are to perform which procedures. It should delineate the authority and responsibility of all employees. Procedures should be described as they are actually intended to be performed, rather than in some idealized form. The documentation of accounting policies and procedures should explain the design and purpose of control related procedures to increase employee understanding.

Appropriate Level of Unrestricted Fund Balance in the General Fund

The City has experienced decreases in fund balance in its general fund in recent years, including the 2014-15 fiscal year. It is essential that governments maintain adequate levels of fund balance to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenditures) and to ensure stable tax rates. In most cases, discussions of fund balance will properly focus on a government's general fund. Nonetheless, financial resources available in other funds should also be considered in assessing the adequacy of unrestricted fund balance in the general fund.

CITY OF ST. HELENA
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2015

2015-1: Policies and Procedures - Continued

The Government Finance Officers Association has issued a “Best Practice” regarding the appropriate level of unrestricted fund balance in the general fund. Among other things, GFOA states that, “the adequacy of unrestricted fund balance in the general fund should take into account each government’s own unique circumstances. For example, governments that may be vulnerable to natural disasters, more dependent on a volatile revenue source, or potentially subject to cuts in state aid and/or federal grants may need to maintain a higher level in the unrestricted fund balance. Articulating these risks in a fund balance policy makes it easier to explain to stakeholders the rationale for a seemingly higher than normal level of fund balance that protects taxpayers and employees from unexpected changes in financial condition. Nevertheless, GFOA recommends, at a minimum, that general-purpose governments, regardless of size, maintain unrestricted budgetary fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures. The choice of revenues or expenditures as a basis of comparison may be dictated by what is more predictable in a government’s particular circumstances.”

The City should consider developing and establishing a policy regarding unrestricted fund balance in its general fund.

Debt Management Policy

The City has various outstanding debt issuances. Based on our audit procedures, it appears the City has not established a formal debt management policy. The Government Finance Officers Association (GFOA) has issued a “Recommended Practice” regarding this issue.

Specifically, GFOA recommends that all local governments intending to issue debt develop a comprehensive debt policy. Examples of elements that should be addressed in such a policy include:

- The purpose for which the debt may be issued;
- Legal debt limitations established by policy;
- Types of debt permitted to be issued and criteria for issuance;
- Structural features that may be considered, such as maturity of debt, setting the maturities of the debt equal to or less than the useful life of the project; use of zero coupon bonds, discount bonds, premium bonds, etc.;
- Credit objectives;
- Authorized methods of sale;
- Method of selecting outside finance professionals;
- Policy on refunding debt

A debt policy should be formally adopted by the legislative body, and the debt program should be continuously monitored to ensure that it is in compliance with the debt policy. We recommend the City consider establishing a formal debt policy, taking into consideration the recommendations of GFOA.

CITY OF ST. HELENA
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2015

2015-1: Policies and Procedures - Continued

Code of Conduct (including fraud prevention and detection policies)

The City Council and Management are responsible for designing and implementing systems and procedures for the prevention and detection of fraud, and for ensuring a culture and environment that promotes honesty and ethical behavior. This includes the responsibility to develop and implement a formal fraud risk assessment program.

Fraud can range from minor employee theft and unproductive behavior to misappropriation of assets and fraudulent financial reporting. Although external auditors are required to consider the risk of fraud in the audit process, it should be noted that external auditors are not considered part of the City's controls over the prevention and detection of fraud. Rather, external auditors are required to evaluate the City's fraud prevention and detection program, in relation to the audit of the financial statements.

The risk of fraud can be reduced through a combination of prevention, deterrence, and detection measures. However, fraud can be difficult to detect because it often involves concealment through falsification of documents or collusion among management, employees, or third parties. Therefore, it is important to place a strong emphasis on fraud prevention, which may reduce opportunities for fraud to take place, and fraud deterrence, which could persuade individuals that they should not commit fraud because of the likelihood of detection and punishment. Moreover, prevention and deterrence measures are much less costly than the time and expense required for fraud detection and investigation.

During our audit we noted the City has taken steps to address the risk of fraud in certain areas, such as segregation of duties and other internal controls. However, the City should consider developing and expanding its formal fraud policies.

For example, the City's current policies do not provide a thorough description of fraud. They also do not provide direction as to what employees should do if they suspect fraud is occurring.

The City should consider establishing a more formal training program for all employees regarding fraud. New employees should be trained at the time of hiring about the entity's code of conduct (and fraud policies). This training should explicitly cover expectations of all employees regarding (1) their duty to communicate certain matters; (2) a list of the types of matters, including actual or suspected fraud, to be communicated along with specific examples; and (3) information on how to communicate those matters. In addition to the training at the time of hiring, employees should receive refresher training periodically thereafter.

As mentioned above, management needs to provide information to employees on how to communicate fraud related matters. Research has shown that the majority of fraud is detected by fellow employees, and not by outside auditors or internal controls. It is important for the City to establish and communicate to employees a reporting system that is appropriate for the City. The City should consider establishing a confidential reporting mechanism, not only for employees, but also for vendors and customers of the City.

**CITY OF ST. HELENA
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2015**

2015-1: Policies and Procedures - Continued

Overall, the City should establish a formal fraud risk assessment program, to ensure that the risk of fraud is being periodically evaluated, monitored, and that appropriate action is taken to address the identified risks.

In summary, the City has established controls over fraud in certain areas. However, the City should consider expanding its fraud prevention program as discussed above. The above comments do not address all components of a strong antifraud program. Additional information can be provided regarding this issue.

Recommendation:

We recommend the City develop and establish formal policies and procedures as discussed above. The policies and procedures should be developed by appropriate personnel and approved by the City Council. The City should consider GFOA's recommended practices and other resources during the process.

Management's Response:

City Management agrees with the auditor's recommendation to develop and establish formal policies and procedures as discussed above. Beginning in 2015 City Management began the process of formalizing policies and procedures for all departments city-wide. As the auditors articulated, many policies within Finance are informal. If policies and/or procedures exist, many are outdated and in need of updating.

Current City Management is committed to the development of formal policies and procedures as well as fiscal prudence. During FY 2015/16, the Finance Director designated one person within the Finance Department to be responsible for coordinating development of policies and procedures. The four policy and procedure areas identified by Van Lant & Fankhanel, LLP will be a top priority. It is anticipated formal policies will be presented to the City Council in FY 2016/17.

2015-2: Accounting Records and Financial Reporting

Findings:

The City's Management is responsible for the preparation and fair presentation of financial statements in accordance with applicable accounting principles. This includes the design and implementation of relevant internal controls to ensure accurate and timely financial reporting. At the start of the 2014-15 audit process, it became apparent that significant analysis and adjustments were yet to be performed for the fiscal year ended June 30, 2015. It appeared various accounts in the City's general ledger had not been analyzed and adjusted for quite some time. Throughout the audit process, the City's Finance staff provided us with the necessary analysis and adjustments, as requested. However, much of the analysis, reconciliations and adjustments were completed several months after year-end.

CITY OF ST. HELENA
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2015

2015-2: Accounting Records and Financial Reporting - Continued

For example, the City was still making adjustments in April 2016 for the year ended June 30, 2015. Some of the necessary adjustments were a result of incorrect balances in years prior to the 2014-15 fiscal year (resulting in prior period adjustments in the City's financial statements).

This situation may be result of various factors, including turnover in City management, and the lack of formal policies discussed in Finding 2015-1 above. The year-end closing process, including necessary analysis, reconciliations, and adjustments, should normally be completed within a few months after year-end. If accounting records are consistently and accurately maintained throughout each fiscal year, the year-end closing process can be completed in a much more efficient manner. If balances and transactions have not been analyzed and reconciled in a timely manner, it could be an indication that City management is not receiving accurate financial information throughout each fiscal year. In addition, the City may not be able to comply with various reporting requirements in a timely manner (State and Federal deadlines).

Recommendation:

We recommend the City take steps to evaluate the current accounting policies and procedures, and determine if revisions may be necessary to ensure timely and accurate financial reporting. In addition to the formal accounting policies and procedures manual discussed above, we recommend the City prepare a schedule of accounting procedures to be performed each month, quarter, and at year-end, as applicable. The schedule should include a detailed description of the required analysis and adjustments, along with due dates for the various procedures. The schedule should include provision for sign-off, indicating when the applicable procedures were performed and reviewed as necessary.

Management's Response:

City Management agrees with the auditor's findings and recommendations regarding reconciliation of accounts to ensure timely financial reporting. The auditor's statements are correct with regards to various accounts in the City's general ledger not being analyzed and adjusted for quite some time. During the FY 2014/15 audit process Finance staff spent a considerable amount of time researching, analyzing, and making appropriate adjustments to its financial accounts. During FY 2014/15 a draft reconciliation process was developed and unfortunately staff was unable to meet the anticipated deadlines due to the reconciliation issues addressed above. As with the recommendation in 2015-1, City staff will work on the formalization of these procedures to ensure staff has proper direction when completing the year end reconciliation process.

CITY OF ST. HELENA
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2015

2015-3: Segregation of Duties

Findings:

While performing various audit procedures, we noted a lack of adequate segregation of incompatible duties in certain areas, as follows:

Library Receipts

Payments are received at the Library for various purposes. The Library staff enter the receipts into a register, but no receipt is printed from the register and provided to the customers. This receipting process is not integrated with the City's Finance software. An Office Assistant prints out the register tape each day and takes possession of the cash and checks, to be turned over to the City's Finance Department. It appears the Office Assistant has complete control over these funds from the time they are taken from the register until they are turned in to the Finance Department, with no independent verification that all amounts actually received were eventually deposited and recorded by the City (e.g., reconciliation of the register tapes to the amounts deposited).

Police Receipts

It appears the Police Department utilizes a manual receipt book to record incoming payments. The Police Department staff maintain control over these receipt books. In addition, although an individual is assigned to reconcile the receipt numbers, this individual is also responsible for taking in and recording payments. There is no independent verification that all Police receipts were eventually deposited and recorded in the City's general ledger. If the City is going to continue using manual receipt books, the receipt books should be under the control of the Finance Department. The Finance Department should have custody of the unused receipt books, which can be issued to the Police Department as necessary, and the used receipt books should be turned in to Finance for independent reconciliation. A person independent of the Police receipts function should be responsible for reconciling this activity.

An automated cash receipt system would strengthen controls over Police Department receipts (and other receipts) even further. Utilizing cash registers which are integrated with the City's Finance software would help to ensure that all incoming receipts are deposited and recorded.

Some cities establish a central cashiering function to address these issues, which the City may want to consider. However, we realize this may not be practical for offsite facilities.

Disbursements

Based on our audit procedures, an Accounting Assistant in the Finance Department is responsible for entering disbursement information into the accounts payable system, processing the checks, and also distributing (mailing) the printed and signed checks.

In establishing strong internal controls over disbursements, the individual responsible for entering and processing check runs should not have access to the printed and signed checks. The checks should be distributed by someone independent of the accounts payable system.

CITY OF ST. HELENA
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2015

2015-3: Segregation of Duties - Continued

Utility Billing Receipts and Adjustments

An Accounting Assistant at the front desk can take in payments on utility bills, but also has the capability of making certain adjustments to customer accounts without any independent approval or oversight. Adjustments to customer accounts should only be made by individuals who do not handle incoming payments, unless the system requires additional approvals for the adjustments. The City should ensure that the collection function is segregated from the ability to make adjustments in the Finance software.

Building Permit Fees and Impact Fees

The City should consider whether controls over the building permit fees and impact fees could be strengthened with increased review and oversight, and reconciliation of the information in the "Track It" software with amounts receipted and deposited.

Currently, it appears the function of assessing and collecting the above fees is concentrated in one individual, with little oversight. Although customers submit payment at the front counter, there is no reconciliation between the fees assessed in the building permit software and the amounts paid and receipted in the City's Finance software. There also appears to be a lack of independent review and oversight regarding the fees assessed. We recommend the City evaluate the process and related controls related to these fees, to determine if controls could be strengthened.

Recommendation:

The City should evaluate the various functions discussed above (and all City functions), and determine what practical steps can be taken to segregate incompatible duties. The City should perform risk assessment procedures, on a regular basis, to determine significant risks to which the City is exposed, which risks the City is willing to accept, and the risks for which the City should take action to mitigate. Cost versus benefit analysis should be considered throughout the risk assessment process.

Management's Response:

City Management agrees with the auditor's findings and recommendations in this area. While segregation of incompatible duties can prove to be challenging with a small staff we will work to segregate duties when it is possible, knowing there are some situations where it cannot be avoided.

Staff has already made the corrections or begun the process and plans to correct the instances listed by the auditors. Specific areas mentioned in the auditor's findings are addressed below.

Library/Police Receipts – It is the intent of the Finance Department to integrate both the Library and Police Department staff with the City's Springbrook financial software. Finance staff is in the process of developing procedures for these departments and will work with staff for set-up, training, and implementation.

CITY OF ST. HELENA

SCHEDULE OF FINDINGS AND RESPONSES

Year Ended June 30, 2015

2015-3: Segregation of Duties - Continued

Disbursements – During Van Lant & Fankhanel, LLP's initial site visit the auditors brought to Finance staff's attention the lack of strong controls over disbursements. Immediately, Finance staff addressed the deficiency by changing the process for the disbursement of checks. The new process is as follows:

- Accounting Assistant enters and processes invoices
- Finance Director, or designee, reviews check batch for accuracy and commits the check batch
- Accounting Assistant processes and initiates check run
- Finance Director, or designee, retrieves printed checks and verifies check numbers with the committed check batch
- Administrative Assistant distributes (mailing) checks

Utility Billing Receipts and Adjustments – This area has not yet been addressed. City Management will review the current process for utility billing receipts and adjustments and make the necessary changes.

Building Permit Fees and Impact Fees – This area has not yet been addressed. Finance staff has discussed this recommendation and will be working with the Planning Director and Planning staff to develop a procedure to ensure internal controls.

As was mentioned in 2015-1 each of the areas identified in 2015-3 will include staff developing formal policies and procedures to ensure proper controls.

2015-4: Other Internal Control Issues

Findings and Recommendations:

Old Outstanding Checks

While testing the City's bank account reconciliations, we noted that several old outstanding checks are being carried forward as reconciling items from month to month. These checks were issued over one year ago, dating back to 1998, totaling approximately \$38,000.

The City should establish policies to investigate old outstanding checks and take appropriate action as necessary. The City's policy should include guidance on writing off old outstanding checks while also addressing any legal requirements.

Purchasing

During our testing of selected purchases and contracts, we noted a former City Manager had approved a contract for services for approximately \$29,000, without City Council approval. The City's purchasing ordinance requires City Council approval for service contracts exceeding \$10,000. We were not able to find any indication that this particular contract was approved by the City Council.

CITY OF ST. HELENA
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2015

2015-4: Other Internal Control Issues - Continued

It is our understanding that current management has taken steps to ensure that all procurement is conducted in accordance with the adopted procurement policies. We recommend the City continue in these efforts.

Fuel Charges, Credit Card Usage and Travel Costs

Various City employees use fuel cards to pay for the refueling of City vehicles. Based on our audit procedures, it appears there is a lack of control over this activity. Although the total fuel expenses can be monitored (compared to budget, etc.), there is no reconciliation or analysis being performed to compare the mileage driven to fuel usage, or to evaluate the reasonableness of miles driven. Fuel usage can be subject to various improprieties, including the potential for employees to charge the City for personnel use of vehicles.

One control that can be implemented to monitor fuel costs is to require the logging down of odometer readings, which can be periodically verified, and used to analyze the mileage driven versus the fuel charges incurred. Odometer readings can also be used to evaluate the reasonableness of miles driven by employees.

The City's Employee Handbook includes policies regarding travel and the reimbursement of travel costs, including approved reimbursement rates. Employees are required to complete a Travel Expense Form, which is turned into the Finance Department for reimbursement. During our audit, we noted various City personnel are using City credit cards to pay for travel expenses, including meal, transportation, and lodging costs. Although the credit card charges are reviewed to some extent, it appears there is no independent verification that the travel costs charged to the City's credit cards are within the limits and categories allowed by the City's travel policies. It is also our understanding that the City has not developed overall policies regarding the use of City credit cards.

In order to strengthen controls over travel and other costs charged to the City's credit cards, we recommend the City establish procedures to ensure all travel costs, including those charged to City credit cards, are within the approved limits and categories allowed by the adopted policies. It appears the City is in the process of developing a new travel policy - we recommend that this new policy address the use of credit cards while traveling, and also be expanded to address the use of City credit cards in general. The policy should establish guidelines which all employees can refer to when incurring travel costs, but also any other costs charged to the City's credit cards.

Personnel Files

While performing audit procedures related to the payroll function, we noted the City's personnel files were not consistently maintained in an organized fashion. In some cases, Personnel Action Forms included in the files were not up-to-date, and other information was not filed in orderly manner.

CITY OF ST. HELENA
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2015

2015-4: Other Internal Control Issues - Continued

In order to maintain strong controls over the payroll function, it is imperative that personnel files be organized and contain up-to-date information on a consistent basis. The City should establish a process where the various documents in each file are filed in a particular order, and that the files are updated on a continual basis.

Management's Response:

City Management agrees with the auditor's findings and recommendations in this area.

Staff has already made the corrections or begun the process and plans to correct the instances listed by the auditors. Specific areas mentioned in the auditor's findings are addressed below.

Old Outstanding Checks – This area has yet to be addressed. City staff will work on developing a policy and procedure to address this area.

Purchasing – As the auditor's mentioned, staff has taken steps to ensure that all procurement is conducted in accordance with the adopted procurement policies. On November 24, 2015 City Council approved an updated purchasing policy. The City will continue in its efforts to ensure all purchases are in accordance with the established policy.

Fuel Charges, Credit Card Usage, and Travel Costs – This area has yet to be addressed. City staff will work on developing a policy and procedure to address this area.

Personnel Files – This area has been addressed and corrected. In February 2016 a new HR Director was hired. By March 2016 the City's personnel files were organized and contained up-to-date information. The HR Director reviewed the current personnel files to determine what, if anything, was missing and immediately worked on correcting the deficiency. Files continue to be updated on a continual basis and it is the intent of City Management to continue this practice.

2015-5: Compliance with Debt Covenants

Finding:

In 2012, the City entered into an installment purchase agreement with the California Statewide Communities Development Authority to finance for water and wastewater system improvements. The debt is secured by a pledge of the net revenues of the water and wastewater system. The installment purchase agreement includes provisions requiring that the City set rates, fees and charges for each fiscal year so as to yield system net revenues during each fiscal year equal to at least 120% of the annual debt service (including parity debt). For the 2014-15 fiscal year, the City's net revenues in the Water Fund were not sufficient to meet this requirement. This is a result of decreasing revenues and increasing expenses.

**CITY OF ST. HELENA
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2015**

2015-5: Compliance with Debt Covenants - Continued

Recommendation:

It is our understanding the City is currently conducting a rate study to address this issue. However, the City should implement policies to ensure compliance with debt covenants on a consistent basis, even if there are unexpected fluctuations in applicable revenues and expenses.

Management's Response:

City Management agrees with the auditor's findings and recommendations in this area. As stated by the auditors, the City is currently conducting a rate study to address the deficiency in the City's net revenue in the Water Fund. In addition, staff will implement policies to ensure compliance with debt covenants on a consistent basis.



Fiscal Year 2014/15 CAFR Report

City Council Agenda Item
May 24, 2016



The City of St. Helena's Comprehensive Annual Financial Report (CAFR)

- State law requires local government publish a complete set of audited financial statements
- The firm of Van Lant & Fankhanel, LLP, was retained to complete the annual audited financials for the City of St. Helena for the fiscal year ended June 30, 2015



The City of St. Helena's Comprehensive Annual Financial Report (CAFR)

The City of St. Helena's CAFR consists of three sections:

1. Introductory Section
2. Financial Section
3. Statistical Section



Introductory Section

- Table of Contents
- Letter of Transmittal
- Organizational Chart
- List of Principal Officials for the time frame the CAFR represents



Financial Section

The Financial Section has five components:

1. Government-wide Financial Statements
2. Fund Financial Statements (Governmental and Proprietary)
3. Notes to the Basic Financial Statements
4. Required Supplemental Information
5. Optional Supplemental Information



Statistical Section

This section provides a historical overview so comparisons can be made from year to year



FY 2014-2015 Financial Highlights All Funds

St. Helena's Net Position

The City's Net Position is comprised of the following categories:

- Capital Assets - \$39.41 million, net of related debt
- Restricted for Specific Purposes - \$8.82 million (restricted net position)
- Unrestricted -\$5.15 million, the residual of total net position less the other categories of net position



FY 2014-2015 Financial Highlights All Funds

Changes in the City of St. Helena's Net Position

- Net Position in 2013/2014 - \$62.7 million
- Net Position in 2014/2015 - \$53.38 million
- Net Position in 2014/2015 decreased by \$9.31 million
 - Business-type activities - decrease of \$2.83 million
 - Governmental activities - decrease by \$6.48 million
- Decrease is primarily caused by a change in the accounting principles used for reporting pension liabilities (GASB 68)



FY 2014-2015 Financial Highlights All Funds

Changes in the City of St. Helena's Revenues and Expenses

- Revenues – decreased by 2.1% to \$19.61 million
- Expenses – decreased by 7% to \$18.47 million



FY 2014-2015 Financial Highlights Governmental Activities

Revenues

Overall revenues increased by 1% to \$12.82 million

- 71% from transient occupancy (TOT), property, sales, and other taxes
- 10% from fees charged for services
- 19% from local, state, and federal aid



FY 2014-2015 Financial Highlights Governmental Activities

Revenues

- Increases were primarily caused by:
 - Increased collection of development impact fees
 - Increased permitting revenues collected
 - Emergency relief reimbursements
 - One-time reimbursed state mandated costs



FY 2014-2015 Financial Highlights Governmental Activities

Expenses

- Expenses – decreased by 16% to \$11.58 million
- Decrease of \$2.13 million
- The decrease is primarily related to a \$1.9 million refund to FEMA/OES that occurred in the 2014 fiscal year



FY 2014-2015 Financial Highlights Governmental Activities

- Combined fund balance of \$11.88 million
- This is \$1.2 million more than the prior year's ending balance
- Increase largely due to revenue collections for impact fees



FY 2014-2015 Financial Highlights Governmental Activities

General Fund Balance

- Remained relatively flat at \$3.27 million as of June 30, 2015
- Slight increase over the prior year's ending balance of \$3.26 million

Non-Major Fund Balances

- Increased 19% to \$8.74 million
- Increase largely due to revenue collections for development impact fees that have not yet been expended for capital improvement projects



FY 2014-2015 Financial Highlights General Fund

Budgetary Highlights

City Council revised the City budget several times during the year and the budget adjustments fall into two categories

1. Increases in appropriations to accommodate unanticipated expenditures not previously budgeted, including those that result from updated cost estimates and project bids
2. Changes made at the mid-year budget review, or later in the fiscal year, based on updated projections for both revenues and expenditures



FY 2014-2015 Financial Highlights General Fund

Budgetary Highlights (continued)

General Fund revenues exceed budget estimates by \$0.25 million

- Increase due to slightly higher permitting fees collected and other revenues including legal cost recovery and civil penalties for short-term rentals, one-time fire revenues, and one-time reimbursed state mandated costs
- General Fund expenses exceeded the final budget by about \$0.46 million
 - Increase due to higher than expected operating costs primarily in the management, planning, public works, recreation, safety, and library departments



FY 2014-2015 Financial Highlights Business-Type Activities

Revenues and Expenses

- Revenues – decreased by 9% to \$6.74 million
 - Decrease in revenue is attributed to water conservation measures
- Expenses – increased by 12% to \$6.89 million
 - Increase in expenses are attributed to relatively minor changes in activity, normal inflation, and transfers to capital improvement funds



FY 2014-2015 Financial Highlights Business-Type Activities

- Net position previously reported at June 30, 2014 has been re-stated to reflect a change in accounting principle affecting the reporting of pension liabilities (GASB 68)
- The restatement of net position decreased the beginning net position by \$2.74 million
 - Decrease of \$1.54 million in the Water Enterprise Fund
 - Decrease of \$1.94 million in the Wastewater Enterprise Fund



FY 2014-2015 Financial Highlights All Funds

Expenses

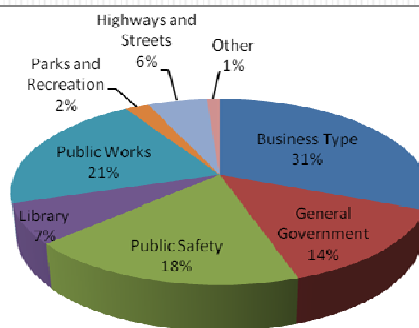
- \$6.89 million for business-type activities (Water & Wastewater)
- \$2.64 million for general government
- \$3.89 million for public safety
- \$1.46 million for library
- \$0.54 million for recreation
- \$0.67 million for planning and building
- \$2.16 million for public works
- \$0.22 million for all other expenses



FY 2014-2015 Financial Highlights All Funds

Expenses – All Funds

Where Does it Go?





FY 2014-2015 Financial Highlights Capital Assets

At the end of 2015, the City had invested \$58.48 million in a broad range of capital assets. This is a net decrease of about \$1.02 million, or 2% from 2014.

Capital Assets Include:

- Land
- Equipment
- Vehicles
- Buildings
- Park Facilities
- Water and Sewer Systems



FY 2014-2015 Financial Highlights Capital Assets

Significant Changes to 2015 Major Capital Assets Include:

- Decrease in Construction in Progress (Business-type) of \$0.94 million
 - Completion of construction phases for the new water tank
- Increase in Utility Systems (Business-type) of \$0.69 million
 - Completion of construction phases for Tank 1A
 - Completion of the sealing of Pond 1A



FY 2014-2015 Financial Highlights Capital Assets

Significant Changes to 2015 Major Capital Assets Include:

- Overall decrease in improvements, vehicle fleet, and equipment (governmental and business-type) due to a prior period adjustment to correct the amount of depreciation that was recorded in these categories in FY 2013 and FY 2014
 - Depreciation was previously understated



FY 2014-2015 Financial Highlights Long-Term Debt

- The City issued no long-term debt obligations in fiscal 2015
- All required debt service payments were paid when due
- Governmental Activities - \$14.46 million long-term debt liabilities
- Business-type Activities - \$17.45 million long-term debt liabilities
- Long-Term Debt reflects and increase in FY 2014/15 due to GASB 68 requirements to show Net Pension Liability



FY 2014-2015 Financial Highlights Long-Term Debt

Governmental Activities – \$14.46 million

- G.O. Bonds - \$0.35 million
- Capital Leases - \$0.97 million
- State Revolving Loan (SRF) - \$6.20 million
- Net Pension Liability - \$6.29 million
- Compensated Absences - \$0.58 million
- Claims and Reimbursement Agreement - \$0.04 million



FY 2014-2015 Financial Highlights Long-Term Debt

Business-Type Activities - \$17.45 million

- Water 2012B - \$5.2 million
- Water 2006A - \$6.94 million
- Wastewater 2012B - \$1.44 million
- Wastewater 2005B - \$1.62 million
- Net Pension Liability - \$2.07
- Compensated Absences - \$0.19 million



Independent Auditor's Report on Internal Control Over Financial Reporting



Independent Auditor's Report on Internal Control Over Financial Reporting

- Identifies deficiencies in internal control that the auditor considers to be material weaknesses and significant deficiencies
- Identifies areas where the City is not compliant with certain provisions of law, regulations, contracts, and grant agreements



Independent Auditor's Report on Internal Control Over Financial Reporting

- Material Weakness
 - Deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected in a timely basis
- Significant Deficiency
 - Deficiency, or combination of deficiencies, in internal control less severe than a material weakness, yet important enough to merit attention by those charged with governance



Independent Auditor's Report on Internal Control Over Financial Reporting

- Compliance and Other Matters
 - Tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements
 - Non-compliance could have a direct and material effect on the determination of financial statement amounts



Independent Auditor's Report on Internal Control Over Financial Reporting

- The City of St. Helena's 2014/15 Audit Report contains the following:
 - 2 Material Weaknesses
 - 2 Significant Deficiencies
 - 1 Area of Non-Compliance



Schedule of Findings Material Weaknesses 2015-1

- 2015-1 Policies and Procedures
 - Accounting Policies and Procedures
 - Appropriate Level of Unrestricted Fund Balance in the General Fund
 - Debt Management Policy
 - Fraud Prevention and Detection Policy (Code of Conduct)



Schedule of Findings Material Weaknesses 2015-1

- 2015-1 Policies and Procedures – Recommendations
 - City develop and establish formal policies and procedures
 - Policies and procedures should be approved by City Council
 - City should consider the Government Finance Officers Association (GFOA) recommended practices and other resources during the process



Schedule of Findings Material Weaknesses 2015-1

- 2015-1 Policies and Procedures – Management's Response
 - City Management agrees with auditor's recommendations
 - Beginning in 2015 City Management began the process of formalizing city-wide policies and procedures
 - Current management is committed to the development of formalized policies and procedures
 - During FY 2015/16 the Finance Director designated one person within the department to coordinate development of policies and procedures
 - The four policies identified will be the top priority



Schedule of Findings Material Weaknesses 2015-2

- 2015-2 Accounting Records and Financial Reporting
 - Significant analysis and adjustments were yet to be performed at the beginning of the audit process
 - Situation may be a result of various factors including turnover in City management and a lack of formal policies as discussed in finding 2015-1
 - The year-end closing process should normally be completed within a few months after year-end



Schedule of Findings Material Weaknesses 2015-2

- 2015-2 Accounting Records and Financial Reporting - Recommendation
 - City prepare formal policies and procedures for the year-end closing process
 - Staff prepare a schedule of accounting procedures to be performed each month, quarter, and at year-end, as applicable



Schedule of Findings Material Weaknesses 2015-2

- 2015-2 Accounting Records and Financial Reporting – Management's Response
 - City Management agrees with auditor's findings and recommendations
 - During the FY 2014/15 audit process Finance staff spent a considerable amount of time researching, analyzing, and making appropriate adjustments to its financial accounts
 - As with the recommendation in 2015-1, City staff will work on formalizing year-end policies and procedures



Schedule of Findings Significant Deficiency 2015-3

- 2015-3 Segregation of Duties
 - Auditors noted a lack of adequate segregation of incompatible duties in certain areas:
 - Library Receipts
 - Police Receipts
 - Disbursements
 - Utility Billing Receipts and Adjustments
 - Building Permit Fees and Impact Fees



Schedule of Findings Significant Deficiency 2015-3

- 2015-3 Segregation of Duties - Recommendation
 - Staff evaluate the various functions
 - Staff to determine what practical steps can be taken to segregate incompatible duties
 - City should perform risk assessment procedures to determine significant risks to which the City is exposed



Schedule of Findings Significant Deficiency 2015-3

- 2015-3 Segregation of Duties – Management Response
 - City Management agrees with the auditor's findings and recommendations
 - Staff has already made corrections or begun the process and plans to correct the instances listed by the auditors
 - Library/Police Receipts – Finance will be working with Library and Police staff to integrate both departments with the City's Springbrook accounting system



Schedule of Findings Significant Deficiency 2015-3

- 2015-3 Segregation of Duties – Management Response (continued)
 - Disbursements – This has been corrected
 - Utility Billing Receipts and Adjustments & Building Permit Fees and Impact Fees – These areas have yet to be addressed. City Management will review the current process and make necessary changes
 - As mentioned in 2015-1, staff will work on developing formal policies and procedures for each of the areas identified in 2015-3



Schedule of Findings Significant Deficiency 2015-4

- 2015-4 Other Internal Control Issues
 - The auditor's identified four additional internal control issues:
 - Old Outstanding Checks
 - Purchasing
 - Fuel Charges, Credit Card Usage and Travel Costs
 - Personnel Files



Schedule of Findings Significant Deficiency 2015-4

- 2015-4 Other Internal Control Issues - Recommendations
 - Establish policies to investigate old outstanding checks and take appropriate action as necessary
 - City continue to following established purchasing policies
 - City establish control measures as they relate to Fuel Charges, Credit Card Usage and Travel Costs
 - Maintain strong controls over the payroll function by organizing and maintaining Personnel Files



Schedule of Findings Significant Deficiency 2015-4

- 2015-4 Other Internal Control Issues – Management's Response
 - City Management agrees with the auditor's findings and recommendations
 - Staff have already made corrections or begun the process and plans to correct items identified by the auditors
 - Old Outstanding Checks and Fuel Charges, Credit Card Usage, and Travel Costs – These areas have yet to be addressed. City staff will work on developing policies and procedures to address these areas



Schedule of Findings Significant Deficiency 2015-4

- 2015-4 Other Internal Control Issues – Management's Response (continued)
 - Purchasing
 - Staff has taken steps to ensure that all procurement is conducted in accordance with the adopted procurement policies
 - On November 24, 2015 City Council approved an updated purchasing policy
 - City staff will continue in its efforts to ensure all purchases are in accordance with the established policy



Schedule of Findings Significant Deficiency 2015-4

- 2015-4 Other Internal Control Issues – Management's Response (continued)
 - Personnel Files
 - This area has been corrected
 - In February 2016 a new HR Director was hired
 - By March 2016 the City's personnel files were organized and contained up-to-date information
 - Personnel files are updated on a continual basis and it is the intent of City Management to continue this practice



Schedule of Findings Compliance with Debt Covenants 2015-5

- In 2012 the City entered into an installment purchase agreement with the California Statewide Communities Development Authority to finance water and wastewater system improvements
- Debt is secured by a pledge of the net revenues of the water and wastewater system
- The installment purchase agreement includes provisions requiring that the City set rates, fees and charges for each fiscal year so as to yield system net revenues during each fiscal year equal to at least 120% of the annual debt service



Schedule of Findings Compliance with Debt Covenants 2015-5

- For the 2014/15 fiscal year, the City's net revenues in the Water Fund were not sufficient to meet this requirement
- This is a result of decreasing revenues and increasing expenses



Schedule of Findings Compliance with Debt Covenants 2015-5

- 2015-5 Compliance with Debt Covenants – Recommendations
 - City should implement policies to ensure compliance with debt covenants on a consistent basis, even if there are unexpected fluctuations in applicable revenues and expenses



Schedule of Findings Compliance with Debt Covenants 2015-5

2015-5 Compliance with Debt Covenants – Management's Response

- City Management agrees with the auditor's findings and recommendations
- The City is currently conducting a rate study to address the deficiency in the City's net revenue in the Water Fund
- As stated in 2015-1 staff will implement policies to ensure compliance with debt covenants on a consistent basis



Recommendation

Staff recommends the City Council receive presentation and accept the Comprehensive Annual Financial Report of the City of St. Helena for the Fiscal Year Ended June 30, 2015



Questions