



Willows City Council Regular Meeting

December 10, 2019

Willows City Hall

7:00 p.m.

201 North Lassen Street

Willows, CA 95988

(530) 934-7041

Agenda

City Council

Gary Hansen, Mayor
Kerri Warren, Vice Mayor
Lawrence Mello, Council Member
Joe Flesher, Council Member
Larry Domenighini, Council Member

Interim City Manager

Wayne Peabody

City Clerk

Tara Rustenhoven

1. **CALL TO ORDER- 7:00 p.m.**
2. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL**
4. **PUBLIC COMMENT/WRITTEN COMMUNICATIONS**

a. **Public Comments:**

Members of the public wishing to address the Council on any item(s) not on the agenda may do so at this time when recognized by the Mayor/Vice Mayor; however, no formal action will be taken unless a majority consensus of the Council directs staff to place the item on a future agenda. Public is advised to limit discussion to one presentation per individual. While not required, please state your name and address for the record. (Oral communications will be limited to three minutes)

5. **CONSENT AGENDA**

Consent items are considered to be routine by the City Council and will be enacted in one motion. There will be no separate discussion on these items unless a Council Member requests, in which event the item will be removed from the consent agenda. It is recommended that the Council:

- a. Approval of general checking, payroll & direct deposit check registers 37467-37483, Z10368-Z10393, 38391-38406.
- b. Approval of minutes of the Regular City Council Meeting held on November 26, 2019.

Comments from the public are welcome. The Mayor will allow an opportunity for comments related to Public Hearings and each action item on the agenda. Please limit comments to three minutes per topic, and one comment per person per topic. Once comments conclude, please allow the Council the opportunity to continue its consideration of the item without interruption.

6. ORDINANCES

- a. Consider reading by title only, passage of the second reading and adoption of an Ordinance entitled;
“AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WILLOWS, REPEALING, REPLACING, AND/OR AMENDING CERTAIN SECTIONS OF CHAPTER 15.15 OF THE CITY OF WILLOWS MUNICIPAL CODE, TO ADOPT BY REFERENCE AND AMEND CERTAIN PORTIONS OF THE 2019 CALIFORNIA FIRE CODES AND APPROVE THE LOCAL FINDINGS AS SET FORTH IN THE CODES WITH THE REMAINING SECTIONS CURRENTLY IN PLACE TO REMAIN UNCHANGED”.
- b. Consider reading by title only, passage of the second reading and adoption of an Ordinance entitled;
“AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WILLOWS, REPEALING, AMENDING, AND/OR CREATING SPECIFIC SECTIONS OF CHAPTER 15; SUB SECTIONS; 15.10, 15.11, 15.15, 15.20, 15.30, 15.35, 15.50, 15.60, 15.70, ,15.75, 15.80, 15.85, 15.90, 15.91, AND 15.95 OF THE CITY OF WILLOWS MUNICIPAL CODE, AND TO ADOPT BY REFERENCE AND AMEND CERTAIN PORTIONS OF THE 2019 CALIFORNIA STANDARDS CODES”.

7. REGULAR BUSINESS AGENDA/ITEMS REQUIRING COUNCIL ACTION

- a. By motion, consider refunding Scott Silverthorne \$411.00 for Design Review Application cost for the project located on APN 003-121-011-0.
- b. By motion, consider the recommendation of Council Member Domenighini and Council Member Mello the appointment to the City of Willows Planning Commission, Dana Owens, Candis Woods and Robert Griffith for terms ending December 31, 2024 and Hilgard Muller to fill the vacant seat of Peggy White which will begin immediately and will expire of December 31, 2021.
- c. Adopt a Resolution entitled;
“A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILLOWS AWARDDING A CONTRACT FOR COMPREHENSIVE PROFESSIONAL PLANNING SERVICES TO WILLDAN AND DIRECT THE INTERIM CITY MANAGER TO NEGOTIATE FINAL TERMS, DURATION, AND CONDITIONS OF THE AGREEMENT.”
- d. By Motion, approve the proposal by Coastland for Analysis of In House vs. Contract Wastewater Treatment Plant Operations and appropriate \$11, 396 in Sewer Enterprise Funds-318.4120.180.
- e. By Motion, 1) Approve the Non-Renewal of the current contract for wastewater treatment services with Inframark and direct the Interim City Manager to submit notification of non-renewal. 2) Approve the proposal submitted by Coastland for development of a request for proposal (RFP) for contract wastewater treatment services in a not to exceed amount of \$6,560. 3) Appropriate an additional \$6,560 for Sewer Enterprise-Professional Services-318.4120.180.

- f. Adopt the Resolution entitled;
“A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILLOWS RETROACTIVELY AUTHORIZING SUBMITTAL OF APPLICATION(S) FOR ALL USDA, RD GRANTS AND LOANS FOR WHICH THE CITY OF WILLOWS IS ELIGIBLE. “
- g. Adopt the Resolution entitled;
“A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILLOWS APPROVING MASTER LEASE PURCHASE AGREEMENT FOR PURCHASE OF FIRE ENGINE. ”
- h. Staff is recommending appointment of a committee of two members of the Council to review applications and/or conduct interviews and recommend appointments to the Library Board of Trustees at the January 14, 2020 City Council Meeting.
- i. Receive nominations and by motion, elect Mayor and Vice-Mayor for 2020.
- j. Discuss possible appointment to various committees/panels for the 2020 calendar year.

8. COUNCIL/ STAFF REPORTS/COMMENTS

- a. Staff Reports/Comments:
Council Reports/Comments:

9. RECESS TO CLOSED SESSION

- a. PUBLIC COMMENT-Pursuant to Government Code Section §54954.3, the public will have an opportunity to directly address the legislative body on the item below prior to the Council convening into closed session. Public Comments are generally restricted to three minutes.
- b. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Gov. Code Section §54956.9:
Number of cases: 2

10. ADJOURNMENT

This agenda was posted on December 6, 2019


Tara Rustenhoven, City Clerk

A complete agenda packet, including staff reports and back-up information, is available for public inspection during normal work hours at City Hall or the Willows Public Library at 201 North Lassen Street in Willows or on the City's website at www.cityofwillows.org.

In compliance with the Americans with Disabilities Act, the City of Willows will make available to members of the public any special assistance necessary to participate in this meeting. If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132). The public should contact the City Clerk's office at 934-7041 to make such a request. Notification 72 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

The City of Willows is an Equal Opportunity Provider



CONSENT AGENDA



Period

11/21/2019 TO 12/4/2019

General Checking 37467 TO 37483

Payroll Direct Deposit Z10368 TO Z10393

Payroll Checks 38391 TO 38406

APPROVAL DATE 12/10/2019

APPROVED _____

REPORT : Nov 27 19 Wednesday
 RUN . . . : Nov 27 19 Time: 08:48
 Run By : JANE COLLINS

CITY OF WILLOWS
 Cash Disbursement Detail Report
 Check Listing for 11-19 Bank Account.: 1045

PAGE: 001
 ID #: PY-DP
 CTL.: WIL

Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Payment Information
							Invoice # Description
037467	11/27/19	ABO00	STEVE ABOLD	200.00	.00	200.00	B91125 PUB. WKS. TOOL PARKS/PUB.
037468	11/27/19	ATT01	A.T. & T.	1054.47	.00	1054.47	B91126 TELEPHONE EXP. 10/19-11/1
037469	11/27/19	CAL45	CALIFORNIA NORTHERN RAILR	9512.50	.00	9512.50	0000296 CONTRACT FLAGGING 6/12-7/
037470	11/27/19	CAL56	CALIFA GROUP	4053.36	.00	4053.36	2999 CENIC BROADBAND JULY-SEPT
037471	11/27/19	CLE03	CLEARWAY ENERGY LLC	10113.13	.00	10113.13	239095 SOLAR ELECTRICITY OCT 201
037472	11/27/19	COM16	COMCAST CABLE	150.94	.00	150.94	B91125 FD INTERNET 11/19-12/18/1
037473	11/27/19	COM19	COMPRESSED AIR SPECIALTIE	134.25	.00	134.25	35834 KUNKLE VALVE CERTIFICATIO
037474	11/27/19	COR02	CORBIN WILLITS SYSTEMS	416.03	.00	416.03	B91115 CONT.SERV. FINANCE DEC 20
037475	11/27/19	GLE09	GLENN CO. OFFICE OF EDUCA	100.00	.00	100.00	20191118 LIVE SCANS
037476	11/27/19	HOF02	SARAH HOFFMAN	100.00	.00	100.00	B91125 VEHICLE ALLOWANCE DEC 201
037477	11/27/19	MAT01	MATSON & ISOM TECHNOLOGY	70.73	.00	70.73	24022-IN CISCO WARRANTY RENEWAL
037478	11/27/19	OFF05	OFFICE DEPOT, INC.	52.58	.00	52.58	585878001 OFFICE SUPPLIES
037479	11/27/19	PEA00	WAYNE PEABODY	200.00	.00	200.00	B91125 TECHNOLOGY ALLOWANCE DEC
037480	11/27/19	PGE01	PG & E	9212.89	.00	9212.89	B91126 P.G. & E. 10/15-11/13/19
037481	11/27/19	SAI02	TIMOTHY L. SAILSBERY	200.00	.00	200.00	B91125 VEHICLE ALLOW. FINANCE DE
037482	11/27/19	STO01	STONY CREEK UNIFIED SCHOO	100.00	.00	100.00	B91125 EC LIBRARY RENT DEC 2019
037483	11/27/19	WAL07	WAL-MART COMMUNITY	222.68	.00	222.68	B91125 NOVEMBER STMT PER ATTACHE
Cash Account Total.....:				35893.56	.00	35893.56	
Total Disbursements.....:				35893.56	.00	35893.56	
Cash Account Total.....:				.00	.00	.00	

ACTION MINUTES OF THE WILLOWS CITY COUNCIL REGULAR MEETING HELD NOVEMBER 26, 2019

Meeting audio is available at the City of Willows website. This is not a live feature. Audio recordings are posted the succeeding business day following the scheduled City Council Meeting.

Please visit www.cityofwillows.org for free PodBean recordings.

Mayor Hansen called the meeting to order at 7:00 p.m.

The meeting opened with the Pledge of Allegiance led by Jose Hansen.

Roll Call:

Council Members Present: Council Members Flesher, Domenighini, Vice Mayor Warren, Mayor Hansen

Council Members Absent: Council Member Mello

Staff Present: Interim City Manager Wayne Peabody, Administrative Services Director Tim Sailsbery, Principal Planner Karen Mantele, City Attorney Robert Hunt, City Clerk Tara Rustenhoven

GCSO Staff: Sheriff Richard Warren

Ceremonial Matters (Proclamations, Recognitions, Awards:

Mayor Hansen recognized the following:

- a. Pearl Harbor Remembrance Day

Public Comment/ Written Communications:

Jeff Williams, resident of Willows-wanted to thank the VFW for honoring Vern Roberts who recently passed. Also wanted to thank the Public Works Department for the leaf pick up.

Consent Agenda:

- a. Approval of general checking, payroll & direct deposit check registers 37376-37466, Z10307-Z10367, 38327-38390.
- b. Approval of minutes of the Regular City Council Meeting held on October 22, 2019.
- c. Approval of minutes of the Special City Council Meeting held on October 24, 2019.
- d. Approve, by consent motion, appropriation of additional Supplemental Law Enforcement Services Funding and reduce General Fund Appropriation by the same amount.

Action:

Motion: Council Member Domenighini/Second: Council Member Flesher

Moved to approve the Consent Agenda as presented above and the following item(s).

The motion passed unanimously 4/0 carried by the following voice vote:

AYES: Flesher, Domenighini, Vice Mayor Warren, Mayor Hansen

NOES:

ABSENT: Mello

ABSTAIN:

Interim City Manager requested item 10 be moved after the Consent Agenda.

Recess to Closed Session:

a. PUBLIC COMMENT-Pursuant to Government Code Section §54954.3, the public will have an opportunity to directly address the legislative body on the item below prior to the Council convening into closed session. Public Comments are generally restricted to three minutes.

b. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Gov. Code Section §54956.9:

Number of cases: 2

Entered into closed session at 7:10 p.m.

Council reconvened into open session at 8:18 p.m.

Announcement of any action taken in closed session:

Mayor Hansen reported no reportable action.

Public Hearing:

- a. Conduct a Public Hearing, consider reading by title only and passage of an Ordinance entitled;
 - i. "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WILLOWS, REPEALING, REPLACING AND/OR AMENDING CERTAIN SECTIONS OF CHAPTER 15.15 OF THE CITY OF WILLOWS MUNICIPAL CODE, TO ADOPT BY REFERENCE AND AMEND CERTAIN PORTIONS OF THE 2019 CALIFORNIA FIRE CODES AND APPROVE THE LOCAL FINDINGS AS SET FORTH IN THE CODES WITH THE REMAINING SECTIONS CURRENTLY IN PLACE TO REMAIN UNCHANGED".

Public Hearing opened at 8:22 p.m.

Public Hearing closed at 8:22 p.m.

Action:

Motion: Council Member Domenighini/Second: Council Member Flesher

Moved to approve the ordinance next in line be read by title only.

The motion passed unanimously 4/0 carried by the following voice vote:

AYES: Flesher, Domenighini, Vice Mayor Warren, Mayor Hansen

NOES:

ABSENT: Mello

ABSTAIN:

Action:

Motion: Council Member Domenighini /Second: Council Member Flesher

Moved to approve the passage of an ordinance entitled "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WILLOWS, REPEALING, REPLACING AND/OR AMENDING CERTAIN SECTIONS OF CHAPTER 15.15 OF THE CITY OF WILLOWS MUNICIPAL CODE, TO ADOPT BY REFERENCE AND AMEND CERTAIN PORTIONS OF THE 2019 CALIFORNIA FIRE CODES AND APPROVE THE LOCAL FINDINGS AS SET FORTH IN THE CODES WITH RE REMAINING SECTIONSCURRENTLY IN PLACE TO REMAIN UNCHANGED".

The motion passed unanimously 4/0 carried by the following voice vote:

AYES: Flesher, Domenighini, Vice Mayor Warren, Mayor Hansen

NOES:

ABSENT: Mello

ABSTAIN:

b. Conduct a Public Hearing, and following closure, by motion, consider reading by title only and passage of an Ordinance entitled;

- i. "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WILLOWS, REPEALING, AMENDING, AND/OR CREATING SPECIFIC SECTIONS OF CHAPTER 15; SUB SECTIONS 15.10, 15.11, 15.20, 15.30, 15.35, 15.50, 15.55, 15.60, 15.70, 15.75, 15.80, 15.85, 15.90, 15.91, AND 15.95 OF THE CITY OF WILLOWS MUNICIPAL CODE, AND TO ADOPT BY REFERENCE AND AMEND CERTAIN PORTIONS OF THE 2019 CALIFORNIA BUILDING STANDARD CODES".

Open public hearing at 8:27 p.m.

Closed public hearing at 8:27 p.m.

Action:

Motion: Council Member Domenighini/Second: Council Member Flesher

Moved to approve the ordinance next in line be read by title only.

The motion passed unanimously 4/0 carried by the following voice vote:

AYES: Flesher, Domenighini, Vice Mayor Warren, Mayor Hansen

NOES:

ABSENT: Mello

ABSTAIN:

Action:

Motion: Council Member Domenighini /Second: Council Member Flesher

By motion, the passage of the first reading of and ordinance entitled; "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WILLOWS, REPEALING, AMENDING, AND/OR CREATING SPECIFIC SECTIONS OF CHAPTER 15; SUB SECTIONS 15.10, 15.11, 15.20, 15.30, 15.35, 15.50, 15.55, 15.60, 15.70, 15.75, 15,80, 15.85, 15.90, 15.91, AND 15.95 OF THE CITY OF WILLOWS MUNICIPAL CODE, AND TO ADOPT BY REFERENCE AND AMEND CERTAIN PORTIONS OF THE 2019 CALIFORNIA BUILDING STANDARD CODES".

The motion passed unanimously 4/0 carried by the following voice vote:

AYES: Flesher, Domenighini, Vice Mayor Warren, Mayor Hansen

NOES:

ABSENT: Mello

ABSTAIN:

Regular Business:

- a. Staff recommends Council receive the staff report, discuss and provide comments on the single-family residential design guidelines.

Council had discussion and gave their comments on the single-family residential design guidelines.

- b. Review and accept the General Plan Progress staff report and direct staff to forward to the Governor's Office of Planning and Research (OPR) and the State Department of Housing and Community Development (HCD) as required by Government Code Section §65400.

Action:

Motion: Vice Mayor Warren/Second: Council Member Domenighini

Moved to accept the General Plan Progress and direct staff to forward to the Governor's Office of Planning and Research (OPR) and the State Department of Housing and Community Development (HCD) as required by Government Code Section §65400.

The motion passed unanimously 4/0 carried by the following voice vote:

AYES: Flesher, Domenighini, Vice Mayor Warren, Mayor Hansen

NOES:

ABSENT: Mello

ABSTAIN:

- c. By motion, approve the Term Sheet for lease financing of the Ahrens-Fox Fire Engine by BCI Capital Management and authorize the Administrative Services Director to sign the Term Sheet.

Action:

Motion: Vice Mayor Warren/Second: Council Member Flesher

Moved to approve the Term Sheet for lease financing of the Ahrens-Fox Fire Engine by BCI Capital Management and authorize the Administrative Services Director to sign the Term Sheet.

The motion passed unanimously 4/0 carried by the following voice vote:

AYES: Flesher, Domenighini, Vice Mayor Warren, Mayor Hansen

NOES:

ABSENT: Mello

ABSTAIN:

- City Hall will be closed for the Thanksgiving Holiday Thursday and Friday. Happy Thanksgiving.

b. City Council Reports Comments: Council gave comments/reports on activities and various meeting they attended.

Mayor Hanson announced for Barbara Laducer that the Wreath's Across America will have a ceremony on December 14th and 9:00 a.m.

Adjournment:

The Meeting was adjourned at 9:14 p.m.

Dated: December 5, 2019

Tara Rustenhoven, City Clerk



ORDINANCES

December 10, 2019

AGENDA ITEM

TO: Honorable Mayor Hansen and Members of the City Council
FROM: Wayne Peabody, Fire Chief/Interim City Manager
SUBJECT: 2019 Fire Code Adoption

RECOMMENDATION

By motion, consider reading by title only, passage of the second reading and adoption of an Ordinance entitled **“AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WILLOWS, REPEALING, REPLACING, AND/OR AMENDING CERTAIN SECTIONS OF CHAPTER 15.15 OF THE CITY OF WILLOWS MUNICIPAL CODE, TO ADOPT BY REFERENCE AND AMEND CERTAIN PORTIONS OF THE 2019 CALIFORNIA FIRE CODES AND APPROVE THE LOCAL FINDINGS AS SET FORTH IN THE CODES WITH THE REMAINING SECTIONS CURRENTLY IN PLACE TO REMAIN UNCHANGED”**

SITUATION (or BACKGROUND):

As part of its periodic review of the fire code, the California Building Standards Commission this year published the 2019 California Fire Code, which becomes effective January 1, 2020.

These new Fire Codes are based in part on the 2018 International Fire Code, published by the International Code Council, and include the 2019 California Building Code and the 2019 California Fire Code, among other codes.

FINANCIAL CONSIDERATIONS:

Minimal, the new code books were budgeted for and purchased earlier in the year.

NOTIFICATION:

Public Hearing Noticed, the Building Department and the Planning Department have reviewed and commented on the proposed Ordinances.

ALTERNATE ACTION:

1. Approve (by motion)
2. Approve (by motion).... As amended...
3. Request additional information from staff
4. Reject the recommendation and/or direct an item to be returned at a later date.

RECOMMENDATION:

By motion, considers reading by title only, passage of the second reading and adoption of an Ordinance entitled "**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WILLOWS, REPEALING, REPLACING, AND/OR AMENDING CERTAIN SECTIONS OF CHAPTER 15.15 OF THE CITY OF WILLOWS MUNICIPAL CODE, TO ADOPT BY REFERENCE AND AMEND CERTAIN PORTIONS OF THE 2019 CALIFORNIA FIRE CODES AND APPROVE THE LOCAL FINDINGS AS SET FORTH IN THE CODES WITH THE REMAINING SECTIONS CURRENTLY IN PLACE TO REMAIN UNCHANGED**"

Respectfully submitted:



Wayne Peabody
Fire Chief/Interim City Manager

Attachments:

- 1: Ordinance modifying Chapter 15.15 of Willows Municipal Code
- 2: Exhibit A - Findings of Fact along with jurisdictional revisions and modifications to the codes.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WILLOWS, REPEALING, REPLACING, AND/OR AMENDING CERTAIN SECTIONS OF CHAPTER 15.15 OF THE CITY OF WILLOWS MUNICIPAL CODE, TO ADOPT BY REFERENCE AND AMEND CERTAIN PORTIONS OF THE 2019 CALIFORNIA FIRE CODES AND APPROVE THE LOCAL FINDINGS AS SET FORTH IN THE CODES WITH THE REMAINING SECTIONS CURRENTLY IN PLACE TO REMAIN UNCHANGED

Whereas, the California Fire Codes are published every three years by the California Building Standards Commission;

Whereas, the California Building Standards Commission has published the 2019 California Fire Codes by amending Title 24 of the California Code of Regulations, effective January 1, 2019;

Whereas, the 2019 California Fire Codes are based in part on the 2015 International Fire Code, published by the International Code Council;

Whereas, the California Fire Codes may be adopted by cities by incorporation by reference;

Whereas, cities may establish more restrictive Fire standards than those set forth in the California Fire Codes, if certain findings are made pertaining to local climatic, geological or topographical conditions; and

Whereas, the 2019 California Fire Codes will automatically become effective without amendment in the City of Willows 180 days after January 1, 2020, unless the City affirmatively amends the Codes otherwise.

The City Council of the City of Willows does ordain as follows:

- 1: Amend, Reenact or Create Sections of Chapter 15 - subsection (s) 15.15.010-15.15.230

Chapter 15: subsection (s) 15.15 of the City of Willows Municipal Code are hereby amended, reenacted and created to read as follows:

Chapter Fifteen (15.15.010) Adoption of California Fire Codes

The following publications are hereby adopted by reference and incorporated, as if fully set forth in this Code; except as expressly amended or superseded by the provisions of this Chapter:

15.150.010 The 2019 California Fire Code, Title 24, Part 9 of the California Code of Regulations, including Appendices and Amendments There is hereby adopted by the City Council of the City of Willows for the purpose of prescribing regulations governing conditions hazardous to life and property from fire, hazardous materials or explosion, that certain document entitled "2019 Edition of the California Fire Code and Standards with Amendments, Appendices, the 2019 California Building Code Standards with Certain Amendments, and the 2018 International Fire Code and Standards," is adopted as the California Fire Code of the City of Willows and included in and made a part of this code as though set forth at length herein. Additionally, National Fire Protection Association (NFPA) Standards 10, 13, 13R, 13D, 25 with California Amendments, and NFPA 72 with the most recent editions are adopted.

INTRODUCED and passed first reading on the 26th day of November 2019.

PASSED AND ADOPTED by the City Council of the City of Willows on the 10th day of December 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST

APPROVED:

Tara Rustenhoven

Gary Hansen, Mayor

EXHIBIT A

Local Findings of Fact

The City Council finds that in order to best protect the health, safety, and welfare of the citizens of Willows, the City Council should adopt the California Fire Code Standards. The Council further finds that based upon the materials presented and the recommendations of the Fire Chief, it is necessary to make these revisions in order to clarify procedural issues and to provide fire personnel with a better ability to protect the public.

Under the provisions of Section 17958.5 of the Health and Safety Code, local amendments must be based on climatic, geologic and topographical conditions. The following Findings of Fact address each of these situations and present the local conditions which, either singularly, or in combination, justify the amendments to be adopted:

CLIMATE:

The City, on average, experiences an approximate annual rainfall of 20 inches. This rainfall can normally be expected between October and April. During the winter months, the City may experience periods of heavy rain, which causes local flooding. Winter storms are often accompanied by high winds, which have uprooted trees and damaged power lines. During the dry period, temperatures range from 70 degrees to over 110 degrees. These temperatures are often accompanied by light to moderate gusty winds, which couple with agricultural burning may lead to wind driven fires. With increased development spreading into agricultural areas a wind driven fire could have severe consequences, as has been demonstrated on several occasions through out the state.

GEOLOGIC:

The City is susceptible to flooding hazards resulting from long periods of rain in the Mendocino Forest. The most serious direct flooding hazard threat is from the damage or collapse of buildings and other structures due to water flow. In addition to damage caused by flooding, there is the possibility of flood-induced fires starting because of damage to gas lines, power lines or heat producing appliances and the unavailability of water for fire control due to broken water pumps. In the event of a major flooding or many areas of the City may not be accessible to emergency equipment and, if bridges, freeways or roads are damaged, the City may be isolated from outside assistance.

TOPOGRAPHICAL:

The City borders include flat terrain on the North to the East is the Glenn Colusa Cannel and railroad system. Along the South portions of the City is the Glenn Colusa Cannel continues. To the West is Interstate 5 which then turns from flat terrain to hilly terrain and State Responsibility Area (SRA) land. The railroad, cannel and freeway all create barriers, which may obstruct traffic patterns and delay response time for fire equipment. The water supply within the City is directly affected by the topographical layout. The water distribution system consists of 7 pressure zones, which carry water by gravity from one storage reservoir. Water flow within the City can vary from less than 500 gallons per minute to flows in excess of 1,500 gallons a minute. This wide variation causes major problems to development and fire suppression efforts.

SUMMARY:

The above local climatic, geologic and topographical conditions increase the magnitude, exposure, accessibility problems and fire hazards presented to the Willows Fire Department. Fires in areas determined to be moderate, high or very high fire severity zones, as outline by the State of California (CalFire) fire severity zone map, place additional fire suppression demands on the responding fire agency. A fire following a flood has the potential of causing greater loss of life and damage than the flood itself. The majority of the City's industrial areas are located in the highest flood zones, which also contains the largest concentration of hazardous materials. Hazardous materials, particularly toxic gases, could pose the greatest threat to the largest number of persons, should a significant flood event occur. The Department's resources would have to be prioritized to mitigate the greatest threat, and may be unavailable for vegetation or structure fires.

Other variables that may tend to intensify the situation include:

1. The extent of damage to the water system;
2. The extended isolation due to roadways and/or freeway due to flooding;
3. The extent of roadway damage and/or amount of debris blocking roadways;
4. Climatic conditions (hot, dry weather with high winds);
5. Time of day will influence the amount of traffic on roadways and could intensify the risk to life during normal business hours; and,

6. The availability of timely response due to minimal staffing and volunteerism.

CONCLUSION:

Local climatic, geologic and topographical conditions impact fire prevention efforts and the frequency, spread, intensity, and the size of fire involving buildings in this community. Further, they impact potential damage to all structures from flooding and subsequent fire. Therefore, it is found to be reasonably necessary that the International Fire Code, the California Fire Code, the California Building Code and State Building Standards Code be changed or modified to mitigate the effects of these conditions.

Furthermore, California Health & Safety Code (CH&SC) Section 17958.7 requires that the modification or change to which findings refer be expressly marked and identified. Therefore, the following table provides code sections that will be modified by this ordinance which are building standards as defined in CH&SC Section 18909, and the associated referenced conditions for modification due to local climatic, geologic and topographical conditions.

Section Number: Local Climatic, Geologic and Topographical Conditions

304.1.2	CFC	a, b, c
307	CFC	a, b, c
501.4	CFC	a, b, e
505.1	CFC	b, c
506.1	CFC	a, c
901.6.1.1	CFC	a, b, c
903.2	CFC	a, b, c
5002	CFC	a, b, c
5704.2.9.6.1	CFC	a, b, c
5706.2.4.4	CFC	a, b, c
6104.2	CFC	a, b, c
Ch 56	CFC	a, b, c
106.2	CFC	a, b, c
108.1	CFC	a, b, c

CODE AMENDMENTS: (The following reference amendments are sections taken from State of California Code)

Section 304.1.2:

General Persons owning, leasing, renting, in legal control of the property; and operating or maintaining buildings or structures in, upon or adjoining hazardous fire areas, and persons, owning, leasing, or controlling land adjacent to such building or structures shall at all times maintain an effective fire break as stipulated with this code. When property lines are adjacent to roadways the hazard shall be cleared to the center of the roadway.

(A) Definitions. The following words and phrases, with this code, shall be defined as follows:

(1) Compost Pile: A mixture of decayed organic matter (pine needles, leaves, grass clippings etc.) compiled together with the intention to convert compost to fertilizer.

(2) Continuous Fuel: Combustible vegetation whether, living or dead that is adjacent to other similar vegetation without a break.

(3) Debris: Shall mean waste matter, dry grass, dead trees, cut limbs or branches, piles or pine needles or leaves that when dry may be come a fire hazard.

(4) Developed Lot: Structure(s) present on property.

(5) Disking: Shall mean to cultivate with an implement (as a harrow or plow) that turns and loosens the soil as with a series of disks.

(6) Fire Hazard: Anything or act which increases or may cause an increase of the hazard or menace of fire or explosion to a degree greater than that customarily recognized as normal by persons in the public service or preventing, suppressing, or extinguishing fires; or which may obstruct, delay, or hinder, or may become the cause of an obstruction, delay or hindrance to the prevention, suppression or extinguishment of the fire.

(7) Lot: All land within the property lines set forth in the assessor's parcel map or as established by a recorded map or record

(8) Mowing: To cut with a scythe or machine.

(9) Pasture: Land use for the grazing of livestock.

(10) Rubble: Shall mean any rubble, residue, structure or part of portions of a structure, remaining after fire damage to or the demolition or partial demolition of any building or structure in the city.

(11) Vacant Lot: Void of any structures.

(12) Weeds: When mature, bear seeds of downy or wingy nature or dry overgrown grass, etc. Sagebrush, chaparral, scotch broom, trench broom, Manzanita, or any other brush or weeds which attain such large growth as to become, when dry, a fire hazard to property and structures.

(B) Abatement of Hazard – Clearance of rubble, brush, or vegetative growth for Vacant and Developed Lots.

(1) A cleared space around all buildings 30 feet wide at a minimum. The Chief may require cleared space to be larger if a potential fire hazard exists.

(2) A cleared space (fire break) 50 feet wide minimum completely around the perimeter of the property to the street or sidewalk and cross breaks 30-feet wide minimum, every 50 feet maximum. The Chief may require cleared space to be larger if a potential fire hazard exists.

(3) A cleared space extending 30 feet minimum beyond the foliage of any group of trees. The Chief may require cleared space to be larger if a potential fire hazard exists.

The Fire Chief, Fire Inspectors or designated officials may find it necessary to have all weeds, debris, and rubble that could be expected to burn or may cause a life or safety hazard to be removed from the Entire lot, vacant lot, or developed lot.

Cross Reference Article III Weeds and Rubbish Removal, S 8.05.120/8.05.180 of the Willows Code of Ordinance.

Section 307:

The Fire Chief, Air Pollution Control Officer, or their authorized representative is authorized to require that open burning be immediately discontinued if he/she determines that smoke emissions are offensive to occupants of surrounding property or if the open burning is determined by the Fire Chief, his or her designee, to constitute a hazardous condition.

The Fire Chief is authorized to enforce a ban on all open burning during periods of critical fire danger.

Open burning / residential:

- (A) Is not allowed in the City Limits of Willows.
- (B) To include Burn Barrels, Litter, Brush, Leaves, Debris, Weeds or any other substance.

Special Event Burning:

Special event burning is authorized when a permit is obtained for a warming fire or cooking with the following criteria:

- (A) Pit location must be inspected prior to digging;
- (B) Twenty-foot clearance of all vegetation around pit and structures;
- (C) Pit shall be in attendance of an adult at all times;
- (D) Pit shall have a mesh wire top;
- (E) Only unprocessed wood or barbecue charcoal shall be burned in pit.

Section 501.4:

~~An all weather driving surface capable of supporting imposed loads up to 70,000 pounds shall be maintained during all phases of construction.~~

~~Fire hydrant(s) capable of meeting minimum fire flows of 1,000 gallons per minute shall be charged and available to all sites under construction prior to the stacking of combustible materials on site. Fire hydrants shall be located within 500' of the furthest most point of construction; use of an existing hydrant shall not interfere the daily routine traffic patterns of City residents~~

Section 505.1:

Approved numbers for premises identification shall be placed on all new and existing buildings near the doorway or in such a position as to be plainly visible and legible from the street or access fronting the property during both day and night hours.

Address numbers shall be illuminated for buildings constructed after January 1, 2008. Light sources used to comply with this section shall be controlled by a photoelectric device or by a circuit supplied by a house meter which is used to provide other required lighting during hours of darkness. No switch or other similar device shall be installed. Buildings constructed prior to this date shall comply with all other address requirements.

Address signs shall be internally or externally illuminated. When the luminance or the face of a sign is from an external source, it shall have an intensity of not less than 5.0 foot-candles. Internally illuminated signs shall provide equivalent luminance

All properties that are served by a rear access shall install approved numbers for premises identification in such a position as to be plainly visible and legible from the access. Exception: Single family dwelling.

Number shall be contrasting in color to their background.

The minimum size and dimension of the numbers shall be 6 inches in height with 1-inch stroke width or larger readily visible and legible from the adjacent street. Single Family dwelling shall have a minimum size of 4 inches in heights with 1-inch stroke width or larger.

Where a building is set back from the street or road fronting the property and where addresses may not be clearly identifiable due to distance from the street or roadway, landscape, vegetation and/or architectural appendages, or other obstructions, address posting shall be required both at the street, road or driveway serving such building and on the building. Street or roadside address posting shall be on a weather resistant sign, permanently mounted to a post, and highly visible from all directions of traffic flow. Where unusual circumstances exist a direction indicator may be required to show specific direction of building(s).

Condominiums, apartment complexes, townhouses, mobile home parks, and multiple commercial buildings shall have installed, at points of entry, an illuminated directory in accordance with Fire Department standards. The directory sign shall consist of the following:

- (A) A plot plan showing private drives.

- (B) Access roads.
- (C) Building location(s) with individual numbers and addresses.
- (D) Fire hydrant locations.
- (E) Name of the complex.
- (F) A reference point on the plot plan indicating the location of the directory.
- (G) A north direction indicator.
- (H) Key box location.
- (I) Hazardous materials information and storage location(s).

All numbering shall be in sequence as approved by the Planning and Fire Departments.

The developer or property owner shall submit to the Fire Department and Building Department detailed plans for review and approval showing size, materials, method of construction, electrical components and wiring diagram, and location of the installation.

Section 506.1:

A key box shall be installed on all new commercial, industrial and R occupancies excluding R-3. The key box shall be an approved type and contain those keys necessary to gain access. Placement shall be approved by Fire chief or designee.

Section 901.6.1.1:

The Fire chief or designee may determine a fire alarm to be unreliable upon receipt of more than four false alarms within a twelve month period. Upon making such finding, the chief may order the following:

- (A) Upon the fourth (4th) false alarm from the system within a twelve (12) month period, the system owner shall pay a mitigation fee to the fire department of \$150.00 plus the costs of the response for each false alarm.
- (B) Upon the sixth (6th) false alarm from the system within a twelve (12) month period, the system owner shall pay a mitigation fee to the fire department of \$300.00 plus the costs of the response for each false alarm.
- (C) Upon the eight (8th) and each subsequent false alarm, from the system within a twelve (12) month period, the system owner shall pay a mitigation fee to the fire department of \$500.00 plus the cost of the response, as specified in the fire department's approved fee schedule for each occurrence. In addition, the chief may require the

system owner to provide standby personnel or take such measures as he/she deems appropriate. Persons or activities required by the chief shall remain in place until a fire department approved fire alarm maintenance firm certifies in writing to the chief that the alarm system has been restored in a reliable condition. The chief may require such tests as he deems necessary to demonstrate the adequacy of the system.

Section 903.2:

An approved automatic fire-extinguishing system shall be installed and maintained in all occupancies and locations as set fourth in this section. A standard automatic sprinkler system shall be installed throughout all buildings:

(A) New commercial, industrial and R occupancies.

(1) Exceptions:

- (a) Detached non-combustible vehicle dispensing canopies classified as a Group M occupancy.
- (b) Detached Car ports of non-combustible construction
- (c) Detached Group B and M occupancies 500 sq. ft. or less

(B) Fire Department Connection (FDC) shall be accessible, identified, and placed within 50 feet of a City Standard Fire Hydrant.

All existing structures shall meet the requirements of this sections when, in the opinion of the chief, a change of occupancy or character of the occupancy is made and a greater hazard to life or property exists or the required fire flows are increased.

Section 5002:

For the purpose of this section "hazardous materials" shall be defined as any substances or materials in a quantity or from which, in the determination of the fire chief or his authorized representative, poses an unreasonable and imminent risk to the life, health, or safety of persons or property or to the ecological balance of the environment, and shall include, but not limited to, such substances and explosives, radioactive materials, petroleum or petroleum products or gases, poisons, etiologic (biologic) agents, flammable and corrosives.

For the purposes of this section, "costs incurred by the fire department" shall include, but shall not necessarily be limited to, the following: Actual labor costs of city personnel either for actual clean up or standby time at the scene of the deposit, including worker's compensation benefits, fringe benefits, administrative overhead; cost of equipment operation, cost of materials obtained directly by the city; and costs of any contract labor and materials.

Section 5704.2.9.6.1

The California Fire Code in which storage of flammable liquids in outside above ground tanks is prohibited in R zones within incorporated limits of the City of Willows.

Section 5706.2.4.4:

The California Fire Code in which storage of flammable liquids in outside above ground tanks is prohibited in R zones within incorporated limits of the City of Willows.

Section 6104.2:

(A) In the residential incorporated limits of the City of Willows, up to five hundred gallons of combustible liquid meaning LPG may be stored in an above ground or inground tank meeting requirements of sections 6104 of the California Fire Code (2019). Minimum distance must be maintained per table 6104.3 of the California Fire Code (2019). Tank base must be secured per NFIP (1993) Technical bulletin 7-93. Written notice of having an above ground or inground tank will be placed in the main electrical panel for notification to emergency personnel.

Chapter 56:

Safe and Sane fire works are authorized to be sold that bears the seal of approval of the California State Fire Marshal's Office, provided that a permit is first obtained from the Fire Chief. The Fire Chief may only issue ten (10) permits, permitting the sale of fireworks. Safe and Sane fire works are only authorized to be sold to patrons 16 or older. The sell and firing of fire works are only permitted between June 28th and July 6th.

Chapter 1, Section 106.2:

For the purpose of providing and maintaining functions necessary for the prevention of fire and for the protection of life and property from fire and panic, the Willows Fire Department does establish a Self-Inspection

Program, assuring that applicable "B" and "M" occupancies within the city are inspected on an annual basis for fire safety.

Definition. The following words and phrases, with this code, shall be defined as follows:

- (A) "B" Occupancies: Those building for professional or service-type transactions offices, including storage of records and accounts.
- (B) "M" Occupancies: Building for the display and sale of merchandise, and involving stocks of goods, wares or merchandise, as defined in Section 202 of the California Fire Code.
- (C) Function of Self-Inspection Program. The Willows Fire Department shall deliver, by hand or by mail, its current "Self-Inspection Worksheet" and "Confidential Business Occupancy Information" forms to each "B" and "M" occupancy within the city on a bi-annual basis.
- (D) Failure to Comply: Failure of the business owner, property owner, or person responsible for the property to comply with the requirement to return the Self-Inspection Worksheet duly completed; or fails to correct the deficiencies noted within 14 days shall be issued one warning letter extending the inspection period by seven (7) days. Failure to complete and return the Self-Inspection Worksheet shall result in an inspection of the delinquent occupancy by Willows Fire Department personnel, for which the business owner will be charged as provided in the City of Willows Schedule of Fees and Charges for City Services.
- (E) Further, failure of the business owner or property owner to correct deficiencies found, shall be an infraction; and the city may cause to issue a citation to the business owner or property owner for violation of the terms of this section.

Chapter 1, Sec 108.1:

Whenever the Fire Chief or his/her representative disapproves an application or refuses to grant a permit applied for or when it is claimed that the provisions of the code do not apply or that the true intent and meaning of the code have been misconstrued or wrongly interpreted, the applicant may appeal the decision of the Fire Chief to the City Council within 30 days from the date of the decision appealed.

The decision of the City Council shall be final. The council shall render all decisions and findings in writing to the Fire Chief with a conclusion of the hearing.

AGENDA ITEM

December 10, 2019

TO: Honorable Mayor Hansen and Member of the City Council
FROM: Wayne Peabody, Fire Chief/Interim City Manager
SUBJECT: 2019 Building Standards Commission Code Adoption.

RECOMMENDATION

By motion, consider reading by title only, passage of the second reading and adoption of an Ordinance entitled **“An Ordinance of the City Council of the City of Willows, Repealing, Amending, and/or Creating specific Sections of Chapter 15; sub sections; 15.10, 15.11, 15.15, 15.20, 15.30, 15.35, 15.50, 15.60, 15.70, 15.75, 15.80, 15.85, 15.90, 15.91 and 15.95 of the City of Willows Municipal Code, and to Adopt by Reference and Amend Certain Portions of the 2019 California Building Standards Codes”**

SITUATION

As part of its periodic review of building codes, the California Building Standards Commission this year published the 2019 California Building Standards Codes, which becomes effective January 1, 2020.

These new Building Standards Codes are based in part on the 2018 International Building Code, published by the International Code Council, and include the 2019 California Building Code and the 2019 California Fire Code, among other codes.

FINANCIAL CONSIDERATIONS

Minimal; the purchase of new code books, and continuing education as well as code update training.

NOTIFICATION

Public Hearing Notice.

ALTERNATE ACTIONS

1. Approve (by motion/resolution) ...
2. Approve (by motion/resolution) ... as amended....
3. Request additional information from staff
4. Reject staff recommendation and/or direct item to be returned at later date.

RECOMMENDATION

By motion, consider reading by title only, passage of the second reading and adoption of an Ordinance entitled **“An Ordinance of the City Council of the City of Willows, Repealing, Amending, and/or Creating specific Sections of Chapter 15; sub sections; 15.10, 15.11, 15.15, 15.20, 15.30, 15.35, 15.50, 15.60, 15.70, 15.75, 15.80, 15.85, 15.90, 15.91 and 15.95 of the City of Willows Municipal Code, and to Adopt by Reference and Amend Certain Portions of the 2019 California Building Standards Codes”**

Respectfully submitted,



Wayne Peabody
Fire Chief/Interim City Manager

Attachments:

1. Ordinance modifying Chapter 15 of Willows Municipal Code
2. Exhibit A – Local Findings of Fact

ORDINANCE NO. XXXX-_____

“An Ordinance of the City Council of the City of Willows, Repealing, Amending, and/or Creating specific Sections of Chapter 15; sub sections; 15.10, 15.11, 15.20, 15.30, 15.35, 15.50, 15.55, 15.60, 15.70, 15.75, 15.80, 15.85, 15.90, 15.91 and 15.95 of the City of Willows Municipal Code, and to Adopt by Reference and Amend Certain Portions of the 2019 California Building Standards Codes”

Whereas, the California Building Standards Codes are published every three years by the California Building Standards Commission;

Whereas, the California Building Standards Commission has published the 2019 California Building Standards Codes by amending Title 24 of the California Code of Regulations, effective January 1, 2020;

Whereas, the 2019 California Building Standards Codes are based in part on the 2018 International Building Code, published by the International Code Council;

Whereas, the California Building Standards Codes may be adopted by cities by incorporation by reference;

Whereas, cities may establish more restrictive building standards than those set forth in the California Building Standards Codes, if certain findings are made pertaining to local climatic, geological or topographical conditions; and

Whereas, the 2019 California Building Standards Codes will automatically become effective without amendment in the City of Willows 180 days after January 1, 2020, unless the City affirmatively amends the Codes otherwise.

The City Council of the City of Willows does ordain as follows:

- 1: Amend, Reenact Create or Repeal Sections of Chapter 15 - subsection (s) 15.10, 15.11, 15.20, 15.30, 15.35, 15.50, 15.55, 15.60, 15.70, 15.75, 15.80, 15.85, 15.90, 15.91, 15.95

Chapter 15: subsection (s) 15.10, 15.11, 15.20, 15.30, 15.35, 15.50, 15.55, 15.60, 15.70, 15.75, 15.80, 15.85, 15.90, 15.91, 15.95 of the City of Willows Municipal Code are hereby amended, reenacted and created to read as follows:

Chapter Fifteen (15) Adoption of California Building Standards Commission Codes

The following publications are hereby adopted by reference and incorporated, as if fully set forth in this Code; except as expressly amended or superseded by the provisions of this Chapter:

- | | |
|-------|--|
| 15.10 | The 2019 California Building Code, Title 24, Part 2 of the California Code of Regulations, including the following Appendices only: Chapter 1 (Administrative), as further amended herein, Chapter I (Patio Covers) and Chapter J (Grading). |
|-------|--|

- 15.11 The 2019 California Residential Code, Title 24, Part 2.5 of the California Code of Regulations.
- 15.20 The 2019 California Electrical Code, Title 24, Part 3 of the California Code of Regulations.
- 15.30 The 2019 California Mechanical Code, Title 24, Part 4 of the California Code of Regulations.
- 15.35 The 2019 California Plumbing Code, Title 24, Part 5 of the California Code of Regulations.
- ~~15.50 The International Property Maintenance Code, 2006 edition, as published by the International Code Council. Repeal in its entirety.~~
- ~~15.55 Solar Energy Code. Repeal in its entirety.~~
- ~~15.60 Swimming Pool, Spa and Hot Tub Code. Repeal in its entirety.~~
- 15.70 The 2019 California Administrative Code, Title 24, Part 1, Chapters 4, 5 and 8 only
- 15.75 The 2019 California Energy Code, Title 24, Part 6 of the California Code of Regulations.
- 15.80 The 2019 California Elevator Safety Construction Code, Title 24, Part 7 of the California Code of Regulations.
- 15.85 The 2019 California Historical Building Code, Title 24, Part 8 of the California Code of Regulations.
- 15.90 The 2019 California Referenced Standards Code, Title 24, Part 9 of the California Code of Regulations.
- 15.91 The 2019 California Green Building Standards Code, Title 24, Part 11 of the California Code of Regulations.
- 15.95 Penalties

INTRODUCED and passed first reading on the 26th day of November 2019.

PASSED AND ADOPTED by the City Council of the City of Willows on the 10th day of December 2019, by the following vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

ATTEST

APPROVED:

Tara Rustenhoven

Gary Hansen, Mayor

“EXHIBIT A”

Local Findings of Fact

The City Council of the City of Willows finds and declares that the additions, modifications, and changes made to the substantive provisions of the 2016 California Building Standards Codes, as authorized under Health and Safety Code, Section 17958, are necessary for the protection of the public health, safety, and welfare due to climatic, geological, or topographical conditions. These findings are as follows:

- A.** **CLIMATE:** The City, on average, experiences an approximate annual rainfall of 20 inches. This rainfall can normally be expected between October and April. During the winter months, the City may experience periods of heavy rain, which causes local flooding. Winter storms are often accompanied by high winds, which have uprooted trees and damaged power lines. During the dry period, temperatures range from 70 degrees to over 110 degrees. These temperatures are often accompanied by light to moderate gusty winds, which couple with agricultural burning may lead to wind driven fires. With increased development spreading into agricultural areas a wind driven fire could have severe consequences, as has been demonstrated on several occasions through out the state.
- B.** **GEOLOGIC:** The City is susceptible to flooding hazards resulting from long periods of rain in the Mendocino Forest. The most serious direct flooding hazard threat is from the damage or collapse of buildings and other structures due to water flow. In addition to damage caused by flooding, there is the possibility of flood-induced fires starting because of damage to gas lines, power lines or heat producing appliances and the unavailability of water for fire control due to broken water pumps. In the event of a major flooding or many areas of the City may not be accessible to emergency equipment and, if bridges, freeways or roads are damaged, the City may be isolated from outside assistance.
- C.** **TOPOGRAPHICAL:** The City borders include flat terrain on the North to the East is the Glenn Colusa Canal and railroad system. Along the South portions of the City is the Glenn Colusa Canal continues. To the West is Interstate 5 which then turns into flat terrain hilly terrain and State Responsibility Area (SRA) land. The railroad, canal and freeway all create barriers, which may obstruct traffic patterns and delay response time for fire equipment. The water supply within the City is directly affected by the topographical layout. The water distribution system consists of 7 pressure zones, which carry water by gravity from one reservoir. Water flow within the City can vary from less than 1000 gallons per minute to flows in excess of 2,000 gallons a minute. This wide variation causes major problems to development and fire suppression efforts.
- D.** **SUMMARY:** The above local climatic, geologic and topographical conditions increase the magnitude, exposure, accessibility problems and fire hazards presented to the Willows Fire Department. Fires in areas determined to be moderate, high or very high fire severity zones, as outline by the State of California (CalFire) fire severity zone map, place additional fire suppression demands on the responding fire agency. A fire following a flood has the potential of causing greater loss of life and damage than the flood itself. The majority of the City’s industrial areas are located in the highest flood zones, which also contains the largest concentration of hazardous materials. Hazardous materials, particularly toxic gases, could pose the greatest threat to the largest number of persons, should a significant flood event occur. The Department’s resources would have to be

prioritized to mitigate the greatest threat, and may be unavailable for vegetation or structure fires.

Other variables that may tend to intensify the situation include:

1. The extent of damage to the water system;
2. The extended isolation due to roadways and/or freeway due to flooding;
3. The extent of roadway damage and/or amount of debris blocking roadways;
4. Climatic conditions (hot, dry weather with high winds);
5. Time of day will influence the amount of traffic on roadways and could intensify the risk to life during normal business hours; and,
6. The availability of timely response due to minimal staffing and volunteerism.

E. **CONCLUSION:** Local climatic, geologic and topographical conditions impact fire prevention efforts and the frequency, spread, intensity, and the size of fire involving buildings in this community. Further, they impact potential damage to all structures from flooding and subsequent fire. Therefore, it is found to be reasonably necessary that the International Fire Code, the California Fire Code, the California Building Code and State Building Standards Code be changed or modified to mitigate the effects of these conditions.

Furthermore, California Health & Safety Code (CH&SC) Section 17958.7 requires that the modification or change to which findings refer be expressly marked and identified. Therefore, the following table provides code sections that will be modified by this ordinance which are building standards as defined in CH&SC Section 18909, and the associated referenced conditions for modification due to local climatic, geologic and topographical conditions.

Section Number: Local Climatic, Geologic and Topographical Conditions

109.2	CBC	a, b, c
304.3	UAC	a, b, c
109.3	CBC	a, b, c
501.2	CBC	a, b, c
903.2	CBC	a, b, c

CODE ADOPTED

Adoption of California Building Standards Commission Codes

The following publications are hereby adopted by reference and incorporated, as if fully set forth in this Code; except as expressly amended or superseded by the provisions of this Chapter:

- 15.10 The 2019 California Building Code, Title 24, Part 2 of the California Code of Regulations, including the following Appendices only: Chapter 1 (Administrative), as further amended herein, Chapter I (Patio Covers) and Chapter J (Grading).
- 15.11 The 2019 California Residential Code, Title 24, Part 2.5 of the California Code of Regulations.
- 15.20 The 2019 California Electrical Code, Title 24, Part 3 of the California Code of Regulations.
- 15.30 The 2019 California Mechanical Code, Title 24, Part 4 of the California Code of Regulations.
- 15.35 The 2019 California Plumbing Code, Title 24, Part 5 of the California Code of Regulations.
- 15.70 The 2019 California Administrative Code, Title 24, Part 1, Chapters 4, 5 and 8 only
- 15.75 The 2019 California Energy Code, Title 24, Part 6 of the California Code of Regulations.
- 15.80 The 2019 California Elevator Safety Construction Code, Title 24, Part 7 of the California Code of Regulations.
- 15.85 The 2019 California Historical Building Code, Title 24, Part 8 of the California Code of Regulations.
- 15.90 The 2019 California Referenced Standards Code, Title 24, Part 9 of the California Code of Regulations.
- 15.91 The 2019 California Green Building Standards Code, Title 24, Part 11 of the California Code of Regulations.
- 15.95 Penalties

CODE AMENDMENTS: (The following referenced amendments are sections taken from State of California codes)

109.2 Schedule of permit fees:

On buildings, structures, electrical gas, mechanical, and plumbing systems or alterations requiring a permit, a fee for each permit shall be paid as required, in accordance with the schedule as set forth in the 1997 Uniform Administration Code table 3A-3H

304.3 Plan review fees:

When submittal documents are required by other sections of this code, a plan review fee shall be paid at the time of submitting the submittal documents for plan review. Said plan review fees shall be 65 percent of the building permit fees as indicated in Section 304.3 of the 1997 Uniform Administrative Code.

109.3 Building permit valuations:

The applicant for a permit shall provide an estimated permit value at time of application. Permit valuations shall include total value of work, including materials and labor, for which the permit is being issued, such as electrical, gas, mechanical, plumbing equipment and permanent system. If, in the opinion of the building official, the valuation is underestimated on the application, the permit shall be denied, unless the applicant can show detailed estimates to meet the approval of the building official. The fee schedule is based upon the current cost construction valuation established either taking the actual contract price for such work or shall be determined by the use of the latest publication of "Building Valuation Data," or equivalent as published by the International Code Council. The "Building Valuation Data" shall be periodically modified to meet the inflationary cost associated with labor and material increase which are found in the "Building Cost Index" tables published in the Engineering News-Record by The McGraw-Hill Companies. Final building permit valuation shall be set by the building official.

501.2 Address Illumination:

Addressing shall be illuminated at night in all new buildings. Address signs shall be internally or externally illuminated. When the luminance or the face of a sign is from an external source, it shall have an intensity of not less than 5.0 foot-candles. Internally illuminated signs shall provide equivalent luminance.

Address numbers shall be illuminated for buildings constructed after January 1, 2011. Light sources used to comply with this section shall be controlled by a photoelectric device or by a circuit supplied by a house meter which is used to provide other required lighting during hours of darkness. No switch or other similar device shall be installed. Buildings constructed prior to this date shall comply with all other address requirements

The minimum size and dimension of the numbers shall be 6 inches in height with 1-inch stroke width or larger readily visible and legible from the adjacent street. Single Family dwelling shall have a minimum size of 4 inches in heights with 1-inch stroke width or larger.

Where a building is set back from the street or road fronting the property and where addresses may not be clearly identifiable due to distance from the street or roadway, landscape, vegetation and/or architectural appendages, or other obstructions, address posting shall be required both at the street, road or driveway serving such building and on the building. Street or roadside address posting shall be on a weather resistant sign, permanently mounted to a post, and highly visible from all directions of traffic flow. Where unusual circumstances exist a direction indicator may be required to show specific direction of building(s).

All numbering shall be in sequence as approved by the Building and Fire Department.

The developer or property owner shall submit to the Fire Department and Building Department detailed plans for review and approval showing size, materials, method of construction, electrical components and wiring diagram, and location of the installation.

The developer or property owner shall submit to the Fire Department and Building Department detailed plans for review and approval showing size, materials, method of construction, electrical components and wiring diagram, and location of the installation.

Section 903.2:

(1) An approved automatic fire-extinguishing system shall be installed and maintained in all occupancies and locations as set forth in this section. A standard automatic sprinkler system shall be installed throughout all buildings:

(a) New commercial, industrial and R occupancies.

(1)Exceptions:

- (a) Detached non-combustible vehicle dispensing canopies classified as a Group M occupancy.
- (b) Detached Car ports of non-combustible construction
- (c) Detached Group B and M occupancies 500 sq. ft. or less

(2) Fire Department Connection (FDC) shall be accessible, identified, and placed within 50 feet of a City Standard Fire Hydrant.

(3) All existing structures shall meet the requirements of this sections when, in the opinion of the chief, a change of occupancy or character of the occupancy is made and a greater hazard to life or property exists or the required fire flows are increased.

Section 8 Filing of Ordinance

The City Clerk is hereby directed to file a copy of this ordinance with the California Building Standards Commission.

Section 9 Effective Date and Publication

This Ordinance shall take effect thirty days after its adoption and published in summary format prior to adoption and within fifteen (15) days after its adoption in a newspaper of general circulation published and circulated in the City of Willows.



REGULAR BUSINESS

December 10, 2019

AGENDA ITEM

TO: Honorable Mayor Hansen and Members of the City Council
FROM: Wayne Peabody, Fire Chief/Interim City Manager
SUBJECT: Silverthorne Project 003-121-0110

RECOMMENDATION

By motion, consider refunding Scott Silverthorne \$411.00 for Design Review Application cost for the project located on APN 003-121-0110.

SITUATION (or BACKGROUND):

In mid-2019 city staff was contacted by Mr. Silverthorne about the possibility of purchasing and building a storage yard and building for his company. Through that process, City Staff had been working and providing information for the project.

In our effort to provide the best service and the most information possible we unfortunately missed a few steps, one of which is the design review process, per Willows muni Code 2.45.030

Matters subject to review: (1) All new buildings, structures and other physical improvements and any relocation or exterior addition, extension, or change of or to existing buildings, structures and other physical improvements shall be subject to design review, whether or not a building permit is required, unless exempted therefrom in WMC 2.45.040.

In discussion with our planning department this will place on the December 18th meeting to be heard by the planning commission.

Even with staff's best effort, we forgot a few steps, we would recommend refunding the cost of the application.

FINANCIAL CONSIDERATIONS:

City will cover the planner's time for preparation and presentation to the planning commission.

NOTIFICATION:

Scott Silverthorne

ALTERNATE ACTION:

1. Approve (by motion)
2. Request additional information from staff
3. Reject the recommendation and/or direct an item to be returned at a later date.

RECOMMENDATION:

By motion, consider refunding Scott Silverthorne \$411.00 for Design Review Application cost for the project located on APN 003-121-0110.

Respectfully submitted:



Wayne Peabody
Fire Chief/Interim City Manager

December 10, 2019

AGENDA ITEM

TO: Honorable Mayor Gary Hansen and Members of the City Council

FROM: Tara Rustenhoven, City Clerk

SUBJECT: Planning Commission Vacancies/Appointments

RECOMMENDATION:

Consider by motion, the recommendation of Council Member Domenighini and Council member Mello the appointment to the City of Willows Planning Commission, Dana Owens, Candis Woods and Robert Griffith for terms ending December 31, 2023 and Hilgard Muller to fill the vacant seat of Peggy White which will begin immediately and will expire on December 31, 2021

SUMMARY:

As direct by council in the October 22nd meeting, procedures were followed, and city staff received five applications for the three-seats set to expire on December 31, 2019 and one seat set to expire December 31, 2021.

On December 4th, 2019 Council member Domenighini and Council member Mello held interviews of the applicants and directed staff to place an item on the agenda of December 10, 2019 City Council meeting, in which they will make their recommendation to the Council to appoint Dana Owens, Candis Woods, and Robert Griffith to the seat set to expire on December 31, 2023. Also, to appoint Hilgard Muller to fill the seat left vacant by the resignation of Peggy White. Mr. Muller's term of office will begin immediately and will expire on December 31, 2021.

FINANCIAL CONSIDERATIONS:

None at this time.

NOTIFICATION:

All applicants have been notified

ALTERNATE ACTIONS:

No Alternatives are recommended.

RECOMMENDATION:

Consider by motion, the recommendation of Council Member Domenighini and Council member Mello the appointment to the City of Willows Planning Commission, Dana Owens, Candis Woods and Robert Griffith for terms ending December 31, 2023 and Hilgard Muller to fill the vacant seat of Peggy White which will begin immediately and will expire on December 31, 2021.

Respectfully Submitted,



Tara Rustenhoven
City Clerk

Approved by:



Wayne Peabody
Interim City Manager/Fire Chief

AGENDA ITEM

TO: Wayne Peabody, Interim City Manager
FROM: Tim Sailsbery, Administrative Services Director
SUBJECT: Planning Services-Award of Contract

RECOMMENDATION

Adopt the Resolution of the City Council of the City of Willows Awarding a Contract for Comprehensive Professional Planning Services to Willdan and Direct the Interim City Manager to Negotiate Final Terms, Duration, and Conditions of the Agreement.

SITUATION (or BACKGROUND):

By initiation of the Interim City Manager and concurrence of Council, Staff has embarked on a review of a number of existing professional services contracts for possible RFP. The RFP for comprehensive planning services was brought before Council on September 24, and the RFP and timeline were approved.

The City received two proposals (Willdan and 4Leaf). A staff committee consisting of the Interim City Manager, Community Development Services Director, and Administrative Services Director was then formed to review the proposals, establish interview question and scoring criteria, and conduct interviews. The committee reviewed the proposals and conducted teleconference interviews with both firms on November 18. Each committee member then scored each firm following the proposal review and interview (score summary and sample score sheet attached).

The net result is that the committee recommends that the contract for comprehensive planning services go to Willdan. Please note that this RFP did not include plan check services, and such services will either go to RFP as a stand-alone service or be included in a contract engineering service RFP.

FINANCIAL CONSIDERATION

Budget established for General Fund planning services for 2019-20. Developer originated services handled through the Pass-Through Agreement (PTA) deposit process.

NOTIFICATION

Willdan and 4Leaf

ALTERNATE ACTIONS

1. Adopt Resolution as Proposed
2. Table Resolution and Seek Further Information
3. Decline to Adopt Resolution

RECOMMENDATION

Adopt the Resolution of the City Council of the City of Willows Awarding a Contract for Comprehensive Professional Planning Services to Willdan and Direct the Interim City Manager to Negotiate Final Terms, Duration, and Conditions of the Agreement.

Respectfully submitted,

/s/ Timothy L. Sailsbery

Tim Sailsbery
Administrative Services Director

Attachments:

Resolution
Score Sheet Sample
Score Summary

ATTACHMENT 1

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILLOWS AWARDING A CONTRACT FOR COMPREHENSIVE PROFESSIONAL PLANNING SERVICES TO WILLDAN AND DIRECT THE INTERIM CITY MANAGER TO NEGOTIATE FINAL TERMS, DURATION, AND CONDITIONS OF THE AGREEMENT

WHEREAS, The City Council of the City of Willows desires to routinely review and update professional services agreements via the Request for Proposal Process; and

WHEREAS, The City of Willows has contracted with Willdan for approximately 10 years for comprehensive professional planning services; and

WHEREAS, Approval to commence Request for Proposal for comprehensive professional planning services was approved by the City Council of the City of Willows on September 24, 2019; and

WHEREAS, The City of Willows conducted advertising, proposal acceptance, proposal review, and interviews with proposing parties.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Willows hereby awards the contract for comprehensive professional planning services to Willdan.

BE IT FURTHER RESOLVED that the City Council of the City of Willows directs the Interim City Manager to negotiate final terms, duration, and conditions of the agreement

PASSED AND ADOPTED by the City Council of the City of Willows this 10th day of December, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Gary Hansen, Mayor

ATTEST:

Tara Rustenhoven, City Clerk

**City of Willows
Planning Proposal Interview
Score Sheet**

ATTACHMENT 2

<p>General Capabilities Based upon proposal document and interview, does the applicant appear to have the capability of serving the needs for contract planning services for the City of Willows Comments:</p>	0-15	
<p>Depth of Capability How "deep is the bench" of the applicant to provide additional technical expertise beyond the planner assigned as the City's principal planner Comments:</p>	0-10	
<p>Understanding of Our Specific Needs Does the applicant have a clear understanding of what we need and their plan of attack to accomplish. Comments:</p>	0-20	
<p>Rate Structure Not just the hourly rates-Is the rate structure designed to charge the City for additional costs outside the scope of direct work. Comments:</p>	0-15	
<p>History of Working with the City Your perception of the applicant's performance in previous or current work with the City. If the applicant has not worked with the City, then score this item as 5. Comments:</p>	0-10	
<p>Overall Impression The rater is free to utilize these 10 points on the overall impression of the applicant Comments:</p>	0-10	
Total Score	0-80	

City of Willows
Score Sheet Talley
Comprehensive Planning Services RFP

ATTACHMENT 3

	Willdan	4Leaf
Peabody	70	39
Soeth	66	54
Sailsbery	<u>67</u>	<u>53</u>
Total	<u><u>203</u></u>	<u><u>146</u></u>

AGENDA ITEM

TO: Wayne Peabody, Interim City Manager
FROM: Tim Sailsbery, Administrative Services Director
SUBJECT: RFP For Analysis of In House Vs. Contract WWTP Operations

RECOMMENDATION

By Motion, approve the proposal by Coastland for Analysis of In House vs. Contract Wastewater Treatment Plant Operations and appropriate \$11,396 in Sewer Enterprise Funds-318.4120.180

SITUATION (or BACKGROUND):

Council requested that Staff review several areas of sewer operations as part of the review of the rate structure. Most notably, a detailed analysis of in house vs. contract wastewater treatment operations, from both financial and non-financial aspects, was requested. In response, Staff requested a proposal for said analysis from Coastland, who has the expertise and independence to analyze this situation and provide recommendation(s).

The proposal for services from Coastland is attached. Staff requests that Council approve the proposal and appropriate the funds necessary to complete the analysis.

FINANCIAL CONSIDERATION

Additional appropriation of Sewer Enterprise Funds in the amount of \$11,396

NOTIFICATION

None

ALTERNATE ACTIONS

1. Approve as Presented
2. Table Item and Seek Further Information
3. Decline to Approve the Motion

RECOMMENDATION

By Motion, approve the proposal by Coastland for Analysis of In House vs. Contract Wastewater Treatment Plant Operations and appropriate \$11,396 in Sewer Enterprise Funds-318.4120.180

December 10, 2019

Respectfully submitted,

/s/ Timothy L. Sailsbery

Tim Sailsbery
Administrative Services Director

Attachments:

Coastland Proposal for Service



December 4, 2019

Mr. Wayne Peabody
City Manager
City of Willows
201 N. Lassen Street
Willows, CA 95988

Subject: Proposal to Provide Analysis of Public vs. Contract Operations for Wastewater Treatment Plant

Dear Wayne:

In follow-up to our conference call, we are pleased to present you with this proposal to assist the City with a comparative analysis of municipal versus contract operations staffing for the City's wastewater treatment plant. As we mentioned in our meeting, some of our staff has experience dealing with both public and contracted wastewater treatment plant operations. We understand the pros and cons of both models and are happy to lend our expertise to the City on this important analysis.

Project Understanding

The City of Willows constructed a new, advanced 2.0 mgd wastewater treatment plant in 2006. This treatment plant has been under contract operations since its completion. The current operations contract expires in October 2020. The City is sensitive to the cost of providing services and would like to take the opportunity provided by the expiration of the current operations contract to evaluate and compare the alternative of municipal/public operations versus contract services for operations of the wastewater treatment plant.

Project Approach and Scope of Work

Coastland will begin our effort by collecting and reviewing the following documents:

- Budget for the wastewater enterprise,
- Organizational chart for the wastewater enterprise,
- Construction drawings and operations manual for the WWTP,
- Current Agreement for Contract Operations,
- NPDES Permit for the Willows WWTP,
- Annual Reports submitted to the RWQCB for the prior five years.

Following our review of these documents, we will visit and assess the wastewater treatment plant and its operations. We will interview the Chief Plant Operator to learn about plant staffing, plant operations, and maintenance. We will pay particular attention

Santa Rosa
1400 Neotomas Avenue
Santa Rosa, CA 95405
Tel: 707.571.8005

Auburn
11641 Blocker Drive, Ste. 170
Auburn, CA 95603
Tel: 530.888.9929

Pleasant Hill
3478 Buskirk Avenue, Ste. 1000
Pleasant Hill, CA 94523
Tel: 925.233.5333

Fairfield
324 Campus Lane, Ste. A
Fairfield, CA 94534
Tel: 707.702.1961

to how minor and major maintenance work is funded and performed and the employees (along with their job classifications) that perform operations and maintenance tasks.

During our site visit we will also meet with City staff. We will discuss the budget for the wastewater enterprise to ensure that we have an accurate and comprehensive understanding of the current and projected revenues and expenses. We will also discuss staff's experiences with contract operations and note any issues or benefits staff has experienced with contract operations.

Following our site visit, we will perform an analysis comparing the City's current contract operations to a full municipally operated model. Our analysis will be presented in a general format. Any background information that we collect (e.g. job descriptions, salary surveys, line item budget estimates, and similar details) will be available for review, but will not be included in the report. In our experience a general, high-level analysis is sufficient and accurate enough to support the consideration of these two options.

Our analysis will include a staffing plan for a municipal operation and discuss how operations, maintenance, and repairs would be completed. We will evaluate and compare the projected cost differences between the two models and determine their estimated effect on wastewater rates. In addition to a comparison of costs, our analysis will also include a comparison of other important factors to be considered in a comparison of these two operational models (e.g. liability, contracting opportunities and limitations, depth of staffing.)

Our analysis will then be compiled into a written report. We will submit a draft to the City for review. Once reviewed by the City, we will finalize the report incorporating any City comments and submit a final report.

We expect that the final report can be delivered to the City within six weeks of authorization to proceed.

Staffing

We propose George Hicks to serve as project manager for these services. Before joining Coastland, George served more than 20 years as Public Works Director/City Engineer in various Northern California Cities, including the City of Winters who has a successful history of contract operations for their wastewater treatment plant. He also served as Deputy Chief Engineer for the Sonoma County Water Agency where he managed the operations and maintenance of wastewater treatment plants to eleven separate agencies in a quasi-private operations model.

Estimated Cost

Based on our understanding of the project and scope of work outlined above, we propose to provide these services on a time and materials basis with a not-to-exceed budget \$11,396.



Additional Scope of Work

If the City would like to have Coastland provide additional or more detailed analysis beyond that outlined above, we would be pleased to provide a scope and fee for such additional work.

We hope this proposal meets with your approval. If you have any questions regarding this proposal, please do not hesitate to contact me at wanger@coastlandcivil.com or at (707) 636-7023.

Sincerely,

COASTLAND CIVIL ENGINEERING, INC.



John Wanger, PE



George Hicks, PE



AGENDA ITEM

TO: Wayne Peabody, Interim City Manager
FROM: Tim Sailsbery, Administrative Services Director
SUBJECT: RFP For Contract Wastewater Treatment Services

RECOMMENDATION

By Motion,

- 1) Approve the Non-Renewal of the current contract for wastewater treatment services with Inframark and direct the Interim City Manager to submit notification of non-renewal
 - 2) Approve the proposal submitted by Coastland for development of a request for proposal (RFP) for contract wastewater treatment services in a not to exceed amount of \$6,560
 - 3) Appropriate an additional \$6,560 for Sewer Enterprise-Professional Services-318.4120.180
-

SITUATION (or BACKGROUND):

The current contract for wastewater treatment plant operations (currently with Inframark) runs through 10/31/2020. As Staff is working through the concept of in house vs. contract treatment operations, it is prudent to take this service out to bid to determine future cost options of contract operations. Further, this will assist in determining the cost model of total sewer operations going forward in assisting with the re-evaluation of sewer rates.

The current contract contains an automatic renewal clause if notification is not provided, in advance, of non-renewal. Staff requests that the Council approve this non-renewal and direct the CM to send notification of non-renewal.

The complexity of treatment plant operations is such that Staff believes that assistance with developing an RFP is needed. Coastland has agreed to provide this service (per the attached proposal) for a not to exceed amount of \$6,560.

Once the RFP is completed, Staff will return to Council for review of the document and authorization to proceed with the RFP distribution and process. Please note that this does not force the Council to stay with contract operations. Council retains the right to reject all bids.

FINANCIAL CONSIDERATION

Additional appropriation of Sewer Enterprise Funds in the amount of \$6,560

NOTIFICATION

None

ALTERNATE ACTIONS

1. Approve as Presented
2. Table Item and Seek Further Information
3. Decline to Approve Any or All of the Motions

RECOMMENDATION

By Motion,

1) Approve the Non-Renewal of the current contract for wastewater treatment services with Inframark and direct the Interim City Manager to submit notification of non-renewal

2) Approve the proposal submitted by Coastland for development of a request for proposal (RFP) for contract wastewater treatment services in a not to exceed amount of \$6,560

3) Appropriate an additional \$6,560 for Sewer Enterprise-Professional Services-318.4120.180

Respectfully submitted,

/s/ Timothy L. Sailsbery

Tim Sailsbery
Administrative Services Director

Attachments:

Coastland Proposal for Service



December 4, 2019

Mr. Wayne Peabody
City Manager
City of Willows
201 N. Lassen Street
Willows, CA 95988

Subject: Proposal to Provide a Request for Proposals for Privatized Operations and Maintenance of the City's Wastewater Treatment Plant

Dear Wayne:

In response to your request, we have prepared this letter proposal to assist the City in drafting a Request for Proposals (RFP) for Contract Operations and Maintenance Services of the City's Wastewater Treatment Plant. We appreciate this opportunity and look forward to working with you on this project.

Based on our discussions, the following provides our understanding, proposed scope of services and estimated fee for the described services.

Project Understanding

The City completed construction on its 2.0 mgd tertiary wastewater treatment plant (WWTP) in 2006. The WWTP has been operated by private contract operators since that time. The City's current operations agreement with Inframark expires in October 2020. The City desires to circulate an RFP as early as possible in 2020 to allow time for selection of a contract operator. The City desires the RFP to be circulated as soon as possible to allow time for negotiation and award of a contract. If Inframark is not successful in being selected as the contractor operator, there should be sufficient time in the process to allow for smooth transition of a new contract provider.

Thus far, the City's experience with contract operations has been favorable. Accordingly, we propose to utilize some of the information from the current operations agreement as a framework for the RFP.

Project Approach

Our first task for this project will be to review the current operations agreement and meet with City staff to discuss any changes they would like to see in the next agreement. We will also share any suggestions that we may have based on our experience. To minimize costs and expedite completion of the RFP, we propose this meeting will be a conference call.

Santa Rosa
1400 Neotomas Avenue
Santa Rosa, CA 95405
Tel: 707.571.8005

Auburn
11641 Blocker Drive, Ste. 170
Auburn, CA 95603
Tel: 530.888.9929

Pleasant Hill
3478 Buskirk Avenue, Ste. 1000
Pleasant Hill, CA 94523
Tel: 925.233.5333

Fairfield
324 Campus Lane, Ste. A
Fairfield, CA 94534
Tel: 707.702.1961

Following our initial meeting, we will draft an RFP for the contract services based on the information and input received from the City. We will submit a draft of the RFP for City review and comment. We will incorporate any desired changes and finalize the RFP.

Once the RFP is finalized, we will work with the City to prepare a list of companies and/or advertisement locations to send notices of advertisement for the RFP. In the RFP we can either direct all questions to City staff or we can have questions submitted to our office during the solicitation process. If you have questions directed to our office, we will consult with the City concerning all answers to questions received. We will prepare and issue formal responses to questions received following approval by the City.

Once proposals are received, we will participate as part of the City team to review, evaluate and rank the proposals received. Once ranked, we can provide a final recommendation.

Project Fee

Based upon our described scope of work, we propose to provide our professional services on an hourly rate basis for a total not-to-exceed amount of \$6,560 for the work as described above.

We have assumed that we will not be making any site visits and that we will not be involved in interviews, reference checks, contract negotiations, preparing any staff reports or making any presentations to City Council as part of this process. If the City would like us to participate in any of these or provide any other additional services, we would be pleased to provide these on a time-and-material basis.

We are proposing to have George Hicks serve as our project manager for these services. He has extensive experience managing wastewater systems we are confident that you will be pleased with his work.

We hope this proposal meets with your approval. We are prepared to begin this work upon receipt of the City's written approval of this proposal and written Notice to Proceed. We anticipate being able to provide a final RFP for circulation by the City within six weeks of authorization to proceed. Thank you for the opportunity you have given Coastland to assist the City in this important process. If you have any questions regarding the contents of this proposal, please feel free to email me at wanger@coastlandcivil.com or call me at (707) 636-7023.

Sincerely,

COASTLAND CIVIL ENGINEERING, INC.



John Wanger, PE



George Hicks, PE



AGENDA ITEM

TO: Wayne Peabody, Interim City Manager
FROM: Tim Sailsbery, Administrative Services Director
SUBJECT: USDA-Rural Development Grant Application

RECOMMENDATION

Adopt the Resolution of the City Council of the City of Willows Retroactively Authorizing Submittal of Application(s) for all USDA, RD Grants and Loans for which the City of Willows is Eligible

SITUATION (or BACKGROUND):

On October 8, Council approved the engagement of 3Core to write a grant application to the United States Department of Agriculture-Rural Development for financial assistance with the lease/purchase of the Ahrens-Fox Type 1 Engine. 3Core has completed the grant application and is ready to submit.

3Core advised the City that they recommend the passage of a resolution authorizing Staff to submit grant and loan applications. Staff believes that this process has already been completed, but to be on the safe side, requests that Council adopt the attached and have Staff submit to USDA-RD along with 3Core's grant application.

FINANCIAL CONSIDERATION

N/A

NOTIFICATION

None

ALTERNATE ACTIONS

1. Adopt the Resolution as Presented
2. Table Item and Seek Further Information
3. Decline to Adopt the Resolution

RECOMMENDATION

Adopt the Resolution of the City Council of the City of Willows Retroactively Authorizing Submittal of Application(s) for all USDA, RD Grants and Loans for which the City of Willows is Eligible

December 10, 2019

Respectfully submitted,

/s/ Timothy L. Sailsbery

Tim Sailsbery
Administrative Services Director

Attachments:

Resolution

ATTACHMENT

RESOLUTION NO.

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILLOWS RETROACTIVELY
AUTHORIZING SUBMITTAL OF APPLICATION(S) FOR ALL USDA, RD GRANTS AND LOANS
FOR WHICH THE CITY OF WILLOWS IS ELIGIBLE**

WHEREAS, the United States Department of Agriculture, Rural Development Agency (USDA, RD) offers funding opportunities to improve the economy and quality of life in rural America; and

WHEREAS, in furtherance of this authority, USDA, RD, is required to establish procedures governing the application, awarding and the management of the grants and loans; and

WHEREAS, USDA, RD grant and loan application procedures may require, among other things an applicant's governing body to declare by resolution certain authorizations related to the acceptance and administration of USDA, RD grants and loans

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Willows authorizes the submittal of application(s) to USDA, RD for all grants and loans for which the City of Willows is eligible.

BE IT FURTHER RESOLVED that the City Manager and Administrative Services Director are authorized and empowered to execute, in the name of the City of Willows, all grant and loan applications and following separate Council approval and resulting grant and loan documents, including but not limited to agreements, amendments, and requests for payment, necessary to secure grant funds and implement any approved grant project or loan.

BE IT FURTHER RESOLVED, that these authorizations are retroactive to December 1, 2019 and are effective for five (5) years from this date

PASSED AND ADOPTED by the City Council of the City of Willows this 10th day of December 2019, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:

Gary Hansen, Mayor

ATTEST:

Tara Rustenhoven, City Clerk

AGENDA ITEM

TO: Wayne Peabody, Interim City Manager
FROM: Tim Sailsbery, Administrative Services Director
SUBJECT: Fire Engine Lease

RECOMMENDATION

Adopt the Resolution of the City Council of the City of Willows Approving Master Lease Purchase Agreement for Purchase of Fire Engine

SITUATION (or BACKGROUND):

On October 8, Council approved the purchase of an Ahrens-Fox Type I fire engine, which was ordered soon after. Council also directed the Administrative Services Director to seek lease financing that was more favorable than the terms offered by the manufacturer.

Staff followed up that directive by presenting the term sheet from BCI Capital at the 11/26 City Council meeting. BCI provided the best level of rate and flexibility, particularly in the area of allowing for paydown of the lease, without penalty, if the USDA-RD grant for the fire engine is awarded. Council approved the term sheet, and the Administrative Services Director signed the term sheet and returned it to BCI.

The next step in the process is to adopt a resolution accepting the terms and conditions of the lease agreement and authorizing signature of appropriate documents. If adopted, Staff will complete the execution of the lease agreement, and the City Attorney will sign and submit the Opinion of Counsel to Lessee letter.

Staff wishes to express its appreciation to the City Council for its continued commitment to the Willows Fire Department via its approval of this new apparatus.

FINANCIAL CONSIDERATION

2019-20 Lease Payment Already Approved as part of the Adopted Budget

NOTIFICATION

BCI Capital

ALTERNATE ACTIONS

1. Adopt the Resolution as Presented
2. Table Item and Seek Further Information
3. Decline to Adopt the Resolution

RECOMMENDATION

Adopt the Resolution of the City Council of the City of Willows Approving Master Lease Purchase Agreement for Purchase of Fire Engine

Respectfully submitted,

/s/ Timothy L. Sailsbery

Tim Sailsbery
Administrative Services Director

Attachments:

Resolution
Lease Closing Documents-As Attachment "A" to Resolution
Signed Term Sheet
Attorney Opinion Letter

RESOLUTION NO. xx-2019

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILLOWS
APPROVING MASTER LEASE PURCHASE AGREEMENT FOR PURCHASE OF FIRE
ENGINE.**

Adopted by the City Council of the

CITY OF WILLOWS

on Date of December 10, 2019

WHEREAS, one of the most crucial functions of the City of Willows is to provide fire protection services to its residents, businesses and visitors; and

WHEREAS, the City of Willows Fire Department responds to approximately 1,000 service calls each year responding to calls for medical aid and fires ranging from structure and vehicle to grass fires; and

WHEREAS, the City of Willows is several years behind the scheduled replacement of aging fire protection apparatus; and

WHEREAS, on October 8, 2019 the City Council approved the purchase of one HME Ahrens-Fox Models 18 Type 1 fire apparatus ("Fire Engine") through the State of California OES Bid cooperative in an estimated amount of (sales price plus sales tax) of \$537,776; and

WHEREAS, City staff have negotiated a Master Lease Purchase Agreement with BCI Capital Management/City National Bank to finance the purchase of the Fire Engineer, a true and correct copy of which is attached hereto as Exhibit A;

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The above recitals are true and correct, and incorporated herein.
2. The City Council of the City of Willows hereby approves and agrees to the terms and conditions set forth in the Master Lease Purchase Agreement attached hereto as Exhibit A, and other documents associated with the lease purchase transaction.
3. The City Council of the City of Willows hereby authorizes and directed the City's Administrative Services Director to execute the Master Lease Purchase Agreement and associated documents on behalf of the City of Willows.

PASSED AND ADOPTED by the Willows City Council this 10th day of December, 2019 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

**CITY OF WILLOWS
RESOLUTION 08-2019**

APPROVED:

ATTESTED:

Gary Hansen, Mayor

Tara Rustenhoven, City Clerk

CITY OF WILLOWS, CA
Lease Schedule No. 1: \$544,776.00
Lease Purchase Financing
December 13, 2019

Closing Documents

- ✓ W-9 for Lessee – on file
- Master Lease Purchase Agreement – attached for execution
- Lease Schedule No. 1 – attached for execution
 - Equipment Description
 - Payment Schedule
- Acceptance Certificate – hold for future use (when applicable)
- Escrow Agreement – attached for execution
 - Form of Disbursement Request – hold for future use
- Payment Proceeds Letter – attached for execution
- Tax Certificate – attached for execution
- Incumbency Certificate of Lessee – attached for execution
- Approval/Resolution of Governing Body – *Lessee to provide prior to closing*
- Opinion of Counsel to Lessee – *Lessee to provide prior to closing*
- IRS Form 8038-G – *Lessee to provide a signed copy prior to closing*
 - Evidence of filing – *Lessee to file the original Form 8038-G with the IRS, then provide Lessor with confirmation of mailing (post-closing)*
- Evidence of Insurance – *Lessee to provide prior to any escrow disbursement*
- Vehicle MSO/Title application with lien – *Lessee to provide prior to any escrow disbursement*

Lienholder: BciCapital, Inc.
Address: 390 N. Orange Ave., Ste. 2600, Orlando, FL 32801

Please sign the enclosed documents where applicable in blue ink and return the original executed signature pages for closing. Fully-executed copies will be circulated for your records post-closing. Thank you.

MASTER LEASE PURCHASE AGREEMENT

This Master Lease Purchase Agreement (this "Agreement"), dated as of December 13, 2019, is made and entered into by and between BciCapital, Inc. ("Lessor"), and the City of Willows, a political subdivision of the State of California ("Lessee").

In consideration of the mutual covenants herein contained, the parties hereto agree as follows:

1. LEASE OF EQUIPMENT; FUNDING

1.1. Lease; Possession and Use. Lessor hereby agrees to sell, transfer and lease to Lessee, and Lessee hereby agrees to acquire, purchase and lease from Lessor the property described in each Lease Schedule (defined herein) executed and delivered by Lessor and Lessee, upon the terms and conditions set forth herein, together with all attachments, additions, accessions, parts, repairs, improvements, replacements and substitutions thereto (the "Equipment"). Each Lease executed and delivered by Lessor and Lessee pursuant to this Agreement shall constitute a separate and independent lease and installment purchase of the Equipment described therein. This Agreement is not a commitment by Lessor to enter into any Lease and nothing in this Agreement shall be construed to impose any obligation upon Lessor to enter into any proposed Lease. The decision whether Lessor enters into any Lease is within Lessor's sole discretion. As used herein, (i) "Lease Schedule" means a schedule substantially in the form attached as Exhibit A to this Agreement, together with all addenda, riders, attachments, certificates and exhibits thereto, as the same may from time to time be amended, modified or supplemented, and (ii) "Lease" means a Lease Schedule each together with this Agreement the terms and conditions of which are incorporated therein.

1.2. Funding. Unless otherwise provide in the applicable Lease Schedule, in order to provide financing to pay the costs to acquire and install the Equipment set forth in the applicable Lease Schedule (the "Purchase Price"), Lessor and Lessee shall execute and deliver an escrow agreement relating to such Lease Schedule in form and substance and with an escrow agent satisfactory to Lessor (an "Escrow Agreement"). If all conditions set forth in Section 1.3 have been satisfied in full or waived, then Lessor will deposit or cause to be deposited into an escrow fund under the related Escrow Agreement, or pay to Lessee an amount (which may include estimated investment earnings thereon) equal to the Purchase Price for the Equipment to be financed under the related Lease Schedule.

1.3. Funding Requirements. The funding of the Purchase Price and the performance by Lessor of any of its obligations pursuant to any Lease, are subject to the satisfaction or waiver of the following:

(a) Lessor has received all of the following documents, which shall be reasonably satisfactory, in form and substance, to Lessor: (1) evidence of insurance coverage or self-insurance as required by the Lease; (2) an opinion of Lessee's counsel and/or bond counsel to Lessee; (3) waivers of third parties holders of interests in the real property where the Equipment will be located, as Lessor may deem necessary; (4) copies of resolutions by Lessee's governing body, duly authorizing the Lease and the Escrow Agreement and incumbency certificates for the person(s) executing the Lease and the Escrow Agreement; (5) such documents and certificates as Lessor may request relating to federal tax-exemption of interest payable under the Lease, including (without limitation) IRS Form 8038-G or 8038-GC and evidence of the adoption of a reimbursement resolution or other official action in the event that Lessee is to be reimbursed for expenditures that it has paid more than 60 days prior to the funding of the Purchase Price; (6) if the Purchase Price will be paid to Lessee (or vendor(s) or supplier(s) of the Equipment on behalf of Lessee), an acceptance certificate for the Equipment (substantially in the form attached as Exhibit B to this Agreement)(an "Acceptance Certificate"), and (7) such other documents and information previously identified by Lessor or otherwise reasonably requested by Lessor.

- (b) Lessee has executed and delivered to Lessor the Lease Schedule, its related Payment Schedule and the related Escrow Agreement (if applicable);
- (c) no Event of Default shall have occurred and be continuing under any Lease;
- (d) no material adverse change shall have occurred in the financial condition of Lessee;
- (e) the Equipment is reasonably satisfactory to Lessor and is free and clear of any Liens (defined herein) other than the respective rights of Lessor and Lessee as herein provided; and
- (f) all representations of Lessee in the Lease remain true, accurate and complete.

1.4. Delivery, Installation and Acceptance of Equipment. Lessee shall order each Equipment, shall cause the Equipment to be delivered and installed at the locations specified under the applicable Lease Schedule and shall pay all taxes, delivery costs and installation costs, if any, in connection therewith. If the Purchase Price is deposited under an Escrow Agreement for the acquisition of the Equipment, such funds shall be disbursed as provided therein. The insufficiency of proceeds of any Lease to pay all costs of the Equipment subject thereto shall not affect Lessee's obligations under this Section. When the Equipment described in such Lease Schedule is delivered, installed and accepted, Lessee shall promptly execute and deliver to Lessor an Acceptance Certificate for the Equipment.

2. TERM

2.1. Term. The term of each Lease (the "Lease Term") shall commence on the Lease Date set forth in the applicable Lease Schedule and shall terminate upon payment of all Rental Payments, unless sooner terminated pursuant to the Lease.

3. RENTAL PAYMENTS

3.1. Rental Payments. Lessee agrees to pay the rent payments ("Rental Payments") in the amounts and on the dates (each a "Payment Date") as specified in the Payment Schedule attached to each Lease Schedule. A portion of each Rental Payment is paid as interest as specified in the Payment Schedule for each Lease. All Rental Payments shall be paid to Lessor, at such places as Lessor may from time to time designate by written notice to Lessee. Lessee shall pay the Rental Payments with lawful money of the United States of America from moneys legally available therefor.

3.2. Current Expense. The obligations of Lessee, including its obligation to pay the Rental Payments due in any fiscal year shall constitute a current expense of Lessee for such fiscal year and shall not constitute an indebtedness of Lessee within the meaning of the Constitution and laws of the State of California (the "State"). THE RENTAL PAYMENTS ARE TO BE MADE ONLY FROM LESSEE'S LEGALLY AVAILABLE REVENUES APPROPRIATED ON AN ANNUAL BASIS, AND NEITHER LESSEE, THE STATE, NOR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF SHALL BE OBLIGATED TO PAY ANY SUMS DUE UNDER A LEASE FROM THE COMPELLED LEVY OF AD VALOREM OR OTHER TAXES EXCEPT FROM THOSE LEGALLY AVAILABLE REVENUES APPROPRIATED BY LESSEE ON AN ANNUAL BASIS. Nothing herein shall constitute a pledge by Lessee of the full faith and credit or taxing power of the Lessee. The person or entity in charge of preparing Lessee's budget will include in the budget request for each fiscal year the Rental Payments to become due during such fiscal year, and will use all reasonable and lawful means available to secure the appropriation of money for such fiscal year sufficient to pay all Rental Payments coming due therein. Lessor acknowledges that appropriation for Rental Payments is a governmental function which Lessee cannot contractually commit itself in advance to perform. Lessee reasonably believes that moneys in an amount

sufficient to make all Rental Payments can and will lawfully be appropriated and made available to permit Lessee's continued utilization of the Equipment in the performance of its essential functions during the applicable Lease Terms.

3.3. Unconditional Rental Payments. Subject to Section 3.4 hereof: (a) Lessee's obligation to make Rental Payments and any other payments hereunder shall be absolute and unconditional; (b) Lessee shall make these payments when due and shall not withhold any of these payments pending final resolution of any disputes; (c) Lessee shall not assert any right of set-off or counterclaim against its obligation to make these payments; (d) Lessee's obligation to make Rental Payments or other payments shall not be abated through accident, unforeseen circumstances, failure of the Equipment to perform as desired, damage or destruction to the Equipment, loss of possession of the Equipment or obsolescence of the Equipment; and (e) Lessee shall be obligated to continue to make payments required of it by this Agreement if title to, or temporary use of, the Equipment or any part thereof shall be taken under exercise of the power of eminent domain.

3.4. Nonappropriation. If during the then current fiscal year of Lessee, sufficient funds are not appropriated to make Rental Payments required under a Lease for the following fiscal year (an "Event of Nonappropriation"), Lessee shall be deemed not to have renewed such Lease for the following fiscal year, and the Lease shall terminate at the end of the then current fiscal year, and Lessee shall not be obligated to make Rental Payments under the Lease beyond the then current fiscal year for which funds have been appropriated. Upon an Event of Nonappropriation, Lessee shall return the Equipment subject to the Lease to Lessor in accordance with the requirements of Section 11.3. Lessee shall notify Lessor in writing no later than 30 days following an Event of Nonappropriation, but failure to provide such notice shall not operate to extend the Lease Term. If Lessee fails to return the applicable Equipment or otherwise comply with Section 11.3, the termination shall nevertheless be effective, but Lessee shall be responsible for the payment of damages in an amount equal to the amount of the Rental Payments that would thereafter have come due if the Lease had not been terminated and which are attributable to the number of days after which Lessee fails to comply with Lessor's instructions and for any other loss suffered by Lessor as a result of Lessee's failure to take such actions as required. In addition, Lessor may, by written instructions to any escrow agent who is holding proceeds of the Lease, instruct such escrow agent to release all such proceeds and any earnings thereon to Lessor.

3.5 Security Interest. As security for Lessee's obligations to pay all Rental Payments and all other amounts due and payable under each Lease and to perform and observe all covenants, agreements and conditions (direct or indirect, absolute or contingent, due or to become due or existing or hereafter arising) of Lessee under such Lease, Lessee hereby grants to Lessor a first priority, security interest in any and all of the Equipment (now existing or hereafter acquired) under each Lease, moneys and investments held from time to time in the escrow fund under each Escrow Agreement and any and all proceeds of any of the foregoing. Lessee agrees to execute and deliver to Lessor all necessary documents to evidence and perfect such security interest, including, without limitation, Uniform Commercial Code financing statements and any amendments thereto and certificates of title or certificates of origin (or applications thereof) noting Lessor's interest thereon.

4. PURCHASE AND PREPAYMENT

4.1. End of Lease Term. Lessee shall have the option to purchase all of the Equipment under a Lease upon the expiration of the Lease Term and payment in full of all Rental Payments then due and all other amounts then owing under the Lease, and the payment of \$1.00 to Lessor.

4.2. Optional Prepayment. Unless provided otherwise in the Lease Schedule, Lessee shall have the option to prepay its obligations under any Lease in whole but not in part on any Payment Date as set

forth in the applicable Payment Schedule, but only if and to the extent the Lease Schedule provides for such prepayment. Lessee shall give written notice to Lessor of its intention to exercise its option not less than thirty (30) days prior to the Payment Date on which the option will be exercised and shall pay to Lessor not later than such Payment Date an amount equal to all Rental Payments and any other amounts then due or past due under such Lease, including the Rental Payment due on the Payment Date on which the option shall be effective, and the applicable Prepayment Price set forth in the applicable Payment Schedule (the "Prepayment Price").

4.3. Excess Proceeds. Lessee's obligations under a Lease shall be prepaid in part from the excess proceeds of the Lease on the terms set forth in any Escrow Agreement pursuant to which proceeds of the Lease are being held.

4.4. Release of Lessor's Interest. Upon timely receipt, in collected funds, of all amounts required for the purchase of the Equipment subject to any Lease pursuant to Section 4.1 or the prepayment in whole of any Lease pursuant to Section 4.2, such Lease shall terminate, all of Lessor's right, title and interest in and to the Equipment shall terminate, and Lessor shall deliver to Lessee all such documents and instruments as Lessee may reasonably request to evidence the termination of the Lease and Lessor's interest in the Equipment, without warranty by or recourse to Lessor.

5. REPRESENTATION, WARRANTIES AND COVENANTS.

5.1. Representations and Warranties. Lessee shall be deemed to make the following representations and warranties to Lessor with respect to each Lease, in each case as of the Lease Date for such Lease:

(a) Lessee is a state or political subdivision of the State within the meaning of Section 103(c) of the Internal Revenue Code of 1986, as amended (the "Code"), duly organized and existing under the Constitution and laws of the State, and is authorized under the Constitution and laws of the State to enter into this Agreement, the Lease and the transactions contemplated hereby and thereby, and to perform all of its obligations under this Agreement and the Lease.

(b) The execution and delivery of this Agreement and the Lease Schedule have been duly authorized by all necessary action of Lessee's governing body and such action is in compliance with all public bidding and other State and federal laws applicable to this Agreement and the acquisition and financing of the Equipment by Lessee.

(c) This Agreement and the Lease Schedule have been duly executed and delivered by and constitute the valid and binding obligations of Lessee, enforceable against Lessee in accordance with their respective terms.

(d) The execution, delivery and performance of this Agreement and the Lease Schedule by Lessee does not (i) violate any State or federal law or local law or ordinance, or any order, writ, injunction, decree, or regulation of any court or other governmental agency or body applicable to Lessee, or (ii) conflict with or result in the breach or violation of any term or provision of, or constitute a default under, any note, bond, mortgage, indenture, agreement, deed of trust, lease or other obligation to which Lessee is bound.

(e) There is no action, suit, proceeding, claim, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body pending or, to the best of Lessee's knowledge, threatened against or affecting Lessee, challenging Lessee's authority to enter into this Agreement or the Lease Schedule or any other action wherein an unfavorable ruling or finding would adversely affect the enforceability of this Agreement or the Lease Schedule.

(f) Lessee or Lessee's governing body has appropriated and/or taken other lawful actions necessary to provide moneys sufficient to pay all Rental Payments during the current fiscal year, and such moneys will be applied in payment of all Rental Payments due and payable during such current fiscal year.

(g) Lessee has an immediate need for, and expects to make immediate use of, the Equipment, which need is not temporary or expected to diminish during the applicable Lease Term.

5.2. Tax Covenants.

(a) Lessee covenants and agrees that it will (i) complete and timely file an information reporting return with the Internal Revenue Service ("IRS") in accordance with Section 149(e) of the Code; (ii) not permit the Equipment to be directly or indirectly used for a private business use within the meaning of Section 141 of the Code including, without limitation, use by private persons or entities pursuant to contractual arrangements which do not satisfy IRS guidelines for permitted management contracts, as the same may be amended from time to time; (iii) invest and reinvest moneys on deposit in any escrow fund related to each Lease from time to time in a manner that will not cause such Lease to be classified as an "arbitrage bond" within the meaning of Section 148(a) of the Code; (iv) rebate an amount equal to excess earnings in any such escrow fund to the federal government if required by, and in accordance with, Section 148(f) of the Code and make the determinations and maintain the records required by the Code; and (v) comply with all provisions and regulations applicable to establishing and maintaining the excludability of the interest component of the Rental Payments under each Lease from federal gross income pursuant to Section 103 of the Code.

(b) If Lessor either (i) receives notice, in any form, from the IRS; or (ii) reasonably determines, based on an opinion of independent tax counsel selected by Lessor that Lessor may not exclude the interest component of any Rental Payment under a Lease from federal gross income, then Lessee shall pay to Lessor, within thirty (30) days after Lessor notifies Lessee of such determination, the amount which, with respect to Rental Payments previously paid and taking into account all penalties, fines, interest and additions to tax (including all federal, state and local taxes imposed on the interest component of all Rental Payments under the Lease due through the date of such event) that are imposed on Lessor as a result of the loss of the exclusion, will restore to Lessor the same after tax yield on the transaction evidenced by such Lease (assuming tax at the highest marginal corporate tax rate) that it would have realized had the exclusion not been lost. Additionally, Lessee agrees that upon the occurrence of such an event, it shall pay additional rent to Lessor on each succeeding Rental Payment due date in such amount as will maintain such after tax yield to Lessor. Lessor's determination of the amount necessary to maintain its after-tax yield as provided in this subsection (b) shall be conclusive (absent manifest error).

6. INSURANCE; CASUALTY AND CONDEMNATION

6.1. Liability and Property Insurance. Lessee shall, at its own expense, procure and maintain continuously in effect during each Lease Term: (a) public liability insurance for death or injuries to persons, or damage to property arising out of or in any way connected to the Equipment sufficient to protect Lessor and its assigns from liability in all events, with a coverage of not less than \$1,000,000 per occurrence unless specified differently in the related Lease Schedule, and (b) insurance against such hazards as Lessor may require, including, but not limited to, all-risk casualty and property insurance, in an amount equal to the greater of the full replacement cost of the Equipment or the applicable Prepayment Price.

6.2. Insurance Requirements. All insurance policies required by Section 6.1 shall be taken out and maintained with insurance companies acceptable to Lessor and shall contain a provision that thirty (30) days prior to any change in the coverage (including cancellation) the insurer must provide written notice to the insured parties. No insurance shall be subject to any co-insurance clause. Each liability insurance policy shall be endorsed to name Lessor and its assigns as an additional insured party and each casualty and

property insurance policy shall be endorsed to name Lessor and its assigns as loss payee, in each case regardless of any breach of warranty or other act or omission of Lessee. Lessee may self-insure against the risks described in Section 6.1 with the prior written consent of Lessor.

7. ADDITIONAL OBLIGATIONS

7.1. Use and Maintenance of Equipment. Lessee shall, at its own expense, maintain the Equipment in good condition and proper working order, and shall make all necessary repairs and replacements to keep the Equipment in such condition. The Equipment will be used by Lessee only for the purpose of performing Lessee's essential governmental functions. Lessee shall not install, use, operate or maintain the Equipment improperly, carelessly, in violation of any manufacturer's guidelines or in violation of any applicable law or regulation or in a manner contrary to that contemplated by this Agreement. Lessee shall obtain and maintain all permits and licenses necessary for the installation and operation of the Equipment. Lessee shall have sole responsibility to maintain and repair the Equipment. Lessee shall keep (or in the case of Equipment constituting motor vehicles, house) the Equipment at the address specified in the related Lease Schedule; provided that Lessee may change the location at which any Equipment is kept (or housed) with thirty (30) days prior written notice to Lessor specifying the address of the new location. Lessee shall provide Lessor access at all reasonable times to examine and inspect the Equipment and provide Lessor with such access to the Equipment as may be reasonably necessary to perform maintenance on the Equipment in the event of failure by Lessee to perform its obligations hereunder. If Lessor reasonably determines that Lessee is not maintaining any of the Equipment in accordance with this Section, Lessor may (in addition to any other remedies it may have) require Lessee to enter into maintenance contracts for such Equipment in form approved by Lessor and with approved providers.

7.2. Taxes. Lessee shall pay all taxes, assessments and other charges which are assessed or levied against the Equipment or any part thereof, during the Lease Term, whether assessed against Lessee or Lessor. With respect to any taxes or charges that may lawfully be paid in installments over a period of years, Lessee shall be obligated to pay only such installments as accrue during the then current fiscal year of the Lease Term for such Equipment.

7.3. Modification of Equipment. Lessee will not, without the prior written consent of Lessor, affix or install any accessory equipment or device on any of the Equipment if such addition will change or impair the originally intended value, function or use of the Equipment.

7.4. Liens. Lessee shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or other claim with respect to the Equipment (each, a "Lien"), other than the respective rights of Lessor and Lessee as herein provided. Lessee shall promptly, at its own expense, take such actions as may be necessary duly to discharge or remove any such claim if the same shall arise at any time.

7.5. Financial Information. Lessee shall deliver to Lessor (i) its annual audited financial statements within 270 days after the end of each fiscal year, (ii) its annual budget the each fiscal year promptly following approval thereof, and (iii) such other financial statements and information relating to the ability of Lessee to satisfy its obligations under this Agreement and the Lease as may be reasonably requested by Lessor from time to time.

8. TITLE; NO WARRANTIES BY LESSOR

8.1. Title. During the Lease Term, legal title to all Equipment shall be in Lessee, subject to Lessor's interests under the applicable Lease Schedule and this Agreement. Upon an Event of Default or an Event of Nonappropriation, title shall immediately vest in Lessor, free and clear of any right, title or interest of Lessee.

8.2. Personal Property. The Equipment is and shall at all times be and remain personal property and not fixtures.

8.3. No Warranties. LESSEE ACQUIRES AND LEASES THE EQUIPMENT UNDER EACH LEASE "AS IS." LESSEE ACKNOWLEDGES THAT LESSOR DID NOT MANUFACTURE THE EQUIPMENT UNDER ANY LEASE. LESSOR DOES NOT REPRESENT THE MANUFACTURER, SUPPLIER, OWNER OR DEALER, AND LESSEE SELECTED THE EQUIPMENT BASED UPON LESSEE'S OWN JUDGMENT. LESSOR MAKES NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE OR AS TO THE EQUIPMENT'S VALUE, DESIGN, CONDITION, USE, CAPACITY OR DURABILITY. LESSEE AGREES THAT REGARDLESS OF CAUSE, LESSOR IS NOT RESPONSIBLE FOR, AND LESSEE WILL NOT MAKE ANY CLAIM AGAINST LESSOR FOR, ANY DAMAGES, WHETHER CONSEQUENTIAL, DIRECT, SPECIAL OR INDIRECT INCURRED BY LESSEE IN CONNECTION WITH THE EQUIPMENT UNDER ANY LEASE. NEITHER THE MANUFACTURER, SUPPLIER OR DEALER NOR ANY SALESPERSON, EMPLOYEE OR AGENT OF THE MANUFACTURER, SUPPLIER OR DEALER IS LESSOR'S AGENT OR HAS ANY AUTHORITY TO SPEAK FOR LESSOR OR TO BIND LESSOR IN ANY WAY. For and during the Lease Term under each Lease, Lessor assigns to Lessee any manufacturer's or supplier's product warranties, express or implied, applicable to any Equipment and Lessor authorizes Lessee to obtain the customary services furnished in connection with such warranties at Lessee's sole expense. Lessee agrees that (a) all Equipment will have been purchased by Lessor for the benefit of the Lessee in accordance with Lessee's specifications from suppliers selected by Lessee, (b) Lessor is not a manufacturer or dealer of any Equipment and has no liability for the delivery or installation of any Equipment, (c) Lessor assumes no obligation with respect to any manufacturer's or supplier's product warranties or guaranties, (d) no manufacturer or supplier or any representative of said parties is an agent of Lessor, (e) any warranty, representation, guaranty or agreement made by any manufacturer or supplier or any representative of said parties shall not be binding upon Lessor, and (f) the Lessor shall cause the supplier to identify the Lessee as an intended beneficiary of its warranty, if any.

9. RISK OF LOSS; CASUALTY

9.1. Risk of Loss. As between Lessee and Lessor, Lessee bears the entire risk of loss, theft, damage or destruction of any Equipment in whole or in part for any reason whatsoever. No loss to any Equipment shall relieve Lessee from the obligation to make any Rental Payments or to perform any other obligation under any Lease. Proceeds of any insurance recovery will be applied to Lessee's obligations under this Section 9.

9.2. Notice of Loss. If a casualty occurs to any Equipment, Lessee shall immediately notify Lessor of the same and Lessee shall, unless otherwise directed by Lessor, immediately repair the same.

9.3. Application of Proceeds. If Lessor determines that any item of Equipment has suffered a casualty loss is beyond repair, then Lessee shall either: (a) immediately replace such Equipment with similar equipment in good repair, condition and working order free and clear of any liens and deliver to Lessor a purchase order, bill of sale or other evidence of sale to Lessee covering the replacement equipment, in which event such replacement equipment shall automatically be Equipment under the applicable Lease, or (b) on the next scheduled Payment Date, pay Lessor (i) all amounts owed by Lessee under the applicable Lease, including the Rental Payment due on such date, plus (ii) an amount equal to the applicable Prepayment Price set forth in the Payment Schedule to the applicable Lease. If Lessee is making such payment with respect to less than all of the Equipment under a Lease, then Lessor will provide Lessee with the pro rata amount of the Prepayment Price to be paid by Lessee with respect to the such Equipment.

9.4. Claims and Expenses. Lessee shall bear the risk of loss for, shall pay directly and shall defend against any and all claims, liabilities, proceedings, actions, expenses (including reasonable attorney's fees), damages or losses arising under or related to any Equipment, including, but not limited to, the possession, ownership, lease, use or operation thereof. These obligations of Lessee shall survive any expiration or termination of any Lease. Lessee shall not bear the risk of loss of, nor pay for, any claims, liabilities, proceedings, actions, expenses (including attorney's fees), damages or losses which arise directly from events occurring after any Equipment has been returned by Lessee to Lessor in accordance with the terms of the applicable Lease or which arise directly from the gross negligence or willful misconduct of Lessor.

10. ASSIGNMENT

10.1. Assignment by Lessor. Lessor may assign its rights, title and interest in and to any Lease, any Equipment or any Escrow Agreement (including the escrow fund thereunder), and/or may grant or assign a security interest in any Lease, its Equipment or any Escrow Agreement (including the escrow fund thereunder), in whole or in part, to any party at any time and from time to time without Lessee's consent. Any such assignee or lien holder (an "Assignee") shall have all of the rights of Lessor under the applicable Lease and Escrow Agreement. LESSEE AGREES NOT TO ASSERT AGAINST ANY ASSIGNEE ANY CLAIMS, ABATEMENTS, SETOFFS, COUNTERCLAIMS, RECOUPMENT OR ANY OTHER SIMILAR DEFENSES WHICH LESSEE MAY HAVE AGAINST LESSOR. Unless otherwise agreed by Lessee in writing, any such assignment transaction shall not release Lessor from any of Lessor's obligations under the applicable Lease. An assignment or reassignment of any of Lessor's right, title or interest in a Lease, its Equipment or any Escrow Agreement (including the Escrow Fund thereunder) shall be enforceable against Lessee only after Lessee receives a written notice of assignment that discloses the name and address of each such Assignee. Lessee shall keep a complete and accurate record of all such assignments in the form necessary to comply with Section 149(a) of the Code. Lessee agrees to acknowledge in writing any such assignments if so requested.

10.2. Assignment and Subleasing by Lessee. Neither this Agreement nor any Lease or any Equipment may be assigned, subleased, sold, transferred, pledged or mortgaged by Lessee.

11. EVENTS OF DEFAULT; REMEDIES

11.1. Events of Default Defined. The occurrence of any of the following events with respect to a Lease shall constitute an Event of Default under the Lease:

(a) Lessee's failure to pay any Rental Payment or other amount required to be paid to Lessor under the Lease within ten (10) days following the due date thereof, other than by reason of an Event of Nonappropriation;

(b) Lessee fails to perform or observe any of its obligations under Section 6, 7.4 or 10.2 hereof;

(c) With the exception of the above clauses (a) or (b), Lessee's failure to perform or abide by any condition, agreement or covenant with respect to the Lease for a period of thirty (30) days after written notice by Lessor to Lessee specifying such failure and requesting that it be remedied, unless Lessor shall agree in writing to an extension of time prior to its expiration;

(d) any statement, representation or warranty made by Lessee in the Lease or in any writing delivered by Lessee pursuant thereto or in connection therewith proves at any time to have been false, misleading or erroneous in any material respect as of the time when made;

(e) Lessee shall be in default with respect to the payment or performance of any indebtedness, liability or obligation to Lessor or any of its affiliates under any note, loan agreement, security agreement, lease, title retention or conditional sales agreement or any other instrument or agreement (including the occurrence of any Event of Default under any other Lease then held by Lessor), whether accelerated or otherwise and any applicable grace period with respect thereto has expired; or

(f) Lessee applies for or consents to the appointment of a receiver, trustee, conservator or liquidator of Lessee or of all or a substantial part of its assets, or a petition for relief is filed by Lessee under any federal or state bankruptcy, insolvency, moratorium or similar law.

11.2. Remedies on Default. Upon the occurrence of any Event of Default with respect to a Lease, Lessor shall have the right, at its option and without any further demand or notice to one or more or all of the following remedies with respect to the Lease:

(a) Lessor, with or without terminating the Lease, may declare all Rental Payments payable under the Lease to the end of the then-current fiscal year of Lessee to be immediately due and payable by Lessee, whereupon such Rental Payments shall be immediately due and payable.

(b) Lessor may require Lessee to promptly return all Equipment to Lessor in the manner set forth in Section 11.3 (and Lessee agrees that it shall so return the Equipment), or Lessor may, at its option, enter upon the premises where any Equipment is located and repossess such Equipment without demand, without any court order or other process of law and without liability for any damage occasioned by such repossession; and Lessor may thereafter dispose of the Equipment. If Lessor terminates the Lease and disposes of any or all of the Equipment, Lessor shall apply the proceeds of any such disposition to pay the following items in the following order: (i) all costs and expenses (including, but not limited to, attorneys' fees) incurred in securing possession of the Equipment; (ii) all costs and expenses incurred in completing the disposition of the Equipment; (iii) any sales or transfer taxes incurred in the disposition of the Equipment; (iv) any Rental Payments payable under the Lease to the end of the then-current fiscal year of Lessee; (v) the outstanding principal component of Rental Payments under the Lease; and (vi) any other amounts then due under the Lease. Any disposition proceeds remaining after the requirements of clauses (i), (ii), (iii), (iv), (v) and (vi) have been met shall be paid to Lessee. No deficiency shall be allowed against Lessee, except with respect to any unpaid Rental Payments to the end of the then-current fiscal year of Lessee and unpaid costs and expenses incurred by Lessor in connection with the repossession and disposition of the Equipment.

(c) By written notice to any escrow agent that is holding proceeds of the Lease under an Escrow Agreement, Lessor may instruct such escrow agent to release all such proceeds and any earnings thereon to Lessor, such sums to be credited to payment of Lessee's obligations under the Lease; or

(d) Lessor may exercise any other remedy available, at law or in equity, with respect to such Event of Default. Lessee shall pay the reasonable attorneys' fees and expenses incurred by Lessor in exercising any remedy hereunder.

11.3. Return of Equipment; Release of Lessee's Interest. Upon termination of any Lease prior to the payment of all Rental Payments or the applicable Prepayment Price (whether as result of an Event of Nonappropriation or Event of Default) thereunder, Lessee shall, within ten (10) days after such termination, at its own expense: (a) perform any testing and repairs required to place the related Equipment in the condition required by Section 7; (b) if deinstallation, disassembly or crating is required, cause such Equipment to be deinstalled, disassembled and crated by an authorized manufacturer's representative or such other service person as is satisfactory to Lessor; (c) return such Equipment to a location in the continental United States specified by Lessor, freight and insurance prepaid by Lessee; and (d) comply with

any additional return conditions specified in the Lease Schedule. Lessee shall execute and deliver to Lessor such documents as Lessor may request to evidence the passage of legal title and ownership to Lessor and termination of Lessee's interest in the Equipment.

With respect to any provision of the Agreement requiring Lessee to return all or any portion of the Equipment to Lessor or to transfer title to all or any portion of the equipment to Lessor, Lessee agrees to voluntarily do so. In the event that Lessee fails or refuses to return or transfer the Equipment or title thereto voluntarily as set forth above, Lessor acknowledges that the Agreement does not and shall not create a right in Lessor to involuntarily dispossess Lessee of title to or possession of all or any item of the Equipment.

11.4. Late Charge. To the extent permitted by applicable law, Lessee shall pay Lessor a charge on any Rental Payment not paid on the date such payment is due at a rate equal to the interest rate set forth in the applicable Lease Schedule plus 5% per annum or the maximum amount permitted by law, whichever is less (the "Default Rate"), from such date.

11.5. No Remedy Exclusive. Each of the rights and remedies under this Agreement and each Lease is cumulative and may be enforced separately or concurrently. No course of dealing or conduct between Lessor and Lessee shall be effective to amend, modify or change any provisions of this Agreement or any Lease. No failure or delay by Lessor to insist upon the strict performance of any term, covenant or agreement of the Agreement or any Lease, or to exercise any right, power or remedy consequent upon a breach thereof, shall constitute a waiver of any such term, covenant or agreement or of any such breach, or preclude Lessor from exercising any such right, power or remedy at any later time or times.

11.6. Costs and Attorneys' Fees. Upon the occurrence of an Event of Default, Lessee agrees to pay to Lessor or reimburse Lessor for, in addition to all other amounts payable hereunder, all of Lessor's costs of collection, including reasonable attorneys' fees, whether or not suit or action is filed thereon. Any such costs shall be immediately due and payable upon written notice and demand given to Lessee, shall be secured by this Agreement until paid, and shall bear interest at the Default Rate. In the event suit or action is instituted to enforce any of the terms of this Agreement, the prevailing party shall be entitled to recover from the other party such sum as the court may adjudge reasonable as attorneys' fees at trial and on appeal of such suit or action or in any bankruptcy proceeding, in addition to all other sums provided by law.

12. MISCELLANEOUS PROVISIONS

12.1. Notices. All written notices to be given under this Agreement shall be given (a) personally, (b) by mail in registered or certified form, with postage prepaid, or (c) by overnight courier, charges prepaid, in each case to the party entitled thereto at its address specified beneath each party's signature, or at such address as the party may provide to the other parties hereto in writing from time to time, and to any assignee at its address as it appears on the registration books maintained by Lessee. Any such notice shall be deemed to have been received 72 hours after deposit in the United States mail, 24 hours after deposit with a courier, or, if given by other means, when delivered.

12.2. Binding Effect. This Agreement and each Lease hereunder shall be binding upon and shall inure to the benefit of Lessor and Lessee and their respective successors and assigns. Specifically, as used herein the term "Lessor" means, with respect to a Lease, any person or entity to whom Lessor has assigned its right to receive Rental Payments under such Lease.

12.3. Severability. In the event any provision of this Agreement or any Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

12.4. Entire Agreement; Amendments. Each Lease constitutes the entire agreement of the parties with respect to the subject matter thereof and supersedes all prior and contemporaneous writings, understandings, agreements, solicitation documents and representations, express or implied. Each Lease may be amended or modified only by written documents duly authorized, executed and delivered by Lessor and Lessee.

12.5. Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions, Articles, Sections or clauses hereof.

12.6. Further Assurances and Corrective Instruments. Lessor and Lessee agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required to perfect, confirm, establish, reestablish, continue or complete the interests of Lessor in this Agreement and each Lease, to consummate the transactions contemplated hereby and thereby, and to carry out the purposes and intentions of this Agreement and each Lease.

12.7. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State.

12.8. Usury. It is the intention of the parties hereto to comply with any applicable usury laws; accordingly, it is agreed that, notwithstanding any provisions to the contrary herein or in any Lease Schedule, in no event shall this Agreement or any Lease hereunder require the payment or permit the collection of interest or any amount in the nature of interest or fees in excess of the maximum amount permitted by applicable law. Any such excess interest or fees shall first be applied to reduce principal, and when no principal remains, refunded to Lessee. In determining whether the interest paid or payable exceeds the highest lawful rate, the total amount of interest shall be spread through the applicable Lease Term so that the interest is uniform through such term.

12.9. Waiver of Jury Trial. To the extent permitted by applicable law, Lessor and Lessee hereby waive any right to trial by jury in any action or proceeding with respect to, in connection with or arising out of this Agreement.

12.10. USA Patriot Act Compliance Notification. Lessor hereby notifies Lessee that pursuant to the requirements of the USA PATRIOT Act (the "Patriot Act"), it is required to obtain, verify and record information that identifies Lessee, which information includes the name and address of Lessee and other information that will allow Lessor to identify Lessee in accordance with the Patriot Act. Lessee shall, promptly upon Lessor's request, provide all documentation and other information that Lessor requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the Patriot Act.

12.11. Relationship of Parties. Lessee acknowledges and agrees that (i) this Agreement and each Lease and the transactions related thereto is an arm's-length commercial transaction between Lessor and Lessee, (ii) in connection therewith and with the discussions, undertakings, and procedures leading up to the consummation of this transaction, Lessor is and has been acting solely as a principal and is not acting as the agent, advisor or fiduciary of Lessee, (iii) Lessor has not assumed an advisory or fiduciary responsibility in favor of Lessee with respect to the transactions contemplated hereby or the discussions, undertakings, and procedures leading thereto (regardless of whether Lessor or any affiliate thereof has provided other services or is currently providing other services to Lessee on other matters) and Lessor has no obligation to Lessee with respect to the transactions contemplated hereby except the obligations expressly set forth in this Agreement and any Lease, and (iv) Lessee has consulted its own legal, financial, and other advisors to the extent it has deemed appropriate.

12.12. Filing of Leases. Lessee shall not file or submit, or permit the filing or submission, of all or any portion this Agreement or any Lease, any document related to this Agreement or any Lease, any default, event of acceleration, termination event, waiver, modification of terms or other similar events relating to this Agreement or any Lease or any summary of the foregoing with the Municipal Securities Rulemaking Board (“MSRB”) (or any successor to the MSRB or similar entity or service) unless such document or portion thereof has been provided to the Lessor in advance for review and redaction to the extent required by the Lessor and otherwise permitted under applicable MSRB rules or federal securities law, if any. Lessor is not responsible for the Lessee’s or any other entity’s compliance with any continuing disclosure obligations under any applicable securities law or related agreement or undertaking.

12.13. Counterparts. This Agreement and any Lease Schedules may be executed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument, and in making proof of this Agreement and any Lease Schedules it shall not be necessary to produce or account for more than one such counterpart.

12.14. Electronic Signatures. The parties agree that the electronic signature of a party to this Agreement and any Lease Schedule shall be as valid as an original signature of such party and shall be effective to bind such party to this Agreement and such Lease Schedule(s). The parties agree that any electronically signed document (including this Agreement and any Lease Schedule) shall be deemed (i) to be “written” or “in writing,” (ii) to have been signed and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Such paper copies or “printouts”, if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule. For purposes hereof, “electronic signature” means a manually signed original signature that is then transmitted by electronic means; “transmitted by electronic means” means sent in the form of a facsimile or sent via the internet as a “pdf” (portable document format) or other replicating image attached to an e mail message; and, “electronically signed document” means a document transmitted by electronic means and containing, or to which there is affixed, an electronic signature.

[The remainder of this page is intentionally blank. Signature page follows.]

IN WITNESS WHEREOF, Lessor has caused this Agreement to be executed in its corporate name by its duly authorized officer, and Lessee has caused this Agreement to be executed in its name by its duly authorized officer.

CITY OF WILLOWS
Lessee

BCICAPITAL, INC.
Lessor

By: _____
Name: Tim Sailsbery
Title: Administrative Services Director

By: _____
Name:
Title:

Address: 201 North Lassen Street
Willows, CA 95988
Attn: Tim Sailsbery

Address: 390 N. Orange Ave., Ste. 2600
Orlando, FL 32801
Attn. Mike Powers, SVP

Telephone: (760) 920-3494
E-mail address: tsailsbery@cityofwillows.org

Telephone: (407) 502-5912
E-mail address: mike.powers@bcicmg.com

LEASE SCHEDULE NO. 1
to Master Lease Purchase Agreement

Dated: December 13, 2019

This Lease Schedule (this "Lease Schedule") relates to the Master Lease Purchase Agreement dated as of December 13, 2019 (the "Agreement") between the undersigned Lessor and Lessee, together with the terms and conditions of the Agreement incorporated herein by reference, constitutes a Lease. Unless otherwise defined herein, capitalized terms will have the same meaning ascribed to them in the Agreement. All terms and conditions of the Agreement are incorporated herein by reference.

1. Equipment Description. As used in the Lease, "Equipment" means all of the property described in Exhibit 1 attached to this Lease Schedule and all attachments, additions, accessions, parts, repairs, improvements, replacements and substitutions thereto.
2. Purchase Price. The Purchase Price for the Equipment is \$544,776.00, which amount shall be deposited in the escrow fund established pursuant to that certain Escrow Agreement dated as of December 13, 2019 among Lessor, Lessee and City National Bank of Florida.
3. Rental Payments; Lease Term. The Rental Payments to be paid by Lessee to Lessor, the Lease Date of this Lease and the Lease Term of this Lease are set forth on the Payment Schedule attached to this Lease Schedule as Exhibit 2.
4. Essential Use; Current Intent of Lessee. Lessee represents that (a) the use of the Equipment is essential to Lessee's proper, efficient and economic functioning or to the services that Lessee provides to its citizens, (b) the Equipment will be used by Lessee only for the purpose of performing its governmental or proprietary functions consistent with the permissible scope of its authority and will not be used in a trade or business of any person or entity, and (c) the useful life of the Equipment is not less than the stated full Lease Term of this Lease. Lessee has determined that a present need exists for the Equipment which need is not temporary or expected to diminish in the near future. Lessee currently intends for the full Lease Term: to use the Equipment; and to continue this Lease.
5. Representations, Warranties and Covenants. Lessee hereby represents, warrants and covenants that its representations, warranties and covenants set forth in the Agreement are true and correct as though made on the date of execution of this Lease Schedule.
6. Bank Qualified. Lessee certifies that it has designated this Lease as a qualified tax-exempt obligation in accordance with Section 265(b)(3) of the Code, that it has not designated more than \$10,000,000 of its obligations as qualified tax-exempt obligations in accordance with such Section for the current calendar year and that it reasonably anticipates that the total amount of tax-exempt obligations to be issued by Lessee during the current calendar year will not exceed \$10,000,000.
7. Optional Prepayment. In accordance with Section 4.2 of the Agreement, Lessee shall have the option to prepay its obligations under this Lease Schedule in part only in the calendar year of 2020 and only in the amount of \$295,777.00, which Lessor shall apply to the outstanding principal component of Rental Payments under the Lease. Lessee shall have the option to prepay its obligations under this Lease Schedule in whole on any Payment Date as set forth in the applicable Payment Schedule. Lessee shall give written notice to Lessor of its intention to exercise any such option(s) not less than thirty (30) days prior to the date on which such option will be exercised.

IN WITNESS WHEREOF, Lessor has caused this Lease Schedule to be executed in its corporate name by its duly authorized officer, and Lessee has caused this Lease Schedule to be executed in its name by its duly authorized officer.

CITY OF WILLOWS

Lessee

BCICAPITAL, INC.

Lessor

By: _____

Name: Tim Sailsbery

Title: Administrative Services Director

Address: 201 North Lassen Street

Willows, CA 95988

Attn: Administrative Services Director

By: _____

Name:

Title:

Address: 390 N. Orange Ave., Ste. 2600

Orlando, FL 32801

Attn. Mike Powers, SVP

Telephone: (760) 920-3494

E-mail address: tsailsbery@cityofwillows.org

Telephone: (407) 502-5912

E-mail address: mike.powers@bcicmg.com

Exhibit 1

Equipment Description

One (1) new HME Ahrens-Fox SFO 96" Custom Pumper Fire Truck

Equipment Total: \$544,776.00

Location of Equipment: Willows Fire Department, 445 South Butte St., Willows, CA 95988

Payment Schedule

Annual Rate: 2.580%

	Date	Payment	Interest	Principal	Balance	Prepayment
	12/13/2019					
1	6/1/2020	\$6,559.10	\$6,559.10	\$0.00	\$544,776.00	N/A
2	12/1/2020	\$31,442.31	\$7,027.61	\$24,414.70	\$520,361.30	\$535,972.14
3	6/1/2021	\$32,746.96	\$6,712.66	\$26,034.30	\$494,327.00	\$509,156.81
4	12/1/2021	\$32,411.22	\$6,376.82	\$26,034.40	\$468,292.60	\$482,341.38
5	6/1/2022	\$32,751.37	\$6,040.97	\$26,710.40	\$441,582.20	\$454,829.67
6	12/1/2022	\$32,406.81	\$5,696.41	\$26,710.40	\$414,871.80	\$427,317.95
7	6/1/2023	\$32,755.85	\$5,351.85	\$27,404.00	\$387,467.80	\$399,091.83
8	12/1/2023	\$32,402.33	\$4,998.33	\$27,404.00	\$360,063.80	\$370,865.71
9	6/1/2024	\$32,760.52	\$4,644.82	\$28,115.70	\$331,948.10	\$341,906.54
10	12/1/2024	\$32,397.73	\$4,282.13	\$28,115.60	\$303,832.50	\$312,947.48
11	6/1/2025	\$32,765.24	\$3,919.44	\$28,845.80	\$274,986.70	\$280,486.43
12	12/1/2025	\$32,393.03	\$3,547.33	\$28,845.70	\$246,141.00	\$251,063.82
13	6/1/2026	\$32,770.02	\$3,175.22	\$29,594.80	\$216,546.20	\$220,877.12
14	12/1/2026	\$32,388.25	\$2,793.45	\$29,594.80	\$186,951.40	\$190,690.43
15	6/1/2027	\$32,774.97	\$2,411.67	\$30,363.30	\$156,588.10	\$159,719.86
16	12/1/2027	\$32,383.29	\$2,019.99	\$30,363.30	\$126,224.80	\$128,749.30
17	6/1/2028	\$32,780.10	\$1,628.30	\$31,151.80	\$95,073.00	\$96,974.46
18	12/1/2028	\$32,378.14	\$1,226.44	\$31,151.70	\$63,921.30	\$65,199.73
19	6/1/2029	\$32,785.18	\$824.58	\$31,960.60	\$31,960.70	\$32,599.91
20	12/1/2029	\$32,372.99	\$412.29	\$31,960.70	\$0.00	\$0.00
	TOTAL:	\$624,425.41	\$79,649.41	\$544,776.00		

ACCEPTANCE CERTIFICATE

BciCapital, Inc.
390 N. Orange Ave., Ste. 2600
Orlando, FL 32801

Re: Lease Schedule No. 1 dated December 13, 2019 (the "Lease Schedule") to that certain Master Lease Purchase Agreement dated as of December 13, 2019 (the "Agreement" and together with the Lease Schedule, the "Lease") between BciCapital, Inc., as Lessor, its successors and assigns, and City of Willows, as Lessee

Ladies and Gentlemen:

I, the undersigned, hereby certify that I am the duly qualified and acting officer of Lessee identified below and, with respect to the above-referenced Lease Schedule, that:

1. The Equipment subject to the Lease Schedule and the Lease has been delivered and installed, is in good working order and is fully operational and has been fully accepted by Lessee on or before the date hereof.
2. Attached hereto are true and correct copies of the manufacturers' and dealers' invoices for the Equipment.
3. Lessee has appropriated and/or taken other lawful actions necessary to provide moneys sufficient to pay all Rental Payments required to be paid under the Lease during the current fiscal year of Lessee. Such moneys will be applied in payment of all such Rental Payments due and payable during such current fiscal year.
4. No event or condition that constitutes, or with notice or lapse of time, or both, would constitute, an Event of Default (as defined in the Lease) exists at the date hereof.

Date of Acceptance: _____

CITY OF WILLOWS
Lessee

By: _____
Name: Tim Sailsbery
Title: Administrative Services Director

ESCROW AGREEMENT

This Escrow Agreement (this "Agreement"), dated as of December 13, 2019, by and among BciCapital, Inc. (and any successors and permitted assigns "Lessor"), City of Willows, a body corporate and politic and a political subdivision existing under the laws of the State of California ("Lessee"), and City National Bank of Florida, in its capacity as escrow agent hereunder ("Escrow Agent").

Reference is made to that certain Lease Schedule No. 1 dated December 13, 2019 to that certain Master Lease Purchase Agreement dated as of December 13, 2019, each between Lessor and Lessee (hereinafter collectively referred to as the "Lease"), covering the acquisition and lease of certain Equipment described therein (the "Equipment"). It is a requirement of the Lease that the Purchase Price (\$544,776.00) be deposited into a segregated escrow account under terms satisfactory to Lessor, for the purpose of fully funding the Lease, and providing a mechanism for the application of such amounts to the purchase of and payment for the Equipment.

NOW, THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Creation of Escrow Account.

(a) There is hereby created an escrow fund to be known as the "City of Willows Escrow Account 001" (the "Escrow Account") to be held by the Escrow Agent for the purposes stated herein, for the benefit of Lessor and Lessee, to be held, disbursed and returned in accordance with the terms hereof.

(b) The Escrow Agent shall place all escrow funds in a demand deposit account or as otherwise agreed upon between the parties.

(c) Unless the Escrow Account is earlier terminated in accordance with the provisions of paragraph (d) below, amounts in the Escrow Account shall be disbursed by the Escrow Agent in payment of amounts described in Section 2 hereof upon receipt of written instruction(s) from Lessor, as is more fully described in Section 2 hereof. If the amounts in the Escrow Account are insufficient to pay such amounts, Lessee shall deposit into the Escrow Account any funds needed to complete the acquisition of the Equipment. Any moneys remaining in the Escrow Account on or after the earlier of (i) June 13, 2021 ("Termination Date") and (ii) the date on which Lessee executes an Acceptance Certificate shall be applied as provided in Section 4 hereof.

(d) The Escrow Account shall be terminated at the earliest of (i) the final distribution of amounts in the Escrow Account or (ii) written notice given by Lessor of the occurrence of a default or termination of the Lease due to non-appropriation.

(e) The Escrow Agent may act in reliance upon any writing or instrument or signature which it, in good faith, believes to be genuine and may assume the validity and accuracy of any statement or assertion contained in such a writing or instrument. The Escrow Agent shall not be liable in any manner for the sufficiency or correctness as to form, manner of execution, or validity of any instrument nor as to the identity, authority, or right of any person executing the same; and its duties hereunder shall be limited to the receipt of such moneys, instruments or other documents received by it as the Escrow Agent, and for the disposition of the same in accordance herewith. In the event conflicting instructions as to the disposition of all or any portion of the Escrow Account are at any time given by Lessor and Lessee, the Escrow Agent shall abide by the instructions or entitlement orders given by Lessor without consent of the Lessee.

(f) Unless the Escrow Agent is guilty of gross negligence or willful misconduct with regard to its duties hereunder, Lessee agrees to and does hereby release and indemnify the Escrow Agent and hold it harmless from any and all claims, liabilities, losses, actions, suits or proceedings at law or in equity, or any other expense, fees or charges of any character or nature, which it may incur or with which it may be threatened by reason of its acting as Escrow Agent under this agreement; and in connection therewith, does to the extent permitted by law indemnify the Escrow Agent against any and all expenses; including reasonable attorneys' fees and the cost of defending any action, suit or proceeding or resisting any claim.

(g) If Lessee and Lessor shall be in disagreement about the interpretation of the Lease, or about the rights and obligations, or the propriety of any action contemplated by the Escrow Agent hereunder, the Escrow Agent may, but shall not be required to, file an appropriate civil action including an interpleader action to resolve the disagreement. The Escrow Agent shall be reimbursed by Lessee for all costs in connection with such civil action, and shall be fully protected in suspending all or part of its activities under the Lease until a final judgment in such action is received.

(h) The Escrow Agent may consult with counsel of its own choice and shall have full and complete authorization and protection with the opinion of such counsel. Lessee shall reimburse the Escrow Agent for all such reasonable costs and expenses. The Escrow Agent shall otherwise not be liable for any mistakes of fact or errors of judgment, or for any acts or omissions of any kind unless caused by its willful misconduct.

(i) Lessee shall reimburse the Escrow Agent for all reasonable costs and expenses, including those of the Escrow Agent's attorneys, agents and employees incurred for non-routine administration of the Escrow Account and the performance of the Escrow Agent's powers and duties hereunder in connection with any Event of Default under the Lease, or in connection with any dispute between Lessor and Lessee concerning the Escrow Account.

(j) The Escrow Agent or any successor may at any time resign by giving mailed notice to Lessee and Lessor of its intention to resign and of the proposed date of resignation (the "Effective Date"), which shall be a date not less than 60 days after such notice is delivered to an express carrier, charges prepaid, unless an earlier resignation date and the appointment of a successor shall have been approved by the Lessee and Lessor. After the Effective Date, the Escrow Agent shall be under no further obligation except to hold the Escrow Account in accordance with the terms of this Agreement, pending receipt of written instructions from Lessor regarding further disposition of the Escrow Account.

(k) The Escrow Agent shall have no responsibilities, obligations or duties other than those expressly set forth in this Agreement and no implied duties responsibilities or obligations shall be read into this Agreement.

2. Acquisition of Equipment.

(a) Acquisition Contracts. Lessee will arrange for, supervise and provide for, or cause to be supervised and provided for, the acquisition of the Equipment, with moneys available in the Escrow Account. Lessee represents the estimated costs of the Equipment are within the funds estimated to be available therefor, and Lessor makes no warranty or representation with respect thereto. Lessor shall have no liability under any of the acquisition or construction contracts. Lessee shall obtain all necessary permits and approvals, if any, for the acquisition, equipping and installation of the Equipment, and the operation and maintenance thereof. Escrow Agent shall have no duty to monitor or enforce Lessee's compliance with the foregoing covenant.

(b) Authorized Escrow Account Disbursements. It is agreed as between Lessee and Lessor that Disbursements from the Escrow Account shall be made for the purpose of paying (including the reimbursement to Lessee for advances from its own funds to accomplish the purposes hereinafter described) the cost of acquiring the Equipment.

(c) Requisition Procedure. No disbursement from the Escrow Account shall be made unless and until Lessor has approved such requisition. Prior to disbursement from the Escrow Account there shall be filed with the Escrow Agent a requisition for such payment in the form of Disbursement Request attached hereto as Schedule I, stating each amount to be paid and the name of the person, firm or corporation to whom payment thereof is due and the manner of disbursement (check or wire).

Each such requisition shall be signed by an authorized representative of Lessee (an "Authorized Representative") and by Lessor, and shall be subject to the following conditions, which Escrow Agent shall conclusively presume have been satisfied at such time as a requisition executed by Lessee and Lessor is delivered to it:

1. Delivery to Lessor of an executed Disbursement Request in the form attached hereto as Schedule I; and
2. Delivery to Lessor true and correct copies of invoices (and proofs of payment of such invoices, if Lessee seeks reimbursement) and bills of sale (if title to such Equipment has passed to Lessee) therefor as required by Section 1.3 of the Lease and any additional documentation reasonably requested by Lessor.

Lessee and Lessor agree that their execution of the form attached hereto as Schedule I and delivery of the executed form to Escrow Agent confirms that all of the requirements and conditions with respect to disbursements set forth in this Section 2 have been satisfied.

3. Deposit to Escrow Account. Upon satisfaction of the conditions specified in Section 1.3 of the Lease, Lessor will cause the Purchase Price to be deposited in the Escrow Account. Lessee agrees to pay any costs with respect to the Equipment in excess of amounts available therefor in the Escrow Account.

4. Excessive Escrow Account. Lessor shall provide Escrow Agent written instructions and a representation that one of the following conditions has been satisfied, (upon which representation Escrow Agent shall conclusively rely,) (a) the Termination Date; or (b) the date on which Lessee executes an Acceptance Certificate; or (c) upon a termination of the Escrow Account as otherwise provided herein. Upon receipt of such written instructions, any funds remaining in the Escrow Agreement shall be distributed by the Escrow Agent first, ten percent (10%) of the funds then remaining in the Escrow Account shall be disbursed to the Escrow Agent as its escrow agent fees ("Fees") and second, the remaining balance after deducting the Fees shall be disbursed to the Lessor and Lessor shall apply such funds to amounts owed by Lessee under the Lease.

5. Security Interest. The Escrow Agent and Lessee acknowledge and agree that the Escrow Account and all proceeds thereof are being held by Escrow Agent for disbursement or return as set forth herein. Lessee hereby grants to Lessor a first priority perfected security interest in the Escrow Account, and all proceeds thereof.

6. Control of Escrow Account. In order to perfect Lessor's security interest by means of control in (i) the Escrow Account established hereunder, (ii) all funds now or hereafter credited to the Escrow Account, (iii) all of Lessee's rights in respect of the Escrow Account, and (iv) all products, proceeds

and revenues of and from any of the foregoing personal property (collectively, the "Collateral"), Lessor, Lessee and Escrow Agent further agree as follows:

(a) All terms used in this Section 6 which are defined in the Commercial Code of the State of California ("Commercial Code") but are not otherwise defined herein shall have the meanings assigned to such terms in the Commercial Code, as in effect on the date of this Agreement.

(b) Escrow Agent will comply with all entitlement orders originated by Lessor with respect to the Collateral, or any portion of the Collateral, without further consent by Lessee.

(c) Provided that account investments shall be held in the name of the Escrow Agent, Escrow Agent hereby represents and warrants (a) that the records of Escrow Agent show that Lessee is the sole owner of the Collateral, (b) that Escrow Agent has not been served with any notice of levy or received any notice of any security interest in or other claim to the Collateral, or any portion of the Collateral, other than Lessor's claim pursuant to this Agreement, and (c) that Escrow Agent is not presently obligated to accept any entitlement order from any person with respect to the Collateral, except for entitlement orders that Escrow Agent is obligated to accept from Lessor under this Agreement and entitlement orders that Escrow Agent, subject to the provisions of paragraph (e) below, is obligated to accept from Lessee.

(d) Without the prior written consent of Lessor, Escrow Agent will not enter into any agreement by which Escrow Agent agrees to comply with any entitlement order of any person other than Lessor or, subject to the provisions of paragraph (e) below, Lessee, with respect to any portion or all of the Collateral. Escrow Agent shall promptly notify Lessor if any person requests Escrow Agent to enter into any such agreement or otherwise asserts or seeks to assert a lien, encumbrance or adverse claim against any portion or all of the Collateral.

(e) Except as otherwise provided in this paragraph (e) and subject to Section 1(b) hereof, Lessee may affect the form of deposit account for the Collateral within the Escrow Account, but will not, without the prior written consent of Lessor, withdraw any Collateral from the Escrow Account. Escrow Agent acknowledges that Lessor reserves the right, by delivery of written notice to Escrow Agent, to prohibit Lessee from effecting any withdrawals (including interest income), transfers or exchanges of any Collateral held in the Escrow Account. Further, Escrow Agent hereby agrees to comply with any and all written instructions delivered by Lessor to Escrow Agent (once it has had a reasonable opportunity to comply therewith) and has no obligation to, and will not, investigate the reason for any action taken by Lessor, the amount of any obligations of Lessee to Lessor, the validity of any of Lessor's claims against or agreements with Lessee, the existence of any defaults under such agreements, or any other matter.

(f) Lessee hereby irrevocably authorizes Escrow Agent to comply with all instructions and entitlement orders delivered by Lessor to Escrow Agent.

(g) Escrow Agent will not attempt to assert control, and does not claim and will not accept any security or other interest in, any part of the Collateral, and Escrow Agent will not exercise, enforce or attempt to enforce any right of setoff against the Collateral, or otherwise charge or deduct from the Collateral any amount whatsoever.

(h) Escrow Agent and Lessee hereby agree that any property held in the Escrow Account shall be treated as a financial asset under such section of the Commercial Code as corresponds with Section 8-102 of the Uniform Commercial Code, notwithstanding any contrary provision of any other agreement to which Escrow Agent may be a party.

(i) Escrow Agent is hereby authorized and instructed, and hereby agrees, to send to Lessor at its address set forth in Section 8 below, concurrently with the sending thereof to Lessee, duplicate copies of any and all monthly Escrow Account statements or reports issued or sent to Lessee with respect to the Escrow Account.

7. Information Required Under USA PATRIOT ACT. The parties acknowledge that in order to help the United States government fight the funding of terrorism and money laundering activities, pursuant to Federal regulations that became effective on November 1, 2003 (Section 326 of the USA PATRIOT Act) all financial institutions are required to obtain, verify, record and update information that identifies each person establishing a relationship or opening an account. The parties to this Agreement agree that they will provide to the Escrow Agent such information as it may request, from time to time, in order for the Escrow Agent to satisfy the requirements of the USA PATRIOT Act, including but not limited to the name, address, tax identification number and other information that will allow it to identify the individual or entity who is establishing the relationship or opening the account and may also ask for formation documents such as articles of incorporation or other identifying documents to be provided.

8. Miscellaneous. Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Lease. This agreement may not be amended except in writing signed by all parties hereto. This agreement may be executed in one or more counterparts, each of which shall be deemed to be an original instrument and each shall have the force and effect of an original and all of which together constitute, and shall be deemed to constitute, one and the same instrument. Notices hereunder shall be made in writing and shall be deemed to have been duly given when personally delivered or when deposited in the mail, first class postage prepaid, or delivered to an express carrier, charges prepaid, or sent by facsimile with electronic confirmation, addressed to each party at its address below.

Notices and other communications hereunder may be delivered or furnished by electronic mail; provided that any formal notice be attached to an email message in PDF format; and provided further that any notice or other communication sent to an e-mail address shall be deemed received upon and only upon the sender's receipt of affirmative acknowledgement or receipt from the intended recipient. For purposes hereof no acknowledgement of receipt generated on an automated basis shall be deemed sufficient for any purpose hereunder or admissible as evidence of receipt.

If to Lessor: BciCapital, Inc.
390 N. Orange Ave., Ste. 2600
Orlando, FL 32801
Attention: Mike Powers

If to Lessee: City of Willows
201 North Lassen Street
Willows, CA 95988
Attention: Administrative Services Director

If to Escrow Agent: City National Bank of Florida
25 West Flagler Street
Miami, FL 33130
Attention: Client Services

9. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

10. Any bank or corporation into which the Escrow Agent may be merged or with which it may be consolidated, or any bank or corporation to whom the Escrow Agent may transfer a substantial amount of its escrow business, shall be the successor to the Escrow Agent without the execution or filing of any paper or any further act on the part of any of the parties, anything herein to the contrary notwithstanding. Any bank or corporation into which the Lessor may be merged or with which it may be consolidated, or any bank or corporation to whom the Lessor may transfer a substantial amount of its business, shall be the successor to the Lessor without the execution or filing of any paper or any further act on the part of any of the parties, anything herein to the contrary notwithstanding.

11. This Agreement may be amended, modified, and/or supplemented only by an instrument in writing executed by all parties hereto.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Escrow Agreement as of the date first above written.

BciCapital, Inc.
as Lessor

City of Willows
as Lessee

By: _____
Name: _____
Title: _____

By: _____
Name: Tim Sailsbery
Title: Administrative Services Director

City National Bank of Florida
as Escrow Agent

By: _____
Name: _____
Title: _____

SCHEDULE I
to the Escrow Agreement
DISBURSEMENT REQUEST

Re: Lease Schedule No. 1 dated December 13, 2019 to that certain Master Lease Purchase Agreement dated as of December 13, 2019, each between Lessor and Lessee (hereinafter collectively referred to as the "Lease") (Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Lease.)

In accordance with the terms of the Escrow Agreement, dated as of December 13, 2019 (the "Escrow Agreement") by and among BciCapital, Inc., as lessor (and its successors and permitted assigns, "Lessor"), the CITY OF WILLOWS ("Lessee") and City National Bank of Florida, as escrow agent (the "Escrow Agent"), the undersigned hereby requests the Escrow Agent pay the following persons the following amounts from the Escrow Account created under the Escrow Agreement for the following purposes:

Payee's Name and Address (if disbursement via wire, must include wire transfer instructions)	Invoice Number	Dollar Amount	Purpose

(i) (a) Each obligation specified in the foregoing table has been incurred by Lessee in the stated amount, (b) the same is a proper charge against the Escrow Account for costs relating to the Equipment identified in the Lease, and (c) has not been paid (or has been paid by Lessee and Lessee requests reimbursement thereof).

(ii) Each item of Equipment relating to an obligation specified in the foregoing table has been delivered, installed and accepted by Lessee. Attached hereto is a true and correct copy of the invoice with respect to such obligation.

(iii) The undersigned, as authorized representative of Lessee, has no notice of any vendor's, mechanic's or other liens or rights to liens, chattel mortgages, conditional sales contracts or security interest which should be satisfied or discharged before such payment is made.

(iv) This requisition contains no item representing payment on account, or any retained percentages which Lessee is, at the date hereof, entitled to retain (except to the extent such amounts represent a reimbursement to Lessee).

(v) The Equipment is insured in accordance with the Lease.

(vi) No Event of Default, and no event which with notice or lapse of time, or both, would become an Event of Default, under the Lease has occurred and is continuing at the date hereof.

(vii) The representations, warranties and covenants of Lessee set forth in the Lease are true and correct as of the date hereof.

(vii) No material adverse change has occurred since the date of the execution and delivery of the Lease.

Dated: _____

CITY OF WILLOWS

By: _____
Name: Tim Sailsbery
Title: Administrative Services Director

Disbursement of funds from the Escrow
Account in accordance with the foregoing
Disbursement Request hereby is authorized

BciCapital, Inc.
as Lessor under the Lease

By: _____
Name: _____
Title: _____

PAY PROCEEDS LETTER

December 13, 2019

BciCapital, Inc.
390 N. Orange Ave., Ste. 2600
Orlando, FL 32801

Ladies and Gentlemen:

The undersigned, an authorized officer of the City of Willows (“Lessee”), hereby authorizes BciCapital, Inc. (“Lessor”) to pay the proceeds of the financial accommodations provided to Lessee by Lessor evidenced by that certain Master Lease Purchase Agreement dated as of December 13, 2019 and the related Lease Schedule No. 1 dated December 13, 2019, each between Lessor and Lessee, to the following account of Lessee:

<u>Destination</u>	<u>Amount of Deposit:</u>
City National Bank of Florida Account #	\$544,776.00

CITY OF WILLOWS

By: _____
Name: Tim Sailsbery
Title: Administrative Services Director

TAX CERTIFICATE

This Tax Certificate (this "Certificate") is executed and delivered as of December 13, 2019 (the "Lease Date") by City of Willows ("Lessee") in connection with that certain Master Lease Purchase Agreement dated as of December 13, 2019 (the "Agreement") by and between Lessee and BciCapital, Inc. ("Lessor") and Lease Schedule No. 1 dated as of December 13, 2019, between Lessee and Lessor (the "Lease Schedules," and together with the Agreement, the "Lease"). The terms capitalized herein but not defined herein shall have the meanings assigned to them in the Lease.

Section 1. In General.

1.1. This Certificate is executed for the purpose of establishing the reasonable expectations of Lessee as to future events regarding the financing of certain equipment (the "Equipment") to be acquired by Lessor and leased to Lessee pursuant to and in accordance with the Lease. As described in the Lease, Lessor shall apply \$544,776.00 (the "Principal Amount") toward the acquisition of the Equipment and Lessee shall make Rental Payments under the terms and conditions as set forth in the Lease.

1.2. The individual executing this Certificate on behalf of Lessee is an officer of Lessee delegated with the responsibility of reviewing and executing the Lease, pursuant to the resolution or other official action of Lessee adopted with respect to the Lease, a copy of which has been delivered to Lessor.

1.3. The Lease is being entered into for the purpose of providing funds for financing the cost of acquiring, equipping and installing the Equipment which is essential to the governmental functions of Lessee, which Equipment is described in the Lease Schedules. The Principal Amount will be paid to Lessee on the date hereof.

1.4. Lessee will complete and timely file for each payment schedule issued under the Lease a Form 8038-G relating to such Lease with the Internal Revenue Service in accordance with Section 149(e) of the Internal Revenue Code of 1986, as amended (the "Code").

Section 2. Non-Arbitrage Certifications.

2.1. The Rental Payments due under the Lease will be made with monies retained in Lessee's general operating fund (or an account or subaccount therein). No sinking, debt service, reserve or similar fund or account will be created or maintained for the payment of the Rental Payments due under the Lease or pledged as security therefor.

2.2. There have been and will be issued no obligations by or on behalf of Lessee that would be deemed to be (i) issued or sold within fifteen (15) days before or after the Lease Date, (ii) issued or sold pursuant to a common plan of financing with the Lease and (iii) paid out of substantially the same source of funds as, or deemed to have substantially the same claim to be paid out of substantially the same source of funds as, the Lease.

2.3. Other than the Principal Amount, Lessee does not and will not have on hand any funds that are or will be restricted, segregated, legally required or otherwise intended to be used, directly or indirectly, as a substitute, replacement or separate source of financing for the Equipment.

2.4. No portion of the Principal Amount is being used by Lessee to acquire investments which produce a yield materially higher than the yield realized by Lessor from Rental Payments received under the Lease. As used in this certificate, the term "yield" means yield computed by the actuarial method using

a 360-day year and semi-annual compounding, resulting in a discount rate which, when used in computing the present worth of all payments of principal and interest to be paid on an obligation, produces an amount equal to the issue price, fair market value, present value or purchase price thereof, as applicable, and is determined in all respects in accordance with Section 148 of the Code.

2.5. The Principal Amount does not exceed the amount necessary for the governmental purpose for which the Lease was entered into. Such funds are expected to be needed and fully expended for payment of the costs of acquiring, equipping and installing the Equipment.

2.6. Lessee does not expect to convey, sublease or otherwise dispose of the Equipment, in whole or in part, at a date which is earlier than the final Payment Date under the Lease.

Section 3. Disbursement of Funds; Reimbursement to Lessee.

3.1. It is contemplated that the entire Principal Amount will be used to pay the acquisition cost of Equipment to the vendors or manufacturers thereof, provided that, if applicable, a portion of the Principal Amount may be used by Lessee as reimbursement for acquisition cost payments already made by it so long as the conditions set forth in Section 3.2 below are satisfied.

3.2. Lessee shall not use any portion of the principal amount in order to be reimbursed for Equipment acquisition cost payments already made by it unless each of the following conditions have been satisfied:

(a) Lessee adopted a resolution or otherwise declared its official intent in accordance with Treasury Regulation § 1.150-2 (the "Declaration of Official Intent"), wherein Lessee expressed its intent to be reimbursed from the proceeds of a borrowing for all or a portion of the cost of the Equipment, which expenditure was paid to the Vendor not earlier than sixty (60) days before Lessee adopted the Declaration of Official Intent;

(b) The reimbursement being requested will be made by a written allocation before the later of eighteen (18) months after the expenditure was paid or eighteen (18) months after the items of Equipment to which such payment relates were placed in service;

(c) The entire payment with respect to which reimbursement is being sought is a capital expenditure, being a cost of a type properly chargeable to a capital account under general federal income tax principles; and

(d) Lessee will use any reimbursement payment for general operating expenses and not in a manner which could be construed as an artifice or device under Treasury Regulation § 1.148-10 to avoid, in whole or in part, arbitrage yield restrictions or arbitrage rebate requirements.

Section 4. Use and Investment of Funds; Temporary Period.

4.1. Lessee has incurred or will incur, within six (6) months from the Lease Date, binding obligations to pay an amount equal to at least five percent (5%) of the Principal Amount toward the costs of the Equipment. An obligation is not binding if it is subject to contingencies within Lessee's control. The ordering and acceptance of the items of Equipment will proceed with due diligence to the date of final acceptance of the Equipment.

4.2. An amount equal to at least eighty-five percent (85%) of the Principal Amount will be expended to pay the cost of the Equipment by the end of the three-year period commencing on the Lease

Date. No portion of the Principal Amount will be used to acquire investments that do not carry out the governmental purpose of the Lease and that have a substantially guaranteed yield in excess of the yield on the Lease.

4.3. (a) Lessee covenants and agrees that it will rebate an amount equal to excess earnings on the Principal Amount to the Internal Revenue Service if required by, and in accordance with, Section 148(f) of the Code, and make the annual determinations and maintain the records required by and otherwise comply with the regulations applicable thereto. Lessee reasonably expects to cause the Equipment to be acquired by no later than 18 months from the Lease Date.

(b) Lessee will provide evidence to Lessor that the rebate amount has been calculated and paid to the Internal Revenue Service in accordance with Section 148(f) of the Code unless: (i) the entire Principal Amount is expended on the Equipment by the date that is the six-month anniversary of the Lease Date or (ii) the Principal Amount is expended on the Equipment in accordance with the following schedule: At least fifteen percent (15%) of the Principal Amount and interest earnings thereon will be applied to the cost of the Equipment within six months from the Lease Date; at least sixty percent (60%) of the Principal Amount and interest earnings thereon will be applied to the cost of the Equipment within 12 months from the Lease Date; and one hundred percent (100%) of the Principal Amount and interest earnings thereon will be applied to the cost of the Equipment by no later than 18 months from the actual Lease Date.

Section 5. No Private Use; No Consumer Loan.

5.1. Lessee will not exceed the private use restrictions set forth in Section 141 of the Code. Specifically, Lessee will not permit more than 10% of the Principal Amount to be used for a Private Business Use (as defined herein) if, in addition, the payment of more than ten percent (10%) of the Principal Amount plus interest earned thereon is, directly or indirectly, secured by (i) any interest in property used or to be used for a Private Business Use or (ii) any interest payments in respect of such property or derived from any payment in respect of property or borrowed money used or to be used for a Private Business Use.

In addition, if both (A) more than five percent (5%) of the Principal Amount is used as described above with respect to Private Business Use and (B) more than five percent (5%) of the Principal Amount plus interest earned thereon is secured by Private Business Use property or payments as described above, then the excess over such five percent (5%) (the "Excess Private Use Portion") will be used for a Private Business Use related to the governmental use of the Equipment. Any such Excess Private Use Portion of the Principal Amount will not exceed the portion of the Principal Amount used for the governmental use of the particular project to which such Excess Private Use Portion is related. For purposes of this paragraph 5.1, "Private Business Use" means use of bond proceeds or bond financed-property directly or indirectly in a trade or business carried on by a natural person or in any activity carried on by a person other than a natural person, excluding, however, use by a state or local governmental unit and excluding use as a member of the general public.

5.2. No part of the Principal Amount or interest earned thereon will be used, directly or indirectly, to make or finance any loans to non-governmental entities or to any governmental agencies other than Lessee.

Section 6. No Federal Guarantee.

6.1. Payment of the principal or interest due under the Lease is not directly or indirectly guaranteed, in whole or in part, by the United States or an agency or instrumentality thereof.

6.2. No portion of the Principal Amount or interest earned thereon shall be (i) used in making loans the payment of principal or interest of which are to be guaranteed, in whole or in part, by the United States or any agency or instrumentality thereof, or (ii) invested, directly or indirectly, in federally insured deposits or accounts if such investment would cause the financing under the Lease to be “federally guaranteed” within the meaning of Section 149(b) of the Code.

Section 7. Post-Issuance Compliance.

7.1 In the event an action takes place (or is anticipated to take place) that will cause the Equipment not to be used for qualified uses under Section 141 of the Code, Lessee will consult with bond counsel as soon as practicable about taking remedial action as described in Treasury Regulation Section 1.141-12. Lessee will take all actions necessary to ensure that the “nonqualified bonds” (as defined in Treasury Regulation Section 1.141-12) are properly remediated in accordance with the requirements of the Treasury Regulations. Lessee is familiar with the Internal Revenue Service’s Voluntary Compliance Agreement Program pursuant to which issuers of tax-exempt debt may voluntarily resolve violations of the Code and applicable Treasury Regulations on behalf of the holders of such debt or themselves through closing agreements with the Internal Revenue Service.

7.2. Lessee will actively monitor the requirements of the Code and the Treasury Regulations (a) set forth in this certificate and confirm that such requirements are met no less than once per year; (b) related to the allocation and accounting of proceeds to capital projects and will maintain a list that specifies the allocation of proceeds of the Lease to the costs of the Equipment; and (c) related to arbitrage limitations, including yield restriction, rebate requirements and the investment of gross proceeds of the Lease. The office within Lessee that is currently responsible for such monitoring is the finance department.

Section 8. Miscellaneous.

8.1. Lessee shall keep a complete and accurate record of all owners or assignees of the Lease in form and substance satisfactory to comply with the registration requirements of Section 149(a) of the Code unless Lessor or its assignee agrees to act as Lessee’s agent for such purpose.

8.2. Lessee shall maintain complete and accurate records establishing the expenditure of the Principal Amount and interest earnings thereon for a period of five (5) years after payment in full under the Lease.

8.3. To the best of the undersigned’s knowledge, information and belief, the above expectations are reasonable and there are no other facts, estimates or circumstances that would materially change the expectations expressed herein.

[Signature Page Follows]

IN WITNESS WHEREOF, this Tax Certificate has been executed on behalf of Lessee as of the Lease Date.

City of Willows
Lessee

By: _____
Print Name: Tim Sailsbery
Title: Administrative Services Director

[Signature Page to Tax Certificate]

INCUMBENCY CERTIFICATE

The undersigned, the duly appointed and acting **City Clerk** of the **City of Willows**, a political subdivision of the State of California ("Lessee") certifies as follows:

1. The individuals identified below are the duly elected or appointed officers of Lessee holding the offices set forth opposite their respective names.

2. The individuals identified below have the authority on behalf of Lessee to enter into that certain Master Lease Purchase Agreement dated as of December 13, 2019 between such entity and **BciCapital, Inc.**, as Lessor.

<u>Name</u>	<u>Title</u>	<u>Signature</u>
<u>Tim Salsbery</u>	<u>Administrative Services Director</u>	_____
_____	_____	_____
_____	_____	_____

IN WITNESS WHEREOF, I have duly executed this certificate as of this 13th day of December, 2019.

By: _____
Name: Tara Rustenhoven
Title: City Clerk

Note: PLEASE COMPLETE INSURANCE AGENT CONTACT INFORMATION IN FULL.

BciCapital, Inc.
INSURANCE AUTHORIZATION LETTER

Insurance Agency: _____ Agent: _____
Address: _____
Email: _____ Phone: _____

Re: Lease between **BciCapital, Inc.** (“Lessor”) and **City of Willows, CA** (“Lessee”)

The insurance coverages listed below are required to cover the interests of the named **Secured Party and its Affiliates, Successors & Assigns** (indicated below) in Equipment financed by and between Lessor and Lessee. You are therefore hereby authorized and instructed to provide the **Secured Party and its Affiliates, Successors & Assigns** the coverages described below.

Evidence of insurance in the form of a Certificate is acceptable until the required formal Endorsements are issued. The Certificate(s) will not be acceptable unless all required endorsements are clearly stated. If you have any questions concerning the coverages, please notify **BciCapital, Inc.** at (407) 502-5918.

In Description Box of Each Certificate Please Make This Notation: Re: all Equipment financed by and between City of Willows and Lessor under Lease Schedule No. 1.

Please forward the required Certificate(s) and Endorsements immediately to the following **Secured Party:**

BCICAPITAL, INC.
and its affiliates, successors & assigns
390 N. Orange Ave., Suite 2600
Orlando, FL 32801
Phone: 407-502-5918
Email: susan.herman@bcicmg.com cc: alexandra.michelini@bcicmg.com

Comprehensive General Liability Coverage:

1. Limits of at least **\$1,000,000.00 per occurrence** for bodily injury and property damage coverage.
2. An Endorsement naming the above Secured Party and Its Affiliates, Successors & Assigns as an Additional Insured in so far as this Equipment is concerned.
3. An Endorsement giving each of the above named Secured Party and Its Affiliates, Successors & Assigns at least thirty (30) days written notice of any cancellation, reduction or alteration of coverage.

All Risk Physical Damage (Property) Coverage:

1. All Risk coverage for not less than the Total Equipment Cost of **\$544,776.00**.
2. A long form endorsement naming the above named Secured Party and Its Affiliates, Successors & Assigns as **"Additional Insured"** and **"Loss Payee"** in so far as this Equipment is concerned, unless prohibited by applicable state law.

3. An Endorsement giving the above named Secured Party and Its Affiliates, Successors & Assigns at least thirty (30) days written notice of any cancellation, reduction or alteration of coverage.
4. Any deductibles or self-insured retentions must be disclosed.
5. **OVER-THE-ROAD VEHICLES ONLY:**
 - (i) Collision (maximum deductible): \$10,000.00 or as approved by Credit.
 - (ii) Comprehensive (maximum deductible): \$10,000.00 or as approved by Credit.

Comprehensive Auto Liability Coverage (where applicable):

- a. Limits of at least **\$1,000,000.00** combined single limit per **occurrence** for bodily injury and property damage coverage. *May come from primary Auto Liability and/or Liability.
- b. An Endorsement naming each of the above named Secured Party and Its Assigns as an Additional Insured in so far as this Vehicle is concerned.
- c. An Endorsement giving each of the above named Secured Party and Its Assigns at least thirty (30) days written notice of any cancellation, reduction or alteration of coverage.

- **Self-insurance or captive insurance must be disclosed.**
- **Any deductibles or self-insured retentions must be disclosed.**

Each Certificate issued hereunder must confirm that the Secured Party's coverage under, and interest in, the relevant policy shall not be invalidated or otherwise adversely affected by any breach by Lessee or others of any warranty, declaration, representation or condition contained in such policy.

LESSEE:

CITY OF WILLOWS

By: _____

Name: Tim Sailsbery

Title: Administrative Services Director

ATTACHMENT 3



November 20, 2019

Mike Cavanaugh
Managing Director, Public Finance
Hilltop Securities

Via Email: mike.cavanaugh@hilltopsecurities.com

RE: City of Willows, CA - Request for Proposals for Lease Purchase Financing

Dear Mr. Cavanaugh:

BciCapital Management, Inc. (formally City National Capital Finance) is pleased to present this tax-exempt lease financing term sheet (the "proposal") to the Fire District in connection with the above referenced privately placed lease financing.

Lessee: City of Willows, CA (the "City")

Lessor: BciCapital Management, Inc. or one of its affiliates or assigns

Type of Financing: The 2019 Lease is secured by a Lease Agreement whereby the City would annually budget and appropriate the lease payments from its General Fund. Collateral is to be City rolling stock in an amount to be equal or over the borrowed amount.

Total Equipment Cost: \$544,776.00 (+/- 10%)

Total Lease Amount: \$544,776.00 (+/- 10%)

Lease Term: Ten (10) years

Lease Rate: 2.58% (all-in fees and costs are included in this interest rate – no other costs exist, however, Fire District is responsible for their own attorney costs)

Closing Date: On or before December 13, 2019 (other dates after this are acceptable)

Rate Lock: The indicated Lease Rates will be fixed until December 15, 2019.

If, for any reason, the Lease(s) is not closed by December 15, 2019 the Lease Rates shall be adjusted five (5) days prior to the Lease Funding Date using the following formulas:

Ten (10) Year Lease Rate: (five year LIBOR Swap Rate + 1.66) *.79
Upon closing the Rate shall remain fixed for the entire duration of the lease.

Pre-Payment

Premium: BciCapital is confirming that we will allow the City to make a one-time prepayment in the amount of \$295,777 in calendar year 2020 or after with no

penalty applied. 103% for years 1-5, 102% thereafter. BciCapital is open to discussing alternative pre-pay provision terms and conditions.

- Bank or Non-Bank Qualification:** BQ
- Reimbursement:** If Lessee intends to be reimbursed for any equipment costs associated with this Agreement, intent for reimbursement from the proceeds of this Agreement must be evidenced, and must qualify under Treasury Regulation Section 1.150.2.
- Escrow Funding:** Proceeds of the Lease will be deposited into Escrow at City National Bank of Florida at no cost to Lessee. Payments to vendors will be made directly out of the Escrow account upon the delivery to and acceptance of the equipment by the Lessee.
- Authorized Signors:** Lessee's governing System shall provide Lessor with its resolution or ordinance authorizing this Agreement and shall designate the Individual(s) to execute all necessary documents used therein.
- Legal Title:** Title to the equipment will be in the name of the Lessee. Lessor will be granted a security interest or lien on all collateral being financed.
- Legal Opinion:** Lessee's counsel shall furnish Lessor with an opinion covering the Master Lease and the documents used herein. This opinion shall be in a form and substance satisfactory to Lessor.
- Documentation:** Documentation will be furnished by Lessor and will be in a form and substance satisfactory to the parties. Lessee will also provide System resolutions, incumbency certificates and other documentation required by Lessor. Sample Master Lease attached. Master Lease is our typical lease form, however, does not obligate the City to finance any other project other than this request.
- Insurance:** Lessee shall furnish confirmation of all-risk physical damage insurance coverage for the full cost of the property plus one million dollars (\$1,000,000) combined single limit property damage and bodily injury insurance covering the property for each Schedule. In the event the Lessee maintains self-insurance, or alternative coverage, Lessor must approve the final insurance arrangements.
- Financial Statements:** Lessee shall provide to Lessor updated financial statements as needed so that the Lessor has at least the last three consecutive years of financial information, as well as a current budget, demographics, and proof of appropriation for the ensuing fiscal year and such other financial information relating to the ability of Lessee to continue this Agreement as may be reasonably requested by Lessor.
- Assignment:** Lessor may sell, assign or encumber all or any part of its right title and interest in any or all Lease Schedules; however, in no event shall the Lessor assign this agreement as a public offer of participation. Lessee consents to a private placement transaction within the meaning of applicable federal securities laws.

Lease Schedules may be offered and sold solely to one or more persons who are reasonably believed to be qualified institutional buyers or accredited investors.

Treatment: The Lender intends to treat the Lease Schedules as privately placed loans versus a securities and each will therefore be issued as single obligations equal to the amount of the borrowing. The Schedules will not be assigned CUSIPs, registered with the DTC, feature certain transfer restrictions between bank affiliates or institutional buyers and cannot be marketed via an offering document.

Disclosure: Lessor is not a registered municipal advisor as defined under the Dodd-Frank Wall Street Reform and Consumer Protection Act and does not provide financial or tax advice.

Proposal Expiration: Lessee must notify Lessor that the Lessor is the apparent winner of the bid by November 27, 2019, otherwise this term sheet shall expire unless extended, in writing, by Lessor. If notification occurs by this date the Lessor will honor the quoted Lease Rate until December 15, 2019, after which the Lease Rate will be indexed as described herein. This Proposal will expire if the Lease is not closed by December 13, 2019.

Credit Due Diligence: In order for Lender's credit administration group to expedite its review of this transaction, Lender will require the following Borrower information:

- 3 most recent years of audited financial statements
- Most recent Interim financial statements
- Most recent financial projections
- Documentation referenced throughout the RFP and this Term Sheet

This term sheet is a summary regarding the financing transaction on the general terms and conditions outlined herein. This term sheet is not intended to and does not create any binding legal obligation on the part of either party. Credit, legal and investment approval have not yet been obtained for the amount or other aspects of the proposed financing, and after obtaining the same, any commitment will be subject to the negotiation, execution and delivery of final legal documentation acceptable to all parties and their counsel. Lessor may change the terms or cease future consideration of the financing at any time without liability to Lessee. In any event, the terms and conditions of this term sheet, shall be superseded by and shall no longer be effective upon the execution and delivery of final legal documentation with respect to this proposed transaction. This term sheet does not purport to summarize all of the terms and conditions upon which the Lease is to be based, which terms and conditions would be contained fully in final documentation, and indicates only the principal term and conditions under which the transaction will be considered.

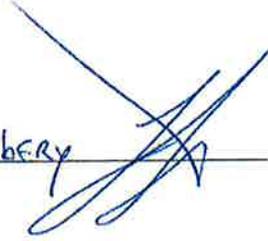
It is a pleasure to offer this financing proposal to the City. We hope that our genuine excitement regarding the opportunity shines through in our response. And as always, please don't hesitate to reach out with any questions.

Very truly yours,

Steve Goldberg
Vice President
BciCapital Management, Inc.
steve.goldberg@bcicmg.com

Agreed to and Accepted by:
City of Willows, CA

Timothy L. Sailsbery
Name of Authorized Signor



Administrative Services Director
Title of Authorized Signor

11/20/19
Date of Term Sheet Execution



201 North Lassen • Willows, California 95988 • (530) 934-7041 • FAX: (530) 934-7402



Robert W. Hunt
City Attorney
rhunt@cityofwillows.org

December 13, 2019

City of Willows, California
201 N. Lassen St.
Willows, California 95988

BCI Financial Group
230 N. Orange Ave., Suite 2600
Orlando, FL 32801

City National Bank
25 West Flagler Street
Miami, FL 33130

Lease Financing for the City of Willows, California

Ladies and Gentlemen:

I have represented the City of Willows, California (the "Lessee"), in connection with the Lessee's authorization, execution and delivery of a Master Lease Purchase Agreement dated as of December 13, 2019 (the "Lease Agreement"), between the Lessee and BCI Financial Group ("BCI").

In this connection, I have reviewed (a) the Constitution of the State of California and other applicable law; (b) certain proceedings taken by the Lessee, including a resolution (the "Resolution") duly adopted by the Lessee, pertaining to the authorization of the Lease Agreement and related transactions; (c) an executed copy of the Lease Agreement; and (d) such other information and documents as I have deemed relevant in order to render this opinion.

Based upon the foregoing, it is my opinion that:

1. The Lessee is a California general law city duly existing pursuant to California law.
 2. The Lessee has duly adopted the Resolution.
 3. The Lessee has duly authorized, executed and delivered the Lease Agreement.
- Assuming the due authorization, execution and delivery of the Lease Agreement by every other



party, thereto, the Lease Agreement constitutes a valid and binding agreement of the Lessee enforceable in accordance with its terms. The enforceability of the Lessee's obligations with respect to the Lease Agreement is subject to the provisions of bankruptcy, insolvency, reorganization, moratorium and similar laws affecting the enforcement of creditors' rights. The enforceability of such obligations is also subject to usual equity principles, which may limit the specific enforcement of certain remedies.

4. No further approval, consent or withholding of objections is required from any federal, state or local government authority with respect to the Lessee's entering into the Lease Agreement, the Lessee's performing its obligations thereunder or the transactions contemplated thereby. The Lessee has complied with all applicable public-bidding procedures regarding the Equipment (as defined in the Lease Agreement) and the transactions contemplated by the Lease Agreement.

5. All of the Equipment described in the Lease Agreement is intended to be financed by the Lessee will be personal property when installed as expected, and no portion will be real property or a "fixture" within the meaning of the California Uniform Commercial Code.

6. There is no litigation or any proceeding before any governmental agency pending or, to the best of my knowledge after reasonable investigation, threatened against the Lessee (or any official thereof in an official capacity) with respect to (a) the Lessee's organization or existence, (b) the Lessee's authority to execute and deliver the Lease Agreement, to adopt the Resolution or to comply with the terms thereof, (c) the transactions contemplated by the Lease Agreement and the Resolution, (d) the title to office of any Lessee governing board member or any other Lessee officer, or (e) any authority or proceedings relating to the Lessee's execution or delivery of the Lease Agreement.

Very truly yours,

Robert W. Hunt
City Attorney

AGENDA ITEM

TO: Mayor Hanson and Members of the City Council

FROM: Tara Rustenhoven, City Clerk

SUBJECT: Library Board of Trustees Vacancies (3 seats)

RECOMMENDATION

Staff is recommending appointment of a committee comprised of 2 members of the Council to review applications and/or conduct interviews and recommend appointments to the Library Board of Trustees at the January 14, 2020 City Council Meeting.

SITUATION (or BACKGROUND):

As outlined in Section 2.70 of the City's Code of Ordinances, the Library Board of Trustees consists of five members, who are appointed by the City Council. Members are appointed for three year overlapping terms and serve at the pleasure of the City Council. The terms of current Board Members Sunshine Kelly, Lisa Kennedy and Robert Griffith's term expired on June 30, 2019.

It has been the City's practice to advertise these positions in order to give citizens an opportunity to participate on the Library Board. Staff will advertise these vacancies and will accept applications and letters of interest through December 20, 2019.

Staff recommends that two members of the Council volunteer to serve on a committee in order to conduct interviews of the applications January 6-7, 2020 and the committee will make their recommendations to the Council of three candidates they recommended to appoint to the Library Board at the City Council Meeting to be held on January 14, 2020.

STAFF RECOMMENDATION

Staff is recommending appointment of a committee comprised of 2 members of the Council to review applications and/or conduct interviews and recommend appointments to the Library Board of Trustees at the January 14, 2020 City Council Meeting.

FINANCIAL CONSIDERATIONS:

Cost of advertising the vacancies in the local newspaper.

ALTERNATE ACTIONS

None

NOTIFICATIONS

Sunshine Kelly
Lisa Kennedy
Robert Griffith

RECOMMENDATION

Staff is recommending appointment of a committee comprised of 2 members of the Council to review applications and/or conduct interviews and recommend appointments to the Library Board of Trustees at the January 14, 2020 City Council Meeting.

Respectfully submitted,

/s/ Tara Rustenhoven

Tara Rustenhoven
City Clerk

AGENDA ITEM

TO: Honorable Mayor Warren and Members of the Council

FROM: Tara Rustenhoven, City Clerk

SUBJECT: Mayor – Vice Mayor Election for 2020

RECOMMENDATION

1. Receive nominations for Mayor for 2020 and upon closure of nominations, by motion, elect a Mayor for 2020; and
2. Receive nominations for Vice-Mayor for 2020 and upon closure of nominations, by motion, elect a Vice-Mayor for 2020.

SITUATION (or BACKGROUND):

Administrative Procedure and Policy Number 1-7 of the City of Willows provides for an election of Mayor and Vice-Mayor in December of each year. The terms of office for the newly selected Mayor and Vice-Mayor will run from January 1, 2020, through December 31, 2020 unless otherwise appointed by the Council to serve an additional term of terms.

FINANCIAL CONSIDERATIONS:

No financial considerations.

NOTIFICATION

None at this time.

ALTERNATE ACTIONS

No alternative actions are recommended.

RECOMMENDATION

1. Receive nominations for Mayor for 2020 and upon closure of nominations, by motion, elect a Mayor for 2020; and
2. Receive nominations for Vice-Mayor for 2020 and upon closure of nominations, by motion, elect a Vice-Mayor for 2020.

Respectfully submitted,

Approved,

/s/Tara Rustenhoven
City Clerk

/s/Wayne Peabody
Interim City Manager

AGENDA ITEM

TO: Honorable Mayor Warren and Members of the Council
FROM: Tara Rustenhoven, City Clerk
SUBJECT: Council Committee Appointments for 2020

RECOMMENDATION

Discuss possible appointments to various committees/panels for the 2020 calendar year.

SITUATION (or BACKGROUND):

Attached for Council's review and consideration is a list of the various committees in which Council Members serve as City Representatives. The appointments of the primary representative(s) and alternate(s) to specific committee are reviewed annually by the Council. Consistent with past practice, the Mayor, with the concurrence of the Council, initiates recommendations for both continued and new appointments.

As indicated on the current list of committee representatives, a number of the positions are appointed for a specific period, while others do not have term expiration dates. Several of the committee appointments are made through the City Select Committee in which the City has an appointed representative (the Mayor). The City alternates every other year with the City of Orland with respect to appointments of the Glenn County Transportation Commission. During 2020, the City of Willows will have two members and one alternate on the Transportation Commission.

FINANCIAL CONSIDERATIONS:

No financial considerations.

NOTIFICATION

Notifications will be sent to the County Clerk's Office.

ALTERNATE ACTIONS

No Alternate actions are recommended.

RECOMMENDATION

Discuss possible appointments to various committees/panels for the 2020 calendar year.

Respectfully submitted,

Approved,

/s/Tara Rustenhoven
City Clerk

/s/Wayne Peabody
Interim City Manager

Attachments:

Attachment A-

Available List of Committee Assignments and Term Expirations for 2020 Calendar year.

Attachment B-

Current Assignments (to be used for reference)

WILLOWS CITY COUNCIL 2020 COMMITTEE APPOINTMENTS

COMMITTEE	MEMBER(S)	MEETING DATES/TIME	TERM EXPIRES
*Airport Land Use Committee	Mayor		
*Glenn County Waste Management Regional Agency	(Alternate)	3 rd Thursday Quarterly	
*Transit Committee	(Alternate)	3 rd Thursday Monthly 9am	
*Transportation Commission	(Alternate)	3 rd Thursday Monthly following Transit Committee meeting	
*LAFCO (Term is four years)	(Alternate)		
City Select Committee	Mayor	Annually in January	
Countywide Mosquito & Vector Committee	Mayor (Alternate)		
Finance Committee		As needed	
GCID Voting Delegate	Mayor	As needed	
League Legislative Delegate	Mayor		
Library Board			
3CORE (Formally known as Tri-Counties Economic Development Committee)	(Alternate)		
CDBG Loan Committee		As needed	
Public Safety (Police & Fire) Committee		As needed	
City & Counties Economic Development Steering Committee	(Alternate)		
Sustainable Groundwater Management Act (SGMA) Board Committee	Cal Water	1 st Monday Monthly 1:30 pm	

WILLOWS CITY COUNCIL 2019 COMMITTEE APPOINTMENTS

COMMITTEE	MEMBER(S)	MEETING DATES/TIME	TERM EXPIRES
*Airport Land Use Committee	Mayor		5/03/2020
*Glenn County Waste Management Regional Agency	Mello Flesher(Alternate)	3 rd Thursday Quarterly	01/2020
*Transit Committee	Hansen Flesher Warren (Alternate)	3 rd Thursday Monthly 9am	01/2020
*Transportation Commission	Hansen Flesher (Alternate)	3 rd Thursday Monthly following Transit Committee meeting	01/2020
*LAFCO (Term is four years)	Domenighini (Alternate)		12/2019
City Select Committee	Mayor	Annually in January	12/2019
Countywide Mosquito & Vector Committee	Vince Holvik Mayor (Alternate)		12/2019
Finance Committee	Warren Flesher	As needed	12/2019
GCID Voting Delegate	Mayor	As needed	12/2019
League Legislative Delegate	Mayor		12/2019
Library Board	Domenighini		12/2019
3CORE (Formally known as Tri-Counties Economic Development Committee)	Warren Mello (Alternate)		12/2019
CDBG Loan Committee	Warren Mello	As needed	12/2019
Public Safety (Police & Fire) Committee	Hansen Flesher	As needed	12/2019
City & Counties Economic Development Steering Committee	Domenighini Warren Hansen (Alternate)		12/2019
Sustainable Groundwater Management Act (SGMA) Board Committee	Hansen Cal Water	1 st Monday Monthly 1:30 pm	12/2020