



CITY COUNCIL MEETING

COUNCIL CHAMBERS, 33 SOUTH MAIN STREET, COLFAX, CA

MAYOR STEVE HARVEY • MAYOR PRO TEM TONY HESCH
COUNCILMEMBERS KIM DOUGLASS • MARNIE MENDOZA • WILL STOCKWIN



REGULAR MEETING AGENDA

October 25, 2017

Regular Session 7:00 PM

1. CALL TO ORDER

- 2A. Call Open Session to Order
- 2B. Pledge of Allegiance
- 2C. Roll Call
- 2D. Approval of Agenda Order

This is the time for changes to the agenda to be considered including removal, postponement, or change to the agenda sequence.

RECOMMENDED ACTION: By motion, accept the agenda as presented or amended.

2. PRESENTATIONS

- 2A. **PCWA Proposed Zone 6 Water Rates**

Joe Parker, Director of Financial Services and Brent Smith, Director of Technical Services

3. CONSENT CALENDAR

Matters on the Consent Agenda are routine in nature and will be approved by one blanket motion with a Council vote. No discussion of these items ensues unless specific items are pulled for discussion and separate action. If you wish to have an item pulled from the Consent Agenda for discussion, please notify the Mayor.

RECOMMENDED ACTION: Approve Consent Calendar

- 3A. **Minutes – Regular Meeting October 11, 2017**

Recommendation: Approve the Minutes of the Regular Meeting of October 11, 2017.

- 3B. **Cash Summary Report – September 2017.**

Recommendation: Receive and file.

- 3C. **Quarterly investment report – Quarter ending September 2017**

Recommendation: Receive and file.

- 3D. **Sales and Use Tax**

Recommendation: For information only.

- 3E. **Whitcomb Avenue Development Proposal CEQA Document Preparation – Award of Contract**

Recommendation: Adopt Resolution 45-2017 authorizing the Interim City Manager to execute an agreement with The RCH Group for the Whitcomb Avenue CEQA Document in an amount not to exceed \$20,940.

4. PUBLIC COMMENT

Members of the audience are permitted to address the Council on matters of concern to the public within the subject matter jurisdiction of the City Council that are not listed on this agenda. Please make your comments as brief as possible; not to exceed three (3) minutes in length. The Council cannot act on items not included on this agenda; however, if action is required it will be referred to staff.

5. COUNCIL, STAFF AND OTHER REPORTS

The purpose of these reports is to provide information to the Council and public on projects, programs, and issues discussed at committee meetings and other items of Colfax related information. No decisions will be made on these issues. If a member of the Council prefers formal action be taken on any committee reports or other information, the issue will be placed on a future Council meeting agenda.

- 5A. **Committee Reports and Colfax Informational Items - All Councilmembers**
- 5B. **City Operations Update – City staff**
- 5C. **Additional Reports – Agency partners**



6. PUBLIC HEARING

NOTICE TO THE PUBLIC: City Council will take the following actions when considering a matter scheduled for hearing:

1. Open the public hearing	2. Presentation by staff
3. Statement from applicant (if applicable)	4. Council comments and questions
5. Accept public testimony	6. Council comments and questions
7. Close public hearing. (No public comment is taken after the hearing is closed)	8. City Council action

Public hearings that are continued will be announced. The continued public hearing will be listed on a subsequent Council Meeting Agenda and posting of that agenda will serve as notice.

6A. **County Presentation, Public Hearing, Second Reading and Adoption of an Ordinance of the City of Colfax Regulating Cannabis Cultivation, Commercial Cannabis Activities, Cannabis Manufacturing, Cannabis Dispensaries and Cannabis Delivery**

Staff Presentation: Mick Cabral, City Attorney

Recommendation: : Receive a presentation from Placer County representative, conduct a public hearing, waive the second reading and adopt the proposed ordinance

7. COUNCIL BUSINESS

7A. **Goals Update**

Staff Presentation: Wes Heathcock, Interim City Manager

Recommendation: For information only.

7B. **Sierra Property Development Digital Billboard Extension**

Staff Presentation: Wes Heathcock, Interim City Manager

Recommendation: Adopt Resolution 46-2017 authorizing the Interim City Manager to execute the First Amendment to the Digital Billboard Sign and Relocation Agreement with Sierra Property Development.

7C. **Sewer Rate Study Award of Contract for Professional Services**

Staff Presentation: Wes Heathcock, Interim City Manager

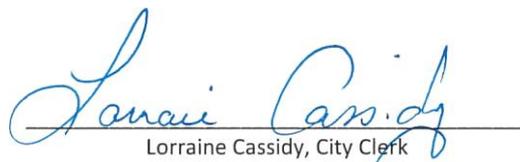
Recommendation: Adopt Resolution 47-2017 authorizing the Interim City to execute an agreement with Rural Community Assistance Corporations to conduct a Sewer Rate Study in an amount not to exceed \$27,500 and amend the budget to reflect the actual cost of the Sewer Rate Study.

8. GOOD OF THE ORDER - INFORMAL COUNCIL STATEMENTS REGARDING THE BUSINESS OF THE CITY

Informal observation reports and inquiries regarding the business of the City may be presented by Council members under this agenda item or requests for placement of items of interest on a future agenda. No action will be taken.

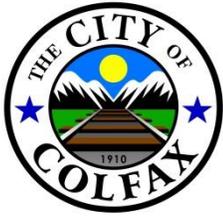
9. ADJOURNMENT

I, Lorraine Cassidy, City Clerk for the City of Colfax declare that this agenda was posted at Colfax City Hall and the Colfax Post Office. The agenda is also available on the City website at www.Colfax-ca.gov.


Lorraine Cassidy, City Clerk

Administrative Remedies must be exhausted prior to action being initiated in a court of law. If you challenge City Council action in court, you may be limited to raising only those issues you or someone else raised at a public hearing described in this notice/agenda, or in written correspondence delivered to the City Clerk of the City of Colfax at, or prior to, said public hearing.





City of Colfax
 City Council Minutes
 Regular Meeting of Wednesday, October 11, 2017
 City Hall Council Chambers
 33 S. Main Street, Colfax CA

1 OPEN SESSION

1A. **Call to Order**

Mayor Harvey called the meeting to order at 7:00PM.

1B. **Pledge of Allegiance**

Tim Ryan, elected City Treasurer, led the Pledge of Allegiance.

1C. **Roll Call**

Council members present: Douglass, Harvey, Hesch, Mendoza, Stockwin

1D. **Approval of Agenda Order**

Mayor Pro Tem Hesch moved to approve the agenda order.

Councilmember Stockwin expressed his displeasure with receiving additional information regarding Item 6A on Wednesday afternoon and moved to postpone the discussion regarding the proposed ordinance. Mayor Harvey agreed to give Council a brief recess before discussing 6A to allow the Councilmember to read the information which staff had emailed earlier in the day. Interim City Manager explained the brief information was obtained by staff after the agenda was published but felt that it was pertinent background information and should be given to Council. Councilmember Stockwin agreed the recess would allow him time to evaluate the information.

Councilmember Stockwin requested Council change the agenda order to discuss Item 6B before Item 6A.

Mayor Pro Tem Hesch withdrew his motion to approve the agenda as written.

On a motion by Councilmember Stockwin, seconded by Mayor Pro Tem Hesch, the City Council approved amending the agenda order to discuss Item 6B before Item 6A.

AYES: Douglass, Harvey, Hesch, Mendoza, Stockwin

2 CONSENT CALENDAR

2A. **Minutes - City Council Meeting September 27, 2017**

Recommendation: Approve the Minutes of the Regular Meeting of September 27, 2017.

2B. **Fire Equipment Grant Acceptance**

Recommendation: Adopt Resolution 43-2017 approving the Department of Forestry and Fire Protection Agreement required by CalFire as a condition to receiving grant funds in the amount of \$18,719.50 for the grant application approved by Resolution 13-2017 on April 12, 2017.

On a motion by Mayor Pro Tem Hesch, seconded by Councilmember Stockwin, Council approved the Consent Calendar.

AYES: Douglass, Harvey, Hesch, Mendoza, Stockwin

3 PUBLIC COMMENT

Tim Ryan, 300 S. Main Street

- Mr. Ryan stated he had been in the office during an incident at City Hall when a disgruntled and volatile person came in to file a complaint. The person was eventually asked to leave and the Sheriff was called. Mr. Ryan commended office staff for handling the incident professionally and suggested the City install a 'panic button' for the safety of employees.

Foxey McCleary, 127 Saunders Lane

- Ms. McCleary announced the Veteran's Day event to be held on November 11, 2017 at 10:00AM at the Veterans Memorial Hall. The event will honor the Placer County MIA's. She requested Councilmembers attend the event to help with reading the names of the MIA's.

Sharon Conners, area resident

- Ms Conners stated the October Craft Fair was a success!

4 COUNCIL, STAFF, AND OTHER REPORTS**4A. Committee Reports and Colfax Informational Items – All Councilmembers**

Councilmember Mendoza

- Councilmember Mendoza reported the education piece of her programs at Canyon View apartments are up and running.
- She agreed the October Craft Fair was a good event.

Councilmember Stockwin

- Councilmember Stockwin commented the Colfax Theater has hosted some packed events recently.
- He stated the fires throughout the north state are a sobering reminder that we are not out of danger from the fire season. Be careful!

Councilmember Douglass

- Councilmember Douglass attended the Chamber Mixer, the Ribbon Cutting for the Shade Structure at the playground and the Craft Fair.
- He represented the City at the Project Go Board meeting and met with developer, Eric Stauss.

Mayor Pro Tem Hesch

- Mayor Pro Tem Hesch reminded everyone the Fall Recology Clean-up day is scheduled for October 28. It is an excellent opportunity to reduce fuel on your property. The opportunity is only for City residents, but he would like to see the program expanded to a 2-mile radius outside of City limits.
- The Caboose is now open during events and many are finding it enjoyable.

Mayor Harvey

- Mayor Harvey recently gave out Hard-work Café awards to Colfax Elementary School students. It is great to be part of a program to motivate 7th and 8th grade students.
- He reminded everyone they are allowed 4 containers to use as yard cleanup on an ongoing basis.

4B. **City Operations – City Staff**

Interim City Manager Heathcock

- Interim City Manager Heathcock reported the City received 6 proposals for the Sewer Rate Study. He thanked Mayor Pro Tem Hesch for being part of the committee to select the top 3 firms which will be interviewed next week.
- He thanked Councilmember Stockwin for working with staff to create an FAQ list regarding the sewer rates and the Wastewater Treatment Plant.
- The Rescue Truck was delivered to the Volunteer Fire Department today. This new equipment will help the City to retain and recruit volunteers.
- The demolition of the CFGA building is almost complete. Once Union Pacific (UP) has finished with the project, the City will approach UP to use the area for overflow parking during events.
- The request for proposals for roundabout engineering will end on October 19th. Staff hopes to bring a contract for Council approval on November 8, 2017.

4C. **Additional Reports – Agency Partners**

Sergeant Ty Conners, Colfax Substation Commander Placer County Sheriff

- Sergeant Conners stated the department has been providing mutual aid to Nevada County during the wildfire emergencies.
- He recently conducted a large scale live training for Search and Rescue west of Colfax.
- He thanked resident Rita Dolphin for bringing the preschoolers to the substation for a tour.
- He invited everyone to join him at the November 3rd Home Game at Colfax High School. The game will be a tribute to veterans.
- Colfax Deputy Clark will receive a Medal of Honor award tomorrow night.

Tim Ryan, Board Member for the Colfax Chamber of Commerce

- Mr. Ryan encouraged everyone to attend the Chamber Mixer on October 19, 2017 at the VFW Hall from 5:30PM-7:30PM.
- A Winterfest fundraiser will be held Friday, November 3rd from 6:00PM – 8:00PM with food provided by Paul Raj. The Chamber is asking for a \$5.00 donation for each meal.
- Winterfest is scheduled for December 9th from 4:30PM-8:30PM. The Chamber is co-sponsoring the event with the Soroptomist and the Lions Club will host the parade. Fireworks are scheduled.
- Mr. Ryan suggested everyone stop by the museum in the Depot to see the results of the recent reorganization.

Councilmember Douglass stated the museum looks a thousand percent better!

5 **PUBLIC HEARING**

5A. **#DR-HD 2017-1 – Historic District Design Review: Lumenaris – 50-54 N. Main Street**

STAFF PRESENTATION: Amy Feagans, Planning Director

RECOMMENDATION: Receive a presentation; conduct a Public Hearing and adopt Resolution 44-2017 approving the Historic District Design Review Permit for renovation of the front façade, a wall sign and a side elevation mural for the building located at 50-54 N. Main Street in the Commercial Retail-Historic District (CR-HD) Zone.

Mayor Harvey opened the Hearing at 7:35PM.

Planning Director Feagans explained the owners of the building at 50-54 N. Main have submitted an application to renovate the building façade to create a period 1890's storefront. The design review also includes approving a mural above the awning and a large mural/sign on the side of the building. Staff recommends the Council approve the application.

Mr. Fatula, owner of the building thanked the City for the warm welcome and offered to answer any questions.

Each Councilmember commented positively on the plans for the building.

There was no public comment, but the audience applauded Mr. Fatula in welcome.

Mayor Harvey closed the Public Hearing at 7:42PM.

On a motion by Councilmember Stockwin and a second by Councilmember Mendoza, Council unanimously adopted Resolution № 44-2017.

Ayes: Douglass, Harvey, Hesch, Mendoza, Stockwin

6 COUNCIL BUSINESS

6B. **Medical Marijuana Dispensary Status – Jim Dion**

STAFF PRESENTATION: Wes Heathcock, Interim City Manager

RECOMMENDED ACTION: Discuss and provide direction to staff.

Mayor Harvey began the discussion with a written statement describing the timeline surrounding the close of Mr. Dion's medical marijuana dispensary. Briefly, in 2009 the City had one dispensary in operation which belonged to Mr. Dion. The City received requests to allow more dispensaries. Council was informed that permitting dispensaries would cause the City and Council members to be in violation of federal laws. As a result, Council approved an ordinance placing a moratorium on medical marijuana dispensaries with the exception of Mr. Dion's dispensary to be grandfathered in. In 2012 the City received notification of a letter to the owner of the property rented by Mr. Dion stating the dispensary was in violation of federal law and the federal government could fine the property owner up to \$500,000. Later in 2012, Bruce Kranz, City Manager at the time, informed Council that Mr. Dion had closed his business. Subsequently, the California State Board of Equalization (BOE) received notification from Mr. Dion the business was dissolved. In 2016, the California Secretary of State reports a new business with a similar name to the first was formed by Mr. Dion.

Interim City Manager Heathcock stated this item has been included on the agenda at the direction of Council. According to BOE records the business officially closed in 2012. Mr. Dion has stated his business was only temporarily closed for a remodel, however there were no construction permits pulled for his location. According to the Colfax Municipal Code the City cannot issue a business license for a medical marijuana dispensary without changing the ordinance.

Mayor Pro Tem Hesch mentioned Mr. Dion has spoken to Council on several occasions and it appears he has not always been consistent with his story.

Councilmember Douglass had no comment.

Councilmember Stockwin stated he would like to hear from Mr. Dion.

Mr. Dion thanked Council for the opportunity to speak. He handed Council a packet of information which included a proposed resolution written by his attorney allowing his business to be reinstated. He read the resolution to Council and asked that it be included in the record. He stated he didn't close his business but only closed the doors for the business to repaint and put in new carpet. He stated he was not closed by the federal government. In 2005 and every two years thereafter, as well as in 2012, the landlord received a letter which stated the business

should be closed. Every other property owner in California with a medical marijuana dispensary also received the letter from the United States government, but the letters were just empty threats.

Mayor Pro Tem Hesch stated he was in the meeting when someone from the federal government told Council the federal government would close the business.

Councilmember Stockwin took exception to the claim and suggested someone refer to the minutes.

City Attorney Cabral reminded Council that Colfax keeps summary minutes and not every statement is recorded in the minutes. He also reminded Council the business was dissolved with the California Secretary of State in 2012.

Mr. Dion said there is no proof the Feds shut his business down. His landlord did not ask him to close his business. Although his landlord is now deceased, his landlord's daughter has written a letter of support for Mr. Dion which states he was not evicted.

To explain why there was a change with the Secretary of State, Mr. Dion stated that he has changed from sole proprietor to not-for-profit and then back to sole proprietor status. He had determined the not-for-profit status wasn't beneficial and therefore contacted the BOE. When he reinstated in 2016, he submitted as a sole proprietor again.

He recalled that he had renewed his license several times between 2009 and 2012. He came to City Hall to renew his license and was told that he could not renew, as it was against the Municipal Code.

He is proud of his store and will make the City proud if they restore his right to open. His attorney, Brian Thiessen, is in the audience tonight and willing to answer any questions.

Councilmember Stockwin asked questions regarding timing of the events of 2012 related to Mr. Dion and the medical marijuana dispensary ordinance. On July 12, 2012, Ordinance 519 was first heard by Council. The Ordinance states there were administrative changes to the Zoning Code which includes the moratorium on medical marijuana dispensaries. The second reading when the Ordinance was adopted was on August 8, 2012. He asked if Mr. Dion had been notified that there were changes to the ordinance which affected his business. He asked if the changes to the ordinance are related to the denial of reissuing the business license.

Mayor Harvey did not remember the specifics of the administrative changes.

City Attorney Cabral reminded Council that the business was dissolved in 2012.

Mr. Dion stated the City Attorney and the Council serving in 2012 were incompetent.

Mr. Brian Thiessen, attorney for Mr. Dion, stated there are many fallacies in the statements made by Council and the City Attorney and they are being overly pedantic. Council should use a standard and reasonable interpretation of the Ordinance. Being elected as a City official doesn't preclude them from using common sense in making policy decisions. He also stated the facts supporting the resolution he wrote and read by Mr. Dion are true. He stated Mr. Dion has presented his information in an honest manner; his is not lying or dishonest. Mr. Thiessen asked Council to allow Mr. Dion to renew his business license immediately.

Council further discussed the issue. Councilmember Douglass asked questions regarding public safety while Mr. Dion was in business. Councilmember Stockwin asked Mr. Dion if he had contact from the City before he was told he could not renew his license.

Mr. Dion stated he last renewed his license in June of 2012, but was not permitted to renew in September. He stated he did not stop dispensing marijuana even though his license was not renewed. He continued to sell his product to his customers. While he owned the Colfax Theater, 49 S. Main Street, from 2014 to 2016, he delivered marijuana to customers from the theater.

Councilmember Mendoza asked Mr. Dion how many patients he has. Mr. Dion replied, several thousand but only a few hundred at any given time. Councilmember Mendoza asked questions regarding public safety. Mr. Dion explained his planned security system.

Councilmember Stockwin asked Sergeant Conners to give his opinion of opening Mr. Dion's dispensary and the crime associated with the dispensary when it was open.

Sergeant Conners stated he personally gets along with Mr. Dion, but as an officer of Placer County Sheriff's Department he is against opening marijuana businesses in the City or County. There is no direct connection between crime statistics and the dispensary.

The following members of the public spoke in support of permitting Mr. Dion to reopen a medical marijuana dispensary:

Wendy Dion

Patricia (last name not provided), 121 S Main Street

Bobby Eisenberg, Colfax Resident

Tom Parnham, West Oak Street

Lori Garcia, Former Colfax Business Owner

Andy Kave, 354 N Main Street

Glenda (last name not provided), (residence not provided)

Dave Joiner, Business Owner in Auburn

Richard Miller, Northern California Cannabis consultant

Nick Young, Canyon Way

Mayor Harvey asked if Council had more input.

Councilmember Stockwin stated if Mr. Dion were a troublemaker, the Council would not consider this request. He feels Mr. Dion played a straight game for 8 years and then was tangled in a legal technicality. Councilmember Stockwin hopes we don't treat all business owners this way. Mr. Dion brought money into town and we as a City cannot afford to push businesses out of town. He asked City Attorney Cabral how we can put Mr. Dion back into business with a non-conforming use until a new ordinance regarding dispensaries is approved.

City Attorney Cabral stated the current Ordinance will not allow permitting a dispensary. The ordinance would need to be changed. The business cannot just be reinstated because it was dissolved at the state level.

Attorney for Jim Dion, Mr. Thiessen disagreed with the City Attorney and said his interpretation was incorrect. Council can say it is lawful under the existing ordinance. He reiterated that common sense justifies reissuing a license to Mr. Dion.

City Attorney Cabral stated if you want to issue a license, then direct staff to draft an ordinance, discuss at two regular meetings and then the ordinance will be in effect in 30 days. It would realistically take 3-4 months for the entire process.

Mayor Harvey called a brief recess at 9:25PM

Mayor Harvey reconvened the meeting at 9:45PM.

Councilmember Stockwin moved the Council direct staff to give Mr. Dion a business license to open a medical marijuana dispensary. Councilmember Mendoza seconded the motion.

Ayes: Douglas, Mendoza, Stockwin

Nays: Harvey, Hesch

The motion passed.

Interim City Manager Heathcock confirmed with Council that Mr. Dion's business would be on the same playing field with other businesses and go through the proper processes to open. Also, as Council moves forward with new cannabis regulations, they should consider applying the same governance to Mr. Dion.

6A. Introduction and First Reading of an Ordinance of the City of Colfax Regulating Cannabis Cultivation, Commercial Cannabis Activities, Cannabis Manufacturing, Cannabis Dispensaries and Cannabis Delivery.

STAFF PRESENTATION: Mick Cabral, City Attorney

RECOMMENDED ACTION: Introduce Ordinance 534, an Ordinance of the City Council of the City of Colfax regulating cannabis, by title only, conduct discussion, provide direction to staff, and schedule a public hearing and waiver of the second reading and adoption for the October 25, 2017 Regular Meeting.

City Attorney Cabral explained that the Ordinance before Council essentially mirrors the Placer County Ordinance. The intent of the ordinance is to allow the City to maintain local control. If the City doesn't have an ordinance in place by December 31, 2017, the state will issue permits according to its standards. Essentially this ordinance outlaws commercial grows, manufacture, and delivery of marijuana. Limited personal grows and delivery to patients will be permitted. Staff's intent is for the Council to have this ordinance in place while Council develops regulatory processes for any component of the cannabis industry that it feels should be allowed into the City. It will allow the Council to customize the rules relating to marijuana in Colfax.

Councilmember Stockwin has two concerns with this ordinance. He feels the setbacks for personal outdoor grows are too large since many lots in Colfax are smaller than the setbacks. He also is concerned the ordinance would go into effect before the end of the current marijuana harvest and cause those who are growing plants now to break the law or lose their current crop. He would like to see the Ordinance go into effect as late in the year as possible. He has other concerns about the Ordinance and will definitely want to revisit many of the components. He does see it as a starting point.

Councilmember Mendoza reiterated the Ordinance will mirror the County ordinance and allow the Sheriff Deputies to enforce the violations that occur within Colfax.

Councilmember Douglass would like to strike Sections 162.080 and 162.090 from the proposed ordinance.

Interim City Manager Heathcock suggested those sections be reworded to reflect the decision Council just made regarding Mr. Dion and Council agreed.

Mayor Pro Tem Hesch stated this ordinance is a good way to proceed to allow the City to keep local control. Then the Council can gently, over time work through the process to implement regulations which will cover the costs of allowing parts of the cannabis industry into town.

Councilmember Stockwin suggested Mayor Pro Tem Hesch join him on a subcommittee to begin drafting new regulations as soon as possible. Council agreed to appointing them to a subcommittee.

Sergeant Connors stated the County Code Enforcement team is interested in helping Colfax with issues that may come up on a complaint-driven basis. Without this ordinance, the deputies cannot help with regulating any cannabis related infractions. He introduced Ryan Zender, Senior Code Enforcement officer with the County.

Mr. Zender stated the County has been very successful in turning the 139 complaints received since July into compliance. The County's goal is to work with residents in the cannabis industry to bring them into compliance without having to issue citations.

Mayor Harvey reminded the Council the Ordinance will need to be filed with the State and a liaison selected.

City Attorney Cabral stated the City Clerk will be designated the liaison by default if the City doesn't select someone.

Tim Dion, area resident, stated indoor grows are bad for the planet.

Stacie Younggren asked Council to also strike 162.060. She stated Council has been discussing this issue for 5 years and deciding to allow cannabis businesses, which is shameful.

Richard Miller would like to help Council write the regulations for cannabis.

On a motion by Councilmember Stockwin, seconded by Councilmember Mendoza, Council approved the introduction of Ordinance 534 by title only, waived the first reading and scheduled Ordinance 534 for a public hearing and waiver of the second reading and possible adoption for the October 25, 2017 Regular meeting. Staff was directed to incorporate changes to the setback and other requirements, and provide for a medical marijuana dispensary business license to be issued to Mr. Dion.

Ayes: Douglass, Harvey, Hesch, Mendoza, Stockwin

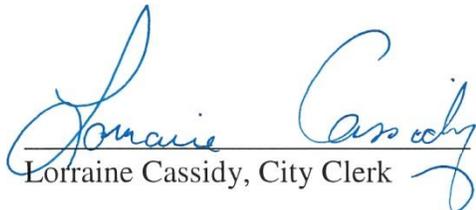
7 GOOD OF THE ORDER – INFORMAL COUNCIL STATEMENTS REGARDING THE BUSINESS OF THE CITY

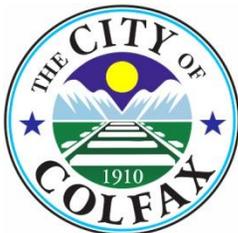
Councilmember Stockwin thanked everyone for getting through a tough conversation with civility.

8 ADJOURNMENT

As there was no further business on the agenda, Mayor Harvey adjourned the meeting at 10:30PM.

Respectfully submitted to City Council this 25th day of October, 2017


Lorraine Cassidy, City Clerk



STAFF REPORT TO THE COLFAX CITY COUNCIL

FOR THE OCTOBER 25, 2017 COUNCIL MEETING

FROM: Wes Heathcock, Interim City Manager
PREPARED BY: Laurie Van Groningen, Finance Director
DATE: October 13, 2017
SUBJECT: City of Colfax Cash Summary Report: September 2017

<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>	FUNDED	<input type="checkbox"/>	UN-FUNDED	AMOUNT:	FROM FUND:
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RECOMMENDED ACTION: Accept and file City of Colfax Cash Summary Report: September 2017.

BACKGROUND AND ANALYSIS:

These monthly financial reports include General Fund Reserved Cash Analysis Graphs and the City of Colfax Cash Summary Report (with supporting documentation). The reports are prepared monthly on a cash basis and are reconciled to the General Ledger accounting system, previous reports, and bank statements. Detailed budget comparisons are provided as a mid-year report and also as part of the proposed budget process each year.

The purpose of the reports is to provide status of funds and transparency for Council and the public of the financial transactions of the City.

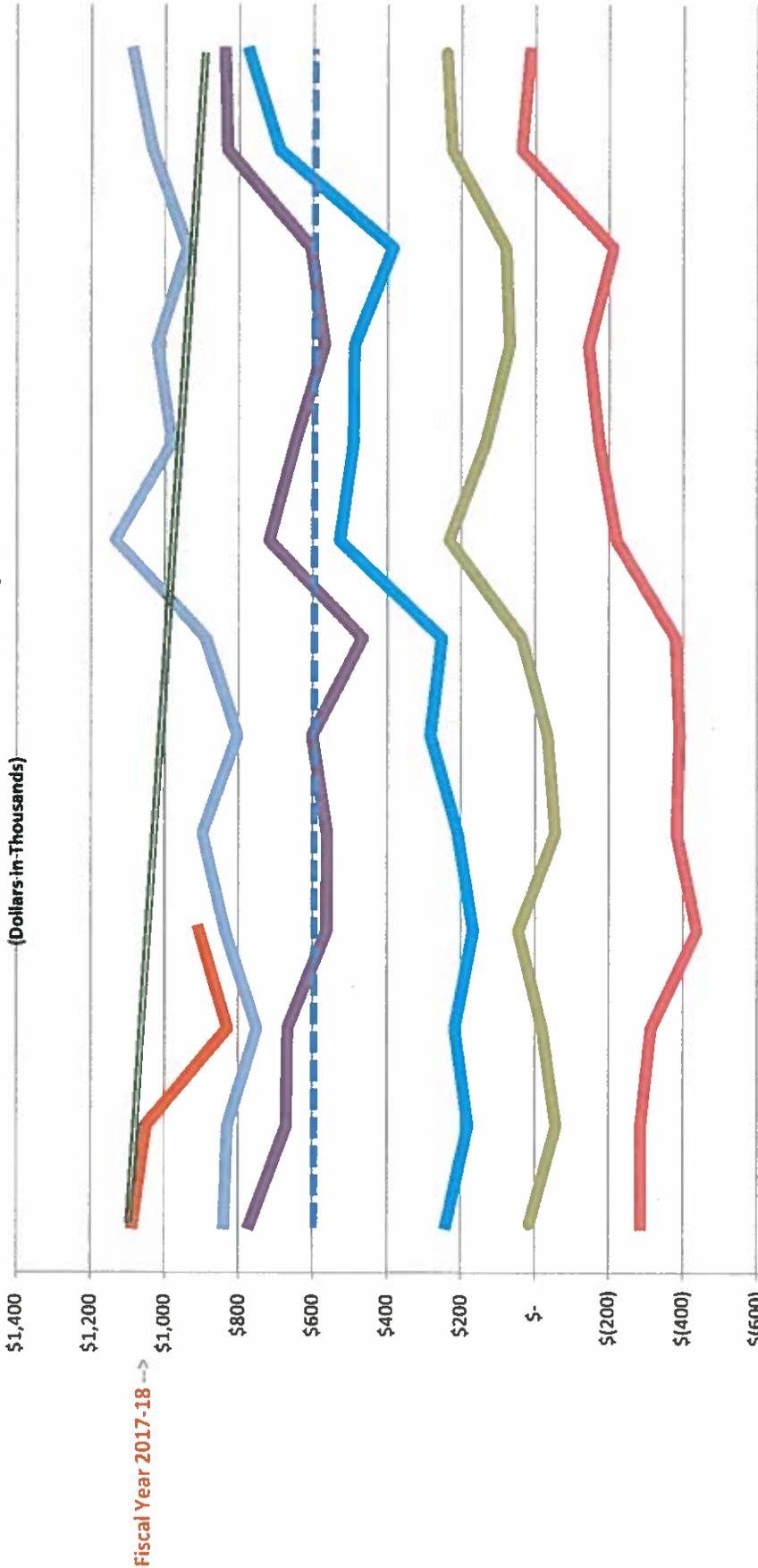
The attached reports reflect an overview of the financial transactions of the City of Colfax in September 2017. Monthly highlights include:

- Negative cash fund balances in Special Revenues and Capital project funds are due to timing of funding allocations and reimbursements.
 - Fund 250 - Streets& Roads – Fiscal year funding (via PCTPA) is generally requested and approved in 2nd quarter of fiscal year. Actual funding generally begins in 3rd quarter with final receipts in final quarter of the fiscal year.
 - Fund 370 – Capital Funds – The first reimbursement was received for project to date costs during March. The next request is anticipated to be filed in October. Note: Construction costs for this project in the amount of \$229K were expended in August.

ATTACHMENTS:

1. General Fund Reserved Cash Analysis Graphs
 - a. Cash Analysis – Balance
 - b. Expenses by Month
 - c. Revenues by Month
2. Cash Activity Reports
 - a. Cash Summary
 - b. Cash Transactions Report – by individual fund
 - c. Check Register Report - Accounts Payable
 - d. Daily Cash Summary Report (Cash Receipts)

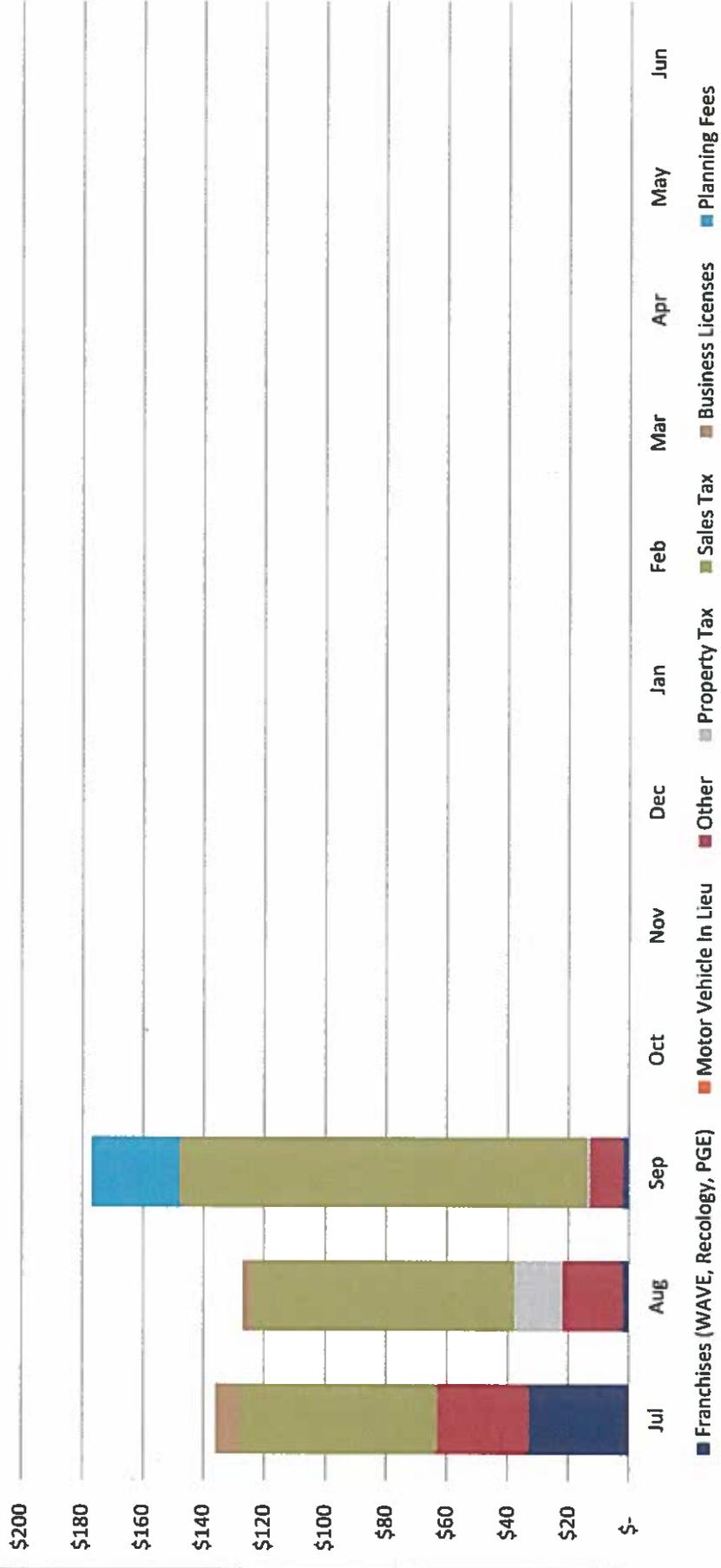
City of Colfax - September 2017 General Fund Reserved Cash Analysis



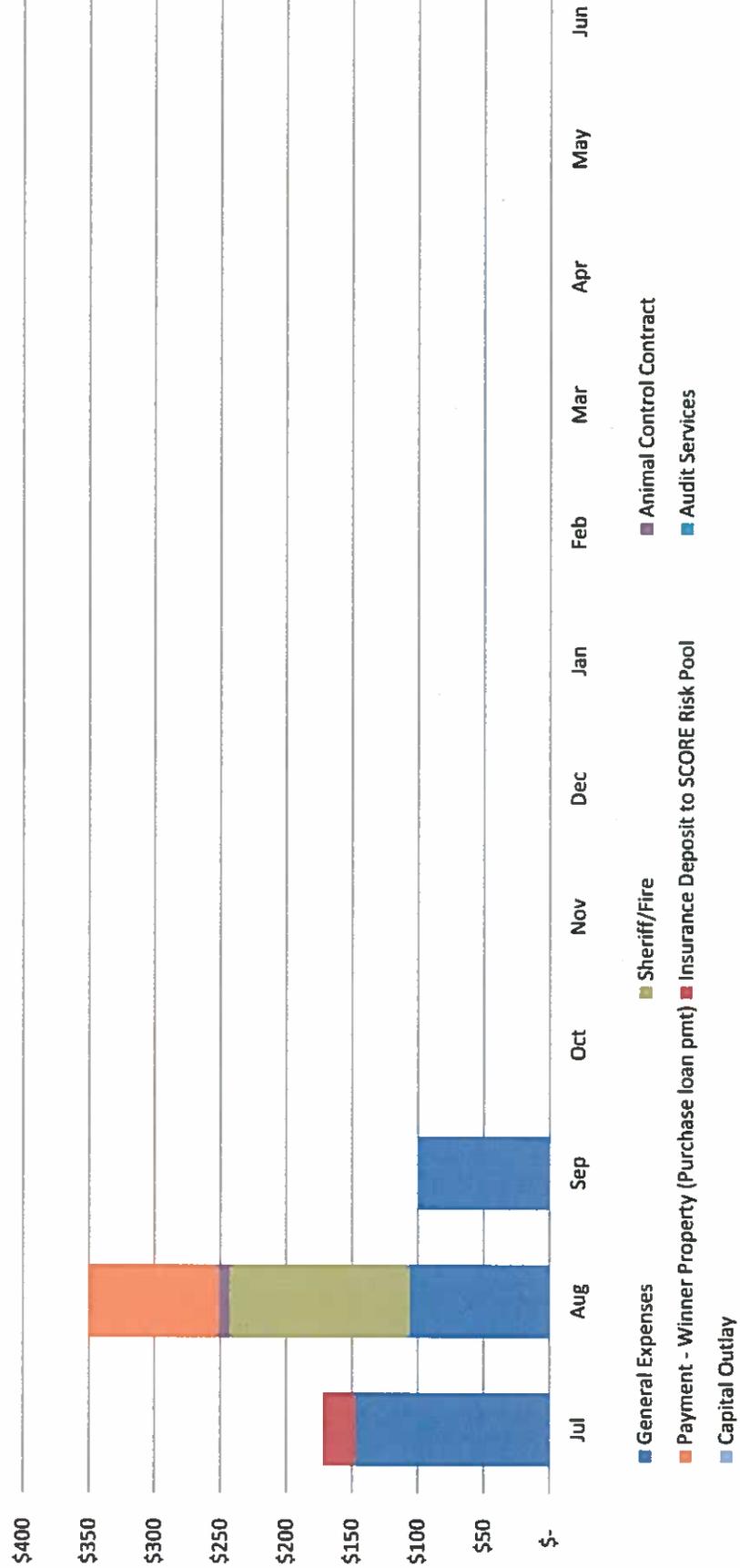
	Prev Yr	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Cash Balance FY2017-18	\$1,086	\$1,050	\$828	\$905			\$889	\$1,133	\$981	\$1,022	\$938	\$1,034	1086
Cash Balance FY2016-17	\$838	\$829	\$750	\$835	\$897	\$802	\$466	\$717	\$647	\$569	\$605	\$831	838
Cash Balance FY2015-16	\$768	\$670	\$666	\$562	\$561	\$601	\$253	\$528	\$491	\$489	\$385	\$691	773
Cash Balance FY2014-15	\$240	\$181	\$217	\$167	\$209	\$284	\$36	\$233	\$134	\$69	\$79	\$225	240
Cash Balance FY2013-14	\$15	\$(57)	\$(20)	\$45	\$(55)	\$(34)	\$(380)	\$(221)	\$(173)	\$(144)	\$(212)	\$37	15
Cash Balance FY2012-13	\$(287)	\$(286)	\$(314)	\$(438)	\$(383)	\$(391)	\$(595)	\$(595)	\$(595)	\$(595)	\$(595)	\$(595)	\$(595)
*Reserves (Ops, Cap, Pen)	\$595	\$595	\$595	\$595	\$595	\$595	\$595	\$595	\$595	\$595	\$595	\$595	\$595
Budget FY2017-18	\$1,096	\$1,079	\$1,062	\$1,045	\$1,028	\$1,011	\$994	\$977	\$960	\$943	\$926	\$909	\$892

*City Administrative policy stipulates General Fund Reserve of 25% (3 months) of annual General Fund Revenues.

City of Colfax - September 2017 General Fund Reserved Cash - Revenues by Month (Dollars in Thousands)



City of Colfax - September 2017 General Fund Reserved Cash - Expenses by Month (Dollars in Thousands)



City of Colfax

Cash Transactions Report - September 2017

	Beginning Balance	Debit Revenues	Credit (Expenditures)	Ending Balance
Fund Type: 1.11 - General Fund - Unassigned				
Fund: 100 - General Fund	\$ 995,734.29	\$ 147,656.83	\$ (88,385.98)	\$ 1,055,005.14
Fund: 120 - Land Development Fees	\$ 3,731.16	\$ 28,959.05	\$ (10,219.89)	\$ 22,470.32
Fund: 570 - Garbage Fund	\$ (171,610.91)	\$ -	\$ -	\$ (171,610.91)
Fund Type: 1.11 - General Fund - Unassigned	\$ 827,854.54	\$ 176,615.88	\$ (98,605.87)	\$ 905,864.55
Fund Type: 1.14 - General Fund - Restricted				
Fund: 571 - AB939 Landfill Diversion	\$ 29,317.26	\$ -	\$ -	\$ 29,317.26
Fund: 572 - Landfill Post Closure Maintenance	\$ 780,517.05	\$ -	\$ (3,246.99)	\$ 777,270.06
Fund Type: 1.14 - General Fund - Restricted	\$ 809,834.31	\$ -	\$ (3,246.99)	\$ 806,587.32
Fund Type: 1.24 - Special Rev Funds - Restricted				
Fund: 210 - Mitigation Fees - Roads	\$ 25,228.43	\$ -	\$ (1,320.00)	\$ 23,908.43
Fund: 211 - Mitigation Fees - Drainage	\$ 3,071.01	\$ -	\$ -	\$ 3,071.01
Fund: 212 - Mitigation Fees - Trails	\$ 43,023.58	\$ -	\$ -	\$ 43,023.58
Fund: 213 - Mitigation Fees - Parks/Rec	\$ 98,525.35	\$ -	\$ -	\$ 98,525.35
Fund: 214 - Mitigation Fees - City Bldgs	\$ -	\$ -	\$ -	\$ -
Fund: 215 - Mitigation Fees - Vehicles	\$ -	\$ -	\$ -	\$ -
Fund: 217 - Mitigation Fees - DT Parking	\$ 26,817.37	\$ -	\$ -	\$ 26,817.37
Fund: 218 - Support Law Enforcement	\$ (25,000.00)	\$ -	\$ -	\$ (25,000.00)
Fund: 244 - CDBG Program Inc - ME Lending	\$ 207,334.65	\$ -	\$ -	\$ 207,334.65
Fund: 250 - Streets - Roads/Transportation	\$ (39,351.32)	\$ 12.00	\$ (10,702.04)	\$ (50,041.36)
Fund: 253 - Gas Taxes	\$ 6,101.70	\$ -	\$ -	\$ 6,101.70
Fund: 270 - Beverage Container Recycling	\$ 17,961.27	\$ -	\$ -	\$ 17,961.27
Fund: 280 - Oil Recycling	\$ 2,191.75	\$ -	\$ -	\$ 2,191.75
Fund: 292 - Fire Department Capital Funds	\$ 92,680.83	\$ -	\$ -	\$ 92,680.83
Fund: 342 - Fire Construction - Mitigation	\$ 2,446.11	\$ -	\$ -	\$ 2,446.11
Fund: 343 - Recreation Construction	\$ 2,446.57	\$ -	\$ -	\$ 2,446.57
Fund Type: 1.24 - Special Rev Funds - Restrict	\$ 463,477.30	\$ 12.00	\$ (12,022.04)	\$ 451,467.26
Fund Type: 1.34 - Capital Projects - Restricted				
Fund: 300 - Capital Projects - General	\$ 5,010.78	\$ -	\$ -	\$ 5,010.78
Fund: 370 - North Main Street Bike Route	\$ (218,321.81)	\$ -	\$ (225.00)	\$ (218,546.81)
Fund Type: 1.34 - Capital Projects - Restricted	\$ (213,311.03)	\$ -	\$ (225.00)	\$ (213,536.03)
Fund Type: 2.11 - Enterprise Funds - Unassigned				
Fund: 560 - Sewer	\$ 594,669.58	\$ 89,974.61	\$ (66,910.21)	\$ 617,733.98
Fund: 561 - Sewer Liftstations	\$ 370,434.08	\$ 16,116.10	\$ (7,907.09)	\$ 378,643.09
Fund: 563 - Wastewater Treatment Plant	\$ 535,867.92	\$ 41,008.01	\$ -	\$ 576,875.93
Fund: 564 - Sewer Connections	\$ 41,080.00	\$ -	\$ -	\$ 41,080.00
Fund: 565 - General Obligation Bond 1978	\$ 2,247.70	\$ 0.06	\$ -	\$ 2,247.76
Fund: 567 - Inflow & Infiltration	\$ 447,780.22	\$ 1,433.07	\$ -	\$ 449,213.29
Fund Type: 2.11 - Enterprise Funds - Unassign	\$ 1,992,079.50	\$ 148,531.85	\$ (74,817.30)	\$ 2,065,794.05
Fund Type: 9.0 - CLEARING ACCOUNT				
Fund: 998 - PAYROLL CLEARING FUND	\$ -	\$ -	\$ -	\$ -
Fund Type: 9.0 - CLEARING ACCOUNT	\$ -	\$ -	\$ -	\$ -
Grand Totals:	\$ 3,879,934.62	\$ 325,159.73	\$ (188,917.20)	\$ 4,016,177.15

Check Register Report

ITEM 3B

Checks Processed Sept 2017

Date: 7 of 10
10/3/2017

Time: 12:35 pm

Page: 1

CITY OF COLFAX

BANK: US BANK

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amount
US BANK Checks							
52907	09/01/2017	Reconciled		03141	CALPERS	GASB 68 REPORT FY 2017	700.00
52908	09/08/2017	Reconciled		01448	AMERIGAS - COLFAX	DEPOT PROPANE TANK RENTAL	108.32
52909	09/08/2017	Reconciled		01460	AMERIPRIDE UNIFORM SERVICE	STMT 8/31/17	620.15
52910	09/08/2017	Reconciled		01500	ANDERSON'S SIERRA	IRRIGATION SUPPLY	41.73
52911	09/08/2017	Reconciled		02829	BLUE RIBBON PERSONNEL SERVICES	TEMP LABOR THRU 8/27/17	854.00
52912	09/08/2017	Reconciled		03120	CALIFORNIA CONSULTING	GRANT WRITING SVCS AUG 2017	1,625.00
52913	09/08/2017	Reconciled		04400	DIAMOND WELL DRILLING CO.	SEMI ANNUAL WET TESTING	4,975.00
52914	09/08/2017	Reconciled		04569	DON'S CARPETS	CITY HALL STORAGE ROOM CARPET	518.80
52915	09/08/2017	Reconciled		08070	HANSEN BROS. ENTERPRISES	BASE ROCK GV ST RPR	81.51
52916	09/08/2017	Reconciled		16300	PCWA -PLACER COUNTY	WATER	5,005.51
52917	09/08/2017	Reconciled		16011(2)	PELLETREAU, ALDERSON & CABRAL	LEGAL SERVICES AUG 2017	5,838.56
52918	09/08/2017	Reconciled		18883	SAC-VAL JANITORIAL SUPPLY	SUPPLIES	118.19
52919	09/08/2017	Reconciled		19070	SCORE - SMALL CITIES ORGANIZED	LIABILITY ASSESSMENT PAYMENT	16,697.70
52920	09/08/2017	Reconciled		21560	US BANK CORPORATE PMT SYSTEM	STMT 8/22/17	4,359.08
52921	09/08/2017	Reconciled		22106	VAN GRONINGEN & ASSOCIATES	FINANCIAL SERVICES AUG 2017	7,762.50
52922	09/08/2017	Reconciled		03141	CALPERS	SEPT 2017 HEALTH PREMIUMS	10,261.42
52923	09/21/2017	Reconciled		01414	ALHAMBRA & SIERRA SPRINGS	CITY HALL/CORP YARD WATER	435.86
52924	09/21/2017	Reconciled		01448	AMERIGAS - COLFAX	DEPOT PROPANE	85.84
52925	09/21/2017	Reconciled		01448	AMERIGAS - COLFAX	CORP YARD PROPANE	55.41
52926	09/21/2017	Reconciled		01500	ANDERSON'S SIERRA	IRRIGATION SUPPLY	110.08
52927	09/21/2017	Reconciled		01766	AT&T MOBILITY	AUG 2017 CELL PHONES	925.17
52928	09/21/2017	Reconciled		02829	BLUE RIBBON PERSONNEL SERVICES	TEMP LABOR THRU 9/10/17	1,366.40
52929	09/21/2017	Reconciled		02901	BUREAU VERITAS NORTH AMERICA	BLDG OFFICIAL SVCS AUG 2017	7,430.00
52930	09/21/2017	Reconciled		03401	CHOICE BUILDER	OCT 2017 PREMIUMS	486.65
52931	09/21/2017	Reconciled		03493	COASTLAND CIVIL ENGINEERING	ENGINEER SVCS AUG 2017	30,460.59
52932	09/21/2017	Printed		06730	COLFAX FARM AND COUNTRY STORE	STMT 9/3/17	85.37
52933	09/21/2017	Printed		03540	COLFAX LIONS CLUB	ABC LICENSE REFUND - NOT USED	20.00
52934	09/21/2017	Reconciled		03562	COMMERCIAL PUMP SERVICE, INC	WWTP REPAIRS	918.87
52935	09/21/2017	Reconciled		04234	DE LAGE LANDEN FINANCIAL	SEPT 2017 COPY MACH LEASE	592.21
52936	09/21/2017	Reconciled		04400	DIAMOND WELL DRILLING CO.	JULY 2017 MONITORING	2,778.00
52937	09/21/2017	Void	09/21/2017	06410	FIRE SUPPLY DEPOT	CABOOSE FIRE EXT COVER	0.00
52938	09/21/2017	Reconciled		07460	GOLD COUNTRY MEDIA	LEGAL NOTICE 9/14/17	231.10
52939	09/21/2017	Reconciled		07465	GOLD MINER PEST CONTROL	FIRE STATION 37 PEST CONTROL	354.00
52940	09/21/2017	Printed		08086	HBE RENTALS	BALL PARK TRENCHER	166.00
52941	09/21/2017	Reconciled		08159	HILL BROTHERS CHEMICAL CO.	WWTP CHEMICALS	7,025.41
52942	09/21/2017	Reconciled		08660	HUNT AND SONS, INC.	FIRE DEPT FUEL	531.00
52943	09/21/2017	Reconciled		12209	LIEBERT CASSIDY WHITMORE	LEGAL SVCS UNION ISSUES	5,228.10
52944	09/21/2017	Reconciled		13203	MENDOZA, MARNIE	CA CITIES CONF REIMBURSEMENT	132.68
52945	09/21/2017	Reconciled		16750	PR DIAMOND PRODUCTS, INC.	SAW BLADE	146.00
52946	09/21/2017	Reconciled		16040	PURCHASE POWER	POSTAGE	1,008.50
52947	09/21/2017	Reconciled		18194	RGS - REGIONAL GOV SERVICES	AUG 2017 PLANNING SVCS	4,700.00
52948	09/21/2017	Reconciled		18400	RIEBES AUTO PARTS	STMT 8/31/17	217.97
52949	09/21/2017	Reconciled		18883	SAC-VAL JANITORIAL SUPPLY	CLEANING SUPPLIES	28.57
52950	09/21/2017	Reconciled		01790	SIERRA OFFICE PRODUCTS	STMT 9/1/17	287.82
52951	09/21/2017	Reconciled		19396	SIERRA SAFETY COMPANY	PARKING SIGNS/SUPPLIES	263.40
52952	09/21/2017	Reconciled		19591	STANLEY CONVERGENT SECURITY	DEPOT SECURITY 10/1-12/31/17	140.52
52953	09/21/2017	Reconciled		19780	SUNBELT RENTALS, INC.	WWTP MANLIFT RENTAL	1,502.62
52954	09/21/2017	Reconciled		22134	VISION QUEST	TECH SUPPORT OCT 2017	2,109.75

Check Register Report

ITEM 3B

Checks Processed Sept 2017

Date: 8 of 10
 09/21/2017
 Time: 12:35 pm
 Page: 2

CITY OF COLFAX

BANK: US BANK

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amount
US BANK Checks							
52955	09/21/2017	Reconciled		23169	WAVE BUSINESS SOLUTIONS	CORP YARD INTERNET	54.90
52956	09/21/2017	Reconciled		23169	WAVE BUSINESS SOLUTIONS	CITY HALL INTERNET	159.90
52957	09/21/2017	Reconciled		23301	WESTERN PLACER WASTE	AUG 2017 SLUDGE REMOVAL	853.05

Total Checks: 51 **Checks Total (excluding void checks): 130,459.21**

Total Payments: 51 **Bank Total (excluding void checks): 130,459.21**

Total Payments: 51 **Grand Total (excluding void checks): 130,459.21**

DAILY CASH SUMMARY REPORT

ITEM 3B

09/01/2017 - 09/30/2017

Page 1
10/13/2017
12:33 pm

City of Colfax

		Debit	Credit	Net Chng	
Fund: 100 - General Fund					
09/01/2017	Daily Totals	801.47	53.50	747.97	
09/05/2017	Daily Totals	53.50	0.00	53.50	
09/07/2017	Daily Totals	2,021.93	0.00	2,021.93	
09/11/2017	Daily Totals	1,143.75	0.00	1,143.75	
09/13/2017	Daily Totals	1,703.06	0.00	1,703.06	
09/14/2017	Daily Totals	733.67	0.00	733.67	
09/15/2017	Daily Totals	0.00	312.67	-312.67	
09/18/2017	Daily Totals	1,880.88	0.00	1,880.88	
09/20/2017	Daily Totals	5,177.15	0.00	5,177.15	
09/22/2017	Daily Totals	132,849.64	0.00	132,849.64	
09/27/2017	Daily Totals	628.56	0.00	628.56	
09/30/2017	Daily Totals	102.00	0.00	102.00	
Fund: 100 - General Fund		TOTALS:	147,095.61	366.17	146,729.44
Fund: 120 - Land Development Fees					
09/11/2017	Daily Totals	27,459.05	0.00	27,459.05	
09/27/2017	Daily Totals	1,500.00	0.00	1,500.00	
Fund: 120 - Land Development Fees		TOTALS:	28,959.05	0.00	28,959.05
Fund: 250 - Streets - Roads/Transportation					
09/06/2017	Daily Totals	12.00	0.00	12.00	
Fund: 250 - Streets - Roads/Transportation		TOTALS:	12.00	0.00	12.00
Fund: 560 - Sewer					
09/07/2017	Daily Totals	200.00	0.00	200.00	
09/13/2017	Daily Totals	61.33	0.00	61.33	
Fund: 560 - Sewer		TOTALS:	261.33	0.00	261.33
Fund: 561 - Sewer Liftstations					
09/01/2017	Daily Totals	407.00	0.00	407.00	
09/07/2017	Daily Totals	814.00	0.00	814.00	
09/11/2017	Daily Totals	407.00	0.00	407.00	

DAILY CASH SUMMARY REPORT

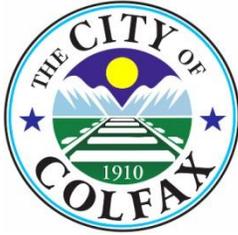
ITEM 3B

09/01/2017 - 09/30/2017

10/8/2017
10/13/2017
12:33 pm

City of Colfax

		Debit	Credit	Net Chng
09/12/2017	Daily Totals	407.00	0.00	407.00
Fund: 561 - Sewer Liftstations				
TOTALS:		2,035.00	0.00	2,035.00
Fund: 565 - General Obligation Bond 1978				
09/20/2017	Daily Totals	0.06	0.00	0.06
Fund: 565 - General Obligation Bond 1978				
TOTALS:		0.06	0.00	0.06
GRAND TOTALS:		178,363.05	366.17	177,996.88



STAFF REPORT TO THE COLFAX CITY COUNCIL

FOR THE OCTOBER 25, 2017 COUNCIL MEETING

FROM: Wes Heathcock, Interim City Manager
PREPARED BY: Laurie Van Groningen, Finance Director
DATE: October 18, 2017
SUBJECT: Quarterly Investment Report – Ending June 30, 2017

<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>	FUNDED	<input type="checkbox"/>	UN-FUNDED	AMOUNT:	FROM FUND:
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RECOMMENDED ACTION: Receive and file.

BACKGROUND AND ANALYSIS:

California Government Code Section 53646 and the City of Colfax Investment Policy require a quarterly investment report be submitted to the City Council. Such report shall include at least the following information:

- Types of Investments;
- Name of the institution in which funds are invested or deposited;
- Date of Maturity, if applicable;
- Par and dollar amount investment for all securities;
- Percent distribution of each type of investment or deposit; current market value as of the date of the report, including source of the valuation except those under LAIF;
- Rate of interest
- Average weighted yield of all investments
- A statement relating the report to the City’s Investment Policy; and
- A statement that there are sufficient funds to meet the City’s next six months’ financial obligations.

The current practice for cash management is to maintain an operating balance between \$75,000 and \$150,000 in the City’s US Bank Corporate checking account. This account accumulates Earnings Credits based on the account balance which offset/reduce monthly service charges. City funds in excess of the targeted operating balance are transferred to the State of California Local Agency Investment Fund (LAIF) on a weekly basis. The checking account balance may be reported at an amount higher than the target balance by the Bank due to the timing of City checks being processed by vendors/service providers.

Historically, due to fluctuations in fund balances, investment opportunities outside the corporate checking and LAIF accounts have been somewhat limited. Our investment policy dictates that the City should have liquid short term securities to meet six month’s financial obligations. The budget for fiscal year 2017-2018 reflects nearly \$4.6M in annual expenditures, therefore our target for liquid short term securities would be \$2.3M.

CONCLUSION:

The attached schedule Analysis of Treasury Investment Pool satisfies the State's reporting requirements. Additionally, we have determined:

- The investments held at June 30, 2017 conform to the City Investment Policy adopted by Resolution 29-2014.
- The composite yield of the City's investment pool to be the rate of .93% for the quarter ended June 30, 2017.
- There are sufficient funds on deposit to meet all anticipated City expenditures for the period July 01, 2017 through December 31, 2017.

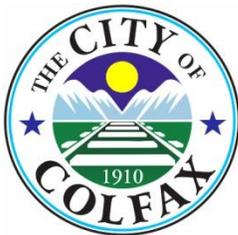
ATTACHMENTS:

1. Analysis of Treasury Investment Pool
2. State of California – PMIA and LAIF Performance Report (QE 06/30/17)
3. State of California – PMIA Average Monthly Effective Yields

City of Colfax
Analysis of Treasury Investment Pool
Quarterly Analysis - FY2017-2018
Report Date: 09/30/2017

Quarter Ended 09/30/2017					
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Type of Investment	Financial Institution	Date of Maturity	Investment Amount	% of Total Investment	Average Investment Yield
Investment Fund	State Local Agency Investment Fund (LAIF)	N/A	\$ 3,754,753	93%	1.08%
Corporate Checking	US Bank	N/A	\$ 264,620	7%	0.18%
Total Investment Pool			\$ 4,019,372	100%	1.02%



STAFF REPORT TO THE COLFAX CITY COUNCIL

FOR THE OCTOBER 25, 2017 COUNCIL MEETING

FROM: Wes Heathcock, Interim City Manager
PREPARED BY: Laurie Van Groningen, Finance Director
DATE: October 11, 2017
SUBJECT: Sales and Use Taxes

<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>	FUNDED	<input type="checkbox"/>	UN-FUNDED	AMOUNT:	FROM FUND: General Fund
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RECOMMENDED ACTION: Information only

SUMMARY:

The City has received the final accounting of Sales and Use Tax revenues for the fiscal year 2016-2017 (year ended June 30, 2017).

BACKGROUND AND ANALYSIS:

The attached chart – Retail Sales Tax History – reports the history of sales tax revenues since 1999. As reported last year, the fiscal 2015-2016 year included the true up and final adjustments related to the end of the decade old triple flip sales tax program which ended December 31, 2015. This final adjustment is estimated to be approximately \$100,000 of the growth reported for the 2015-2016 Fiscal Year. Considering this adjustment was related to the time period of the entire triple flip process it should be considered when reviewing year to year changes in revenues.

Our current year 2017-2018 budget was amended in June 2017 and was conservatively based on fiscal year 2016-2017 actual data at that time. The budget is now \$1,050,000 which is about 5% less than the final 2016-2017 actuals. Staff will continue to closely monitor sales and use tax revenues and provide current year projections when available, and provide any budget amendment recommendations at the mid-year budget review in February 2018.

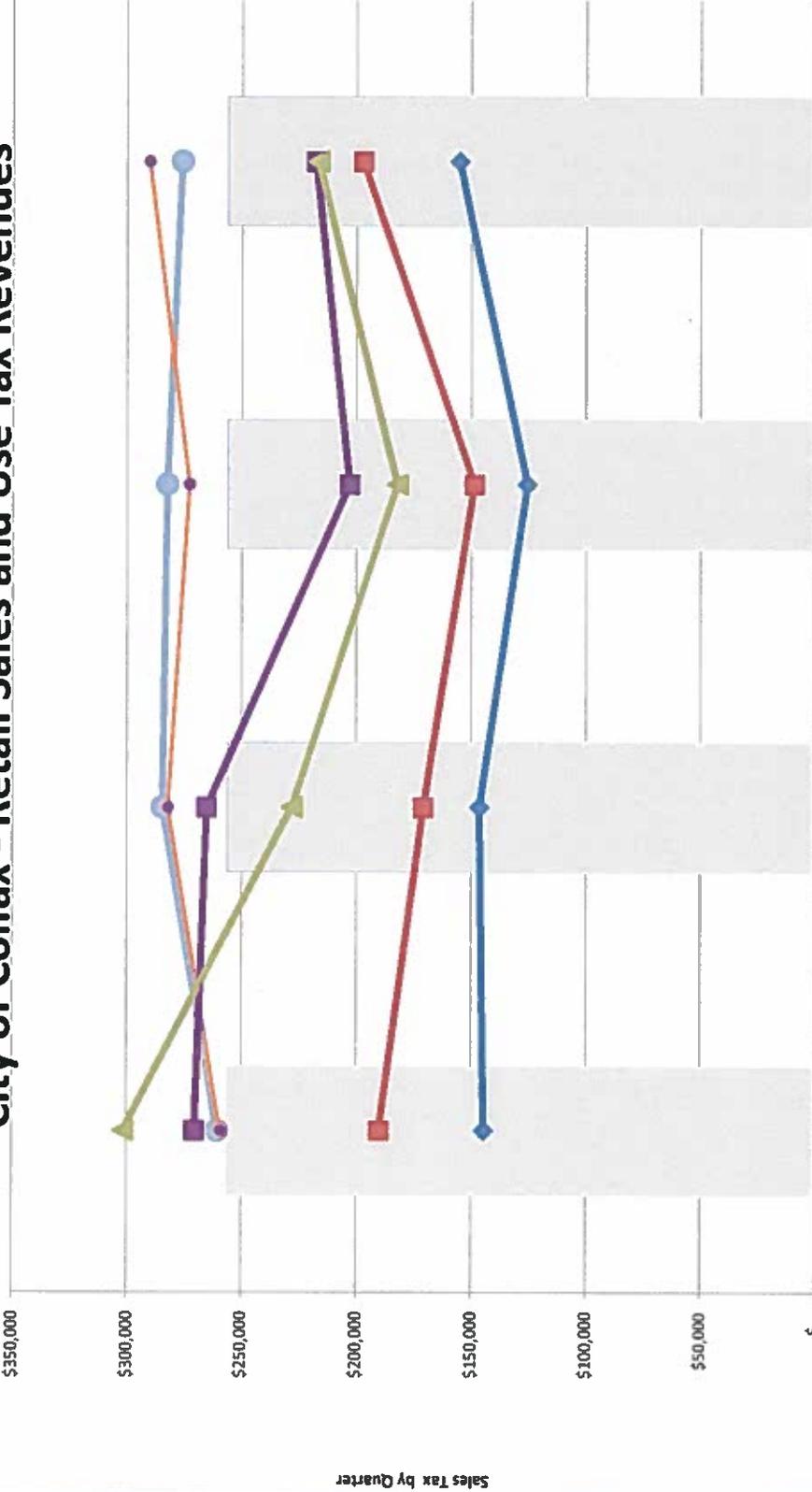
FISCAL IMPACT:

Total sales tax revenue for fiscal year 2016-2017 was \$1,103,560, which was an 0% change compared to the previous year revenues and a 10% increase over the amended budget amount of \$1,000,000 for the fiscal year.

ATTACHMENTS:

1. Graph – City of Colfax - Retail Sales Tax Revenues
2. Chart – City of Colfax – Retail Sales Tax History

City of Colfax - Retail Sales and Use Tax Revenues



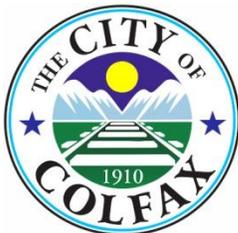
Sales Tax by Quarter

	QE 09/30	QE 12/31	QE 03/31	QE 06/30
2016-2017 Budget	\$256,250	\$256,250	\$256,250	\$256,250
2016-2017	\$260,536	\$284,588	\$282,486	\$275,950
2015-2016	\$259,216	\$282,233	\$272,685	\$290,223
2014-2015	\$270,405	\$265,207	\$202,928	\$217,802
2013-2014	\$301,739	\$228,157	\$182,183	\$216,650
2012-2013	\$190,104	\$170,947	\$148,672	\$197,105
2011-2012	\$144,554	\$146,466	\$125,690	\$155,233

City of Colfax
Sales and Use Tax Revenue History

	Actuals	Change	% Change
1999-2000	\$ 478,169		
2000-2001	\$ 484,801	\$ 6,632	1%
2001-2002	\$ 592,392	\$ 107,591	22%
2002-2003	\$ 581,749	\$ (10,643)	-2%
2003-2004	\$ 601,276	\$ 19,527	3%
2004-2005	\$ 707,515	\$ 106,239	18%
2005-2006	\$ 749,583	\$ 42,068	6%
2006-2007	\$ 752,431	\$ 2,848	0%
2007-2008	\$ 648,989	\$ (103,442)	-14%
2008-2009	\$ 540,051	\$ (108,938)	-17%
2009-2010	\$ 538,549	\$ (1,502)	0%
2010-2011	\$ 551,953	\$ 13,404	2%
2011-2012	\$ 571,943	\$ 19,990	4%
2012-2013	\$ 706,828	\$ 134,885	24%
2013-2014	\$ 928,729	\$ 221,901	31%
2014-2015	\$ 956,342	\$ 27,613	3%
2015-2016	* \$ 1,104,357	\$ 148,015	15%
2016-2017	\$ 1,103,560	\$ (797)	0%

**Included true up and final adjustments related to the end of the decade old triple flip sales tax program which ended December 31, 2015*



STAFF REPORT TO THE COLFAX CITY COUNCIL

FOR THE OCTOBER 25, 2017 COUNCIL MEETING

FROM: Wes Heathcock, Interim City Manager
PREPARED BY: Amy Feagans, Planning Director
DATE: October 17, 2017
SUBJECT: Whitcomb Avenue Development Proposal CEQA Document Preparation – Award of Contract

N/A FUNDED UN-FUNDED AMOUNT: \$20,940 FROM FUND: Developer Funded

RECOMMENDED ACTION: Adopt Resolution 45-2017 authorizing the City Manager to execute an agreement with The RCH Group for the Whitcomb Avenue CEQA Document in an amount not to exceed \$20,940.

BACKGROUND AND SUMMARY:

The City recently received a planning application for the development of a 3 acre lot at the end of Whitcomb Avenue. The property is owned by the Colfax Partners, LLC, an hydro engineer group that proposes to develop the site with their headquarters office and corporation yard for their equipment and also proposes to develop an outside self-storage facility on the lower portion of the property. As required by California Environmental Quality Agency (CEQA), an Initial Study must be prepared to determine the level of environmental impacts as a result of the proposed project. Because the City does not have the expertise in-house, it is appropriate to hire an outside consultant to prepare the document. Although the contract will be between the City and The RCH Group, the developer will be responsible for funding the entire cost of the Study.

The RCH Group has submitted the attached scope of work to complete the necessary work (Exhibit A to the attached resolution) in compliance with CEQA requirements.

PROJECT DESCRIPTION:

The attached scope of work outlines the specific tasks that will be undertaken at the kickoff meeting with staff and the developer, preparation of the administrative draft Initial Study, circulation of the Study to appropriate public agencies, and preparation of the final memo and environmental document (Negative Declaration or Mitigated Negative Declaration) for final review as part of the development project.

The actual development proposal will be reviewed separately at a later date. This report addresses only the contract for preparation of the required CEQA analysis.

FINANCIAL AND/OR POLICY IMPLICATIONS

The total cost for the report is anticipated to be \$20,940 and is expected to take approximately three months to prepare. Funding for the project will be paid by the developer.

ATTACHMENTS:

1. Resolution 45-2017
2. Contract with The RCH Group

City of Colfax

City Council

Resolution № 45-2017

**AUTHORIZING THE INTERIM CITY MANAGER TO EXECUTE AN
AGREEMENT WITH THE RCH GROUP FOR PREPARATION FOR THE
WHITCOMB AVENUE CEQA DOCUMENT IN AN AMOUNT NOT TO EXCEED
\$20,940**

WHEREAS, the City of Colfax desires to have the environmental analysis prepared for the Whitcomb Avenue Development Project; and

WHEREAS, the City of Colfax has received a scope of work from The RCH Group to perform the requested service; and

WHEREAS, the scope of the services provided by The RCH Group includes the tasks necessary to prepare the environmental evaluation of the proposed development project,

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Colfax authorizes the Interim City Manager to execute on behalf and in the name of the City of Colfax a professional services contract with The RCH Group for the preparation of the environmental documentation and evaluation as described in Exhibit A attached to this Resolution.

THE FOREGOING RESOLUTION WAS DULY AND REGULARLY ADOPTED at a regular meeting of the City Council of the City of Colfax held on the 25th day of October, 2017 by the following vote of the Council:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

Stephen L. Harvey, Mayor

Lorraine Cassidy, City Clerk

Colfax Partners - Corporation Yard & RV/Boat Storage Project Proposal for Consulting Services & CEQA Document Preparation



1 PROJECT UNDERSTANDING

Colfax Partners, Inc. (the applicant) proposes to develop on an undeveloped, three-acre parcel near the end of Whitcomb Avenue (in the Whitcomb Avenue Industrial Park) in the City of Colfax (Placer County APN 101-170-013). The proposed project includes the development of a corporation yard for a construction company on the upper portion of the property and the development of a boat and recreational storage facility on the lower portion of the property. The construction and operation of the proposed Corporation Yard and RV/Boat Storage facility is the “project,” as defined by the California Environmental Quality Act (CEQA). The City of Colfax is the CEQA Lead Agency.

The project site is bordered by a private property to the west (a residence with vehicles and equipment stored on property), commercial/industrial buildings and associated parking to the east, vacant land and Whitcomb Avenue to the north and single-family residences (Mink Creek HOA) to the south. Whitcomb Avenue would serve the proposed project, with separate access roads for the Corporation Yard and RV/Boat Storage Facility. The City of Colfax previously constructed public facilities at the Whitcomb Avenue Industrial Park to promote development. Existing public facilities include sanitary sewer lines, water lines, drainage, electrical and communications and street extension improvements consisting of pavement and curb and gutter.

2 PROJECT APPROACH

2.1 GENERAL APPROACH

RCH’s Managing Principal of Environmental Services, Paul Miller, will manage the proposed project. Paul is an environmental professional with more than 33 years of experience in providing services and products to government agencies and private sector corporations. With a broad range of environmental skills, he has applied his background since 1986 to CEQA and NEPA and has been integral in the preparation of over 500 CEQA/NEPA environmental documents, including project manager for more than 18 major EIRs. Paul managed the Initial Study/ Mitigated Negative Declaration (IS/MND) for Sierra Oaks Estates and Village Oaks, a 34-lot single-family residential neighborhood and a 76-unit multi-family residential community on a 35-acre site near the southwest corner of Iowa Hill Road and Grand View Way in the City of Colfax. RCH prepared the IS/MND in-house and the project was approved in December 14, 2016.

RCH has significant project experience in the Colfax and Placer County area and has good working relationships with responsible agencies and other jurisdictions applicable to the proposed project such

[1]

as the City of Colfax Planning Department, Placer County Air Pollution Control District (PCAPCD) and Placer County Water Authority (PCWA).

RCH will use its experience with CEQA and projects in Colfax and the Placer County area in preparing a CEQA document for the project. An Initial Study will first be prepared for the proposed project to provide the City of Colfax with the information to use as the basis for deciding whether to prepare an Environmental Impact Report (EIR) or Mitigated Negative Declaration. The initial study will enable the Colfax Partners and the City of Colfax to mitigate adverse impacts as a result of the proposed project before an EIR is prepared, enabling the proposed project to qualify for a Mitigated Negative Declaration. The Initial Study will use the Appendix G Checklist of the CEQA Guidelines and will contain responses for each checklist item (16 general categories of environmental impacts) and provide explanations for items with potential environmental impacts that need to have mitigation measures implemented. Based upon the project and RCH's experience with similar projects, a Mitigated Negative Declaration should be sufficient for CEQA compliance.

2.2 SCOPE OF WORK

RCH proposes the following items for the Scope of Work.

Task 1: Kick-off Meeting

At the "kick-off" meeting with RCH, Colfax Partners and the City of Colfax Planning Department. All parties will discuss the project components and confirm the impacts that will be addressed in the CEQA document.

Task 2: Prepare Administrative Draft Initial Study

RCH will prepare an Initial Study Checklist (CEQA Appendix G) to determine potential impacts. If no significant impacts are identified, or if mitigation measures can be identified for all potentially significant impacts and Colfax Partners agrees to implement them, then the City of Colfax can circulate a proposed Negative Declaration or a Mitigated Negative Declaration. It is expected that the proposed project would have minimal effects for many of the resource categories considered in the Initial Study Checklist. We have preliminarily identified the following issues for analysis in the Initial Study.

Areas that will need a thorough discussion include:

- Aesthetics
- Air Quality/ Greenhouse Gas Emissions
- Biological Resources
- Cultural Resources
- Geology/Soils
- Hydrology/Water Quality
- Noise
- Transportation/Traffic

Aesthetics

RCH will review the project site and surrounding area during a site visit. RCH will also review the proposed project to ensure it is consistent with the Community Design Element of the City of Colfax General Plan.

Air Quality and Greenhouse Gas (GHG) Emissions

RCH will analyze potential air quality and GHG emissions impacts. Air quality and GHG emissions from construction and operation of the proposed project will be quantified using the California Emissions Estimator Model (CalEEMod) Version 2016.3.1, a statewide land emissions model which provides an accurate and comprehensive tool for quantifying air quality and GHG emissions impacts from land use projects in California. The air quality and GHG emissions analysis will follow the guidelines in the PCAPCD's CEQA Air Quality Handbook and emissions from the proposed project will be compared to PCAPCD thresholds of significance. Based upon the size of the project site and the low intensity of operations, air quality and GHG emissions are expected to be below all PCAPCD significance thresholds.

Biological Resources

RCH will review the Biological Assessment for the project site, which is currently proposed to be conducted by Salix Consulting, under contract to the applicant. The biological analysis in the initial study will follow the recommendations and conclusions of Salix Consulting related to biological resources impacts including impacts to wetlands and mitigation measures for potentially significant impacts.

Cultural Resources

RCH will confer with City of Colfax Planning Staff on whether a Cultural Resources Study needs to be prepared for the project site. Regardless, the City of Colfax will need to follow AB 52 guidelines and offer AB 52 consultation to any tribes that request consultation in writing.

Geology/Soils

RCH will review the Geotechnical Report for the project site (prepared separately for the applicant). The analysis will follow the recommendations and conclusions of Geotechnical Report for potential impacts to geologic resources and any recommended mitigation measures for potentially significant impacts. The City of Colfax's Hillside Development Guidelines will apply to the property because it contains slopes greater than 10 percent (the Guidelines also prohibit development on slopes greater than 30 percent).

Hydrology

RCH will review the Drainage Study, also prepared separately for the applicant. Recommendations and conclusions of Geotechnical Report may also be relevant to run off and water quality. The hydrology section of the initial study will contain a discussion of water quality requirements including obtaining a General Permit for Discharges of Stormwater Associated with Construction Activity Construction General Permit, which requires a Stormwater Pollution Prevention Plan (SWPPP).

Noise

RCH will conduct several short-term (typically ten to 20 minutes) and at least one long-term (typically 48 hours) noise measurement in locations around the perimeter of the project site to estimate existing noise levels. The focus of the noise analysis will be potential impacts of construction and operations on sensitive receptors adjacent to the south of the project site. The proposed project will have to comply with the Chapter 8.28 – Noise Standards in the City of Colfax Municipal Code.

Traffic and Transportation

RCH will confer with City of Colfax Planning Staff on whether a Traffic Study needs to be prepared for the project site. Based upon RCH's understanding of project operations the proposed project should not generate a high number of daily vehicle trips.

Task 3: Prepare Public Draft Negative Declaration or MND

RCH will respond to City comments on the Administrative Draft Negative Declaration or MND (and applicant comments, as appropriate, if they review the Administrative Draft document) and prepare a revised version of the document for public distribution.

Task 4: Circulate CEQA Document

In coordination with the City, RCH will assist in preparation (if necessary) of a Notice of Intent (NOI) to adopt a Negative Declaration or Mitigated Negative Declaration according to CEQA Guidelines 15070. RCH will also assist the City with any other CEQA noticing tasks the City requests.

Task 5: Response to Public Comments

RCH will respond to public comments received during Draft IS/MND public review period. At this time there is no way to estimate the level of public comments, therefore only 16 hours of staff time is proposed.

Task 6: Meetings

RCH's Project Manager (Paul Miller) will be in attendance at the kickoff meeting. RCH also assumes the following meeting as part of this SOW:

RCH will attend the Public Hearing for the proposed project at the Colfax City Hall. At the Public Hearing, RCH will be able to answer questions and provide CEQA support to the City of Colfax Planning Staff.

Task 7: Project Management

This task includes all project management tasks necessary for completion of the project, including, scheduling, budgeting, invoicing, and coordination.

3 RELEVANT EXPERIENCE

3.1 PROJECT MANAGER

Paul Miller, RCH's Managing Principal, will act as project manager. Paul is an environmental professional with more than 33 years of experience in providing services and products to government agencies and private sector corporations. His technical areas of expertise include CEQA project management and technical analyses in the areas of energy, integrated waste management, air quality, noise and hazardous materials. With a broad range of environmental skills, he has applied his background since 1986 to CEQA and NEPA and has been integral in the preparation of over 250 CEQA and NEPA environmental documents, including project manager for more than 18 major EIRs. He has been the

project manager or a key team leader for five state agencies (California Public Utilities Commission (CPUC), California Energy Commission (CEC), CalRecycle, the former California Integrated Waste Management Board, and the State Water Resources Board, Central Valley Region) on projects of statewide importance.

3.2 PROJECT ASSOCIATES

RCH's Mike Ratte, Dan Jones and Erin Reddy will assist in the preparation of the Initial Study. Brief bios are presented below.

Mike Ratte is a Senior Air Quality Scientist at RCH Group. Mike will conduct the air quality and greenhouse gas emissions portions of the CEQA document. Mike has been a practicing meteorologist and air quality specialist within the consulting business for 25 years. Mike's technical expertise includes NEPA/CEQA environmental planning, air emissions inventories, ambient air monitoring, atmospheric dispersion modeling, air quality permitting, health risk assessments, and climate change analyses. He has worked extensively for local, state, and federal agencies, as well as a wide array of commercial businesses and industries. His recent projects involved transportation facilities (airports, roadways, and marine ports), land development (residential/commercial/institutional), landfills/composting, and mining/quarry operations. He is well versed in a wide array of air emission models including, EMFAC, OFFROAD, NONROAD, MOVES, CalEEMod, and AP-42; dispersion models such as AERMOD, EDMS, HARP, and CAL3QHC; with strong data management and ACCESS programming skills.

Dan Jones is an Environmental Services Associate at RCH Group. Dan will prepare many of the resource sections of the CEQA document and will assist in supporting project-related tasks. Dan has been integral in RCH's preparation of CEQA documents and technical studies in Placer County and throughout California. Dan's technical experience includes CEQA compliance, air quality, greenhouse gas emissions, health risk assessments, noise, and integrated waste management. Dan's technical noise experience includes short-term and long-term noise monitoring and traffic noise modeling. Dan is proficient in a variety of air emissions models including CalEEMod, California Air Resources Board's EMFAC and OFFROAD, and Sacramento Metropolitan Air Quality Management District's Road Construction Emissions Model. Dan also has technical experience working with dispersion modeling data and health risk assessments.

Erin Reddy is a technical associate at RCH with knowledge of ecology, natural resources management, urban forestry, sustainability, and noise. She has over four years of experience in environmental data management and website development for the state of California. Her work involves preparation of CEQA/NEPA environmental documents, technical noise analyses, and wetland alternative analyses. She has hands-on experience with short-term and long-term noise monitoring.

4 SCHEDULE

The following table shows RCH's proposed schedule for the CEQA review. The schedule is aggressive and based on a start date of October 9th. The schedule dates would shift directly in relation to any later start date.

Task	Duration (Calendar Days)	Start Date	Completion Date
Notice to Proceed	1	10/9/2017	10/10/2017
Task 1. Kick off Meeting	1	10/10/2017	10/11/2017
Task 2. Prepare Administrative Draft Initial Study	45	10/12/2017	11/26/2017
Administrative Draft Initial Study Review	7	11/27/2017	12/4/2017
Task 3. Prepare Public Draft ND or MND	10	12/5/2017	12/15/2017
Task 4. Circulate CEQA Document	30	12/16/2017	1/15/2018
Task 5. Public Hearing	30	1/16/2018	2/15/2018

Note: This schedule is contingent upon receiving technical studies for the proposed project within 30 days of notice to proceed.

5 COST ESTIMATE

The RCH Cost Estimate is provided in Table 1.

The cost estimate assumes the following:

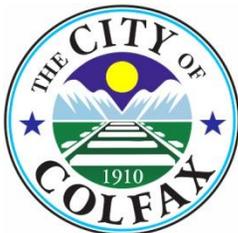
- One round of review of the Initial Study by the City and/or the Colfax Partners. If there are multiple reviewers their comments should be consolidated for return to RCH.
- The following technical studies will be prepared and delivered to RCH:
 - Biological Resources Assessment
 - Cultural Resources Assessment (If required)
 - Drainage Study
 - Geotechnical Report
 - Traffic Assessment (If required)

Tasks excluded include but are not limited to the following:

- Additional rounds of review by the City of Colfax
- New or additional technical reports
- Preparation of an EIR

- Changes to the Project Description that affect RCH work
- Response to Public Comments received during Public Review [beyond the 16 hours included in the cost estimate) – at this time there is no way to estimate the level of public comments]
- Additional meetings not in the proposed Scope of Work

Table 1. Cost Estimate Colfax Partners -- Corporation Yard and RV/Boat Storage Project CEQA Environmental Review		RCH Group											
		Labor Effort					Direct Costs						
RCH Staff:		Paul Miller	Mike Ratte	Dan Jones	Erin Reddy	Graphics and Admin	RCH HOURS	RCH LABOR COSTS	Travel & communications	Printing & materials	Other direct cost	Total Direct Costs plus	RCH TOTAL COSTS
Employee category bill rate: (\$/hr)		\$160	\$135	\$95	\$85	\$90						10%	
TASKS:		(Hours per person per task)											
1.	Project Kick-Off Meeting	4		4			8	\$1,020	\$50			\$55	\$1,075
2.	Administrative IS Preparation	8	4	75	20	2	109	\$10,825	\$50	\$100		\$165	\$10,990
3.	Draft IS Preparation	6	2	16	5		29	\$3,175				\$0	\$3,175
4.	Circulate CEQA Document	2		6			8	\$890				\$0	\$890
5.	Response to Public Comments on CEQA Document	4		12			16	\$1,780				\$0	\$1,780
6.	Meetings	6		6			12	\$1,530	\$50			\$55	\$1,585
7.	Project Management	6		8			14	\$1,720	\$50			\$55	\$1,775
TOTAL EFFORT (Hours)		36	6	127	25	2	196						
TOTAL COSTS (\$)		\$5,760	\$810	\$12,065	\$2,125	\$180		\$20,940	\$200	\$100	\$0	\$330	\$21,270



STAFF REPORT TO THE COLFAX CITY COUNCIL

FOR THE OCTOBER 25, 2017 REGULAR COUNCIL MEETING

FROM: Alfred A. “Mick” Cabral, City Attorney
PREPARED BY: City Attorney
DATE: October 25, 2017
SUBJECT: County Presentation, Public Hearing, Second Reading and Adoption of an Ordinance of the City of Colfax Regulating Cannabis Cultivation, Commercial Cannabis Activities, Cannabis Manufacturing, Cannabis Dispensaries and Cannabis Delivery

<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>	FUNDED	<input type="checkbox"/>	UN-FUNDED	AMOUNT: N/A	FROM FUND: N/A
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RECOMMENDED ACTION: Receive a presentation from Placer County representative, conduct a public hearing, waive the second reading and adopt the proposed ordinance

BACKGROUND AND SUMMARY:

At the October 11, 2017 regular meeting, the City Council introduced Ordinance 534 by title only, waived its first reading and scheduled it for a public hearing, waiver of the second reading and possible adoption at the October 25, 2017 regular meeting. That action was preceded by extensive public comment primarily related to a request by Golden State Patient Care for permission to reopen its closed facility.

Council did not recommend extensive changes to the draft ordinance. Council’s comments and the changes incorporated into to the draft ordinance are:

1. The size of the permitted outdoor grow area was discussed. Councilmember Stockwin recommended increasing the area of outdoor grow to 150 square feet. Other Council members did not weigh in on the recommendation, therefore, staff suggests following the previously approved ordinance proposed in November, 2016 that limited the grow area to 100 square feet.
2. Councilmember Stockwin took exception to the 100’ setback because most City lots are not large enough to allow an outdoor grow with a setback of that magnitude. This draft reduces the setback to 10’. Some level of setback is recommended to prevent neighbors or passers-by from reaching over a fence and harvesting from growing plants without permission.
3. Councilmember Stockwin commented that a solid fence may not be appropriate in some circumstances. The phrase “with a solid fence” was deleted from Section 17.162.040 A 6. As the revised section now reads, outdoor cultivation needs to be screened.

4. Section 17.162.080 has been amended to reflect the Council's vote to allow a business license to be issued to Golden State Patient Care contrary to the City Attorney's recommendation. The attached draft incorporates much of the language of the existing ordinance. Additional language has been added to provide clarity and increase the City's control over the dispensary.

Even with adoption of this ordinance, the City will not have a detailed process in place to monitor or regulate the operation of a medical marijuana dispensary. If any level of cannabis activities is going to be allowed in Colfax, staff recommends adopting a subsequent ordinance that creates the regulations necessary to protect the City's interests.

5. Councilmember Douglass suggested striking Section 17.162.090 pertaining to deliveries. After further Council discussion, striking the section did not appear to be necessary. That section remains unchanged in this draft.

The proposed ordinance is very similar to an ordinance adopted by Placer County. Tim Wegner, Placer County Chief Building Official, will attend the October 25 meeting and make a presentation on the history and purpose of the Placer County ordinance before Council considers the matter.

The balance of this staff report incorporates the staff report provided at the October 11 meeting.

The law pertaining to marijuana in California has been evolving for decades. In 1996, California voters approved Proposition 215 which was codified as California Health and Safety Code Section 11362.5, and entitled "The Compassionate Use Act of 1996" ("the Compassionate Use Act" or "CUA"). The intent of the Compassionate Use Act was to enable persons who need marijuana for medical purposes to obtain and use it under limited, specific circumstances, without being subject to criminal prosecution under certain state statutes.

On January 1, 2004, Senate Bill 420, codified as California Health and Safety Code Sections 11362.7 et seq. and entitled "The Medical Marijuana Program," ("MMP") became effective to clarify the scope of the Compassionate Use Act.

In 2015, three separate bills (AB 266, AB 243 and SB 643) were signed into law. Known as the Medical Cannabis Regulation and Safety Act (MCRSA), those bills essentially created a structure to license, tax and regulate medical cannabis and a mechanism to fund the regulatory agencies that will oversee it.

On November 8, 2016, California voters approved Proposition 64, which was commonly known as the Control, Regulate and Tax Adult Use of Marijuana Act (AUMA). The AUMA created a comprehensive regulatory scheme under which adult use of marijuana will be controlled, regulated and taxed. AUMA included provisions regulating marijuana cultivation, distribution, sale and use. AUMA essentially allowed recreational use of marijuana.

On June 27, 2017, the Governor signed the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA, also referred to as SB 94) in an effort to consolidate the laws applicable to medicinal and adult-use of marijuana. MAUCRSA essentially repealed MCRSA and AUMA and incorporated their provisions into a consolidated statutory scheme.

MAUCRSA reserves to cities the right to regulate marijuana cultivation, commercial cannabis activities, cannabis manufacturing, cannabis dispensaries and cannabis delivery. The authority includes the ability to adopt ordinances that regulate marijuana cultivation and regulate or prohibit commercial cannabis activities, cannabis manufacturing, cannabis dispensaries and, to a lesser extent, cannabis delivery. Any city that adopts an ordinance regulating or prohibiting cannabis activities must provide a copy to the Bureau of

Cannabis Control. An applicant for a license to operate a cannabis business must establish compliance with a local ordinance as a condition to receiving a state-issued license.

Colfax does not have an ordinance or other regulatory scheme that addresses or regulates marijuana cultivation, commercial cannabis activities, cannabis manufacturing or cannabis delivery. Colfax Municipal Code Chapter 17.162 only precludes medical marijuana dispensaries from being located anywhere in the City. Staff recommends that the Council adopt a comprehensive ordinance that regulates all of the primary aspects of cannabis business that may be located in Colfax.

Placer County has already adopted a regulatory scheme. The ordinance presented for consideration is modeled after the Placer County ordinance. The ordinance, if adopted by the City Council, will repeal Colfax Municipal Code Chapter 17.162 and replace it with an ordinance that prohibits all commercial cannabis activities, cannabis manufacturing, and cannabis dispensaries in Colfax. Cannabis delivery in Colfax will be prohibited except primary caregivers will be allowed to deliver medical cannabis to qualified patients or persons with an identification card for whom he or she is the primary caregiver.

Although the Council has the right to completely prohibit all outdoor cannabis cultivation, the proposed ordinance, if passed, will conditionally allow limited indoor or outdoor cannabis cultivation as follows: (1) indoor and outdoor cultivation of cannabis of up to six plants on no more than 50 square feet per parcel will be allowed in certain locations by authorized growers, qualified patients and primary caregivers; (2) outdoor cannabis cultivation must be more than 600 feet from any school, church, park, library, fairgrounds, child care center or youth-oriented facility; (3) cannabis growing indoors or outdoors on the same parcel, but not both, will be conditionally allowed; (4) cultivation will be permitted only on land with private residences, not vacant land; (5) outdoor cultivation will be required to be setback by a minimum of 100 feet from all parcel property lines and be no closer to neighboring residences than they are to the residence on the parcel on which cultivation occurs; (6) outdoor grows will be required to be screened with fencing to restrict access and prevent viewing from the public or adjacent property owners; (7) all grows must comply with all applicable building, plumbing, mechanical, electrical and fire codes; (8) any grows that adversely affect the health and safety of occupants, neighbors or members of the public with dust, glare, heat, noise, noxious gasses, odor, smoke, traffic, vibration, mold and the like will be prohibited; (9) the use of volatile solvents and dangerous poisons, toxins and carcinogens will be prohibited; and (10) any violation will be a public nuisance subject to extensive enforcement mechanisms.

The State is preparing regulations to implement MAUCRSA but there is little likelihood that any of those regulations will address issues unique or important to Colfax. It is important for Colfax to preserve its regulatory authority and decide for itself which, if any, cannabis-related enterprises it will allow and, if so, the conditions under which it will do so. Failure to adopt a regulatory scheme may subject Colfax to state-adopted regulations that will not address the City's unique circumstances.

It is also important for the City to have a regulatory scheme in place before January 1, 2018, which is when MAUCRSA becomes applicable. The proposed ordinance is presented in sufficient time to meet that deadline.

The proposed ordinance begins with conditionally allowing indoor and outdoor cultivation. This is a small step. Staff anticipates that the Council may want to consider allowing cannabis-related businesses, such as dispensaries, to lawfully operate in the City. Adopting the proposed ordinance will permit the Council sufficient time to properly consider the scope of cannabis activities it will allow, and draft appropriate regulations, while preserving the status quo while it does so.

Staff is available to answer any questions or provide additional information.

Attachment:

1. Proposed Ordinance

CITY OF COLFAX

ORDINANCE NO. 534

**AN ORDINANCE OF THE CITY OF COLFAX REPEALING MUNICIPAL CODE
CHAPTER 17.162 AND REPLACING IT WITH CANNABIS REGULATIONS**

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

Section 1:

Colfax Municipal Code Chapter 17.162 is hereby repealed and replaced with the Ordinance attached hereto as Exhibit A which is incorporated herein by this reference.

Section 2. Superceding Provisions

The provisions of this Ordinance and any resolution adopted pursuant hereto shall supersede and repeal any previous Ordinance or resolution to the extent the same is in conflict herewith.

Section 3. Severability

If any section, phrase, sentence or portion of this Ordinance is for any reason held invalid or unconstitutional by the final judgment of any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision; and such holding shall not affect the validity of the remaining portions hereof.

Section 4. California Environmental Quality Act Findings

The City of Colfax finds that, if the provisions of the California Environmental Quality Act, Public Resources Code §21000 et seq (hereinafter "CEQA") apply, the title of this ordinance would constitute a brief description of the "Project" as required by Section 15062(a)(1) of the Guidelines for Implementation of the California Environmental Quality Act published by the State of California Office of Planning and Research (the "CEQA Guidelines").

FINDING OF NO PROJECT

The City of Colfax finds that adoption of this ordinance does not constitute a "Project" as that term is defined by or used in CEQA, the CEQA Guidelines or any court or attorney general opinion construing the same. Accordingly, the City of Colfax finds that the provisions of CEQA and the CEQA Guidelines are not applicable to said action.

FINDING OF EXEMPTION

In the event that it is found that the said action constitutes a "Project" as defined by or used in CEQA or the CEQA Guidelines, which finding would be contrary to the City's opinion of its action, the City of Colfax hereby finds that said action is exempt from compliance with CEQA and the CEQA Guidelines, for the following reasons: The action falls within the exemptions provided by Senate Bill 94, and within the "common sense" CEQA exemption provided in 14 CCR 15061(b)(3) in that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the action may have a significant effect on the environment, the action is not subject to CEQA. CEQA Guidelines, Section 15061(b)(3). It can be seen with certainty that adoption of this ordinance and its provisions cannot possibly have a significant effect on the environment.

Section 5. Effective Date

This Ordinance, and all of its provisions, shall take effect thirty (30) days after its adoption and shall, within 15 days after its adoption, be published or posted in accordance with Section 36933 of the Government Code of the State of California with the names of those City Council members voting for and against it.

The foregoing Ordinance was introduced at a regular meeting of the City Council of the City of Colfax held on the 11th day of October, 2017, and passed at a regular meeting of the City Council held on the 25th day of October, 2017, at a duly held regular meeting of the City of Colfax, by the following vote:

AYES:

NOES:

ABSENT:

Stephen L. Harvey, Mayor

APPROVED AS TO FORM:

ATTEST:

Alfred Cabral
City Attorney

Lorraine Cassidy
City Clerk

COLFAX MUNICIPAL CODE

CHAPTER 17.162

CANNABIS REGULATIONS

Colfax Municipal Code Chapter 17.162 is hereby repealed and replaced with the following provisions.

17.162.010 Application

The provisions of this chapter shall apply generally to all property throughout the City of Colfax wherein any of the conditions herein specified are found to exist. However, nothing in this chapter is intended, nor shall it be construed, to burden any defense to criminal prosecution under the Compassionate Use Act of 1996, codified as California Health and Safety Code Section 11362.5 (the “CUA”), the Medical Marijuana Program codified as California Health and Safety Code Sections 11362.7 et seq., (the “MMP”), the Medical Cannabis Regulation and Safety Act (“MCRSA”) or the Adult Use Of Marijuana Act passed and adopted by the voters in November, 2016 (the “AUMA”) as the MCRSA and AUMA were enacted or as they have been repealed or amended by the Medicinal and Adult-Use Cannabis Regulation and Safety Act (“MAUCRSA”).

17.162.020 Administration.

The City Manager or designee, the Placer County Sheriff, the Placer County Chief Building Official, and any employee designated by any of those persons, are authorized to administer and enforce this chapter to ensure compliance.

17.162.030 Definitions

As used herein, the following definitions shall govern the construction of this chapter:

“Abatement costs” mean any costs or expenses reasonably related to the abatement of conditions which violate this chapter, and shall include, but not be limited to, enforcement, investigation, attorneys’ fees, collection and administrative costs, and the costs associated with removal or correction of the violation.

“Accessory structure” means a structure that is accessory to any principal structure and customarily a part thereof, which is clearly incidental and secondary to the principal structure and is significantly smaller in area than the principal structure and does not change the character of the principal structure or principal use of the premises.

“Administrative costs” mean the cost of City staff time and Placer County Sheriff time reasonably related to enforcement, for items including, but not limited to, site inspections, travel time, investigations, telephone contacts and time spent preparing summaries, reports, notices, correspondence, warrants and hearing packets, and the time expended by the code enforcement officer or designee to calculate the above costs and prepare itemized invoices, may also be recovered.

“Authorized grower” means any person, including a person with an identification card, primary caregiver, or qualified patient, who is authorized by state law to grow cannabis for personal medical or non-medical use in compliance with local and state laws that authorize such cannabis cultivation.

“Cannabis,” “marijuana” “medical cannabis,” “medical marijuana,” and/or “marijuana products” shall be used interchangeably and means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. “Cannabis” also means the separated resin, whether crude or purified, obtained from cannabis. “Cannabis” does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this division, “cannabis” does not mean “industrial hemp” as defined by Section 11018.5 of the Health and Safety Code.

“Cannabis plant” means any mature or immature cannabis plant (and/or cannabis plant clone), or any cannabis seedling, unless otherwise specifically provided herein.

“Child care center” means any licensed child care center, or any daycare center, or childcare home, or any preschool.

“Church” means a structure or leased portion of a structure, which is used primarily for religious worship and related religious activities.

“Commercial cannabis activity” includes cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, packaging, labeling, transporting, delivery or sale of cannabis or cannabis products.

“Cultivation” means any activity involving the planting, growing, trimming, harvesting, drying, curing, grading, processing or storage of one or more cannabis plants or any part thereof in any location, indoor or outdoor, including a fully enclosed and secure structure or accessory structure.

“Dispensary” means any facility, location, establishment or similar entity that distributes, delivers, or supplies cannabis for any purpose and shall include but not be limited to a dispensing collective or cooperative.

“Code enforcement officer” means any person authorized by the City of Colfax to administer this chapter or his or her authorized deputies or designees, each of whom is independently authorized to enforce this chapter.

“Fence (solid)” means a barrier constructed of wood or other materials which form an opaque screen.

“Fence (other than solid)” means a barrier constructed of posts made of wood, metal or any other rigid material connected with wire, fabric, boards or other materials which is intended to demarcate a boundary, separate land uses, secure animals, enclose property, exclude people and animals from a designated area, and the like, and which does not form a visually opaque screen.

“Fully enclosed and secure structure” means a space within a building that has been approved by the City of Colfax and complies with the California Building Code, as adopted by the City of Colfax, or if exempt from the permit requirements of the California Building Code, that has a complete roof enclosure supported by connecting walls extending from the ground to the roof; a foundation, slab or equivalent base to which the floor is secured by bolts or similar attachments, is secured against unauthorized entry; and is accessible through one or more lockable doors. Walls and roofs must be constructed of solid materials that cannot be easily penetrated or breached, such as two-inch by four-inch nominal or thicker studs overlaid with three-eighths inch or thicker plywood or the equivalent. Plastic sheeting, regardless of gauge, or similar products, do not satisfy this requirement. If indoor grow lights or air filtration systems are used, they must comply with the California Building, Electrical, and Fire Codes as adopted or applied by the City of Colfax. Any detached, fully-enclosed and secure structure used for the cultivation of marijuana must have a ventilation and filtration system installed that shall prevent marijuana plant odors from exiting the interior of the structure except through the ventilation and filtration system. Such structure shall be located in the rear yard area of a legal parcel or premises, maintain the setbacks set forth in the Colfax Municipal Code and the area surrounding the structure or back yard must be enclosed by a solid fence at least six feet in height. When this chapter allows that cultivation of marijuana occur indoors, the harvest of such marijuana shall also be accomplished indoors.

“Harvest” includes but is not limited to the drying, processing, or storage of marijuana which may only occur within a fully enclosed and secure structure or accessory structure.

“Immature cannabis plant” means a cannabis plant, whether male or female, that has not yet flowered and which does not yet have buds that are readily observed by unaided visual examination.

“Indoors” means within a fully enclosed and secure structure or accessory structure.

“Legal parcel” means any parcel of real property that may be separately sold in compliance with the Subdivision Map Act (Division 2 (commencing with Section 66410) of Title 7 of the Government Code).

“Manufacture” means to compound, blend, extract, infuse, or otherwise make or prepare a cannabis product.

“Manufacturer” means a person that conducts the production, preparation, propagation, or compounding of cannabis or cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages cannabis or cannabis products or labels or re-labels its container.

“Manufacturing” means the producing, preparing, propagating, or compounding of cannabis or cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages cannabis or cannabis products or labels or re-labels its container.

“Mature cannabis plant” means a cannabis plant, whether male or female, that has flowered and which has buds that are readily observed by unaided visual examination.

“Medical marijuana collective” means qualified patients, persons with valid identification cards, and the designated primary caregivers of qualified patients who associate by agreement, or form a cooperative within the City in order to collectively or cooperatively cultivate marijuana for medical purposes, as provided in Health and Safety Code Section 11362.775. The term collective shall include “cooperative” unless the context clearly indicates otherwise.

“Outdoor” or “outdoors” means any location within the City of Colfax that is not within a fully enclosed and secure structure or accessory structure as defined herein.

“Parcel” means a “legal parcel” as defined herein and a property assigned a separate parcel number by the Placer County assessor.

“Person” means any individual, partnership, co-partnership, firm, association, joint stock company, corporation, limited liability company, cooperative or combination of the above in whatever form or character.

“Premises” means a single, legal parcel of property that includes an occupied legal residence, such as a house, an apartment, a condominium, a mobile home or other similar dwelling, which is a dwelling in compliance with the Colfax Municipal Code and has also met the requirements of this chapter. Where contiguous legal parcels are under common control or ownership, such contiguous legal parcels shall be counted as a single “premises” for purposes of this chapter.

“Primary caregiver” shall have the meaning set forth in Health and Safety Code Section 11362.7(d), as may be amended.

“Private residence” means a house, a duplex, an apartment unit, a condominium, a townhouse, a mobile home or other similar dwelling or premises.

“Qualified patient” shall have the meaning set forth in Health and Safety Code Section 11362.7(f), as may be amended.

“Recommendation” means a written current recommendation signed by a licensed California physician pursuant to Health and Safety Code Sections 11362.5 and 11362.7.

“Residential treatment facility” means a facility provided for treatment of drug and alcohol dependency, including any “sober living facility” run by treatment providers for the benefit of transitional living.

“School” means an institution of learning for minors, whether public or private, offering a regular course of instruction required by the California Education Code, or any child or day care facility. This definition includes a nursery school, kindergarten, elementary school, middle or junior high school, senior high school, or any special institution of education, but it does not include a vocational or professional institution of higher education, including a community or junior college, college or university.

“Youth-oriented facility” means elementary school, middle school, junior high school, high school, public park, and any establishment that advertises in a manner that identifies the establishment as catering to or providing services primarily intended for minors, or the individuals who regularly patronize, congregate or assemble at the establishment are predominantly minors. This shall not include a day care or preschool facility.

17.162.040 Outdoor Cannabis Cultivation

A. When authorized by state law, an authorized grower shall be allowed to cultivate cannabis outdoors for personal use only, subject to the regulations in this chapter and elsewhere in the Colfax Municipal Code and the following restrictions:

1. The regulations of this chapter and the Colfax Municipal Code shall apply to all outdoor cultivation of cannabis; and
2. A maximum of six plants on no more than **one-hundred (100)** square feet in total is allowed for outdoor cultivation of cannabis per parcel with a private residence. Cannabis plants may be cultivated on no more than **one-hundred (100)** square feet in total per parcel with a private residence, regardless of the number of authorized growers, qualified patients or primary caregivers residing in a private residence on the parcel. The total combined outdoor cultivation of cannabis per parcel with a private residence shall not exceed **one-hundred (100)** square feet at any time. For the purposes of this section, the area used to cultivate cannabis shall be measured by the aggregate area of vegetative growth of live cannabis plants on the premises; and
3. All outdoor cultivation of cannabis may only occur on a parcel with the private residence of the authorized grower, and the authorized grower may only cultivate cannabis on one parcel and may not cultivate outdoors if there is any indoor cannabis cultivation occurring on the parcel; and
4. All outdoor cultivation shall be setback by a minimum of **ten (10)** feet from all parcel property lines; and
5. All outdoor cultivation shall not be closer to an existing private residence on an adjoining property than to the private residence of the authorized grower on the parcel whereon the outdoor cultivation site is located; and
6. All outdoor cultivation shall be screened **(with a solid fence)** from all public rights-of-way, private access easements, and exterior property lines of the parcel where the outdoor cultivation takes place to prevent being easily visible to individuals on adjoining parcels

or to individuals either passing through or by the subject parcel, and to prevent members of the public from gaining access; and

7. The use of volatile solvents is prohibited. For purposes of this ordinance, “volatile solvent” means volatile organic compounds, including but not limited to: (1) explosive gasses such as Butane, Propane, Xylene, Styrene, Gasoline, Kerosene, O₂ or H₂; and (2) dangerous poisons, toxins, or carcinogens, such as Methanol, Iso-propyl Alcohol, Methylene Chloride, Acetone, Benzene, Toluene, and Tri-chloro-ethylene.

8. The parcel where the outdoor cannabis is cultivated shall not be located within six hundred (600) feet of any school, church, park, library, child care center, or youth-oriented facility. Such distance shall be measured in a straight line from the fence or other enclosure to the nearest boundary line of the premises upon which the school, church, park, child care center, or youth-oriented facility is located. For the purposes of this chapter, a youth-oriented facility is any facility used for and predominantly occupied by individuals under eighteen (18) years of age, including (but not limited to) a boys or girls club, an indoor or outdoor soccer field, a little league baseball field, an amusement park, and a community swimming facility; and

9. The area for the outdoor cultivation of cannabis shall not adversely affect the health or safety of the occupants of the parcel or any other property by creating dust, glare, heat, noise, noxious gasses, odor, smoke, traffic, vibration, mold, or other impacts, and shall not be maintained so as to constitute a hazard due to use or storage of materials, processes, products or wastes; and

10. All outdoor cultivation shall be in accordance with applicable regulations set forth in the Colfax Municipal Code and any codes incorporated therein; and

11. All outdoor cultivation which exists prior to the enactment of this ordinance must be in compliance with applicable regulations set forth in the Colfax Municipal Code and any codes incorporated therein, and the regulations in this chapter.

B. It is hereby declared to be unlawful, a public nuisance and a violation of this chapter for any person owning, leasing, occupying, or having charge or possession of any parcel within the City of Colfax to cause or allow such parcel to be used for the outdoor cultivation of cannabis, unless the person is authorized by state law to grow cannabis, and such authorized grower is complying with the Colfax Municipal Code and any codes incorporated therein, and the regulations in this chapter.

C. A public nuisance may also be deemed to exist, if such activity produces: (1) odors which are disturbing to people of normal sensitivity residing or present on adjacent or nearby property or areas open to the public; (2) repeated responses to the parcel or residence from enforcement officers; (3) a repeated disruption to the free passage of persons or vehicles in the immediate neighborhood, (4) excessive noise which is disturbing to people of normal sensitivity on adjacent or nearby property or areas open to the public; and (5) any other impacts on the neighborhood which are disruptive of normal activity in the area.

17.162.050 Indoor Cannabis Cultivation

A. When authorized by state law, an authorized grower shall be allowed to cultivate cannabis indoors for personal use, subject to the following restrictions:

1. The regulations of this chapter and the Colfax Municipal Code shall apply to all indoor cultivation of cannabis; and

2. The indoor cultivation of cannabis is on a parcel upon which the private residence of the authorized grower is located. Each authorized grower may use only one private residence for the cultivation of cannabis. If the parcel and private residence are not owned by the authorized grower, the authorized grower must have a legal right to occupy and use the parcel and private residence to cultivate cannabis. The authorized grower shall obtain a written statement from the owner or owners of the parcel and private residence as proof to demonstrate that the owner or owners have acknowledged, consented to and granted permission to the authorized grower for the cultivation of cannabis in an amount in accordance with this chapter. Nothing provided in this chapter requires the owner or owners of the parcel and private residence to consent to and allow the cultivation of cannabis by an authorized grower. Nothing provided in this chapter authorizes the cultivation of cannabis in violation of the rules of a home owner's association, deed restrictions, or other property conditions and covenants. If there is more than one owner of the parcel and private residence, all owners must have acknowledged, consented to and granted permission to the authorized grower for the cultivation of cannabis in an amount in accordance with this chapter. The written statement shall be dated and signed by the owner or owners of the parcel and private residence. The written statement shall be valid for twelve (12) months from the signing of the written statement. If ownership of the parcel or private residence changes during the twelve (12) month period after the previous owner or owners had granted permission for the cultivation of cannabis, the authorized grower must obtain, within thirty (30) days of the change of ownership, a new permission statement from the new owner or owners of the parcel and private residence. Upon request by a code enforcement officer, the authorized grower shall provide the written statement from the owner or owners of the parcel and private residence as proof that the owner or owners have acknowledged, consented to and granted permission to the authorized grower for the cultivation of cannabis; and

3. All indoor cultivation of cannabis may only occur inside a private residence that is a fully enclosed and secure structure located on the parcel or inside an accessory structure to a private residence that is a fully enclosed and secure structure on the parcel. There shall be no indoor cannabis cultivation if there is any outdoor cannabis cultivation occurring on the parcel at the same time; and

4. A maximum of six plants on no more than **one-hundred (100)** square feet is allowed for cultivation of cannabis in total per parcel inside a private residence that is a fully enclosed and secure structure or inside an accessory structure to a private residence that is a fully enclosed and secure structure on a parcel. Cannabis plants may be cultivated on no more than **one-hundred (100)** square feet in total per parcel inside a private residence that is a fully enclosed and secure structure or inside an accessory structure to a private residence that is a fully enclosed and structure on a parcel, regardless of the number of authorized growers, qualified patients or

primary caregivers residing in a private residence on the parcel. The total combined indoor cultivation of cannabis per parcel with a private residence shall not exceed one-hundred (100) square feet at any time. For the purposes of this section, the area used to cultivate cannabis shall be measured by the aggregate area of vegetative growth of live cannabis plants on the premises; and

5. The area used for cultivation complies with applicable California Building, Plumbing, Mechanical, Electrical and Fire Codes, and the parcel has: (1) a permitted permanent water well or connection to a public water source drawing water, (2) does not engage in unlawful or unpermitted surface drawing of water for such cultivation, (3) does not permit illegal discharges of water from the parcel, (4) the parcel where the cultivation of cannabis takes place shall either be connected to a public sewer system or have a City or Placer County inspected and permitted sewage disposal system; and

6. The use of volatile solvents is prohibited. For purposes of this ordinance, “volatile solvent” means volatile organic compounds, including but not limited to: (1) explosive gasses such as Butane, Propane, Xylene, Styrene, Gasoline, Kerosene, O₂ or H₂; and (2) dangerous poisons, toxins, or carcinogens, such as Methanol, Iso-propyl Alcohol, Methylene Chloride, Acetone, Benzene, Toluene, and Tri-chloro-ethylene.; and

7. The cultivation of cannabis is concealed/secured so that it is not visible from the exterior of the private residence or accessory structure, the parcel, the public right-of-way, and/or neighboring properties, and is not accessible by underaged occupants or the general public; and

8. The area for the cultivation of cannabis shall not adversely affect the health or safety of the occupants of the private residence or the parcel or any other property by creating dust, glare, heat, noise, noxious gasses, odor, smoke, traffic, vibration, mold, or other impacts, and shall not be maintained to constitute a hazard due to use or storage of materials, processes, products or wastes; and

9. All indoor cultivation is in accordance with applicable regulations set forth in the Colfax Municipal Code and any codes incorporated therein, and the regulations in this chapter; and

10. All indoor cultivation which exists prior to the enactment of this ordinance must be in compliance with applicable regulations set forth in the Colfax Municipal Code and any codes incorporated therein, and the regulations in this chapter.

B. It is hereby declared to be unlawful, a public nuisance and a violation of this chapter for any person owning, leasing, occupying, or having charge or possession of any parcel within the City of Colfax to cause or allow such parcel to be used for the indoor cultivation of cannabis, unless the person is authorized by state law to grow cannabis, and such authorized grower is complying with all requirements of this chapter.

C. A public nuisance may also be deemed to exist, if such activity produces: (1) odors which are disturbing to people of normal sensitivity residing or present on adjacent or nearby property

or areas open to the public; (2) repeated responses to the parcel or residence from enforcement officers; (3) a repeated disruption to the free passage of persons or vehicles in the immediate neighborhood, (4) excessive noise which is disturbing to people of normal sensitivity on adjacent or nearby property or areas open to the public; or (5) any other impacts on the neighborhood which are disruptive of normal activity in the area.

17.162.060 Commercial Cannabis Activity Prohibited.

It is unlawful for any person to engage in conduct or carry on, or to permit to be engaged in, conducted or carried on, in or upon any parcel, premises or location within the City of Colfax, commercial cannabis activity, except for the transportation of medical cannabis, medical cannabis products, marijuana and marijuana products on public roads by a state licensee transporting medical cannabis, medical cannabis products, marijuana or marijuana products in compliance with state law.

17.162.070 Manufacturing Cannabis Activity Prohibited

It is unlawful for any person to engage in, conduct or carry on, or to permit to be engaged in, conducted or carried on, in or upon any premises or location within the City of Colfax, manufacturing cannabis activity.

17.162.080 Cannabis Dispensaries Prohibited

It is unlawful for any person to engage in, conduct or carry on, or to permit to be engaged in, conducted or carried on, in or upon any premises or location within the City of Colfax, the operation of a cannabis dispensary, and/or processing facility, and/or testing laboratory. The sole exception to this prohibition is that one medical marijuana dispensary that existed and had a valid City business license as of November 27, 2009 shall be conditionally allowed subject to the provisions of the Colfax Municipal Code, as amended or replaced from time-to-time. In addition thereto, such dispensary shall become a prohibited use and shall not be allowed to engage in business in Colfax upon the happening of any of the following events:

- A. The operators of the dispensary, or any of its owners, are convicted of any crime other than an infraction relating to the operation of the dispensary;
- B. The dispensary becomes a public nuisance;
- C. The dispensary or its operators violate any provision of this Code relating to its operation;
- D. The dispensary is closed for any reason.
- E. The dispensary's activities are curtailed by the action of a superior governmental authority, by order of any court of competent jurisdiction, or by other valid legal process; or
- F. The dispensary becomes a prohibited use by amendment to any provision of the Colfax Municipal Code, any code incorporated therein, or any provision of California law; or

- G. The dispensary violates any condition of any permit issued by the City of Colfax or any license issued by the State of California.

17.162.090 Delivery of Cannabis Prohibited

Delivery of cannabis or products made from cannabis to or from any person, business, or location in the City of Colfax is prohibited. Notwithstanding the foregoing, a primary caregiver may personally deliver medical cannabis, products made from medical cannabis to a qualified patient or person with an identification card, for whom he or she is the primary caregiver.

17.162.100 Enforcement

A. Public Nuisance. Violation of this chapter is hereby declared to be a public nuisance and subject to the enforcement process as set forth herein.

B. Abatement Authority.

1. The City of Colfax may, in its discretion, abate the violation of this chapter by prosecution of a civil action, including an action for injunctive relief without first going through the administrative procedures set forth herein. The remedy of injunctive relief may take the form of a court order, enforceable through civil contempt proceedings, prohibiting the maintenance of the violation of this chapter or requiring compliance with other terms.

2. The City may also abate the violation of this chapter through any lawful abatement process established by California law.

C. Abatement Procedures.

1. Whenever a code enforcement officer determines that a public nuisance (as defined in this chapter) exists, he or she shall post a seventy-two (72) hour notice to abate on the property where the public nuisance exists, and mail a copy of the same to those persons shown on the latest county tax roll or equivalent registry to be the owners of the property. The seventy-two (72) hour notice to abate shall inform the owner and/or tenants of the basis for the violation, and that an administrative penalty of five hundred dollars (\$500.00) per cannabis plant in excess of six plants or five hundred dollars (\$500.00) per every twenty-five (25) square feet of cannabis outside the allowed one-hundred (100) square feet; explain that if the violation is not corrected, the matter will be set for a nuisance abatement hearing, at which time the administrative penalty will increase to one thousand dollars (\$1,000.00) per cannabis plant in excess of six plants or one thousand dollars (\$1,000.00) per every twenty-five (25) square feet of cannabis outside the allowed one-hundred (100) square feet and explain that to prevent the accrual of additional penalties and costs, the owner or tenant must contact the code enforcement officer and arrange a time for a code enforcement officer to inspect the property, and confirm that the violation(s) have been corrected.

2. If the nuisance continues to exist after the expiration of the seventy-two (72) hour period, a code enforcement officer may set the matter for hearing by issuing a notice of nuisance abatement hearing. If the matter is set for hearing, the code enforcement officer shall post the

property upon which the public nuisance exists and shall mail, with a proof of service, notices to those persons known to be in possession of the property, if any, and to persons shown on the latest county tax roll or equivalent registry to be the owners of the property at least five days prior to the hearing. The administrative penalty shall increase to one thousand dollars (\$1,000.00) per cannabis plant in excess of six plants or one thousand dollars (\$1,000.00) per every twenty-five (25) square feet of cannabis outside the allowed **one-hundred (100)** square feet from the date the notice of nuisance abatement hearing is posted on the property.

3. All hearings conducted under this chapter shall be held before a hearing officer designated by the City.

4. At the time and place set for the hearing, the hearing officer shall hear testimony and receive written and/or documentary evidence relating to the alleged violation. Additional procedural rules may be adopted by resolution of the Colfax City Council. The City shall record the hearing, and provide a copy of the recording to the hearing officer following the conclusion of the hearing. The City shall preserve the record of the hearing, and all photographs and demonstrative and documentary evidence at the time of the hearing, for a period of three years.

5. Within three days after the hearing is closed, the hearing officer shall render his or her written decision relating to the existence or nonexistence of the alleged public nuisance. If a violation is found to have existed at the time the notice of nuisance abatement hearing was posted, the decision shall include a statement that the City is entitled to recover its administrative costs and administrative penalties. If the hearing officer determines that the violation continues to exist, the decision shall also order that the owner of the property, or persons known to be in possession of the property, abate the violation within a reasonable time, not to exceed five days from the date the decision is placed in the mail. A copy of the decision shall be mailed by certified mail, return receipt requested, to the person or persons shown on the last City tax roll or equivalent registry to be the owners of the property which is the subject of the hearing and the occupant of such parcel, if any. All other persons noticed pursuant to this section shall be mailed a copy of the decision by first class mail, postage prepaid. The decision of the hearing officer shall be final and conclusive on the date the decision is deposited in the mail.

6. a. Notwithstanding any other provisions of this code, if a final decision of the hearing officer finds that a violation exists and the public nuisance is not voluntarily abated within five days of said decision being placed in the mail by the hearing officer, the City may abate the public nuisance by cutting and/or removing all cannabis plants from the property, pursuant to a warrant issued by a court of competent jurisdiction. The owner or owners of the property shall be responsible for paying all of the City's abatement costs and administrative costs, and administrative penalties. The code enforcement officer, or designee, shall keep an accounting of the abatement and administrative costs for each case. Upon completion of the abatement of the nuisance, whether by the City or the owner or tenant, the code enforcement officer, or designee, shall post the property and send a bill to the owner, and any persons known to be in possession of the property, requesting payment of the City's abatement and administrative costs, as well as all administrative penalties. The bill shall also state that failure to pay the costs and penalties within fifteen (15) days from service of the bill may result in the recording of a lien and the placement of a special assessment against the property.

b. If the City's costs and penalties are not paid within fifteen (15) days from service of the bill, the code enforcement officer, or designee, shall render an itemized report to the City Clerk for submittal to the City Council for hearing and consideration regarding the proposed lien and special assessment. The report shall include the names and addresses of the owner of record and any persons known to be in possession of the property, and an itemized account of the City's abatement costs, administrative costs, and administrative penalties. At least fifteen (15) days prior to said hearing, the City Clerk shall give notice, with proof of service, of said hearing to all persons named in the code enforcement officer, or designee's, report and shall post the property with a copy of the notice. The notice shall describe the property by assessor's parcel number and street number or other description sufficient to enable identification of the property and contain a statement of the amount of the proposed lien and special assessment. The notice shall also contain a statement that the Council will hear and consider objections and protests to the proposed lien and special assessment at the designated time and place.

7. At the time and place fixed in the notice, the City Council shall hear and consider the proposed lien and special assessment together with objections and protests thereto. At the conclusion of the hearing, the City Council may make such modifications and revisions to the proposed lien and special assessment costs it deems just and may order that the proposed lien and special assessment be recorded and specially assessed against the property by the Placer County auditor-controller's office. The lien shall have the same force, priority and effect as a judgment lien and the special assessment shall have the same priority as other City taxes.

8. The notice of lien shall, at a minimum, identify the record owner or possessor of the property, set forth the date upon which the decision of the hearing officer was issued, describe the real property subject to the lien, set forth the amount of the costs and penalties incurred to date and, if applicable, the date upon which the abatement was completed. If the abatement has not yet been completed, the notice shall so state and shall also indicate that the lien is a partial lien and that additional abatement costs will be incurred in the future.

9. A copy of any notice required by this chapter or decisions of either the hearing officer, City Council or designee as required by this chapter may be recorded in the office of the County Recorder of Placer County.

a. Release of Notice. Where a notice has been served as required by this chapter and a hearing body has determined that sufficient grounds do not exist for nuisance abatement, or where the owner of an affected premises has corrected the condition that was the basis for initiation of enforcement action, the official shall record a satisfaction release and removal of notice of nuisance or notice of nuisance abatement.

b. Payment of Costs Prior to Release. In the event that enforcement costs have been incurred in the investigation/processing of a violation for which a notice is required, the release of such notice shall not be recorded until all such costs have been reimbursed to the City.

c. Attorney Fees. In any action to foreclose on a lien issued pursuant to this chapter, the City shall be entitled to an award of attorney's fees and costs.

D. Abatement Costs—Administrative Costs. In any action, administrative proceeding, or special proceeding to abate a nuisance, attorneys' fees may be recovered by the prevailing party. In no action, administrative proceeding, or special proceeding shall an award of attorneys' fees to a prevailing party exceed the amount of reasonable attorneys' fees incurred by the City in the action or proceeding.

E. Summary Abatement. Notwithstanding any other provision of this chapter, when any unlawful cannabis cultivation constitutes an immediate threat to the public health or safety, and where the procedures set forth in subsection C of this section would not result in abatement of that nuisance within a short enough time period to avoid that threat, the City Manager or designee, the Placer County Sheriff, the Placer County Chief Building Official, and any employee designated by any of those persons to summarily abate the nuisance. The code enforcement officer shall make reasonable efforts to notify the persons identified in subsection C.2 of this section but the formal notice and hearing procedures set forth in this chapter shall not apply. The City may nevertheless recover its costs for abating that nuisance in the manner set forth in this chapter.

17.162.110 Non-Exclusive Remedy

This chapter is cumulative to all other remedies now or hereafter available to abate or otherwise regulate or prevent public nuisances under this chapter or by applicable law.

17.162.120 Administrative Penalties

It is unlawful and a public nuisance to violate any of the provisions of this chapter and the City shall have the authority to cause the abatement and removal thereof in accordance with the procedure prescribed in this chapter. The violation of any provision of this chapter shall be and is hereby declared to be contrary to the public interest and shall, at the discretion of the City, create a cause of action for injunctive relief. In addition to the penalties set forth herein, any person that violates the provisions of this chapter may be subject to administrative remedies, as set forth by City ordinance. Unless otherwise expressly provided, the remedies, procedures and penalties provided by this section are cumulative to each other and to any others available under state law or other City ordinances.

A. For violation of Section 17.162.040 (Outdoor cannabis cultivation), a civil penalty of five hundred dollars (\$500.00) per cannabis plant in excess of six plants or five hundred dollars (\$500.00) per every twenty-five (25) square feet of cannabis cultivation outside the allowed **one-hundred (100)** square feet; however, if a notice of nuisance abatement hearing is issued, the penalty shall increase to one thousand dollars (\$1,000.00) per cannabis plant in excess of six plants and one thousand dollars (\$1,000.00) per every twenty-five (25) square feet of cannabis cultivation outside the allowed **one-hundred (100)** square feet.

B. For violation of Section 17.162.050 (Indoor cannabis cultivation), a civil penalty of five hundred dollars (\$500.00) per cannabis plant in excess of six plants or five hundred dollars (\$500.00) per every twenty-five (25) square feet of cannabis cultivation outside the **allowed one-hundred (100)** square feet; however, if a notice of nuisance abatement hearing is issued, the penalty shall increase to one thousand dollars (\$1,000.00) per cannabis plant in excess of six

plants or one thousand dollars (\$1,000.00) per every twenty-five (25) square feet of cannabis cultivation outside the allowed **one-hundred (100)** square feet.

C. For violation of Section 17.162.060 (Prohibition of commercial cannabis activity), a civil penalty of one thousand dollars (\$1,000.00) per plant for each violation of commercial cannabis cultivation and a civil penalty of five thousand dollars (\$5,000.00) per day for all other violations.

D. For violation of Section 17.162.070 (Prohibition of manufacturing cannabis activity), a civil penalty of five thousand dollars (\$5,000.00) per day for each separate violation.

E. For violation of Section 17.162.080 (Prohibition of cannabis dispensaries), a civil penalty of five thousand dollars (\$5,000.00) per day for each separate violation.

F. For violation of Section 17.162.090 (Prohibition of delivery of cannabis activity), a civil penalty of five hundred dollars (\$500.00) for each separate violation.

G. At the nuisance abatement hearing, the hearing officer shall determine the total amount of administrative penalties that have accrued at the time of the hearing, and that amount shall be reflected in the decision and awarded to the City. Administrative penalties shall not be awarded if the property owner establishes all of the following: (1) that, at the time he or she acquired the property, a violation of this chapter already existed on the property; (2) the property owner did not have actual or constructive notice of the existence of that violation; and (3) prior to the nuisance abatement hearing, the property owner initiates and pursues, with due diligence, good faith efforts, to meet the requirements of this code. In his or her decision, the hearing officer may compromise the amount of any administrative penalties. When determining whether to compromise any penalty amount, the hearing officer shall take into consideration the nature, circumstances, and gravity of the violation(s), any prior history of violations, the degree of culpability, the financial burden to the person(s) upon whom the penalty has been imposed, the degree to which the proposed compromise will facilitate collection of the penalties without the need for further legal action, and any other matters justice may require. If at the time of the hearing the nuisance has yet to be abated, the decision shall state that the administrative penalties shall continue to accrue as specified in subsections A through F of this section until the nuisance is abated. The decision of the hearing officer shall be final and conclusive on the date the decision is deposited in the mail.

H. Any decision regarding the amount of administrative penalties imposed by a hearing officer pursuant to this chapter may be appealed by any aggrieved person to the Colfax City Council as follows:

1. **Appeal Subject.** Any appeal under this section shall be limited to the amount of administrative penalties imposed by the hearing officer.

2. **Timing and Form of Appeal.** An appeal must be filed within ten (10) days from the date the decision was deposited in the mail. Appeals filed more than ten (10) days after the decision was deposited in the mail shall not be accepted for filing. A notice of appeal shall be in

writing, shall include a detailed statement of the factual and/or legal grounds upon which the appeal is being taken and shall include a copy of the decision of the hearing officer. The appeal shall be accompanied by the filing fee set by the most current City fee schedule.

3. Filing and Processing. An appeal shall be filed with the City Clerk, who shall process the appeal pursuant to this section, including scheduling the matter before the City Council. The Colfax City Council may designate a subcommittee of two or three members to hear and rule upon any appeal provided for in this section.

4. Effect of Filing. In the event of an appeal under this section, only the decision as to the amount of the administrative penalties shall be set aside and have no effect until final action by the appeal body pursuant to this section. The appeal shall have no effect on any other factual or legal determination of the hearing officer.

5. Report and Scheduling of Hearing. When an appeal has been filed under this section, the City Manager, or designee, shall prepare a report on the matter and shall schedule the matter for consideration by the City Council (or subcommittee so designated) after completion of the report.

6. This Section intentionally omitted.

7. Action and Findings. After an appeal has been scheduled by the City Clerk, the City Council (or subcommittee so designated) shall conduct a public hearing. At the hearing, the City Council (or subcommittee so designated) shall initiate a discussion limited only to the amount of the administrative penalties imposed by the hearing officer and, in addition, the specific grounds for appeal.

a. The City Council (or subcommittee so designated) may affirm, affirm in part, reverse or reverse in part the decision or determination of the hearing officer as to the amount of the administrative penalties imposed based upon findings of fact about the particular case. The findings shall identify the reasons for the action on the appeal, and verify the compliance or noncompliance of the subject of the appeal with the provisions of this chapter.

b. A decision by the City Council (or sub-committee so designated) under this section shall be final.

8. Time Limits on Appeals. Upon receipt of an appeal in proper form, the City Council shall schedule the matter for consideration by the City Council. The City Council, or a subcommittee thereof, shall commence a public hearing on the appeal within ninety (90) days of its proper filing, or within such other time period as may be mutually agreed upon by the appellant, in writing, and the appeal body, in writing. If the public hearing is not commenced within ninety days, or an alternative time period is not agreed upon by the appellant and the appeal body, the decision rendered by the hearing officer shall be deemed affirmed. Once commenced, a public hearing on an appeal may be continued from time to time for good cause.

9. Withdrawal of Appeal—Hearing Decisions. After an appeal of a decision has been filed, an appeal shall not be withdrawn except with the consent of the appropriate hearing body.

I. All money and assets collected in payment for penalties for violations of this chapter and all money and assets collected for recovery of costs of enforcement of this chapter shall be used to offset the cost of enforcement of this chapter.

17.162.130 Criminal Penalty Provisions

A. Violation of any provision of this chapter is a misdemeanor unless (1) the city attorney authorizes issuance of an infraction citation or files, or authorizes the filing of, a complaint charging the offense as an infraction or (2) a court with jurisdiction over the matter, upon recommendation of the city attorney, determines that the offense should be prosecuted as an infraction.

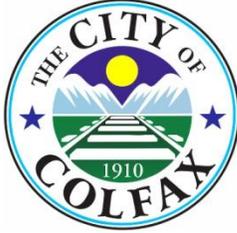
B. Any person who violates any provision of this chapter shall be guilty of a separate offense for each and every day during any portion of which any such person commits, continues, permits, or causes any violation thereof, and shall be penalized accordingly.

17.162.140 No Duty To Enforce

Nothing in this chapter shall be construed as imposing on any code enforcement officer or the City of Colfax any duty to issue a notice to abate, nor to abate any violations of this chapter and neither the code enforcement officer, nor the City, shall be held liable for failure to issue an order to abate any violation of this chapter.

17.162.150 Severability

The provisions of this chapter are declared to be separate and severable. The invalidity of any clause, phrase, sentence, paragraph, subdivision, section or portion of this chapter, or the invalidity of the application thereof to any person or circumstance shall not affect the validity of the remainder of this chapter, or the validity of its application to other persons or circumstances.



STAFF REPORT TO THE COLFAX CITY COUNCIL

FOR THE OCTOBER 25, 2017 COUNCIL MEETING

FROM: Wes Heathcock, Interim City Manager
PREPARED BY: Wes Heathcock, Interim City Manager
DATE: October 18, 2017
SUBJECT: Council Goals Update

<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>	FUNDED	<input type="checkbox"/>	UN-FUNDED	AMOUNT:	FROM FUNDS:
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RECOMMENDED ACTION: For information only.

COUNCIL GOALS

Council hosted a workshop on January 25, 2017 prioritize professional staff’s resources. The meeting was very productive and established a hierarchy of priorities for staff to complete.

The attached matrix represents the priorities and the defined timelines. Staff is providing a general update to Council on progress of the tasks to date.

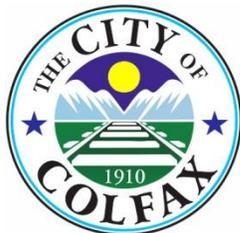
It is worth noting that Council added priorities to Tier I during recent City Council meetings:

- Evaluate City tenants rent and recommend fair market value.
- Modify the marijuana ordinance based on subcommittee input. and
- Establish a process to reinstate Jim Dion’s marijuana dispensary business.

ATTACHMENTS:
Goals Matrix

Goals Matrix – October 2017 Report

Priority Tier	Project	Required Time to Complete	Comments
I	ADA Transition Plan	July 1, 2017	Completed
I	Sewer Rate Study	6 months	Award of contract on October 25 th CC agenda
I	CDBG – Current funds	6 months	PI waiver anticipated by December 31 st 2017
I	Hotel Process	Every 2 weeks	Notice of Violation issued in June 2017. Fines are accumulating and the Building Official will apply fines to property quarterly
I	Employee Handbook	June 2017	Completed
I	Streets/Roads Feasibility Study	6 months	Council review in November 2017
I	City Tenants Rent Values	October 2017	Staff is looking into fair market value & property management
I	Marijuana Ordinance Subcommittee	2 months	Subcommittee scheduled to start meeting in November 2017
I	Jim Dion Marijuana Dispensary	December 2017	Staff is working with Mr. Dion to address the zoning challenges and building tenant improvements.
II	Update Emergency Plan	1 year	No change
II	Gateway Signs	1 year	No change
II	General Plan – Zoning	1 year	Zoning change for the Maidu Village parcels at the time of planning application
II	General Plan – Land Use	1 year	No change
II	General Plan – Circulation	1 year	No change
II	National Historic Designation	1 year	No change
II	Municipal Code update	1.5 years	Municipal Code on the City website is updated with a user friendly version.
III	Sphere of Influence Expansion	1.5 years	Staff is identifying challenges relating to service limitation
III	Downtown Revitalization	1.5 years	Ongoing



STAFF REPORT TO THE COLFAX CITY COUNCIL

FOR THE OCTOBER 25, 2017 COUNCIL MEETING

FROM: Wes Heathcock, Interim City Manager
PREPARED BY: Wes Heathcock, Interim City Manager
DATE: October 18, 2017
SUBJECT: Sierra Property Development Digital Billboard Extension

<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>	FUNDED	<input type="checkbox"/>	UN-FUNDED	AMOUNT:	FROM FUNDS:
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RECOMMENDED ACTION: Adopt Resolution 46-2017 authorizing the Interim City Manager to execute the First Amendment to the Digital Billboard Sign and Relocation Agreement with Sierra Property Development.

Background

Sierra Property Development (“SPD”) owns two existing “V” static display billboard signs each containing two faces located at 962 and 1534 South Canyon Way along the I-80 corridor in Colfax. These signs are permitted by Colfax and Caltrans Permits as follows:

1534 S. Canyon Way, Colfax Permit No. 68-00, Caltrans Permit Nos. N03-0037 and N03-0038.
 962 S. Canyon Way, Colfax Permit No. 13-90, Caltrans Permit Nos. N03-0039 and N03-0040.

SPD recently applied for Sign Permits to replace the two existing static sign faces in each existing cradle with digital billboard sign faces. The City previously determined that the installation of digital billboards, when replacing existing signage, is in the best interests of the City: On March 14, 2012, the City adopted Ordinance 516 allowing Digital Billboard Signs.

The purpose of the Digital Billboard Sign and Relocation Agreement with SPD is to allow the City and SPD to agree to a long term arrangement which provides the City with an initial payment of \$95,000.00 and maintains the historic payments for Sign Permits No. 68-00 and 13-00 under the 2000 Settlement Agreements with SPD, and assures the City that all four digital sign faces will be installed within five years. SPD has installed digital billboard faces associated with 962 S. Canyon Way N03-0039 and N03-0040.

The five year term to install the remaining billboard faces (N03-0037 and N03-0038) is set to expire on November 8, 2017. SPD has requested a three year time extension to install the remaining digital billboard faces. The request for the time extension is based on inadequate demand for digital advertisement space and economic conditions to make the major investment sustainable.

Staff is recommending authorizing the extension to install the remaining billboard. The extension will allow the digital billboard market to improve and SPD to secure the necessary funding for the project.

ATTACHMENTS:

- 1) Resolution 46-2017
- 2) SPD Contract and Extension
- 3) SPD Request Letter

City of Colfax

City Council

Resolution № 46-2017

AUTHORIZING THE INTERIM CITY MANAGER TO EXECUTE THE FIRST AMENDMENT TO THE DIGITAL BILLBOARD SIGN AND RELOCATION AGREEMENT WITH SIERRA PROPERTY DEVELOPMENT

WHEREAS, Sierra Property Development is operating billboards located at 1534 and 962 S. Canyon Way; and,

WHEREAS, the City entered into a settlement agreement with Sierra Property Development, which assures the City that all four digital sign faces will be installed within five years; and,

WHEREAS, the five year term to install the remaining billboard faces (N03-0037 and N03-0038) is set to expire on November 8, 2017 and Sierra Property Development has requested a three year time extension to install the remaining digital billboard faces; and,

WHEREAS, the extension will allow the digital billboard market to improve and Sierra Property Development to secure the necessary funding for the project.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Colfax the Interim City Manager is authorized to execute the First Amendment to the Digital Billboard Sign and Relocation Agreement with Sierra Property Development in the form attached.

THE FOREGOING RESOLUTION WAS DULY AND REGULARLY ADOPTED at the Regular Meeting of the City Council of the City of Colfax held on the 25th day of October, 2017 by the following vote of the Council:

AYES:

NOES:

ABSENT:

ABSTAIN:

Stephen L Harvey, Mayor

ATTEST:

Lorraine Cassidy, City Clerk

**FIRST AMENDMENT TO DIGITAL BILLBOARD SIGN AND RELOCATION
AGREEMENT**

This First Amendment To Digital Billboard Sign and Relocation Agreement (the “First Amendment”) is made and entered effective _____, 2017 (the “Effective Date”), by and between the City of Colfax, a municipal corporation of the State of California (“City”), on one hand, and Sierra Property Development, a partnership consisting of Robert Townsend and David Gard (“SPD”) on the other hand.

RECITALS

- A. Effective February 12, 2013, the City and SPD entered that certain Digital Billboard Sign and Relocation Agreement (the “Agreement”) whereby in Agreement Section 3.2.2.3, SPD agreed to complete the construction and installation of the third and fourth Digital Sign Faces no later than February 12, 2018. A copy of the Agreement is attached hereto and by this reference incorporated herein.
- B. Unanticipated changes in market conditions rendered construction of the third and fourth Digital Sign Faces referred to in Agreement Section 3.2.2.3 economically unfeasible. As a result thereof, SPD has requested an extension of time within which to complete the construction and installation of those Digital Sign Faces
- C. The City is willing to grant an extension to and including December 31, 2020 for SPD to complete the construction and installation of the third and fourth Digital Sign Faces referred to in Agreement Section 3.2.2.3, subject to the terms and conditions of this First Amendment.

AGREEMENT

NOW, THEREFORE, THE CITY AND SPD HEREBY AMEND THE DIGITAL BILLBOARD SIGN AND RELOCATION AGREEMENT THAT WAS EFFECTIVE FEBRUARY 12, 2013, AS FOLLOWS:

1. Incorporation Of Recitals. The foregoing recitals are true and correct and are hereby incorporated by this reference.
2. Amendment. Section 3.2.2.3 of the Agreement is amended to read as follows: “SPD shall complete the construction and installation of the third and fourth Digital Sign Faces not later than December 31, 2020.”
3. Execution in Counterparts. This First Amendment may be executed in two or more counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument.

4. Agreement Otherwise Unmodified. The remainder of the Agreement shall remain in full force and effect. If any of the provisions of the Agreement are inconsistent with the provisions of this First Amendment, then the provisions of this First Amendment shall control to the extent necessary to resolve or interpret any such inconsistency.

IN WITNESS WHEREOF, the City and SPD have executed this First Amendment as of the Effective Date.

City of Colfax
A Municipal Corporation

Sierra Property Development,
a California partnership

By: _____
Stephen Harvey, Mayor

By: _____
David Gard, Partner

By: _____
Robert Townsend, Partner

Attest: _____
City Clerk

Approved as to form:

Alfred A. Cabral, City Attorney

BILLBOARD SIGN RELOCATION AND SETTLEMENT AGREEMENT

THIS BILLBOARD SIGN, RELOCATION AND SETTLEMENT AGREEMENT ("Agreement") is entered this 14th day of August, 2013 by and between the CITY OF COLFAX, a Municipal Corporation of the State of California ("City"), and SIERRA PROPERTY DEVELOPMENT, a California partnership consisting of Dennis Freidig and David Gard , and as parties or successors-in-interest to the Settlement Agreements as defined below (collectively "SPD"). The City and SPD may be referred to individually as a "Party" and collectively as the "Parties".

RECITALS

This Agreement is entered on the basis of the following facts, circumstances, understandings and intention of the Parties:

- A. SPD is a partnership organized, existing and qualified to do business under the laws of the State of California. SPD or its members are parties or successors-in-interest to the Settlement Agreements as defined below.
- B. SPD owns two static display billboards and the Existing Sign Faces permitted and emplaced on Placer County, California Assessor's Parcel Nos. 101-132-022 and 100-152-011 (the "Existing Billboards"), subject to the Existing Caltrans Permits and permits issued by the City.
- C. Effective February 12, 2013, the City and SPD entered into a Digital Sign and Relocation Agreement (the "Digital Sign Agreement") which, among other things, allows SPD to replace the Existing Sign Faces with four 14' x 48' "V"-type Digital Display Faces on the Existing Billboards. The Digital Sign Agreement remains in full force and effect.
- D. Pursuant to the Settlement Agreements as hereafter defined, SPD obtained CalTrans permits (the "Unconstructed CalTrans Permits") for future signage in addition to the Existing Billboards within City limits. Signs pursuant to the Unconstructed CalTrans Permits have never been constructed although SPD has in good faith attempted to maintain those permits pursuant to the Settlement Agreements by annually paying all fees required by Caltrans and by appealing CalTrans purported revocation of those permits.
- E. SPD was notified that CalTrans intended to terminate or revoke the Unconstructed CalTrans Permits. SPD timely appealed that notification on behalf of the City and itself. On June 19, 2013, CalTrans issued its written notice that the notices of revocation for the Unconstructed CalTrans Permits have been withdrawn and that the

August 14, 2013

Unconstructed CalTrans Permits were temporarily reinstated during the pendency of SPD's timely appeal to CalTrans.

F. One of the Unconstructed CalTrans Permits is for Placer County, California Assessor's Parcel Number 101-131-038-000, CalTrans Permit #41140, which is commonly known as the "Dingus McGee's" site." A static billboard once existed on the Dingus McGee's site but has since been removed and there is presently no billboard constructed on it. The City is informed that SPD or its members are the sole beneficiaries of easements or other real property interests which would permit SPD to successfully complete permit negotiations to construct, operate, maintain, repair and remove a static Sign Face or a Digital Billboard Sign on the Dingus McGees site, provided that a City investigation determines that the Dingus McGee's site fully complies with the City's Digital Sign Ordinance and other laws and regulations of the City and State of California.

G. If CalTrans grants SPD's appeal and permanently reinstates the Unconstructed CalTrans Permits, there will be substantial risk of a conflict between one or more of the billboards allowed by the Unconstructed CalTrans Permits and billboard permits that other individuals or entities have applied for.

H. The existing circumstances between SPD and the City regarding signage are confused and confusing. In order to alleviate some of that confusion, the City and SPD propose to structure a settlement (the "Settlement") of their differences and the issues related thereto pursuant to which SPD will be allowed to construct a static Sign Face or a Digital Billboard Sign on the Site as hereafter defined (the "SPD Sign") under the terms and conditions of this Agreement in exchange for the surrender and cancellation by SPD of all remaining Existing Unconstructed CalTrans Permits except for the SPD Sign and the City's consent thereto, subject to this Agreement and the Governing Ordinances.

I. On August 14, 2013, after consideration of the staff report and all other documentary and oral evidence submitted the City Council finds and determines that this Agreement is (1) consistent with the standards of Colfax Municipal Code Chapter 17.112 and the objectives and policies of the City's General Plan and any applicable design guidelines in general and Colfax Municipal Code Section 17.112.175 in particular, (2) this Agreement will not be detrimental to the public health, safety or welfare, (3) the physical location or placement of the SPD Sign on the Site is compatible with the surrounding neighborhood and will not pose a safety risk and (4) the SPD Sign and this Agreement will not interfere with onsite access or circulation or significantly interfere with visibility.

AGREEMENT

In consideration of the foregoing Recitals and the mutual covenants contained in this Agreement, City and SPD agree as follows:

August 14, 2013

Section 1. Definitions.

Each capitalized reference in this Agreement to any of the following terms shall have the meaning set forth below:

- 1.0 CalTrans. The State of California Department of Transportation.
- 1.1 Conditions of Approval. Any Condition of Approval as set forth in this Agreement or in any Subsequent Approval related to the SPD Sign.
- 1.2 Digital Billboard Sign. A Digital Billboard Sign is an advertising structure as defined in the Digital Sign Ordinance. A Digital Billboard Sign typically has two Digital Display Faces, one of which faces in one direction and the other of which faces in the opposite direction. For example, a Digital Billboard Sign may have one Digital Display Face that can be seen from the west and another Digital Display Face that can be generally seen from the east. This is illustrative only and not exclusive because there are many variations on Digital Billboard Signs. For purposes of this Agreement, the SPD Sign will be allowed only one Sign Face.
- 1.3 Digital Display Face. A Digital Display Face is one of the primary surfaces of a Digital Billboard Sign upon which advertising information is displayed.
- 1.4 Digital Sign Agreement. The Digital Sign and Relocation Agreement effective February 12, 2013 between the City and SPD which, among other things, allows SPD to replace the Existing Sign Faces with four 14' x 48' "V"-type Digital Display Faces on the Existing Sign Locations. The Digital Sign Agreement was entered and approved by the Colfax City Council on November 14, 2012.
- 1.5 Digital Sign Ordinance. City Ordinance 516 adopted on March 14, 2012 and set forth in Colfax Municipal Code Title 17, Chapter 17.112, Section 17.112.175.
- 1.6 Effective Date. The Effective Date of this Agreement shall be the 90th day after the date the Enacting Resolution approving this Agreement is adopted by the City Council, or 30 days after the City's adoption of a Notice of Exemption for the SPD Sign, whichever is later.
- 1.7 Enacting Resolution. The Resolution adopted by the City Council on August 14, 2013 approving this Agreement.
- 1.8 Event of Default. The failure or unreasonable delay by either Party to perform any term, provision or condition as and when required by this Agreement shall constitute an Event of Default.
- 1.9 Exactions. All exactions that will or may be imposed by City as a condition of

August 14, 2013

approving the SPD Sign including but not limited to fees, in-lieu payments, or other monetary payments or obligations, whether such exactions constitute mitigation measures in connection with environmental review of the SPD Sign or impositions made under other Governing Ordinances. Unless otherwise provided herein, the amount of all fees, rates and charges payable to the City under this Agreement shall be calculated as of the date a building permit for the SPD Sign is issued.

1.10 Existing Caltrans Permits. The Existing Caltrans Permits are CalTrans Permit Nos. N03-0037 and N03-0038 for the Existing Sign Faces located at 1534 South Canyon Way, APN: 101-132-022 and N03-0039 and N03-0040 for the Existing Sign Faces located at 962 South Canyon Way, APN: 100-152-011 .

1.11 Existing Sign Faces. The Existing Sign Faces are the four static display sign faces that have been constructed and are presently being utilized pursuant to authority granted by the Existing Caltrans Permits and the Existing Static Permits as more particularly defined in the Digital Sign Agreement.

1.12 Existing Billboards. The locations of the structures that support the Existing Sign Faces already emplaced and permitted on Placer County, California Assessor's Parcel Nos. 101-132-022 and 100-152-011.

1.13 Existing Static Permits. The Existing Static Permits are those permits issued by the City for the Existing Sign Faces, Permit No. 68-00 for 1624 S. Canyon Way, and Permit No. 13-00 for 962 S. Canyon Way.

1.14 Governing Ordinances. Federal Highway Laws and Regulations, the Outdoor Advertising Act (California Business and Professions Code §5200 et seq.), California Code of Regulations Title 4 "Business Regulations" Division 6 "Outdoor Advertising, Department of Transportation" and the ordinances, resolutions, official policies, fees, rules and regulations of the City governing signage, the permitted uses of land, improvement and construction standards and requirements, specifications and conditions of approval applicable to the SPD Sign as of the Effective Date including, but not limited to, the Enacting Resolution, the City's General Plan, Zoning Ordinances, the "Digital Sign Ordinance", Municipal Code, and applicable construction codes.

1.15 Laws. The constitutions and laws of the State of California, the United States, any political subdivision within the State of California, any codes, statutes, ordinances, regulations, official policies, or rules of any of them, and any court decision, state or federal, thereunder which are applicable to the SPD Sign.

1.16 Settlement Agreements. The Settlement Agreement And Release dated October 19, 2000 whereby the City, Dennis R. Freidig and Robert D. Townsend resolved Placer County Superior Court Action MCV-5793 and the Stipulation For Entry Of Judgment In Favor Of City Of Colfax filed January 7, 2000 in United States District Court For The

August 14, 2013

Eastern District Of California Case No. CIV-S-98-1553 WBS GGH (the “Federal Lawsuit”) attached to which is a Settlement Agreement And Mutual Release pursuant to which the City, its City Council, David Gard, Robert Townsend and Dennis Freidig resolved Placer County Superior Court Action SCV-7400 and the Federal Action.

1.17 Sign Face. A Sign Face the primary surface of an advertising display upon which advertising information is displayed.

1.18 SPD Sign. The static Sign Face or the Digital Billboard Sign that SPD will be allowed to construct, operate, maintain, repair and remove on or from the SPD Site pursuant to the terms and conditions of this Agreement and the Governing Ordinances.

1.19 SPD Sign Approvals. All approvals to be issued by the City after the Effective Date including, without limitation, design review approval of the SPD Sign in accordance with Colfax Municipal Code §117.112.140 and the Governing Ordinances.

1.20 SPD Site. Placer County, California Assessor’s Parcel Number 101-131-038-000, CalTrans Permit #41140.

1.21 Term. The Term of this Agreement as provided in Section 2.2 below.

1.22 Unconstructed CalTrans Permits. SPD previously obtained the following permits from CalTrans for future signage within City limits: 41140, 41209, N03-0014 and N03-0015. Those permits will collectively be referred to as the “Unconstructed CalTrans Permits.”

Section 2. Effective Date; Term.

2.1 Effective Date; Recordation. This Agreement shall be dated and the obligations of the City and SPD hereunder shall be effective as of the Effective Date. Any time after the Effective Date, either Party may cause a memorandum of this Agreement to be recorded in the Official Records of the County of Placer, State of California. The recording Party shall promptly forward a copy of the recorded Memorandum of Agreement to the other.

2.2 Term. The Term of this Agreement shall commence on the Effective Date and shall expire twenty-five (25) years thereafter unless it is terminated earlier pursuant to the terms of this Agreement or otherwise. SPD shall have the right to extend the Term for five additional five year terms if all of the following conditions are met prior to the commencement of each five year extension: (a) SPD must give the City written notice of its intent to extend the Term for five years not less than 90 days before the expiration of the Term or extension in effect when the written notice is given, and (b) SPD must not be in material breach of its obligations under this Agreement. All approvals shall be effective for the Term and any extension thereof.

August 14, 2013

Section 3. The SPD Sign.

3.1 Fees and Credits. The Exactions that shall be paid from SPD to the City are the City's customary permit and administrative fees at the time SPD submits an application for approval of the SPD Sign provided, however, that if SPD initially installs a static Sign Face and later changes it to a Digital Billboard Sign, then SPD shall pay the difference between the permit and administrative fees for a static Sign Face and a Digital Billboard Sign applicable when the Digital Billboard Sign is approved.

3.2 SPD's Vested Right. SPD shall have the vested right to construct, operate, maintain, repair and remove the SPD Sign on the SPD Site in accordance with the terms and conditions of this Agreement and the Governing Ordinances. The City shall have the right to regulate the construction, operation, maintenance, repair and removal of the SPD Sign on the SPD Site in accordance with the terms and conditions of this Agreement and the Governing Ordinances. Upon approval of this Agreement, SPD shall be entitled to all such other approvals, including without limitation, such City permits and approvals as are required to construct, operate, maintain, repair and remove the SPD Sign.. Except as otherwise specified in this Agreement, the Governing Ordinances shall control the overall design, development and construction of the SPD Sign and any related approvals.

3.2.1. All costs of construction, operation, maintenance, repair and removal of the SPD Sign shall be borne exclusively by SPD.

3.2.2 SPD shall secure, or cause to be secured, all CalTrans permits and approvals prior to the commencement of construction of the SPD Sign. The City will timely issue all Subsequent SPD Sign Approvals needed to construct and develop the SPD Sign in compliance with this Agreement, the SPD Sign Approvals, and the Governing Ordinances, and provide any assurances requested by Caltrans.

3.3 Issuance of Sign Approvals. SPD shall submit applications to the City for any and all approvals needed to construct the SPD Sign under this Agreement and the Governing Ordinances. Nothing in this Section shall obligate City to issue any approval that is not in compliance with this Agreement and the Governing Ordinances. Upon submission by SPD of any complete application and the applicable Exactions, City shall promptly commence and diligently complete all steps necessary to review and process the requested SPD Sign Approvals, including, but not limited to, the granting of the requested SPD Sign Approval to the extent that it is consistent with the terms and conditions of this Agreement, the Governing Ordinances, and state and federal law.

3.4 Environmental Review. SPD's installation and construction of the SPD Sign shall be subject to the California Environmental Quality Act (Public Resources Code Section

August 14, 2013

21000 et seq.) ("CEQA"). As of the Effective Date, the Parties are of the opinion that installation and construction of the SPD Sign should require no more than a notice of exemption from CEQA but recognize that something more than a notice of exemption may be required depending upon the circumstances existing when the SPD Sign is installed and constructed.:

3.5 Other Governmental Permits. SPD shall apply for such other permits and approvals as may be required by governmental or quasi-governmental agencies other than the City that have or claim to have jurisdiction over the SPD Sign including, without limitation, CalTrans, and any public utilities, utility districts or publicly regulated private entities. City shall cooperate with SPD in its endeavors to obtain such permits and approvals, including as appropriate to serve as a co-applicant with SPD for permits and approvals required from other public agencies.

3.6 Exactions. SPD shall pay and perform the following:

3.6.1 Fees and Charges SPD shall timely pay the Exactions in accordance with Section 3.1 of this Agreement.

3.6.2 Rents.

- (a) On the first day of the month following completion of construction of a static Sign Face or a Digital Display Face on the SPD site, whichever is earlier, and continuing for a period of five years thereafter, SPD shall pay the City rent in the sum of \$500.00 per month / \$6,000.00 per year ("Base Rent"). Said annual rent can be paid in a single lump sum at the commencement of each year or in equal monthly installments of no less than \$500.00 on or before the first day of each and every month.
- (b) At the commencement of the sixth year after the Effective Date and at the commencement of each fifth year thereafter, annual Base Rent shall be increased as follows. (1) the base for computing the increase of Base Rent shall be the Consumer Price Index, All Urban Consumers, All Items, for the San Francisco Bay Area published by the United States Department of Labor, Bureau of Labor Statistics (the "Index") which is in effect on the date the Enacting Resolution is adopted (the "Beginning Index"). The Index published most immediately preceding the adjustment date in question (the "Extension Index") is to be used in determining the amount of the adjustment. If the Extension Index has increased over the Beginning Index, the Base Rent for the following five years until the next Base Rent adjustment shall be set by multiplying the Base Rent by a fraction, the numerator of which is the Extension Index and the

August 14, 2013

denominator of which is the Beginning Index. In no case shall the Base Rent be reduced nor shall any increase exceed 3% for each adjustment period. If the Consumer Price Index is discontinued by the Bureau of Labor Statistics, the index designated by the Bureau of Labor Statistics as replacing said index shall be used.

3.6.3. Special Assistance to City of Colfax - City Time Slots. The provisions of this paragraph 3.6.3 shall apply if SPD constructs and installs a Digital Sign Face on the SPD Site but not if it constructs and installs a static Sign Face:

- (a) SPD shall provide City, at no charge or cost to City, one advertising message “per rotation” per Digital Sign Face, each message to be not less than six seconds per slot. SPD’s provision of these time slots and City’s acceptance and use of these time slots are subject to the following terms and conditions:
- (b) The six second exposure time per slot is in compliance with California Outdoor Advertising Act§5216.4, and is not less than 6 seconds per slot;
- (c) SPD will produce at SPD’s expense 3 generic advertisements per Digital Sign Face covering topics of municipal benefit. These three advertisements will be produced and placed in rotation on the Digital Sign Faces at City’s direction. Such generic advertisements shall allow for promotion of the City, special city-wide events, public services or emergency advertisements. City may also submit additional special promotional advertisements in addition to those identified above, however the costs and expenses of design and development of all advertisements greater than three will be paid for by City, and produced by SPD and charged to the City at SPD’s cost. City may choose to use their slots for “Amber Alerts”, and other public service & safety messages, instead of the generic ads.
- (d) The Digital Sign Face time slots allocated to the City under this Agreement are intended to promote the City and businesses within the City in general. SPD’s obligation to produce the generic advertisements will not apply to any advertising of City for-profit businesses. City shall not use its time slots to specifically promote any one business that otherwise could be a client for SPD, or that because of its location along Interstate 80 already maintains I-80 signage. However, City reserves the right to plan signage for advertising multiple [not less than 3 business whose business may be related to special city wide promotions] small businesses; for example, small merchants in downtown Colfax, provided the time-slot is split between several businesses. Graphics design and production for individual businesses shall be borne by the individual businesses, not SPD.

August 14, 2013

(e) After the SPD Sign has been constructed, and in the event of peak seasonal demand, and provided City has not planned seasonal or special event signage, SPD shall be allowed, with the City's consent, to sell up to two of the four slots earmarked for the City. In that event, SPD will pay the City \$500 per month or portion thereof or 50% of the revenue generated, whichever is greater, for the time the City slot will be used by SPD.

3.6.4 License Imposed On Message Boards- City Owned Property. SPD agrees that this Agreement constitutes a license for the City, its officers, agents and employees, to enter the SPD Site and maintain, repair, remove or replace any Digital Sign Face in the event of SPD's default of any of its obligations under this Agreement.

3.7 Taxes and Assessments. SPD shall pay when due all *ad valorem* property taxes and special assessments imposed on the SPD Sign and the SPD Site and the improvements thereon. In addition, SPD shall pay all other valid and applicable City, County and other taxes and assessments.

Section 4. Settlement.

4.1 Cancellation of Unconstructed Caltrans Permits. From and after the Effective Date, SPD shall not be obliged to identify or secure any CalTrans permits for outdoor display signs along the I-80 corridor in Colfax except for the permits and approvals required to construct, operate, maintain, repair and remove the SPD Sign. SPD shall likewise not be required to maintain any of the Unconstructed CalTrans Permits and shall be permitted to surrender or allow such permits to lapse.

4.2 Settlement Agreements. SPD and the City shall each be deemed to have performed and satisfied all of the obligations to be performed by them under the Settlement Agreements up to and including the Effective Date provided, however, that nothing in this Agreement shall be deemed to modify in any respect SPD's obligation to pay rent to the City under the Digital Sign Agreement which incorporates the same obligation under the Settlement Agreements.

4.3 Mutual Release. Up to and including, but not after, the Effective Date, each Party hereby releases and fully discharges the other, and covenants not to sue the other and each of their elected officials, staff, officers, directors, managers, shareholders, members, employees, agents, attorneys, assigns, successors, predecessors, partners, subsidiaries, or related companies and entities, affiliates, associations, management companies, and other similarly related persons, agencies, organizations and entities from and against all claims, demands, causes of action, obligations and damages, including, but not limited to, incidental, consequential, ensuing or resulting damages, losses, costs, attorneys' fees, and expenses of every kind and nature whatsoever, known or unknown, fixed or contingent, that arise from or relate to the Settlement Agreements, the performance or failure to

August 14, 2013

perform by any Party under the Settlement Agreements, the Existing Caltrans Permits, the Existing Sign Faces, the Existing Static Permits, the Unconstructed CalTrans Permits and the acts or failure to act by either Party regarding signage in the City of Colfax (the "Released Matters"). The Released Matters shall not include the Digital Sign Agreement, this Agreement or SPD's obligation to pay rent to the City under the Digital Sign Agreement which incorporates the Settlement Agreements, or otherwise.

4.4 No Admission Of Liability. This Agreement is a compromise of disputed claims. This Agreement is not and may not be construed as an admission of liability, fault or responsibility by either of the Parties. Each of the Parties expressly denies any and all liability or wrongdoing with respect to the Released Matters.

Section 5. Transfers and Assignments.

5.1 Right to Assign Upon City Approval. During the term of this Agreement, SPD and its successors and assigns shall have the right to sell, assign or transfer this Agreement and all or a portion of its rights, duties and obligations hereunder, to any entity first approved by the City in writing. The City's approval thereof shall not be unreasonably withheld.

5.2 Agreement Binding on Successors. Except as otherwise provided in this Agreement, the burdens of this Agreement shall be binding on, and the benefits of this Agreement shall inure to, all successors-in-interest to City and SPD.

Section 6. Amendment and Termination.

6.1 In General. Except as provided in Section 8.1 relating to termination in the Event of Default, this Agreement may be canceled, modified or amended only by mutual written consent of the Parties

Section 7. Notices.

7.1 Procedure. Any notice or communication required pursuant to this Agreement by any Party ("Notices") shall be in writing and shall be given either personally, by facsimile transmission, by Federal Express or other similar courier promising overnight delivery, or by regular U.S. mail.

(a) If given by Federal Express or similar courier, the Notice shall be deemed to have been given and received on the date delivered as shown on a receipt issued by the courier.

(b) If personally delivered, a Notice shall be deemed to have been given when actually delivered to the Party to whom it is addressed.

August 14, 2013

(c) If delivered by facsimile transmission, a Notice shall be deemed to have been given upon receipt of the entire document by the receiving Party's facsimile machine as shown by the transmission report issued by the transmitting facsimile machine. Notice transmitted after 5 p.m. or on Saturday, Sunday or holiday shall be deemed to have been given on the next business day.

(d) If delivered by regular U.S. mail, a Notice shall be deemed to have been given five (5) calendar days after deposit with the U.S. Postal Service.

Notices shall be given to the Parties at their addresses set forth below:

City: City Clerk
City of COLFAX
33 S. Main Street
P. O. Box 702
Colfax, CA 95713
Telephone: (530) 346-2313
Facsimile: (530) 346-6214

With a copy to:
City Attorney,
City of Colfax
33 S. Main Street
P.O. Box 702
Colfax, CA 95713
Telephone: (530) 346-2313
Facsimile: (530) 346-6214

SPD: Sierra Property Development
c/o Dave Gard
P.O. Box 1240
Colfax, CA 95713
Telephone: (530) 346-8313
Facsimile: (530) 346-8258

With a copy to:
Marcus J. Lo Duca, Esq.
Lo Duca & Avdis, LLP

August 14, 2013

3200 Douglas Blvd., Suite 300
Roseville, CA 95661
Telephone: (916) 774-1636 Ext. 300
Facsimile: (916) 774-1646

Any Party may change its mailing address or contact person(s) at any time by giving written notice of such change to the other Party in the manner provided herein at least ten (10) days prior to the date such change is effective.

7.2 Form and Effect of Notice. Every Notice (other than the giving or withholding of consent, approval or satisfaction under this Agreement but including requests therefor) given to a Party shall comply with the following requirements. Each such Notice shall state: (i) the Section of this Agreement pursuant to which the Notice is given; (ii) the period of time within which the recipient of the notice must respond or if no response is required, a statement to that effect; and (iii) if applicable, that the failure to respond to the notice within the stated time period shall be deemed to be the equivalent of the recipient's approval of or consent to the subject matter of the Notice. Each request for consent or approval shall contain reasonably sufficient data or documentation to enable the recipient to make an informed decision. In no event shall notice be deemed given nor shall a Party's approval of, consent to, or satisfaction with, the subject matter of a notice be deemed given by such Party's failure to object or respond thereto if such notice does not fully comply with the requirements of this Section. No waiver of this Section shall be inferred or implied from any act (including conditional approvals, if any) of a Party, unless such waiver is in writing, specifying the nature and extent of the waiver.

Section 8. Miscellaneous Provisions.

8. 1. Default; Termination. Failure or unreasonable delay by either Party to perform any obligation under this Agreement for a period of sixty (60) days after written notice thereof from the other Party shall constitute an Event of Default under this Agreement, subject to extensions of time by mutual consent in writing or discretionary approval of extensions by the City Manager, subject to the applicant's right of appeal to the City Council. Said notice shall specify the nature of the alleged default and the manner in which said default may be satisfactorily cured. If the nature of the alleged default is such that it cannot reasonably be cured within such sixty (60) day period, the commencement of the cure within such time period and the subsequent diligent prosecution to completion of the cure shall be deemed a cure within such period. Subject to the foregoing, after notice and expiration of the sixty (60) day period without cure, if applicable, the other Party to this Agreement, at its option, may institute legal proceedings pursuant to this Agreement and/or give notice of intent to terminate this Agreement. Any notice of intent to terminate this Agreement ("Termination Notice") shall be provided in any manner authorized by Section 7 of this Agreement not less than ten days before any hearing on the Termination Notice. The hearing on the Termination Notice shall be conducted by the City Council at such time as the City Council may establish as long as the Termination

August 14, 2013

Notice is given at least ten days in advance of the hearing. The procedure for conducting the hearing on the Termination Notice and the taking of evidence thereon shall be as established by the City Council, in its sole discretion. The non-terminating Party shall be required to demonstrate good faith compliance with the terms of this Agreement. If, at the conclusion of the hearing, the City Council finds and determines, on the basis of substantial evidence, that the non-terminating Party has not complied in good faith with the terms or conditions of this Agreement, the City Council may terminate this Agreement, modify any of its provisions, or modify any of the SPD Sign Approvals. The determination by the City Council in this regard shall be final and binding and shall constitute the exhaustion of all applicable administrative remedies. The waiver by either Party of any Event of Default under this Agreement shall not operate as a waiver of any subsequent breach of the same or any other provision of this Agreement.

8.2 Cooperation in the Event of Third-Party Legal Challenge.

(a) In the event of any legal or equitable action or proceeding instituted by a third party challenging the validity of any provision of this Agreement or the procedures leading to its adoption or the issuance of any of the SPD Sign approvals, SPD reserves the right to withdraw its application for the SPD Sign. However, in the event that SPD elects not to withdraw its application, the Parties agree to cooperate in defending said action or proceeding and SPD agrees to diligently defend any such action or proceeding and to bear the litigation expenses of defense, including attorney's fees. The City retains the option to employ independent defense counsel at SPD's expense unless SPD elects to withdraw its application. If the City exercises its option hereunder to employ its own defense counsel at SPD's expense, the City shall retain an experienced litigation attorney, require such attorney to prepare and comply with a litigation budget and present that litigation budget to SPD prior to incurring obligations to pay legal fees in excess of \$2,500.00. SPD further agrees to hold City harmless from all claims for recovery of the third party's litigation expenses, including attorney's fees, expert fees and court costs.

(b) If SPD elects not to contest such litigation, the City shall have no obligation to contest such litigation and may require preparation of such Subsequent or Supplemental environmental review or reports, prior to further review or approval of the challenged Subsequent SPD Sign Approval(s).

8.3 Actions; Remedies; Attorney's Fees. In addition to any other rights and remedies, either Party may institute legal action to cure, correct or remedy any default, enforce any covenant or agreement herein, enjoin any threatened or attempted violation or enforce by specific performance the obligations and rights of the Parties hereto, or an action to terminate this Agreement and all rights and obligations hereunder. In no event shall either Party or its officers, agents or employees be liable in monetary damages for any breach or violation of this Agreement, it being expressly understood and agreed that the sole legal

August 14, 2013

or equitable remedy available to either Party for a breach or violation of this Agreement by the other Party shall be an action in mandamus, specific performance, injunctive or declaratory relief to enforce the provisions of this Agreement or an action to terminate this agreement and all rights and obligations hereunder. Notwithstanding the foregoing, the City shall not be foreclosed from initiating an action to enforce SPD's obligations to make monetary payments under this Agreement as a condition for completing the SPD Sign. In any such legal action, the prevailing Party shall be entitled to recover all litigation expenses, including reasonable attorney's fees and court costs.

8.4 Effect of Termination. Termination of this Agreement shall not affect the Parties' obligations to comply with the standards, terms and conditions of any approvals issued with respect to the SPD Site or any portion thereof, nor shall it affect any covenants of any Party which are specified in this Agreement to continue after termination or which must remain in effect to achieve their intended purpose. Termination of this Agreement shall not affect SPD's right to continue to maintain the Existing Sign Faces in their present location as long as SPD continues to timely pay when due all rents required under the Settlement Agreements but termination shall allow the City to negotiate with other vendors for the placement of Digital Display Faces on other property within the City.

8.5 Negation of Partnership and Joint Venture. The City and SPD specifically acknowledge that the SPD Sign is a private development, that no Party is acting as the agent of the other in any respect hereunder, and that each Party is an independent contracting entity with respect to the terms, covenants and conditions contained in this Agreement. None of the provisions of this Agreement shall be deemed to create a partnership between or among the Parties in the businesses of SPD, or the affairs of City, or otherwise, nor shall it cause them to be considered joint venturers or members of any Joint enterprise. This Agreement is not intended nor shall it be construed to create any third party beneficiary rights in any person who is not expressly made a party and signatory to this Agreement.

8.6 Severability. Invalidation of any provision of this Agreement, or of the application thereof to any person, by judgment or court order shall in no way affect any of the other provisions hereof or the application thereof to any other person or circumstances and the same shall remain in full force and effect, unless enforcement of this Agreement as so invalidated would be unreasonable or grossly inequitable under all the circumstances or would frustrate the purposes of this Agreement.

8.7 Entire Agreement. This Agreement contains all the representations and the entire agreement between the Parties with respect to the SPD Sign.

8.8 Further Documents. Each Party shall execute and deliver such further documents as may be reasonably necessary to achieve the objectives of this Agreement.

8.9 Governing Law; Interpretation of Agreement. This Agreement shall be governed

August 14, 2013

by and interpreted in accordance with the laws of the United States, the State of California and the City of Colfax.

8.10 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original Agreement.

8.11 Time of Essence. Time is of the essence of this Agreement and of each and every term and condition hereof.

8.12 Estoppel Certificate. Any Party may, at any time, and from time to time, deliver written notice to the other Party requesting such Party to certify in writing to such requesting Party that, to the knowledge of the certifying Party, (i) this Agreement is in full force and effect and a binding obligation of the Parties, (ii) this Agreement has not been modified either orally or in writing, or if modified, to describe the nature of the modifications; (iii) the requesting Party is not in default in the performance of its obligations under this Agreement, or if in default, to describe therein the nature and amount of any such defaults; and (iv) the status of performance of the obligations of the Parties to this Agreement. A Party receiving a request hereunder shall execute and return such certificate within thirty (30) days following receipt thereof. The [City Manager] shall have the right to execute any certificate requested by SPD hereunder.

8.13 Powers of SPD. SPD shall have full power over and exclusive control of construction of the SPD Sign, subject only to the limitations and obligations of SPD under this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first above written.

CITY:

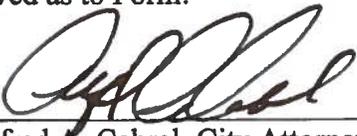
CITY OF COLFAX, a California municipal corporation

By: _____


Mayor

August 14, 2013

Approved as to Form:

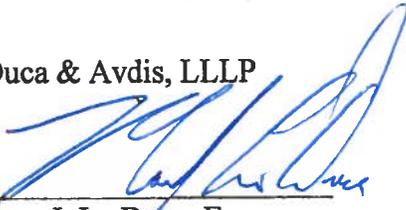
By: 
Alfred A. Cabral, City Attorney

SIERRA PROPERTY DEVELOPMENT,
a California Partnership

By: 
David Gard, Partner

By: 
Dennis Freidig

Approved as to Form:

LoDuca & Avdis, LLLP
By: 
Marcus J. Lo Duca, Esq.

August 14, 2013

July 14, 2017

Colfax City Council

RE: Colfax Digital extension request

Respectfully submitted by: SPD/VisCom Outdoor, Colfax, CA

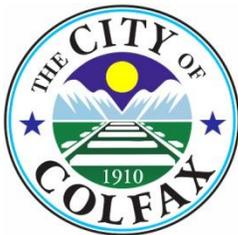
Dave Gard
530-346-2247
dave@winnerchevy.com

Bob Townsend
530-346-8546
viscomoutdoor@aol.com

We respectfully request an extension to replace our current fixed billboard faces with digital displays.

Please allow our permits to extend our window to erect our 3rd & 4th digital faces for a second term. Our current term on permits #N03-0037 & N03-0038 located at 1534 So. Canyon Way on APN 101-132-022 are due to expire November 8, 2017.

Demand for space and economic conditions have not been favorable in recent years to make the major investment required to invest in the changes. With the economy beginning to show consistent signs of recovery we believe demand will develop and the timing to make the investment is within reach.



STAFF REPORT TO THE COLFAX CITY COUNCIL

FOR THE OCTOBER 25, 2017 COUNCIL MEETING

FROM: Wes Heathcock, Interim City Manager
PREPARED BY: Staff
DATE: October 17, 2017
SUBJECT: Sewer Rate Study Award of Contract for Professional Services

<input type="checkbox"/>	N/A	<input type="checkbox"/>	FUNDED	<input type="checkbox"/>	UN-FUNDED	AMOUNT: Not to exceed \$ 27,500	FROM FUND: 560
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RECOMMENDED ACTION: Adopt Resolution 47-2017 authorizing the Interim City Manager to execute an agreement with Rural Community Assistance Corporation to conduct a sewer rate study in an amount not to exceed \$27,500 and amend the budget to reflect the actual cost of the Sewer Rate Study..

BACKGROUND:

The City last conducted a comprehensive study of the sewer rates in 2008. At that time the base rates for sewer service fees, including lift station charges, were set. Colfax Municipal Code 13.08.160 states the sewer service fees shall be reviewed annually and amended by resolution of the City Council when determined necessary. In accordance with Resolution 33-2008 the Sewer Base Rate has continued to increase by a 3.5% inflator every fiscal year beyond 2012/2013. At the recommendation of staff, Council has agreed it is prudent to revisit the rates and update the study that was conducted ten years ago.

A Sewer Rate Study request for proposals (RFP) was issued on August 22, 2017. The intention of the study is to confirm the validity of the Capital Improvement Plan, confirm the rates for operation of the Wastewater Treatment Plant and collection system, reaffirm the methodology developed for billing, and look at creative ways to address servicing the debt. The RFP closed on October 2, 2017. The services requested include:

- a. Data collection and development
- b. Creative solutions for cost savings
- c. Fee calculation and analysis
- d. Draft report and presentation to staff/City Council
- e. Proposition 218 Process as necessary
- f. Final City Utility Rate Presentation in a Public Hearing.

Mayor Pro Tem Hesch volunteered to join staff to evaluate the proposals. Staff interviewed the top three firms selected by the evaluation committee. The proposed services, staffing and costs of Rural Community Assistance Corporation (RCAC) proved most effective for the City's needs. RCAC was brought into the 2008 study by the Regional Water Board to assist with the Proposition 218 process

and therefore is familiar with the community. RCAC also has extensive experience working with utility rate studies in small communities and provides potential opportunities to for alternate funding.

FINANCIAL AND BUDGET

The Sewer Rate Study was discussed in the Budget Memo for the Revised Budget for Fiscal Year 2017-2018 which Council adopted on June 28, 2017, however the numerical value associated with the study was not included in the final summary of the document. The estimated amount of \$20,000 was included in the original adopted 2017/2018 Budget. Staff recommends amending the Revised Budget for Fiscal Year 2017-2018 budget to include the Sewer Rate Study as proposed by RCAC in an amount of \$25,000 plus a 10% contingency for a total, not to exceed, amount of \$27,500.

ATTACHMENTS:

1. Resolution 47-2017
2. Request for Proposal Document
3. RCAC Proposal
4. Contract for Professional Services

City of Colfax

City Council

Resolution № 47-2017

**AUTHORIZING THE INTERIM CITY MANAGER TO EXECUTE AN
AGREEMENT WITH RURAL COMMUNITY ASSISTANCE CORPORATION TO
CONDUCT A SEWER RATE STUDY IN AN AMOUNT NOT TO EXCEED
\$27,500**

WHEREAS, the City Council of the City of Colfax determined it is prudent to evaluate the rate structure for sewer services; and

WHEREAS, the City issued a Request for Proposal for Sewer Rate Study to evaluate available services; and

WHEREAS, six proposals were received by the City responsive to the request; and

WHEREAS, the selection committee determined Rural Community Assistance Corporation was the best fit to conduct a Sewer Rate Study for the City; and

WHEREAS, the City Council has determined that it is in the best interests of the City to engage Rural Community Assistance Corporation to conduct a Sewer Rate Study.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Colfax as follows:

1. The City Council hereby authorizes the Interim City Manager to execute an agreement with Rural Community Assistance Corporation to conduct a Sewer Rate Study in the form attached.
2. The City Council authorizes the appropriation and expenditure of \$27,500 to provide the services authorized by this Resolution.

THE FOREGOING RESOLUTION WAS DULY AND REGULARLY ADOPTED at the regular meeting of the City Council of the City of Colfax held on the 25th day of October, 2017 by the following vote of the Council:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

Stephen L Harvey, Mayor

Lorraine Cassidy, City Clerk

UPDATE OF THE CITY OF COLFAX'S UTILITY RATES FOR WASTEWATER

Submitted to:
City of Colfax



Submitted by:
Rural Community Assistance Corporation
Corporate Office
3120 Freeboard Drive, Suite 201
West Sacramento, CA 95691
Telephone: (916) 447-2854
Facsimile: (916) 447-2878

George Schlender
Director, Environmental Programs
(509) 868-2290
E-mail: gschlender@rcac.org

Contact Person:
Mary Fleming
Regional Development Specialist – Environmental
(916) 549-6338
E-mail: mfleming@rcac.org



Corporate Office:
3120 Freeboard Drive, Suite 201
West Sacramento, CA 95691
(916) 447-2854 • Fax (916) 447-2878

September 14, 2017

Ms. Lorraine Cassidy
City Clerk
City of Colfax
33 South Main Street
Colfax, CA 95713

Re: Request for Proposals (RFP) and Price Estimate for an Update to the City of Colfax's Utility Rates for Wastewater

Dear Ms. Cassidy,

Rural Community Assistance Corporation (RCAC) is pleased to submit the enclosed proposal and price estimate for an update to the City of Colfax's utility rates for wastewater.

Incorporated in 1978, RCAC is a 501(c)3 nonprofit organization. Our mission is to provide training, technical and financial resources and advocacy so rural communities can achieve their goals and visions.

RCAC proposes to perform the requested services for an estimated cost of \$25,000.00.

The Scope of Services will include:

- Data collection and development
- Development of cost savings through creative solutions
- Fee calculation and analysis
- Preparation of a Draft Report
- Presentation of materials during the preparation process
- Proposal of the preparation and completion of the Proposition 218 process as a potential service to the City of Colfax
- Preparation of a final City of Colfax Utility Rate Study
- Presentation of the final City of Colfax Utility Rate Study to the City Council in a Public Hearing

RCAC Cover Letter – 2

The contact person authorized to make representation for RCAC under this RFP will be:

Mary Fleming
Rural Development Specialist – Environmental
3120 Freeboard Drive, Suite 201
West Sacramento, CA 95691
Telephone: (916) 549-6338
E-mail: mfleming@rcac.org

Please be advised that this letter also represents RCAC's acceptance of the City of Colfax's Standard Agreement for Consultant Services as provided in Attachment A of the RFP.

Sincerely,



Sharen Butrum
Fund Developer II

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Section 3 – Consultant Qualifications

a. Background and Experience

Founded in 1978, RCAC is a 501(c)3 nonprofit organization. Our mission is to provide training, technical and financial resources and advocacy so rural communities can achieve their goals and visions. RCAC's work includes environmental infrastructure (water, wastewater and solid waste facilities); affordable housing development; economic and leadership development; and community development finance. These services are available to communities with populations of fewer than 50,000. Headquartered in West Sacramento, CA, RCAC has more than 130 employees serving rural communities in 13 western states from 52 field offices.

RCAC is a certified Community Development Financial Institution (CDFI) and finances affordable housing, community facilities, small businesses, and water, wastewater and solid waste systems. RCAC is a U.S. General Service Administration (GSA) environmental consulting and training contract holder (Contract Number GS-10F-0255X).

RCAC's Environmental Services Department provides support to small municipal, tribal and nonprofit water systems, wastewater systems and solid waste management programs. Services include training, technical, managerial and financial support in conjunction with networking opportunities and advocacy training. The Environmental department's primary objective is to support communities to comply with the Safe Drinking Water Act (SDWA) and the Clean Water Act (CWA). RCAC works under Drinking Water State Revolving Fund (SRF) contracts in California, Hawaii, Idaho, New Mexico and Washington. Additionally, RCAC provides training to small utilities under grants and contracts with the Environmental Protection Agency (EPA), Health and Human Services (HHS), US Department of Agriculture (USDA) and other public and private funding sources.

RCAC has provided rate studies to rural water and wastewater utilities across the West for almost 40 years. Our rate studies are designed to promote utility sustainability, rate stability and fairness to rate payers. They show the "true costs" of providing service, including all operational costs, funding of necessary reserve accounts and debt service, if applicable.

RCAC Team*

Project Leader/Point of Contact

Mary Fleming, Rural Development Specialist – Financial Management

As a rural development specialist, Ms. Fleming conducts water and wastewater rate studies, trains water and wastewater system operators in financial management, and assists small utilities in setting up accounting systems and financial policies and procedures. During the past six years, Ms. Fleming has conducted numerous rate studies for water and wastewater utilities in California.

Project Staff**Brian Phillips, Regional Environmental Manager – Training**

As RCAC's regional environmental manager for Northern California, Mr. Phillips manages a team of seven rural development specialists. He also organizes, develops, coordinates and manages budgets and staff work plans, and presents workshops under the California State Revolving Fund to water system operators and managers.

Karen McBride, Rural Development Specialist – Environmental

Ms. McBride has more than 33 years of experience in the wastewater field, and provides management training for small utilities operators with an emphasis on regulation analysis and implementation. She previously assisted the City of Colfax to implement the voter approval process required under Proposition 218.

Robert Longman, Loan Production and Credit Manager

Mr. Longman has more than 40 years of experience in rural development and lending for various types of projects including public infrastructure (roads and streets; water and sewer; natural gas systems; etc.). He provides assistance with loan structure and underwriting, and conducts credit reviews, assigns initial risk ratings and assists with all problem areas of closing and servicing.

Support Staff**Kelvin Singh, Program Analyst**

Mr. Singh provides general and specialized ongoing grant and contract management in support of RCAC's Community and Environmental Services Department.

Tiffany Shea, Project Coordinator – Conferences, Training & Events

Ms. Shea coordinates printing and production services for RCAC and will assist with the preparation of the final wastewater utility rate study.

** Resumes attached*

b. Consultants

RCAC will not subcontract or partner to provide services under this scope of work.

c. Scheduling

RCAC proposes to begin work on the CoC's Wastewater Utility Rate Study on November 1, 2017 and complete the Scope of Work, including the presentation of the final study to the City Council at a Public Hearing, by March 31, 2018.

d. Cost Control

RCAC's Grants and Contracts Administration (GCA) Department has numerous internal control systems to track and report activity and expenditures to ensure that project contract amounts are not exceeded.

Section 4 – Description of Analysis

Methodology used to provide the analysis to the City of Colfax (CoC)

To conduct the wastewater utility rate study, RCAC will review the CoC's current rate structure, historic financial and use information, balance sheet obligations, equipment and planned improvements. From this information, and factoring in inflation, a five-year annual cost estimate will be projected.

Once the projected costs have been determined, an analysis of the current rate structure's ability to produce adequate revenue to recover the costs for the five-year period will be conducted. Depending on the analysis results, a rate adjustment or alternative rate structure may be recommended.

Methodology to adjust the scope of work to account for possible changes in rates structures acceptable to the CoC, and account for local conditions

1. Prior to the initial project meeting, RCAC staff will develop a Community Work Plan that will include the specific financial information needed to conduct the rate analysis. This work plan will be discussed at the initial project meeting and amended as required.
2. RCAC staff will work with CoC staff to obtain the required financial information for the rate study. Customer winter water usage is a frequently used measure for wastewater volumetric charges. It is RCAC's experience that a water system's billing software vendor often needs to be involved to assist with generation of needed reports, such as customer water use data, in a form that is usable for the Study.
3. CoC is currently using Equivalent Dwelling Units (EDU) as the basis for its sewer rates. RCAC will analyze the adequacy of the current charges per EDU to satisfy the revenue requirements. If the current rates are found to be inadequate, RCAC will calculate various alternatives.
4. As all required financial information is collected, RCAC staff will create a spreadsheet tool which will evaluate revenue sufficiency based on all costs of running the waste treatment plant, the sewer collection system and the sewer lift stations, including funding of prudent reserves for emergencies, operations, capital improvements, and debt service, projected out for five years. Costs of service will be analyzed to detect any areas for cost savings. RCAC staff will review the CoC's current Wastewater Treatment Plant loan and explore other financing options. Provided equipment lists are available, an asset management plan will be developed to determine capital improvement reserve funding levels. This will include features to allow assessment of:

- The impact of rate changes on customers' monthly bills
- An analysis of the EDU charge equitability to each class of customer

It is highly probable that the initial rate work will lead to further questions that will require additional input from the CoC. Once a revenue target is identified in the revenue sufficiency analysis, there are multiple rate structures that may achieve that target. An analysis of rate equity by customer class may highlight one or more classes of customers that are heavily subsidizing other classes. As new trends come to light, RCAC will discuss findings with the CoC to assure that the assumptions used in the analysis are valid, and to guide the direction of further work, such as evaluation of specific types of rate design alternatives.

5. Once the rate options are fully developed, they will go through internal review by RCAC staff for quality control purposes. After the calculations are vetted, RCAC staff will meet with the CoC to discuss various rate change options, and plug suggested rates into the tool to demonstrate, in real time, what impact rate changes, or rate structure changes would have on system revenues, typical customers' monthly bills, and rate equity between classes of customers. In this way, different proposed rate scenarios can be tested. This typically leads to the recommendation of one to three different rate scenarios that meet revenue and sustainability goals while reflecting the priorities of the City.
6. RCAC staff will meet with the CoC staff on site to review the rate design alternatives, and discuss:
 - a. The impact of each alternative on customer rates
 - b. Ranking of alternatives according to ease of implementation, customer equitability conformance with utility policies, revenue sufficiency, financial sustainability, etc.
 - c. Transition planning for alternatives that represent a change from current practice
7. These recommendations will be incorporated into a draft report, which will then go through additional internal quality control review while being made available to the CoC for review. After all corrections and suggested edits are incorporated, a final report will be generated and presented to the CoC. An additional public meeting may be held to explain the rationale for any rate structure changes to community stakeholders.
8. Prior to adoption, the proposed rates should be reviewed by legal counsel with respect to compliance with Proposition 218 and related State laws, as well as developing acceptable language for the new resolution to implement the rates. RCAC staff is prepared to assist the CoC in the Proposition 218 process. This assistance will include:
 - a. Draft letter to customers
 - b. Prepare public notice
 - c. Attend and present at Proposition 218 hearing

Section 5 – **Workplan****Update City of Colfax’s Utility Rates for Wastewater**

Timeline	Task
11/1/2017 – 1/08/2018	Work with CoC staff to collect and develop data
1/02/2018	Develop Community Work Plan
1/08/2018 – 1/31/2018	Initial Fee Calculation and Analysis
1/31/2018 – 2/05/2018	RCAC internal review of initial fee calculation and analysis
2/06/2018	Meet with CoC staff to review rate design alternatives
2/07/2018 – 2/16/2018	Prepare and review draft report
2/23/2018	Provide final report to CoC
2/28/2018	Present final report at Public Meeting

**Preparation and Completion of the Proposition 218 Process
(potential additional service)**

Timeline	Task
2/10/2018	Draft letter to customers
2/10/2018	Prepare Public Notice
3/30/2018	Attend and present at Proposition 218 hearing

Section 6 – Price Estimate**Task – Collect Data, Develop Community Work Plan, Prepare Rate Study**

Mary Fleming: 67 hours @ \$114.22 /hr = \$7,652.74

Task – Public Education

Karen McBride: 24 hours @ \$114.22/hr = \$2,741.28

Task – Kickoff Meeting

Mary Fleming: 1 hour @ \$114.22/hr = \$114.22

Karen McBride: 1 hour @ \$114.22/hr = \$114.22

Robert Longman: 1 hour @ \$74.89/hr = \$74.89

Brian Phillips: 1 hour @ \$132.44/hr = \$132.44

Kelvin Singh: 1 hour @ \$74.89/hr = \$74.89

Task – Analyze Loan Possibilities

Robert Longman: 32 hours @ \$74.89/hr = \$2,396.48

Task – Prepare & Present Final Report

Mary Fleming: 50 hours @ \$114.22/hr = \$5,711.00

Tiffany Shea: 24 hours @ \$65.76/hr = \$1,578.24

Brian Phillips: 2 hours @ \$132.44/hr = \$264.88

Task – Proposition 218 Procedures

Karen McBride: 24 hours @ \$114.22/hr = \$2,741.28

Task – Contract Administration

Kelvin Singh: 6 hours @ \$74.89/hr = \$449.34

Ancillary Costs

Supplies = \$20.00

Printing and Copying = \$290.00

Travel = \$453.60

Indirect = \$190.50

TOTAL PRICE ESTIMATE: \$25,000.00

Section 7 – Experience Summary

RCAC Recent Relevant Project Experience	
City of Fort Bragg, Mendocino County, CA	Wastewater Rate Study
<i>Contact</i>	Victor Damiani Finance Director (707) 961-2825
<i>Scope of Work</i>	RCAC developed a wastewater rate study incorporating a financial plan for the City of Fort Bragg’s utility to determine cash needs, revenue requirements and anticipated timing of utility costs to ensure that adequate funds will be available to meet operational and maintenance needs as they occur. The financial plan included an examination of operating revenues; operation and maintenance (O&M) expenses; debt service on borrowed funds; and reserve requirements.
<i>Date</i>	September 2016
City of Point Arena, Mendocino County, CA	Wastewater Rate Study
<i>Contact</i>	Richard Shoemaker City Manager (707) 882-2122
<i>Scope of Work</i>	The City of Point Arena’s (CPA) wastewater treatment plant serves 425 residents. RCAC completed an evaluation of current user rates for CPA’s wastewater utility. RCAC’s rate analysis identified the total annual revenue required to conduct day-to-day operations, and planned for future operating and capital needs. This ensured that the utility had the ability to obtain sufficient funds to develop, construct, operate, maintain, and manage its sewer system on a continuing basis, in full compliance with federal, state and local requirements.
<i>Date</i>	July 2016

Experience Summary - 2

Konocti County Water District, Clearlake, Lake County, CA	Financial Analysis
<i>Contact</i>	Frank Costner General Manager (707) 994-2561
<i>Scope of Work</i>	The California State Water Resources Control Board requested that RCAC complete a financial analysis, capital improvement plan and rate study for the Konocti County Water District (KCWD). RCAC presented rate structure options utilizing two different scenarios for projected changes in population and water usage.
<i>Date</i>	January 2015

Section 8 – Additional Data

We wish to present no additional data.



Mary Fleming Leslie
Rural Development Specialist – Financial Management

Sacramento, CA

Skills

- Technical Assistance in accounting and bookkeeping for small water/wastewater systems and nonprofit organizations
- Financial Analysis
- Rate Structure Analysis
- Classroom Training
- Online Training
- One-on-One Training
- Certified QuickBooks Pro-Advisor

Experience

Ms. Fleming joined RCAC in 2000 and has been with the Environmental Department since 2011. As a Rural Development Specialist, she conducts water and wastewater rate studies, trains water and wastewater system operators in financial management, and assists small utilities in setting up accounting systems and financial policies and procedures.

She was previously an accounting analyst in the Finance Department with responsibility for internal audits and financial analysis on loan fund applicants before transferring to the Housing Department as a financial management specialist. In that position she conducted intense onsite management reviews of nonprofit housing clients, assessing their internal controls, financial capacity and contract compliance. She provided technical assistance in setting up charts of accounts, general ledgers and financial statements for fund accounting. Ms. Fleming also assisted organizations in the development of cost allocation plans and indirect cost rate proposals and made recommendations to improve financial management systems.

Education

Bachelor of Sciences, Accounting, California State College, Stanislaus, Turlock, California
Bachelor of Arts, Literature, California State College, Stanislaus, Turlock, California

Professional Affiliations

Member American Water Works Association (AWWA)
Member California Special Districts Association (CSDA)



Brian Phillips

Regional Environmental Manager – Training

Bridgeville, California

Skills

- Public administration
- Water treatment and distribution system management
- Budgeting and fiscal management
- Water operator training
- Planning
- Public communications

Experience

Brian Phillips joined RCAC in 2000. As the regional environmental manager in Northern California, Mr. Phillips organizes, develops, coordinates and manages budgets and staff work plans, and presents workshops under the California State Revolving Fund program to water system operators and managers. He also manages a team of seven rural development specialists.

Before joining RCAC, Mr. Phillips was the general manager for the Millview County Water District in Ukiah, California. While there, he supervised six district staff and oversaw the finances for the three MGD water treatment plants and 1,400 service connections. He administered the governmental billing and accounting process and procedures, budgets, fiscal management, personnel issues and loan and grant applications. Mr. Phillips also worked for the Humboldt Community Services District for more than fifteen years where he held many positions including superintendent, district planner and engineering aid. He planned, organized, directed and coordinated the maintenance, construction, distribution and operation functions for the water and wastewater district. Mr. Phillips also developed programs, policies and special projects such as a steel main replacement program, capital improvement plan, meter replacement schedule, street lighting and upgrading sewer lift stations and the water flushing program.

Mr. Phillips participates in water issue discussions on various local and national committees. He also consults with rural communities and public agencies in organizational and operational areas, TMF requirements and alternative wastewater systems. Mr. Phillips is experienced in reviewing and preparing loan and grant applications for the California State Water Resource Control Board (SWRCB) SRF program, USDA and CDBG funding. He also trains water and wastewater treatment and distribution operators and presents workshops to elected officials and national organizations.

Education

Bachelor of Science, Business Administration, Financial Management and Real Estate and Urban Land Use, California State University, Sacramento CA
 Grade III Water Treatment Operator certification, California
 Grade II Water Distribution Operator certification, California
 Water conservation specialist certification, American Water Works Association

Professional Affiliations

Various leadership positions, past president of local section, California Water Environment Association
 Past State Director, California Rural Water Association
 Member, American Water Works Association, CA/NV/HI sections
 Member, Wine Country Water Works Association
 Representative, Humboldt County Utility Coordinating Committee
 Emergency Response and Mutual Aid representative, Water Agency Response Network



Karen D. McBride
Rural Development Specialist – Environmental

West Sacramento, California

Skills

- On-site Wastewater Disposal Zone (OSWDZ) operational regulations
- Training
- Management of operations and personnel
- Regulation analysis and implementation
- California Certified Grade II Wastewater Plant Operator
- Community outreach/engagement

Experience

Karen McBride joined RCAC in 1997. Ms. McBride has more than 33 years of experience in the wastewater field. Before joining RCAC, she worked as a certified wastewater operator for one of the largest wastewater treatment plants west of the Mississippi. After several years of plant operations, she moved to Northern California to become the manager of on-site wastewater zone operations (OSWDZ) for a coastal community. Ms. McBride's responsibilities included planning and inspection of properties, directing and administering all activities of the on-site wastewater program, making decisions within regulations regarding issuance of permits or necessary repairs, and providing information regarding OSWDZ to association members and the general public.

Ms. McBride created the Sea Ranch on-site wastewater disposal zone, a septic system inspection and monitoring program. The Sea Ranch project was the largest program of this type and the third to be implemented in the State of California. She also served as a member of the Advisory Committee to the EPA National Small Flows Clearinghouse, developing fact sheets for septic system information that were used throughout the nation, and serving as an expert panel member for the National On-Site Demonstration Project Phase 4.

Ms. McBride was a member of the board of directors of the American On-Site Management Association, a member of the EPA Speakers Bureau for the Management of Onsite/Decentralized Wastewater Guidelines, and a consultant to Tetra-Tech, Inc., where she developed fact sheets for the EPA's National Voluntary Guidelines of Decentralized Wastewater Management Handbook. She also served on the EPA Management Guidance Manual Steering Committee to develop the Guidelines for Management of Onsite/Decentralized Wastewater Systems Manual.

Ms. McBride has 20 years of community outreach and engagement experience. She previously assisted the City of Colfax to implement the voter approval process required under Proposition 218.

Education

California Wastewater Plant Operator Grade II
Operations of Wastewater Treatment Plants, School of Engineering, California State University,
Sacramento CA
Wastewater Technology, Orange Coast College, Costa Mesa CA



Robert H. Longman
Loan Production and Credit Manager

West Sacramento, California

Skills

- Financial feasibility analysis
- Community facility lending
- Tribal lending
- Real estate and bond secured lending
- Multi-family housing lending
- Healthcare facility lending
- Training

Experience

Robert Longman joined RCAC in 2001. As the loan production and credit manager, Mr. Longman supervises four loan officers in various locations throughout RCAC's service area. He provides assistance with structure of loans, reviews underwriting, conducts credit reviews, assigns initial risk ratings and assists with all problem areas of closing and servicing. Mr. Longman negotiates participation with other lenders and sale of guaranteed loans on the secondary market. He also assists in developing work out plans when needed, oversees Loan Fund marketing materials and activities and develops and structures new loan programs and products as appropriate.

Mr. Longman has more than 40 years of experience in rural development and lending for various types of projects in rural areas, from single family housing to the more complex loans for multi-family housing and community facility projects. Mr. Longman has worked with individuals, nonprofits, public bodies and tribes on direct loans and grants, as well as with other lenders on guaranteed loans to bring a wide variety of projects to rural communities.

Prior to joining RCAC, Mr. Longman worked in various capacities with the U.S. Department of Agriculture - Rural Development (USDA-RD). He was a Community Facilities (CF) Program Coordinator where he was responsible for all Rural Development Community Facility lending in California. In that capacity, Mr. Longman increased Community Facility lending dramatically in California and provided the opportunity for lenders to significantly participate in the CF guaranteed loan program. Through both the direct and guaranteed CF loan programs, Mr. Longman oversaw annual lending activity of over \$25 million.

Mr. Longman possesses a wide range of knowledge in lending areas with diverse types of entities, encompassing various development strategies and security issues. Types of projects include both single family and multi-family housing (subsidized family, elderly and farm labor housing), health care, child care, schools, fire and rescue, industrial parks, community centers, public infrastructure (roads and streets, water and sewer, natural gas systems, etc.) and public buildings

Education

Bachelor of Science, Texas Tech University, Lubbock, TX

Professional Affiliations

Lifetime member, Alpha Zeta Honorary Fraternity



Kelvin Singh
Program Analyst

West Sacramento, California

Skills

- Data management
- Fiscal management
- Project management
- Compliance research
- Systems development
- Contract reporting and compliance

Software Competency

- Word
- Excel
- Outlook
- PowerPoint
- SharePoint
- Unanet

Experience

Kelvin Singh joined RCAC in 2017. As part of the Grants and Contracts Administration Department, he provides general and specialized ongoing grant and contract management in support of RCAC's Community and Environmental Services Department. Mr. Singh reviews, tracks, and analyzes environmental contract deliverables, budget expenditures and required program and financial reports.

Prior to joining RCAC, Mr. Singh worked for Franklin Templeton Investments in Rancho Cordova CA. As Senior Client Services Representative, he provided clarification on IRS Publication 590-A, and internal policies and procedures in reference to retirement assets to shareholders and financial advisors. In this role, he participated in reviewing legal documents while implementing good order review of all written requests pertaining to shareholder retirement assets.

Education

Bachelors of Science, Business Administration, California State University, Chico, CA
Grant Management Training, Management Concepts, Vienna, VA



Tiffany Shea
Project Coordinator – Conferences, Training & Events

West Sacramento, CA

Skills

- Project coordination
- Editing and proof reading
- Print production and distribution
- Marketing
- Website maintenance

Experience

Tiffany Shea joined RCAC in January, 2017. As Project Coordinator for the Conference, Training and Events department, she works with staff trainers and presenters, the conference registrar and meeting planner to coordinate and organize training events, including workshops and conferences.

Ms. Shea develops training schedules; edits training materials in both printed and digital formats; coordinates printing and production services; and contributes to reporting on RCAC's trainings to funders and the board of directors.

Her prior experience includes office, circulation and event management.

AGREEMENT FOR CONSULTANT SERVICES

THIS AGREEMENT is made and entered into on this 26th day of October, 2017 by and between the City_ of Colfax, a municipal corporation of the State of California ("City") and Rural Community Assistance Corporation ("Consultant").

RECITALS

- A. The City desires to retain Consultant to provide the Services set forth in detail in Exhibit A hereto (the "Services") subject to the terms and conditions of this Agreement.
- B. Consultant is duly licensed and sufficiently experienced to undertake and perform the Services in a skilled and workmanlike manner and desires to do so in accordance with the terms and conditions of this Agreement.

Now, therefore, in consideration of the mutual covenants, promises and conditions set forth in this Agreement, the City and Consultant agree as follows:

Section 1. Services

Subject to the terms and conditions set forth in this Agreement, Consultant shall furnish and perform all of the Services described in detail in Exhibit A hereto and incorporated herein by this reference (the "Services") to the satisfaction of the City. Consultant shall not perform any work exceeding the scope of the Services described in Exhibit A without prior written authorization from the City.

Section 2. Time of Completion.

Consultant's schedule for performance of the Services is set forth in Exhibit A hereto which is incorporated herein by this reference. Consultant shall commence performance of the Services promptly upon receipt of written notice from the City to proceed. Performance of the Services shall progress and conclude in accordance with the schedule set forth in Exhibit A. During the performance of the Services, Consultant shall provide the City with written progress reports at least once each month and at such additional intervals as City may from time to time request.

Section 3. Compensation.

- A. Except as may otherwise be provided in Exhibit A or elsewhere in this Agreement or its exhibits, Consultant shall invoice City once each month for the Services performed during the preceding month. Such invoices shall itemize all charges in such detail as may reasonably be required by City in the usual course of City business but shall include at least:
 - i. the date of performance of each of the Services,
 - ii. identification of the person who performed the Services,
 - iii. a detailed description of the Services performed on each date,
 - iv. the hourly rate at which the Services on each date are charged,
 - v. an itemization of all costs incurred and
 - vi. the total charges for the Services for the month invoiced.

As long as the Consultant performs the Services to the satisfaction of the City, the City shall pay the Consultant an all-inclusive compensation that shall not exceed the amount as detailed in Exhibit A except pursuant to an authorized written change order issued pursuant to Section 15 of this Agreement before the Services requiring additional compensation are performed. City shall pay Consultant no later than thirty (30) days after approval of the monthly invoice by City's staff.

- B. The Consultant's compensation for the Services shall be full compensation for all indirect and direct personnel, materials, supplies, equipment and services incurred by the Consultant and used in carrying out or completing the Services. Payments shall be in accordance with the payment schedule established in Exhibit A or elsewhere in this Agreement or its exhibits.
- C. The City shall have the right to receive, upon request, documentation substantiating charges billed to the City pursuant to this Agreement. The City shall have the right to perform an audit of the Consultant's relevant records pertaining to the charges.
- D. Any Services performed more than sixty (60) days prior to the date upon which they are invoiced to the City shall not be compensable.

Section 4. Professional Ability; Standard of Quality.

City has relied upon the professional training and ability of Consultant to perform the Services described in Exhibit A as a material inducement to enter into this Agreement. Consultant shall therefore provide properly skilled professional and technical personnel to perform all Services under this Agreement. All Services performed by Consultant under this Agreement shall be in a skillful, workmanlike manner in accordance with applicable legal requirements and shall meet the standard of quality ordinarily to be expected of competent professionals in Consultant's field of expertise.

Section 5. Indemnification.

Consultant shall hold harmless and indemnify, including without limitation the cost to defend, the City and its officers, agents and employees from and against any and all claims, demands, damages, costs or liability that arise out of, or pertain to, or relate to the negligence, recklessness or willful misconduct of Consultant and/or its agents in the performance of the Services. This indemnity does not apply to liability for damages for death or bodily injury to persons, injury to property, or other loss, arising from the sole negligence, willful misconduct or material defects in design by the City or its agents, servants employees or independent contractors other than Consultant who are directly responsible to the City, or arising from the active negligence of the City officers, agents, employees or volunteers.

Section 6. Insurance.

Without limiting Consultant's indemnification obligations provided for above, Consultant shall take out before beginning performance of the Services and maintain at all times during the life of this Agreement the following policies of insurance with insurers possessing a Best rating of not less than A. Consultant shall not allow any subcontractor, professional or otherwise, to commence work on any subcontract until all insurance

required of the Consultant has also been obtained by the subcontractor.

- A. Workers' Compensation Coverage. Statutory Workers' Compensation insurance and Employer's Liability Insurance to cover its employees. In the alternative, Consultant may rely on a self-insurance program to meet its legal requirements as long as the program of self-insurance complies fully with the provisions of the California Labor Code. Consultant shall also require all subcontractors, if such are authorized by the City, to similarly provide Workers' Compensation insurance as required by the Labor Code of the State of California for all of the subcontractor's employees. All Workers' Compensation policies shall be endorsed with the provision that the insurance shall not be suspended, voided, or cancelled until thirty (30) days prior written notice has been provided to City by the insurer. The Workers' Compensation insurance shall also contain a provision whereby the insurance company agrees to waive all rights of subrogation against the City and its elected or appointed officials, officers, agents, and employees for losses paid under the terms of such policy which arise from the Services performed by the insured for the City.
- B. General Liability Coverage. General liability insurance, including personal injury and property damage insurance for all activities of the Consultant and its subcontractors, if such are authorized by the City, arising out of or in connection with the Services. The insurance shall be written on a comprehensive general liability form and include a broad form comprehensive general liability endorsement. In the alternative, the City will accept, in satisfaction of these requirements, commercial general liability coverage which is equivalent to the comprehensive general liability form and a broad form comprehensive general liability endorsement. The insurance shall be in an amount of not less than \$1 million combined single limit personal injury and property damage for each occurrence. The insurance shall be occurrence based insurance. General liability coverage written on a claims made basis shall not be acceptable absent prior written authorization from the City.
- C. Automobile Liability Coverage. Automobile liability insurance covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with this Agreement, including coverage for owned, hired and non-owned vehicles, in an amount of not less than \$1 million combined single limit for each occurrence.
- D. Policy Endorsements. Each general liability and automobile liability insurance policy shall be endorsed with the following provisions:
1. The City, and its elected or appointed officials, employees and agents shall be named as insureds or additional insureds with regard to damages and defenses of claims arising from activities performed by or on behalf of the Consultant.
 2. The insurance afforded by each policy shall apply separately to each insured who is seeking coverage or against whom a claim is made or a suit is brought, except with respect to the insurer's limits of liability.
 3. The insurance shall be primary insurance as respects the City and its elected

or appointed officers, officials, employees and agents. Any other insurance maintained by the City or its elected or appointed officers, officials, employees, agents or volunteers shall be in excess of this insurance and shall not contribute with it.

4. The insurance shall not be suspended, voided, cancelled, or reduced in coverage or in limits except after thirty (30) days prior written notice has been provided to the City.
 5. Any failure to comply with the reporting requirements of any policy shall not affect coverage provided to the City, its elected or appointed officers, officials, employees, or agents.
- E. Professional Liability Coverage. If required by the City, Consultant shall also take out and maintain professional liability, errors and omissions insurance in an amount not less than \$1 million. The professional liability insurance policy shall be endorsed with a provision stating that it shall not be suspended, voided, cancelled, or reduced in coverage or in limits except after thirty (30) days written notice has been provided to the City.
- F. Insurance Certificates and Endorsements. Prior to commencing the Services under this Agreement, Consultant shall submit to the City documentation evidencing the required insurance signed by the insurance agent and the companies named. This documentation shall be on forms which are acceptable to the City and shall include all required endorsements and verify that coverage is actually in effect. This Agreement shall not be effective until the required insurance forms and endorsements are submitted to and approved by the City. Failure to provide these forms within the time period specified by City may result in the award of this Agreement to another Consultant should the City, in its sole discretion, decide to do so. Current certification of insurance shall be kept on file with the City at all times during the term of this Agreement.
- G. Deductible and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by City.
- H. Termination of Insurance. If the City receives notification that Consultant's insurance will be suspended, voided, cancelled or reduced in coverage or in limits, and if the Consultant does not provide for either the reinstatement of that insurance or for the furnishing of alternate insurance containing all of the terms and provisions specified above prior to the termination of that insurance, City may either terminate this Agreement for that breach, or City may secure the required insurance to satisfy the conditions of this Agreement and deduct the cost thereof from compensation which would otherwise be due and payable to the Consultant for Services rendered under the terms of this Agreement.

Section 7. Subcontracts.

Consultant may not subcontract any portion of the Services without the written authorization of City. If City consents to a subcontract, Consultant shall be fully responsible to the City and third parties for all acts or omissions of the subcontractor to which the

Services or any portion thereof are subcontracted. Nothing in this Agreement shall create any contractual relationship between City and any subcontractor, nor shall it create any obligation on the part of the City to pay or cause the payment of any monies due to any such subcontractor except as otherwise is required by law.

Section 8. Assignment.

Consultant shall not assign any right or obligation under this Agreement without the City's prior written consent. Any attempted assignment of any right or obligation under this Agreement without the City's prior written consent shall be void.

Section 9. Entire Agreement.

This Agreement represents the entire understanding of City and Consultant as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered herein. This Agreement may not be modified or altered except in writing signed by both parties.

Section 10. Jurisdiction.

This Agreement shall be administered and interpreted under the laws of the State of California. Jurisdiction over any litigation arising from this Agreement shall be in the Superior Court of the State of California with venue in Placer County, California.

Section 11. Suspension of Services.

Upon written request by Consultant, City may suspend, in writing, all or any portion of the Services if unforeseen circumstances beyond the control of the City and Consultant make normal progress of the Services impossible, impractical or infeasible. Upon written City approval to suspend performance of the Services, the time for completion of the Services shall be extended by the number of days performance of the Services is suspended.

Section 12. Termination of Services.

City may at any time, at its sole discretion, terminate all or any portion of the Services and this Agreement upon seven (7) days written notice to Consultant. Upon receipt of notice of termination, Consultant shall stop performance of the Services at the stage directed by City. Consultant shall be entitled to payment within thirty (30) days for Services performed up to the date of receipt of the written notice of termination. Consultant shall not be entitled to payment for any Services performed after the receipt of the notice of termination unless such payment is authorized in advance in writing by the City.

Should Consultant fail to perform any of the obligations required of Consultant within the time and in the manner provided for under the terms of this Agreement, or should Consultant violate any of the terms and conditions of this Agreement, City may terminate this Agreement by providing Consultant with seven (7) days written notice of such termination. The Consultant shall be compensated for all Services performed prior to the date of receipt of the notice of termination. However, the City may deduct from the compensation which may be owed to Consultant the amount of damage sustained or estimated by City resulting from Consultant's breach of this Agreement.

Consultant's obligations pursuant to Sections 5 and 6 of this Agreement shall survive termination, and continue in effect for as long as necessary to fulfill the purposes of Sections 5 and 6.

Section 13. Independent Contractor.

Consultant shall in all respects be an independent contractor and not an agent or employee of City. Consultant has and shall retain the right to exercise full control and supervision of the means and methods of performing the Services. Consultant shall receive no premium or enhanced pay for Services normally understood as overtime; nor shall Consultant receive holiday pay, sick leave, administrative leave or pay for any other time not actually expended in the performance of the Services. It is intended by the parties that Consultant shall not be eligible for benefits and shall receive no compensation from the City, except as expressly set forth in this Agreement. Consultant shall submit completed W -9 and Report of Independent Contractor forms upon execution of this Agreement and prior to the payment of any compensation hereunder.

Section 14. Ownership of Documents.

Within thirty (30) days after the Consultant substantially completes performance of the Services, or within thirty (30) days after the termination of this Agreement, the Consultant shall deliver to the City all files, records, materials and documents drafted or prepared by Consultant's in the performance of the Services. It is expressly understood and agreed that all such files, records, materials and documents are the property of the City and not the property of the Consultant. All finished and unfinished reports, plans, studies, documents and other writings prepared by and for Consultant, its officers, employees and agents in the course of performing the Services shall become the sole property of the City upon payment to Consultant for the Services, and the City shall have the exclusive right to use such materials in its sole discretion without further compensation to Consultant or to any other party. Consultant shall, at Consultant's expense, provide such reports, plans, studies, documents and writings to City or any party the City may designate, upon written request. Consultant may keep file copies of all documents prepared for City. Use of any such documents by the City for projects that are not the subject of this Agreement or for purposes beyond the scope of the Services shall be at the City's sole risk without legal liability or expense to Consultant.

Section 15. Changes and/or Extra Work.

Only the City Council may authorize extra and/or changed Services, modification of the time of completion of the Services, or additional compensation for the tasks to be performed by Consultant. Consultant expressly recognizes that other City personnel are without authorization to order extra and/or changed Services or to obligate the City to the payment of additional compensation. The failure of Consultant to secure the prior written authorization for such extra and/or changed Services shall constitute a waiver of any and all right to adjustment in the contract price due to such unauthorized Services, and Consultant thereafter shall not be entitled to any compensation whatsoever for the performance of such extra or changed Services. In the event Consultant and City agree that

extra and/or changed Services are required, or that additional compensation shall be awarded to Consultant for performance of the Services under this Agreement, a supplemental agreement providing for such compensation shall be prepared and shall be executed by the Consultant and the necessary City officials before the extra and/or changed Services are provided.

Section 16. Compliance with Federal, State and Local Laws.

Consultant shall comply with all applicable federal, state and local laws, statutes, ordinances, rules and regulations affecting the Services, including without limitation laws requiring licensing and prohibiting discrimination in employment because of race, creed, color, sex, age, marital status, physical or mental disability, national origin or other prohibited bases. City shall not be responsible or liable for Consultant's failure to comply with applicable laws, statutes, ordinances, rules or regulations.

Section 17. Retention of Records.

Consultant and any subconsultants authorized by the terms of this Agreement shall keep and maintain full and complete documentation and accounting records, employees' time sheets, and correspondence pertaining to the Services, and Consultant shall make such documents available for review and/or audit by City and City's representatives at all reasonable times during performance of the Services and for at least four (4) years after completion of the Services and/or termination of this Agreement.

Section 18. Alternative Dispute Resolution

- A. Before resorting to mediation, arbitration or other legal process, the primary contacts of the parties shall meet and confer and attempt to amicably resolve any dispute arising from or relating to this Agreement subject to the following provisions. Any party desiring to meet and confer shall so advise the other party pursuant to a written notice. Within 15 days after provision of that written notice by the party desiring to meet and confer, the primary contacts for each party shall meet in person and attempt to amicably resolve their dispute. Each primary contact, or the person acting in their absence with full authority to resolve the dispute, shall attend the meeting and shall be prepared to devote an entire day thereto. If any dispute remains unresolved at the end of the meeting, any party to this Agreement shall have the right to invoke the mediation process provided for in the subparagraph B below.
- B. Subject to the provisions of subparagraph A, any dispute that remains unresolved after the meet and confer shall immediately be submitted to non-binding neutral mediation, before a mutually acceptable, neutral retired judge or justice at the Sacramento Office of the Judicial Arbitration and Mediation Service ("JAMS"). If within five days after the meet and confer the parties are unable to agree upon the selection of a neutral mediator, then the first available retired judge or justice at the Sacramento office of JAMS shall serve as the neutral mediator. The parties agree to commit to at least one full day to the mediation process. Additionally, to expedite the resolution of any dispute that is not resolved by mediation, the parties agree to

- each bring to the neutral mediation a list of at least five neutral arbitrators, including their resumes, whose availability for an arbitration hearing within 30 days after the mediation has been confirmed.
- C. If mediation is unsuccessful, before the mediation concludes, the parties shall mediate the selection of a neutral arbitrator to assist in the resolution of their dispute. If the parties are unable to agree on an arbitrator, the parties agree to submit selection of an arbitrator to the mediator, whose decision shall be binding on the parties. In that case, the mediator shall select a neutral arbitrator from the then active list of retired judges or justices at the Sacramento Office of the JAMS. The arbitration shall be conducted pursuant to the provisions of the California Arbitration Act, sections 1280-1294.2 of the California Code of Civil Procedure. In such case, the provisions of Code of Civil Procedure Section 1283.05 and 1283.1 shall apply and are hereby incorporated into this Agreement.
- D. This section 18 shall survive the termination or expiration of this Agreement. If there is no Sacramento office of JAMS, then the office of JAMS closest to the City shall be used instead of a Sacramento office.

Section 19. Severability.

The provisions of this Agreement are severable. If any portion of this Agreement is held invalid by an arbitrator or by a court of competent jurisdiction, the remainder of the Agreement shall remain in full force and effect unless amended or modified by the mutual written consent of the parties.

Section 20. Entire Agreement; Amendment.

This Agreement, including all exhibits hereto, constitutes the complete and exclusive expression of the understanding and agreement between the parties with respect to the subject matter hereof. All prior written and oral communications, including correspondence, drafts, memoranda, and representations, are superseded in total by this Agreement. This Agreement may be amended or extended from time to time only by written agreement of the parties hereto.

Section 21. Time of the Essence.

Time is of the essence in the performance of the Services. The Consultant will perform its Services with due and reasonable diligence consistent with sound professional practices and shall devote such time to the performance of the Services as may be necessary for their timely completion.

Section 22. Written Notification.

Except as otherwise specified in this Agreement, any notice, demand, request, consent, approval or communications that either party desires or is required to give to the other party shall be in writing and either served personally or sent by first class mail, postage prepaid and addressed as follows. Either party may change its address by notifying the other party in writing of the change of address. Notice shall be deemed communicated within two business days from the time of mailing if mailed within the State of California as

provided in this Section.

If to City: City of Colfax
33 S. Main Street
Colfax, CA 95713

If to Consultant: RCAC
3120 Freeboard Drive, Suite 201
West Sacramento, CA 95691

Section 23. Execution.

This Agreement may be executed in original counterparts, each of which shall constitute one and the same instrument and shall become binding upon the parties when at least one original counterpart is signed by both parties hereto. In proving this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

Section 24. Successors.

This Agreement shall be binding on and inure to the benefit of the respective parties hereto except to the extent of any contrary provision in this Agreement.

Section 25. Attorney's Fees.

If any party to this Agreement commences legal proceedings to enforce any of its terms or to recover damages for its breach, the prevailing party shall be entitled to recover its reasonable attorney's fees, costs and the expenses of expert witnesses, including any such fees costs and expenses incurred on appeal.

IN WITNESS WHEREOF, the parties hereby have executed this Agreement on the day first above written:

CITY	CONSULTANT
Signature: _____	Signature: _____
Printed Name: _____	Printed Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

APPROVED AS TO FORM:

City Attorney

CITY OF COLFAX



**REQUEST FOR PROPOSALS
AND PRICE ESTIMATE
FOR AN UPDATE
OF THE CITY OF COLFAX'S UTILITY RATES
FOR WASTEWATER**

Submission Deadline: October 2, 2017 - 4 p.m.

**CITY OF COLFAX
REQUEST FOR PROPOSALS
FOR AN UPDATE OF THE
CITY OF COLFAX'S UTILITY RATES FOR
WASTEWATER**

I. PURPOSE

The City of Colfax is seeking professional consulting services to update the City Utility Rates for Wastewater. The Update will determine the appropriate fee structure to fund operations, debt service and capital replacement programs for the utility. The City of Colfax intends to award a contract or combination of contracts to consultant(s) that have a history of successfully performing services on similar rate studies.

II. BACKGROUND

Located in Placer County, the City of Colfax is approximately 60 miles east of Sacramento. Interstate Highway 80 runs through Colfax. The existing incorporated area of the City of Colfax is 2 square miles.

Colfax operates as a General Law City with a five-member City Council that serves just over 2,000 residents. With approximately 12 full-time employees and 1 part-time employee the City operates and maintains its own sewer facilities, street systems, and parks.

The current City Utility Rates were studied and approved in 2008. The rate study is available for review on the City's website in the RFP/Bids section at www.colfax-ca.gov.

III. SCOPE OF SERVICES

The Scope of Services involves all necessary analyses and documentation to perform the study of the City's utility rates and recommendation of a five-year rate schedule. In general, the scope of work shall involve the following:

Data Collection and Development. The consultant(s) shall work with City staff to collect all available data and to develop additional data when required to fully support a comprehensive City utility rate fee program.

Develop Cost Savings through Creative Solutions. The consultant shall research and give recommendations to the City for potential cost savings. One such consideration may be negotiation of the terms of the Wastewater Treatment Plant loan. The City would like the consultant to investigate other options which may alleviate the high costs to the rate payers.

Fee Calculation and Analysis. The consultant(s) shall determine the City of Colfax's utility rates based on costs to provide ongoing operations, payoff existing loans (Debt Service) and implementation of an adequate capital replacement program. The utility rate study should take into account the mandated programs and industry trends specific to the services being provided. In addition, the consultant(s) will also propose a methodology for annual inflationary adjustments if needed.

Draft Report. The consultant(s) shall prepare and provide a report that documents the fee study results, including, but not limited to, a description of the overall methodology, findings, supporting justification, recommended utility rates and the calculations that provide the legal nexus between services provided and the benefits from those services.

Presentation of Materials. The consultant(s) shall present information at briefing meetings with City staff at critical points in the preparation process in a manner that a typical member of the community would understand. In addition, upon completion of the Draft Report, the consultant(s) shall be prepared to present the study to the City Council and the residents in a public format. The presentation capabilities and public involvement processes proposed by the consultant(s) is a key factor in determining the successful proposals for the Updates.

Proposition 218 Process. The consultant(s) will propose the preparation and completion of the Proposition 218 process as a potential additional service to the City.

Final City Utility Rate and Presentation. A final study shall be provided and presented to the City Council in a Public Hearing. The successful consultant(s) must be prepared throughout the analysis to (a) adjust its scope of work to account for possible changes in rate structures acceptable to the City; and (b) adjust its methodology to account for local conditions.

IV. FORMAT FOR RESPONSE TO REQUEST FOR PROPOSAL (RFP)

The response to the "Request for Proposals" must be made according to the requirements set forth in this section, both for content and sequence. Failure to adhere to these requirements or to include conditions, limitations or misrepresentations may be cause for rejection of the submittal. Use 8-1/2" X 11" sheets (fold outs are acceptable for charts, etc.) and type size must be large enough to be easily legible (shall not be smaller than 10 point). Please deliver the RFP in a sealed envelope, labeled as shown below in Item A.

- A. Deliver one (1) complete electronic copy and six (4) complete hard copies of the submittal to the contact person listed below.

City of Colfax
ATTN: City Clerk
PO Box 702
33 S Main Street
Colfax, CA 95713

Lorraine Cassidy, City Clerk, will serve as the City's contact for the City utility rate study. The City prefers that any questions, inquiries and matters of coordination regarding this RFP be submitted by e-mail to the contact listed below.

City.clerk@colfax-ca.gov
Phone: (530) 346-2313

- B. Mandatory Content and Sequence of Submittals:

1. Cover Letter.

Section 1 shall be a maximum two-page "Cover Letter" and introduction, and shall include the name and address of the organization submitting the proposal, together with the name, address, telephone and fax numbers, and email address of the contact person who will be authorized to make representation for the organization. This cover letter should also state the Principals' acceptance of the City's Standard Agreement format as provided in Attachment A. If the Consultant proposes any changes to this format, said proposed changes should be outlined in the cover letter.

2. Table of Contents.

Section 2 shall be a detailed “Table of Contents” and shall include an outline of the submittal, identified by sequential page number and by section reference number and section title as described herein.

3. Consultant Qualifications.

Section 3 shall be entitled “Consultant Qualifications” and shall include a description of the consultant firm’s resources, experiences and capabilities as they relate to appropriate City utility rate studies, as well as resumes of the staff to be assigned to this project. Submit in the order identified below:

- a. Background and experience. In this section, describe your firm’s background and its organizational structure. Describe the roles and background of the team leader and key team members. Describe capabilities specific to the scope of work within this RFP.
- b. Consultants. Describe the background and qualifications for each of the consultants your firm would use in meeting the above capabilities and in preparing this City utility rate study.
- c. Scheduling. Delineate the schedule you propose for the City utility rate study.
- d. Cost Control. Describe how your firm ensures that the project contract amount is not exceeded.

4. Description of Analysis.

Section 4 shall be entitled “Description of Analysis” and will describe the methodology that you will utilize to provide the analysis requested in this Request for Proposals, taking care to account for the possible changes in scope and methodology mentioned in the last paragraph under Scope of Services, above.

5. Workplan & Schedule.
Section 5 shall be entitled “Workplan” and will outline how the consultant’s team intends to prepare and complete the City utility rate studies.
6. Price Estimate.
Section 6 shall be entitled “Price Estimate” and shall provide a breakdown of costs by hour and by task contained in the Workplan in Section 5. Provide a total “not to exceed” amount inclusive of ancillary costs, such as copying, travel, phone, etc. The only reimbursable cost will be the printing and binding of the final report for each of the City utility rate studies. The City reserves the right to negotiate the scope of work, overall price estimate and hourly rates prior to entering into a contract with the selected firm(s).
7. Experience Summary.
Section 7 shall be entitled “Experience Summary” and shall briefly describe knowledge and experience in conducting City utility rate studies for other agencies, along with a discussion comparing similarities with this project. Include professional references, including names and telephone numbers for each sample project.
8. Additional Data (this section shall be limited to two pages).
Section 8 shall be entitled “Additional Data” and shall include any other data the consultant deems essential to the evaluation of the qualifications and proposal statements. Where appropriate, please key data back to information contained in Sections 1 thru 7. If there is no additional data, this section will consist of the statement, “We wish to present no additional data.”

V. SELECTION PROCESS

Evaluations of all qualification statements, work plans and price estimates will consist of two steps of selection. The selection committee will be comprised of representatives from the City of Colfax.

The first step will consist of evaluating the proposals for the purpose of ranking the most qualified proposing firms and to recommend either one consultant or a combination of consultants for City Council approval. The City will conduct vendor interviews from October 9 through October 13. Qualifications, assigned personnel, a realistic schedule, experience with the Proposition 218 process, and the ability to involve the residents as stakeholders in the process will be the basis for ranking the most qualified firms. Since the City reserves the right to negotiate the final price with a selected firm, the price estimate will not be the most significant consideration in the first step of the City's selection process.

The second step involves the City negotiating with the proposing firm that it ranks as the most qualified to perform the engagement. The City desires to negotiate the final price for the engagement, details of scope of services, timeline for completion of the engagement, contract terms and conditions. Should the City not be able to negotiate the price and other conditions to its satisfaction, it may choose to negotiate with another qualified proposing firm.

VI. CITY NOTICES

Any questions related to this RFP are to be directed by email to the City's contact person identified herein.

All consultant firms responding to this RFP should note the following:

- A. All work performed for the City of Colfax, including all documents and computer software files associated with the project, will become the exclusive property of the City of Colfax. The proposals must indicate if consultant anticipates using software that is proprietary in nature and therefore cannot be legally released to the City.
- B. The City of Colfax reserves the right to: 1) reject all submittals, 2) request clarification of any submitted information, 3) not enter into any agreement, 4) not select any consultant, 5) cancel this process at any time, 6) amend this process at any time, 7) issue similar RFPs or RFQs in the future, and/or 8) request additional information during the selection process.
- C. The selected consultant is expected to perform and complete the project in its entirety.

D. Any and all costs arising from preparation of this RFP and participation in the selection process incurred by any consultant firm shall be borne by the firm without reimbursements by the City of Colfax.

E.

VII. TIMING AND SCHEDULE

All responses to this RFP must be submitted to the City's contact person identified herein on or before the specified deadline. The City will then review the responses and schedule interviews with the firm(s) who best meet(s) the criteria outlined above.

The proposed schedule is as follows:

Submission deadline	October 2, 2017 – 4 p.m.
Interviews	October 9 through October 13, 2017
Preliminary selection	By October 13, 2017
Negotiation of contract	October 13 to October 18, 2017
Award of contract	October 25 2017 City Council meeting
Project to commence	November 1, 2017



**JOHN CHIANG
TREASURER
STATE OF CALIFORNIA**



PMIA Performance Report

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
09/18/17	1.12	1.08	177
09/19/17	1.12	1.08	176
09/20/17	1.12	1.08	174
09/21/17	1.12	1.08	173
09/22/17	1.12	1.08	179
09/23/17	1.12	1.08	179
09/24/17	1.12	1.08	179
09/25/17	1.12	1.08	175
09/26/17	1.12	1.08	173
09/27/17	1.12	1.08	179
09/28/17	1.13	1.08	180
09/29/17	1.13	1.08	180
09/30/17	1.11	1.08	190
10/01/17	1.11	1.11	191
10/02/17	1.13	1.12	198
10/03/17	1.13	1.12	200
10/04/17	1.13	1.13	198
10/05/17	1.13	1.13	197
10/06/17	1.13	1.13	196
10/07/17	1.13	1.13	196
10/08/17	1.13	1.13	196
10/09/17	1.13	1.13	193
10/10/17	1.13	1.13	194
10/11/17	1.13	1.13	192
10/12/17	1.14	1.13	193
10/13/17	1.14	1.13	193
10/14/17	1.14	1.13	193
10/15/17	1.14	1.13	193
10/16/17	1.15	1.14	195
10/17/17	1.15	1.14	193
10/18/17	1.15	1.14	193

*Daily yield does not reflect capital gains or losses

[View Prior Month Daily Rates](#)

LAIF Performance Report

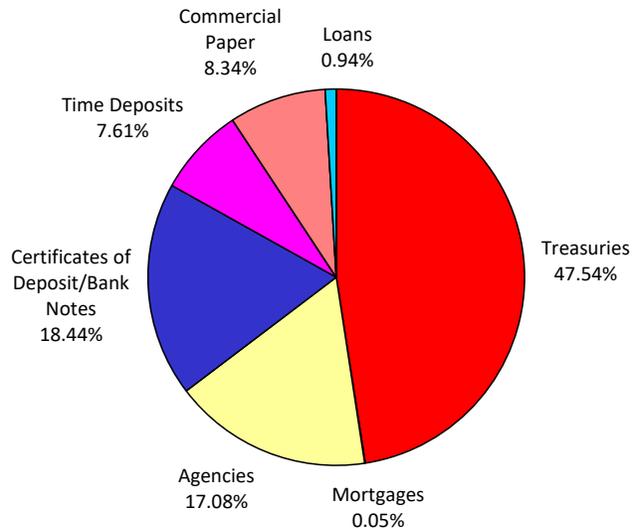
Quarter Ending 09/30/17

Apportionment Rate: 1.07%
 Earnings Ratio: .00002942867511750
 Fair Value Factor: .999042071
 Daily: 1.11%
 Quarter to Date: 1.08%
 Average Life: 190

PMIA Average Monthly Effective Yields

Sept 2017 1.111
 Aug 2017 1.084
 July 2017 1.051

**Pooled Money Investment Account
Portfolio Composition
09/30/17
\$74.1 billion**





California State Treasurer
John Chiang



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POOLED MONEY INVESTMENT ACCOUNT

PMIA Average Monthly Effective Yields

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1977	5.770	5.660	5.660	5.650	5.760	5.850	5.930	6.050	6.090	6.090	6.610	6.730
1978	6.920	7.050	7.140	7.270	7.386	7.569	7.652	7.821	7.871	8.110	8.286	8.769
1979	8.777	8.904	8.820	9.082	9.046	9.224	9.202	9.528	9.259	9.814	10.223	10.218
1980	10.980	11.251	11.490	11.480	12.017	11.798	10.206	9.870	9.945	10.056	10.426	10.961
1981	10.987	11.686	11.130	11.475	12.179	11.442	12.346	12.844	12.059	12.397	11.887	11.484
1982	11.683	12.044	11.835	11.773	12.270	11.994	12.235	11.909	11.151	11.111	10.704	10.401
1983	10.251	9.887	9.688	9.868	9.527	9.600	9.879	10.076	10.202	10.182	10.164	10.227
1984	10.312	10.280	10.382	10.594	10.843	11.119	11.355	11.557	11.597	11.681	11.474	11.024
1985	10.579	10.289	10.118	10.025	10.180	9.743	9.656	9.417	9.572	9.482	9.488	9.371
1986	9.252	9.090	8.958	8.621	8.369	8.225	8.141	7.844	7.512	7.586	7.432	7.439
1987	7.365	7.157	7.205	7.044	7.294	7.289	7.464	7.562	7.712	7.825	8.121	8.071
1988	8.078	8.050	7.945	7.940	7.815	7.929	8.089	8.245	8.341	8.397	8.467	8.563
1989	8.698	8.770	8.870	8.992	9.227	9.204	9.056	8.833	8.801	8.771	8.685	8.645
1990	8.571	8.538	8.506	8.497	8.531	8.538	8.517	8.382	8.333	8.321	8.269	8.279
1991	8.164	8.002	7.775	7.666	7.374	7.169	7.098	7.072	6.859	6.719	6.591	6.318
1992	6.122	5.863	5.680	5.692	5.379	5.323	5.235	4.958	4.760	4.730	4.659	4.647
1993	4.678	4.649	4.624	4.605	4.427	4.554	4.438	4.472	4.430	4.380	4.365	4.384
1994	4.359	4.176	4.248	4.333	4.434	4.623	4.823	4.989	5.106	5.243	5.380	5.528
1995	5.612	5.779	5.934	5.960	6.008	5.997	5.972	5.910	5.832	5.784	5.805	5.748
1996	5.698	5.643	5.557	5.538	5.502	5.548	5.587	5.566	5.601	5.601	5.599	5.574
1997	5.583	5.575	5.580	5.612	5.634	5.667	5.679	5.690	5.707	5.705	5.715	5.744
1998	5.742	5.720	5.680	5.672	5.673	5.671	5.652	5.652	5.639	5.557	5.492	5.374
1999	5.265	5.210	5.136	5.119	5.086	5.095	5.178	5.225	5.274	5.391	5.484	5.639
2000	5.760	5.824	5.851	6.014	6.190	6.349	6.443	6.505	6.502	6.517	6.538	6.535
2001	6.372	6.169	5.976	5.760	5.328	4.958	4.635	4.502	4.288	3.785	3.526	3.261
2002	3.068	2.967	2.861	2.845	2.740	2.687	2.714	2.594	2.604	2.487	2.301	2.201
2003	2.103	1.945	1.904	1.858	1.769	1.697	1.653	1.632	1.635	1.596	1.572	1.545
2004	1.528	1.440	1.474	1.445	1.426	1.469	1.604	1.672	1.771	1.890	2.003	2.134
2005	2.264	2.368	2.542	2.724	2.856	2.967	3.083	3.179	3.324	3.458	3.636	3.808
2006	3.955	4.043	4.142	4.305	4.563	4.700	4.849	4.946	5.023	5.098	5.125	5.129
2007	5.156	5.181	5.214	5.222	5.248	5.250	5.255	5.253	5.231	5.137	4.962	4.801
2008	4.620	4.161	3.777	3.400	3.072	2.894	2.787	2.779	2.774	2.709	2.568	2.353
2009	2.046	1.869	1.822	1.607	1.530	1.377	1.035	0.925	0.750	0.646	0.611	0.569
2010	0.558	0.577	0.547	0.588	0.560	0.528	0.531	0.513	0.500	0.480	0.454	0.462
2011	0.538	0.512	0.500	0.588	0.413	0.448	0.381	0.408	0.378	0.385	0.401	0.382
2012	0.385	0.389	0.383	0.367	0.363	0.358	0.363	0.377	0.348	0.340	0.324	0.326
2013	0.300	0.286	0.285	0.264	0.245	0.244	0.267	0.271	0.257	0.266	0.263	0.264
2014	0.244	0.236	0.236	0.233	0.228	0.228	0.244	0.260	0.246	0.261	0.261	0.267
2015	0.262	0.266	0.278	0.283	0.290	0.299	0.320	0.330	0.337	0.357	0.374	0.400
2016	0.446	0.467	0.506	0.525	0.552	0.576	0.588	0.614	0.634	0.654	0.678	0.719
2017	0.751	0.777	0.821	0.884	0.925	0.978	1.051	1.084	1.111			

AGREEMENT FOR CONSULTANT SERVICES

THIS AGREEMENT is made and entered into on this 26th day of October 2017 by and between the City of Colfax, a municipal corporation of the State of California ("City") and **The RCH Group** ("Consultant").

RECITALS

- A. The City desires to retain Consultant to provide the Services set forth in detail in Exhibit A hereto (the "Services") subject to the terms and conditions of this Agreement.
- B. Consultant is duly licensed and sufficiently experienced to undertake and perform the Services in a skilled and workmanlike manner and desires to do so in accordance with the terms and conditions of this Agreement.

Now, therefore, in consideration of the mutual covenants, promises and conditions set forth in this Agreement, the City and Consultant agree as follows:

Section 1. Services

Subject to the terms and conditions set forth in this Agreement, Consultant shall furnish and perform all of the Services described in detail in Exhibit A hereto and incorporated herein by this reference (the "Services") to the satisfaction of the City. Consultant shall not perform any work exceeding the scope of the Services described in Exhibit A without prior written authorization from the City.

Section 2. Time of Completion.

Consultant's schedule for performance of the Services is set forth in Exhibit A hereto which is incorporated herein by this reference. Consultant shall commence performance of the Services promptly upon receipt of written notice from the City to proceed. Performance of the Services shall progress and conclude in accordance with the schedule set forth in Exhibit A. During the performance of the Services, Consultant shall provide the City with written progress reports at least once each month and at such additional intervals as City may from time to time request.

Section 3. Compensation.

- A. Except as may otherwise be provided in Exhibit A or elsewhere in this Agreement or its exhibits, Consultant shall invoice City once each month for the Services performed during the preceding month. Such invoices shall itemize all charges in such detail as may reasonably be required by City in the usual course of City business but shall include at least:

- i. the date of performance of each of the Services,
- ii. identification of the person who performed the Services,
- iii. a detailed description of the Services performed on each date,
- iv. the hourly rate at which the Services on each date are charged,
- v. an itemization of all costs incurred and
- vi. the total charges for the Services for the month invoiced.

As long as the Consultant performs the Services to the satisfaction of the City, the City shall pay the Consultant an all-inclusive compensation that shall not exceed the amount as detailed in Exhibit A except pursuant to an authorized written change order issued pursuant to Section 15 of this Agreement before the Services requiring additional compensation are performed. City shall pay Consultant no later than thirty (30) days after approval of the monthly invoice by City's staff.

- B. The Consultant's compensation for the Services shall be full compensation for all indirect and direct personnel, materials, supplies, equipment and services incurred by the Consultant and used in carrying out or completing the Services. Payments shall be in accordance with the payment schedule established in Exhibit A or elsewhere in this Agreement or its exhibits.
- C. The City shall have the right to receive, upon request, documentation substantiating charges billed to the City pursuant to this Agreement. The City shall have the right to perform an audit of the Consultant's relevant records pertaining to the charges.
- D. Any Services performed more than sixty (60) days prior to the date upon which they are invoiced to the City shall not be compensable.

Section 4. Professional Ability; Standard of Quality.

City has relied upon the professional training and ability of Consultant to perform the Services described in Exhibit A as a material inducement to enter into this Agreement. Consultant shall therefore provide properly skilled professional and technical personnel to perform all Services under this Agreement. All Services performed by Consultant under this Agreement shall be in a skillful, workmanlike manner in accordance with applicable legal requirements and shall meet the standard of quality ordinarily to be expected of competent professionals in Consultant's field of expertise.

Section 5. Indemnification.

Consultant shall hold harmless and indemnify, including without limitation the cost to defend, the City and its officers, agents and employees from and against any and all claims, demands, damages, costs or liability that arise out of, or pertain to, or relate to the negligence, recklessness or willful misconduct of Consultant and/or its agents in the performance of the Services. This indemnity does not apply to liability for damages for

death or bodily injury to persons, injury to property, or other loss, arising from the sole negligence, willful misconduct or material defects in design by the City or its agents, servants employees or independent contractors other than Consultant who are directly responsible to the City, or arising from the active negligence of the City officers, agents, employees or volunteers

Section 6. Insurance.

Without limiting Consultant's indemnification obligations provided for above, Consultant shall take out before beginning performance of the Services and maintain at all times during the life of this Agreement the following policies of insurance with insurers possessing a Best rating of not less than A. Consultant shall not allow any subcontractor, professional or otherwise, to commence work on any subcontract until all insurance required of the Consultant has also been obtained by the subcontractor.

- A. Workers' Compensation Coverage. Statutory Workers' Compensation insurance and Employer's Liability Insurance to cover its employees. In the alternative, Consultant may rely on a self-insurance program to meet its legal requirements as long as the program of self-insurance complies fully with the provisions of the California Labor Code. Consultant shall also require all subcontractors, if such are authorized by the City, to similarly provide Workers' Compensation insurance as required by the Labor Code of the State of California for all of the subcontractor's employees. All Workers' Compensation policies shall be endorsed with the provision that the insurance shall not be suspended, voided, or cancelled until thirty (30) days prior written notice has been provided to City by the insurer. The Workers' Compensation insurance shall also contain a provision whereby the insurance company agrees to waive all rights of subrogation against the City and its elected or appointed officials, officers, agents, and employees for losses paid under the terms of such policy which arise from the Services performed by the insured for the City.
- B. General Liability Coverage. General liability insurance, including personal injury and property damage insurance for all activities of the Consultant and its subcontractors, if such are authorized by the City, arising out of or in connection with the Services. The insurance shall be written on a comprehensive general liability form and include a broad form comprehensive general liability endorsement. In the alternative, the City will accept, in satisfaction of these requirements, commercial general liability coverage which is equivalent to the comprehensive general liability form and a broad form comprehensive general liability endorsement. The insurance shall be in an amount of not less than \$1 million combined single limit personal injury and property damage for each occurrence. The insurance shall be occurrence based insurance. General liability coverage written on a claims made basis shall not be acceptable absent prior written authorization from the City.

- C. Automobile Liability Coverage. Automobile liability insurance covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with this Agreement, including coverage for owned, hired and non-owned vehicles, in an amount of not less than \$1 million combined single limit for each occurrence.
- D. Policy Endorsements. Each general liability and automobile liability insurance policy shall be endorsed with the following provisions:
1. The City, and its elected or appointed officials, employees and agents shall be named as insureds or additional insureds with regard to damages and defenses of claims arising from activities performed by or on behalf of the Consultant.
 2. The insurance afforded by each policy shall apply separately to each insured who is seeking coverage or against whom a claim is made or a suit is brought, except with respect to the insurer's limits of liability.
 3. The insurance shall be primary insurance as respects the City and its elected or appointed officers, officials, employees and agents. Any other insurance maintained by the City or its elected or appointed officers, officials, employees, agents or volunteers shall be in excess of this insurance and shall not contribute with it.
 4. The insurance shall not be suspended, voided, cancelled, or reduced in coverage or in limits except after thirty (30) days prior written notice has been provided to the City.
 5. Any failure to comply with the reporting requirements of any policy shall not affect coverage provided to the City, its elected or appointed officers, officials, employees, or agents.
- E. Professional Liability Coverage. If required by the City, Consultant shall also take out and maintain professional liability, errors and omissions insurance in an amount not less than \$1 million. The professional liability insurance policy shall be endorsed with a provision stating that it shall not be suspended, voided, cancelled, or reduced in coverage or in limits except after thirty (30) days written notice has been provided to the City.
- F. Insurance Certificates and Endorsements. Prior to commencing the Services under this Agreement, Consultant shall submit to the City documentation evidencing the required insurance signed by the insurance agent and the companies named. This documentation shall be on forms which are acceptable to the City and shall include all required endorsements and verify that coverage is actually in effect. This Agreement shall not be effective until the required insurance forms and endorsements are submitted to and approved by the City. Failure to provide these forms within the time period specified by City may result in the award of this

Agreement to another Consultant should the City, in its sole discretion, decide to do so. Current certification of insurance shall be kept on file with the City at all times during the term of this Agreement.

- G. Deductible and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by City.
- H. Termination of Insurance. If the City receives notification that Consultant's insurance will be suspended, voided, cancelled or reduced in coverage or in limits, and if the Consultant does not provide for either the reinstatement of that insurance or for the furnishing of alternate insurance containing all of the terms and provisions specified above prior to the termination of that insurance, City may either terminate this Agreement for that breach, or City may secure the required insurance to satisfy the conditions of this Agreement and deduct the cost thereof from compensation which would otherwise be due and payable to the Consultant for Services rendered under the terms of this Agreement.

Section 7. Subcontracts.

Consultant may not subcontract any portion of the Services without the written authorization of City. If City consents to a subcontract, Consultant shall be fully responsible to the City and third parties for all acts or omissions of the subcontractor to which the Services or any portion thereof are subcontracted. Nothing in this Agreement shall create any contractual relationship between City and any subcontractor, nor shall it create any obligation on the part of the City to pay or cause the payment of any monies due to any such subcontractor except as otherwise is required by law.

Section 8. Assignment.

Consultant shall not assign any right or obligation under this Agreement without the City's prior written consent. Any attempted assignment of any right or obligation under this Agreement without the City's prior written consent shall be void.

Section 9. Entire Agreement.

This Agreement represents the entire understanding of City and Consultant as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered herein. This Agreement may not be modified or altered except in writing signed by both parties.

Section 10. Jurisdiction.

This Agreement shall be administered and interpreted under the laws of the State of California. Jurisdiction over any litigation arising from this Agreement shall be in the Superior Court of the State of California with venue in Placer County, California.

Section 11. Suspension of Services.

Upon written request by Consultant, City may suspend, in writing, all or any portion of the Services if unforeseen circumstances beyond the control of the City and Consultant make normal progress of the Services impossible, impractical or infeasible. Upon written City approval to suspend performance of the Services, the time for completion of the Services shall be extended by the number of days performance of the Services is suspended.

Section 12. Termination of Services.

City may at any time, at its sole discretion, terminate all or any portion of the Services and this Agreement upon seven (7) days written notice to Consultant. Upon receipt of notice of termination, Consultant shall stop performance of the Services at the stage directed by City. Consultant shall be entitled to payment within thirty (30) days for Services performed up to the date of receipt of the written notice of termination. Consultant shall not be entitled to payment for any Services performed after the receipt of the notice of termination unless such payment is authorized in advance in writing by the City.

Should Consultant fail to perform any of the obligations required of Consultant within the time and in the manner provided for under the terms of this Agreement, or should Consultant violate any of the terms and conditions of this Agreement, City may terminate this Agreement by providing Consultant with seven (7) days written notice of such termination. The Consultant shall be compensated for all Services performed prior to the date of receipt of the notice of termination. However, the City may deduct from the compensation which may be owed to Consultant the amount of damage sustained or estimated by City resulting from Consultant's breach of this Agreement.

Consultant's obligations pursuant to Sections 5 and 6 of this Agreement shall survive termination, and continue in effect for as long as necessary to fulfill the purposes of Sections 5 and 6.

Section 13. Independent Contractor.

Consultant shall in all respects be an independent contractor and not an agent or employee of City. Consultant has and shall retain the right to exercise full control and supervision of the means and methods of performing the Services. Consultant shall receive no premium or enhanced pay for Services normally understood as overtime; nor shall Consultant

receive holiday pay, sick leave, administrative leave or pay for any other time not actually expended in the performance of the Services. It is intended by the parties that Consultant shall not be eligible for benefits and shall receive no compensation from the City, except as expressly set forth in this Agreement. Consultant shall submit completed W -9 and Report of Independent Contractor forms upon execution of this Agreement and prior to the payment of any compensation hereunder.

Section 14. Ownership of Documents.

Within thirty (30) days after the Consultant substantially completes performance of the Services, or within thirty (30) days after the termination of this Agreement, the Consultant shall deliver to the City all files, records, materials and documents drafted or prepared by Consultant's in the performance of the Services. It is expressly understood and agreed that all such files, records, materials and documents are the property of the City and not the property of the Consultant. All finished and unfinished reports, plans, studies, documents and other writings prepared by and for Consultant, its officers, employees and agents in the course of performing the Services shall become the sole property of the City upon payment to Consultant for the Services, and the City shall have the exclusive right to use such materials in its sole discretion without further compensation to Consultant or to any other party. Consultant shall, at Consultant's expense, provide such reports, plans, studies, documents and writings to City or any party the City may designate, upon written request. Consultant may keep file copies of all documents prepared for City. Use of any such documents by the City for projects that are not the subject of this Agreement or for purposes beyond the scope of the Services shall be at the City's sole risk without legal liability or expense to Consultant.

Section 15. Changes and/or Extra Work.

Only the City Council may authorize extra and/or changed Services, modification of the time of completion of the Services, or additional compensation for the tasks to be performed by Consultant. Consultant expressly recognizes that other City personnel are without authorization to order extra and/or changed Services or to obligate the City to the payment of additional compensation. The failure of Consultant to secure the prior written authorization for such extra and/or changed Services shall constitute a waiver of any and all right to adjustment in the contract price due to such unauthorized Services, and Consultant thereafter shall not be entitled to any compensation whatsoever for the performance of such extra or changed Services. In the event Consultant and City agree that extra and/or changed Services are required, or that additional compensation shall be awarded to Consultant for performance of the Services under this Agreement, a supplemental agreement providing for such compensation shall be prepared and shall be executed by the Consultant and the necessary City officials before the extra and/or changed Services are provided.

Section 16. Compliance with Federal, State and Local Laws.

Consultant shall comply with all applicable federal, state and local laws, statutes, ordinances, rules and regulations affecting the Services, including without limitation laws requiring licensing and prohibiting discrimination in employment because of race, creed, color, sex, age, marital status, physical or mental disability, national origin or other prohibited bases. City shall not be responsible or liable for Consultant's failure to comply with applicable laws, statutes, ordinances, rules or regulations.

Section 17. Retention of Records.

Consultant and any subconsultants authorized by the terms of this Agreement shall keep and maintain full and complete documentation and accounting records, employees' time sheets, and correspondence pertaining to the Services, and Consultant shall make such documents available for review and/or audit by City and City's representatives at all reasonable times during performance of the Services and for at least four (4) years after completion of the Services and/or termination of this Agreement.

Section 18. Alternative Dispute Resolution

- A. Before resorting to mediation, arbitration or other legal process, the primary contacts of the parties shall meet and confer and attempt to amicably resolve any dispute arising from or relating to this Agreement subject to the following provisions. Any party desiring to meet and confer shall so advise the other party pursuant to a written notice. Within 15 days after provision of that written notice by the party desiring to meet and confer, the primary contacts for each party shall meet in person and attempt to amicably resolve their dispute. Each primary contact, or the person acting in their absence with full authority to resolve the dispute, shall attend the meeting and shall be prepared to devote an entire day thereto. If any dispute remains unresolved at the end of the meeting, any party to this Agreement shall have the right to invoke the mediation process provided for in the subparagraph B below.
- B. Subject to the provisions of subparagraph A, any dispute that remains unresolved after the meet and confer shall immediately be submitted to non-binding neutral mediation, before a mutually acceptable, neutral retired judge or justice at the Sacramento Office of the Judicial Arbitration and Mediation Service ("JAMS"). If within five days after the meet and confer the parties are unable to agree upon the selection of a neutral mediator, then the first available retired judge or justice at the Sacramento office of JAMS shall serve as the neutral mediator. The parties agree to commit to at least one full day to the mediation process. Additionally, to expedite the resolution of any dispute that is not resolved by mediation, the parties agree to each bring to the neutral mediation a list of at least five neutral arbitrators,

including their resumes, whose availability for an arbitration hearing within 30 days after the mediation has been confirmed.

- C. If mediation is unsuccessful, before the mediation concludes, the parties shall mediate the selection of a neutral arbitrator to assist in the resolution of their dispute. If the parties are unable to agree on an arbitrator, the parties agree to submit selection of an arbitrator to the mediator, whose decision shall be binding on the parties. In that case, the mediator shall select a neutral arbitrator from the then active list of retired judges or justices at the Sacramento Office of the JAMS. The arbitration shall be conducted pursuant to the provisions of the California Arbitration Act, sections 1280-1294.2 of the California Code of Civil Procedure. In such case, the provisions of Code of Civil Procedure Section 1283.05 and 1283.1 shall apply and are hereby incorporated into this Agreement.
- D. This section 18 shall survive the termination or expiration of this Agreement. If there is no Sacramento office of JAMS, then the office of JAMS closest to the City shall be used instead of a Sacramento office.

Section 19. Severability.

The provisions of this Agreement are severable. If any portion of this Agreement is held invalid by an arbitrator or by a court of competent jurisdiction, the remainder of the Agreement shall remain in full force and effect unless amended or modified by the mutual written consent of the parties.

Section 20. Entire Agreement; Amendment.

This Agreement, including all exhibits hereto, constitutes the complete and exclusive expression of the understanding and agreement between the parties with respect to the subject matter hereof. All prior written and oral communications, including correspondence, drafts, memoranda, and representations, are superseded in total by this Agreement. This Agreement may be amended or extended from time to time only by written agreement of the parties hereto.

Section 21. Time of the Essence.

Time is of the essence in the performance of the Services. The Consultant will perform its Services with due and reasonable diligence consistent with sound professional practices and shall devote such time to the performance of the Services as may be necessary for their timely completion.

Section 22. Written Notification.

Except as otherwise specified in this Agreement, any notice, demand, request, consent, approval or communications that either party desires or is required to give to the other party shall be in writing and either served personally or sent by first class mail, postage prepaid and addressed as follows. Either party may change its address by notifying the other party in writing of the change of address. Notice shall be deemed communicated within two business days from the time of mailing if mailed within the State of California as provided in this Section.

If to City: City of Colfax
 33 S. Main Street
 Colfax, CA 95713

If to Consultant: The RCH Group
 1106 White Rock Road, Suite 150-A
 Rancho Cordova, CA 95670

Section 23. Execution.

This Agreement may be executed in original counterparts, each of which shall constitute one and the same instrument and shall become binding upon the parties when at least one original counterpart is signed by both parties hereto. In proving this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

Section 24. Successors.

This Agreement shall be binding on and inure to the benefit of the respective parties hereto except to the extent of any contrary provision in this Agreement.

Section 25. Attorney's Fees.

If any party to this Agreement commences legal proceedings to enforce any of its terms or to recover damages for its breach, the prevailing party shall be entitled to recover its reasonable attorney's fees, costs and the expenses of expert witnesses, including any such fees costs and expenses incurred on appeal.

IN WITNESS WHEREOF, the parties hereby have executed this Agreement on the day first above written:

CITY

CONSULTANT

Signature: _____

Signature: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

APPROVED AS TO FORM:

City Attorney